

# Chuan Holdings Limited

## 川控股有限公司\*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1420

The background of the cover features a collage of images related to infrastructure and construction. At the top, there is a view of a modern highway with a multi-lane elevated bridge or viaduct supported by concrete pillars. The bridge has a blue-tinted railing. Below the bridge, a road curves through a green landscape with trees. In the lower-left quadrant, there is a construction site with a large yellow and red truck, possibly a tanker or a specialized transport vehicle, parked on a dirt area. In the background of this site, there are cranes and buildings under construction. At the bottom of the cover, there is a close-up view of a construction site showing a grid of steel reinforcement bars (rebar) laid out on a concrete slab, with yellow and black safety markings on the ground.

ANNUAL REPORT  
**2025**

\* For identification purposes only

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# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors

Mr. Lim Kui Teng (*Chief Executive Officer*)  
Mr. Phang Yew Kiat (*Chairman*)  
Mr. Bijay Joseph  
Ms. Ong Sok Hun (*Chief Financial Officer*)

### Independent Non-executive Directors

Mr. Wee Hian Eng Cyrus  
Mr. Wong Ka Bo Jimmy  
Mr. Xu Fenglei

## AUDIT COMMITTEE

Mr. Wong Ka Bo Jimmy (*Chairman*)  
Mr. Wee Hian Eng Cyrus  
Mr. Xu Fenglei

## NOMINATION COMMITTEE

Mr. Phang Yew Kiat (*Chairman*)  
Ms. Ong Sok Hun (appointed on 26 June 2025)  
Mr. Wee Hian Eng Cyrus (appointed on 26 June 2025)  
Mr. Wong Ka Bo Jimmy  
Mr. Xu Fenglei

## REMUNERATION COMMITTEE

Mr. Xu Fenglei (*Chairman*)  
Mr. Lim Kui Teng  
Mr. Wong Ka Bo Jimmy

## COMPANY SECRETARY

Mr. Ho Kai Tak

## AUTHORISED REPRESENTATIVES

Mr. Lim Kui Teng  
Mr. Ho Kai Tak

## AUDITOR

Ernst & Young LLP  
Certified Public Accountant  
One Raffles Quay, North Tower  
Level 18, Singapore 048583  
Audit Partner: Low Bek Teng  
(since financial year ended 31 December 2021)

## REGISTERED OFFICE

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

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 1909-1910, 19/F  
China Insurance Group Building  
141 Des Voeux Road Central  
Central, Hong Kong  
(with effect from 8 April 2026)

Rooms 2102-03, 21/F, 299QRC  
287-299 Queen's Road Central  
Hong Kong  
(ceased to be effective from 8 April 2026)

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

20 Senoko Drive  
Singapore 758207

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## LISTING INFORMATION

The Stock Exchange of Hong Kong Limited  
Stock Code: 1420

## COMPANY WEBSITE

[www.chuanholdingsltd.com](http://www.chuanholdingsltd.com)

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## LEGAL ADVISER

*As to Hong Kong law*

Chow & Ho, Solicitors  
Rooms 1909-1910, 19/F  
China Insurance Group Building  
141 Des Voeux Road Central  
Central, Hong Kong  
(with effect from 8 April 2026)

Rooms 2102-03, 21/F, 299QRC  
287-299 Queen's Road Central  
Hong Kong  
(ceased to be effective from 8 April 2026)

## PRINCIPAL BANKERS

Maybank Singapore Limited  
DBS Bank Ltd (Singapore)  
The Hongkong and Shanghai Banking  
Corporation Limited  
United Overseas Bank Limited

# FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of Chuan Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**” or “**we**”) for the last five financial years is set out below:

## Highlights of Consolidated Statements of Comprehensive Income

	Year ended 31 December				
	2025 S\$'000	2024 S\$'000	2023 S\$'000	2022 S\$'000	2021 S\$'000
Revenue	170,004	143,750	120,832	88,605	85,416
Gross profit	36,204	18,959	8,592	6,198	4,337
Profit before income tax	24,253	11,220	4,557	2,436	1,847
Net profit attributable to owners of the Company	18,964	8,141	3,245	1,723	1,500
Total comprehensive income for the year attributable to the owners of the Company	19,034	8,119	3,245	2,193	1,456
Earnings per share					
– basic (S cents) <sup>(1)</sup>	1.50	0.64	0.31	0.17	0.14
– diluted (S cents) <sup>(1)</sup>	1.41	0.61	0.29	0.15	0.13

## Highlights of Consolidated Statements of Financial Position

	As at 31 December				
	2025 S\$'000	2024 S\$'000	2023 S\$'000	2022 S\$'000	2021 S\$'000
<b>Assets</b>					
Non-current assets	110,542	106,440	45,214	32,481	33,299
Current assets	104,663	85,059	76,471	78,054	78,541
Total assets	215,205	191,499	121,685	110,535	111,840
<b>Liabilities</b>					
Non-current liabilities	31,092	37,338	3,522	3,085	5,732
Current liabilities	61,931	51,013	26,075	18,667	19,601
Total liabilities	93,023	88,351	29,597	21,752	25,333
<b>Total equity</b>	122,182	103,148	92,088	88,783	86,507
<b>Net assets per share (S cents)<sup>(2)</sup></b>	9.67	8.16	8.88	8.57	8.35

# FIVE YEARS FINANCIAL SUMMARY

## Key Financial Ratios

	Year ended 31 December				
	2025	2024	2023	2022	2021
Current ratio (times)	1.7	1.7	2.9	4.2	4.0
Gearing ratio (times)	0.3	0.5	0.1	0.1	0.1
Gross profit margin (%)	21.3%	13.2%	7.1%	7.0%	5.1%
Profit for the year margin (%)	11.2%	5.7%	2.7%	1.9%	1.8%
Return on equity (%)	15.5%	7.9%	3.5%	1.9%	1.4%

### Notes:

- (1) The calculation of basic earnings per share is based on the net profit attributable to owners of the Company and on the weighted average number of ordinary shares (the "Shares") of HK\$0.01 each in the share capital of the Company in issue. The weighted average number of Shares for the financial year ended 31 December 2021 to 2023 and 2024 to 2025 were 1,036,456,000 and 1,263,427,200 respectively. The weighted average number of Shares adjusted for the effects of dilution from the Group's share options for the financial year ended 31 December 2021, 2022 to 2023 and 2024 to 2025 were 1,126,044,000, 1,136,408,000 and 1,342,651,200 respectively.
- (2) Net assets per share is calculated by dividing net assets by the number of Shares in issue as at the respective year ends. As at 31 December 2021, 2022 and 2023, the number of Shares in issue was 1,036,456,000 Shares. As at 31 December 2024, the number of Shares in issue was 1,263,427,200 Shares as 228,019,200 Shares were allotted and issued and 1,048,000 Shares were repurchased and cancelled by the Company during the year ended 31 December 2024. As at 31 December 2025, the number of Shares in issue was 1,263,427,200 Shares.

# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Director(s)**”), I am delighted to present the Group’s annual report for the financial year ended 31 December 2025 (the “**Year**” or the “**Reporting Year**” or “**2025**”).

## NAVIGATING STRUCTURAL SHIFTS WITH STRATEGIC AGILITY

The year 2025 materialised amidst a complex tapestry of macroeconomic volatility and evolving industry paradigms. While the global economic landscape presented multifaceted challenges, Singapore’s construction sector exhibited formidable resilience, buoyed by sustained public sector investments and strategic private developments. Seizing upon this robust momentum, the Group achieved stellar operational outcomes, anchored by our profound industry acumen, precise strategic execution and commanding market presence. We successfully navigated the structural shift in demand dynamics, pivoting adeptly towards large-scale public sector projects. This strategic recalibration not only cemented our vanguard position within Singapore’s construction landscape but also ignited a comprehensive metamorphosis of our internal operational architecture. Consequently, we have instituted highly rigorous micro-management protocols and the deployment of sophisticated, system-driven methodologies to ensure sustained excellence.

Our financial achievements in 2025 reflect a deliberate and successful strategic focus on securing higher-quality, better-margin projects. The Group’s total revenue surged by approximately 18.3% to reach approximately S\$170.0 million, up from approximately S\$143.8 million in the previous year. More profoundly, our relentless pursuit of superlative project management and operational synergy yielded remarkable results – a leap of approximately 132.9% in net profit attributable to owners of the Company, reaching approximately S\$19.0 million, accompanied by an impressive enhancement of approximately 91.0% in gross profit to approximately S\$36.2 million during the Year. Correspondingly, the gross profit margin witnessed a robust expansion, strengthening significantly to approximately 21.3% from 13.2% in 2024. This exceptional performance stands as an unequivocal testament to our rigorous operational discipline, astute cost-containment frameworks and the flawless execution of our overarching strategic vision.

## ARCHITECTING SUSTAINABLE GROWTH AND TECHNOLOGICAL SUPREMACY

The Group's prestigious A2-grade contractor status in both civil engineering and general building under the Contractors Registration System of Singapore's Building and Construction Authority ("BCA") continues to act as a formidable engine for enterprise growth, securing our premier positioning at the forefront of Singapore's most complex and high-profile infrastructure developments. During the Year, we successfully secured 27 new projects across our business segments, with an estimated combined contract value of approximately S\$122.6 million. This robust order book replenishment, culminating in 79 ongoing projects with a total aggregate contract sum of approximately S\$766.9 million as at 31 December 2025, is a testament to the market's unwavering confidence in our execution capabilities.

Recognising the paramount role of innovation in maintaining competitive advantage, the Group relentlessly pioneers technological frontiers, harnessing state-of-the-art solutions to drive unprecedented operational excellence across every facet of our enterprise. Propelled by an unyielding dedication to supreme safety standards and peak operational efficiency, we have seamlessly deployed artificial intelligence ("AI") technology across our entire logistics fleet. Furthermore, the proprietary engineering of our in-house electronic safety architecture, the e-Permit to Work platform, stands as a hallmark of our ingenuity in autonomously streamlining mission-critical processes. These transformative digital initiatives form the bedrock of our advanced project management and real-time analytics capabilities, precipitating a decisive paradigm shift from conventional, individually reliant management toward institutionalised, system-driven governance.

Deeply anchored by our core corporate ethos, "Think Green; Go Green", the Group steadfastly actualises its resolute commitment to environmental stewardship by weaving sustainable methodologies into the very fabric of our operational ecosystem. Our strategic deployment of 12-wheeler heavy-duty trucks signifies a calculated optimisation of logistical energy efficiency – a vital artery of our construction operations. Concurrently, we have spearheaded ecological innovations that yield direct financial efficiencies through the inventive repurposing of materials. This includes the deployment of recycled concrete blocks in monumental private sector undertakings, alongside the successful commercialisation of recycled concrete aggregate. We operate on the unshakeable conviction that the deep integration of sustainability and environmental, social and governance ("ESG") principles is the indispensable bedrock of enduring, long-term value creation.

## FORTIFYING RESILIENCE THROUGH STRATEGIC DIVERSIFICATION

Our strategic diversification into the property investment sector continues to yield substantial dividends, establishing a robust recurring revenue stream that significantly strengthens the Group's financial foundations and operational resilience. The full-year contribution from our integrated property and dormitory management operations generated revenue of approximately S\$12.9 million, representing an impressive surge of approximately 81.8% from the prior year. This synergistic dual-engine growth paradigm – seamlessly marrying our vanguard status in construction with a highly resilient property investment portfolio – effectively insulates the Group against industry cyclicality, serving as the definitive cornerstone of our blueprint for enduring value creation.

# CHAIRMAN'S STATEMENT

While we remain vigilant to the structural challenges of rising business costs, wage inflation and a highly competitive labour market exacerbated by Dependency Ratio Ceiling requirements, our pre-emptive mastery of human capital strategy and operational optimisation imbues us with the absolute confidence to transcend these obstacles. We have instituted uncompromising mitigation frameworks, encompassing the fortification of strategic workforce planning, the surgical optimisation of manpower deployment across all project sites and the astute mobilisation of outsourced auxiliary support. These decisive measures guarantee stringent regulatory compliance while unequivocally safeguarding our impeccable project delivery timelines.

## CATALYSING FUTURE GROWTH

Looking ahead, the outlook for Singapore's construction sector remains exceptionally bright, driven by a formidable pipeline of public sector megaprojects and steady private sector investment. The Group is exceptionally well-positioned to capitalise on this multi-year industry supercycle. As we strive to elevate our market positioning and take on more main contractor projects, our strategic priority remains unequivocally focused on revenue growth accompanied by operational efficiency. We are urgently establishing solid cost monitoring systems, refining our supply chain evaluation frameworks and developing comprehensive platforms to document and share our project management expertise.

Our strategic direction for the forthcoming year is to solidify our internal systems, thereby building the requisite capacity to execute larger-scale projects. By growing our organisation and staff in tandem with the increasing size of our direct projects, we aim to transition seamlessly towards an eventual upgrade to an A1-grade BCA contractor status. We are resolute in our conviction to leverage our formidable constellation of strengths, empowering ourselves to neutralise potential market headwinds, seize emergent, high-value opportunities and build a company where employees feel profoundly proud and motivated to contribute.

## APPRECIATION

On behalf of the Board, I would like to extend my heartfelt gratitude to our exceptional management team and dedicated employees for their exemplary commitment, tireless efforts and significant contributions throughout the Year. We are immensely thankful to our esteemed business partners, clients and shareholders for their unwavering trust and support. Their confidence in our vision has been instrumental to our success. As the Group moves forward, we remain committed to embracing new opportunities, addressing challenges through innovative solutions and resilient leadership. We are determined to strengthen our position as an industry pioneer, setting new benchmarks for excellence and forward-thinking initiatives. Through our collective endeavours, we shall continue to foster sustainable growth and drive long-term success, ultimately generating enduring value for all our stakeholders.

**Chuan Holdings Limited**

**Phang Yew Kiat**

*Chairman and Executive Director*

30 March 2026

# MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the Group's annual results for the year ended 31 December 2025, together with comparative figures for the year ended 31 December 2024.

## INDUSTRY REVIEW

The global economy in 2025 was characterised by a blend of cautious optimism and heightened uncertainty. According to the International Monetary Fund (“**IMF**”), global growth demonstrated resilience at approximately 3.3% in 2025, maintaining a steady trajectory despite persistent headwinds. Nevertheless, the economic performance remained subject to significant downside risks, including escalating geopolitical tensions, potential trade policy disruptions and volatility in global energy markets. The contemporary economic landscape continued to be shaped by evolutionary shifts in labour paradigms, the accelerated integration of AI across industries and an increasingly complex geopolitical discourse that altered the parameters of international commerce. Growth within this multifaceted environment demonstrated the global economy's capacity to maintain forward momentum while adapting to structural changes and emerging challenges.

Within this global context, Singapore's economic performance remained a compelling narrative of resilience and strategic adaptation. The Ministry of Trade and Industry (“**MTI**”) of Singapore reported a robust growth rate of 5.0% in 2025, reflecting confidence in the nation's economic fundamentals despite external headwinds. This growth trajectory was underpinned by the continued strong performance of key industries, including electronics, aerospace, finance and information technology, benefiting from the government's forward-looking economic policies and strategic diversification initiatives. The country's manufacturing and trade-related services sectors continued to serve as primary growth engines, while the government's proactive policy framework supported digital transformation, sustainable development and strategic international partnerships.

Singapore's construction industry demonstrated remarkable vitality and resilience during 2025, achieving substantial growth and underscoring its robust recovery and strategic importance to the country's economy. The sector's impressive performance was catalysed mainly by an unprecedented surge in construction contracts, which drove total construction demand to a record-breaking of approximately S\$50.5 billion, significantly fell within BCA's forecast range of S\$47 billion to S\$53 billion. This exceptional demand can be attributed by a formidable pipeline of nation-building megaprojects, including the landmark Changi Airport Terminal 5 development, the continued expansion of the Cross Island Mass Rapid Transit (“**MRT**”) Line, extensive public housing programmes by Singapore's Housing & Development Board and strategic investments in healthcare and industrial infrastructure. The sector's growth was further amplified by sustained private sector confidence, with significant investments in commercial and residential developments. The industry also continued its transformation through the adoption of advanced digital technologies, including AI-driven construction management, Building Information Modelling and the mandated implementation of the CORENET X digital regulatory platform, positioning Singapore at the forefront of global construction innovation.

# MANAGEMENT DISCUSSION AND ANALYSIS

The Group has demonstrated considerable strategic acumen in navigating Singapore's reinvigorated construction landscape, employing a sophisticated, multifaceted approach to operational excellence and market leadership. Through its use of advanced market analytics and real-time intelligence, the Group has maintained exceptional responsiveness to industry dynamics, while simultaneously fortifying its market position through precision-based resource deployment and risk-calibrated decision-making. The Group's operational agility is augmented by substantial investments in digital transformation, facilitating swift adaptation to market changes and capitalising on emerging opportunities across diverse construction verticals. This dynamic operational framework, coupled with rigorous quality assurance systems and innovative project management methodologies, has not only consolidated the Group's market prominence but has also established new benchmarks for industry excellence.

## OVERALL PERFORMANCE

With an illustrious heritage spanning more than two decades, the Group has established itself as one of Singapore's most pre-eminent and trusted earthworks contractors, renowned for its unwavering pursuit of excellence in every undertaking. The Group's enviable reputation is a product of its consistent execution of time-sensitive, dependable, premium-calibre services, anchored by a firm dedication to ethical business practices and exceptional craftsmanship, coupled with its prestigious A2-grade BCA civil engineering and general building contractor status. Central to its expansion strategy was the selective pursuit of high-value public sector projects that offered compelling profit margins while nurturing enduring client relationships across Singapore's construction market.

In addition, the Group's strategic diversification into property investment and dormitory management provided a resilient, recurring income base that complemented the cyclical nature of the construction business. This integrated model, combined with the Group's unwavering focus on operational excellence and disciplined financial management, provided a robust platform for sustainable growth.

During the Reporting Year, the Group generated total revenue of approximately S\$170.0 million, representing a year-on-year increase of approximately 18.3% from approximately S\$143.8 million in 2024. This growth was driven by the strong performance of the earthworks and ancillary services segment, complemented by the full-year contribution from the property investment segment. More notably, the Group's deliberate focus on securing higher-quality, better-margin projects resulted in a remarkable improvement in profitability. Gross profit surged by approximately 91.0% to approximately S\$36.2 million, with the gross profit margin strengthening to approximately 21.3% from 13.2% in the previous year. Net profit attributable to owners of the Company reached approximately S\$19.0 million, a substantial surge of approximately 132.9% from approximately S\$8.1 million in 2024, with the net profit margin improving to approximately 11.2% from 5.7%.

During the Reporting Year, the Group successfully secured 27 new projects across its business segments, with an estimated combined contract value of approximately S\$122.6 million, further reinforcing its robust project pipeline and providing strong revenue visibility for the years ahead. As at 31 December 2025, the Group maintained a substantial order book, with ongoing projects across all segments carrying a total aggregate contract sum of approximately S\$766.9 million.

# MANAGEMENT DISCUSSION AND ANALYSIS

To transition from management by individuals to management by robust systems, the Group has prioritised the development of a platform for knowledge accumulation and transfer. This strategic direction aims to solidify internal systems, enabling the Group to pursue larger projects and grow its scale and profitability. As the Group strives to take on more main contractor projects, establishing a solid cost monitoring system, a supply chain for evaluating subcontractors and a platform to document and share project management systems have become key growth drivers. The Group has also actively embraced technology and innovation to drive productivity. Driven by the Group's management ("Management")'s strong commitment to safety compliance, AI technology has been introduced to the Group's fleet of trucks. Furthermore, the Group successfully developed an in-house electronic safety system, the e-Permit to Work platform, streamlining the permit process independently without relying on external vendors. These initiatives serve as foundational platforms that the Group will actively utilise for project management and feedback.

## Earthworks and Ancillary Services

During the Reporting Year, the earthworks and ancillary services segment continued to serve as the Group's core revenue generator, accounting for approximately 78.3% of its total revenue. The exceptional performance was underpinned by the exemplary execution of higher-margin projects, coupled with sophisticated project cost optimisation and heightened operational excellence. The Group demonstrated strategic excellence through the sophisticated deployment of scale economies, characterised by precision-engineered resource allocation frameworks and the implementation of cutting-edge construction methodologies.

As at 31 December 2025, the Group was engaged in a total of 69 ongoing earthworks and ancillary services projects, with segmental revenue amounting to approximately S\$133.1 million, a year-on-year increase of approximately 36.6%. During the Year, the Group successfully secured 25 new earthworks and ancillary services projects with a total combined contract value of approximately S\$107.3 million. The Group's achievement in securing these significant public infrastructure projects reflects its sophisticated tender strategy and agile market responsiveness, underscoring its enhanced competitive positioning and its ability to identify and capture high-value opportunities in the infrastructure development market.

## General Construction Works

The general construction works segment generated revenue during the Year that reflected a strategic recalibration of the Group's project portfolio. The Group adopted a more selective approach to tendering, prioritising projects that align with its profitability targets and strategic objectives. During the Year, the Group was engaged in 10 ongoing general construction works projects, with segmental revenue amounting to approximately S\$24.0 million, a year-on-year decrease of approximately 38.8%. The Group secured 2 new general construction works projects in 2025 with a total combined contract value of approximately S\$15.3 million. The Group's proven track record of operational excellence, combined with its sophisticated market intelligence capabilities, continues to position it well for securing significant contracts in this segment.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Property Investment

The property investment segment delivered a substantial contribution to the Group's performance during the Year, reflecting the first full year of consolidated operations following the strategic acquisition of Hulett Construction (S) Pte. Ltd. ("**Hulett Construction**") in 2024 (the "**Acquisition**"). The segment generated revenue of approximately S\$12.9 million, representing a significant increase of approximately 81.8% from approximately S\$7.1 million recorded in 2024. This robust, recurring income stream from dormitory and property rentals has significantly strengthened the Group's financial foundation and operational resilience. The property held by Hulett Construction, which is situated at 20 Senoko Drive, Singapore 758207, continues to serve as a vital component within the Group's operational matrix, providing comprehensive infrastructure for workforce accommodation, logistics and production facilities. The segment's performance was underpinned by robust occupancy rates, effective tenant management and stringent cost control measures, all of which collectively ensured sustainable returns on investment.

## PROSPECTS

The global economic outlook for 2026 is characterised by a blend of cautious optimism and heightened uncertainty. According to the IMF's World Economic Outlook Update published in January 2026, global growth is projected at 3.3% for 2026, maintaining a trajectory consistent with 2025. However, this outlook is subject to significant downside risks, including escalating geopolitical tensions, the potential for further trade policy disruptions and the volatility in global energy markets. The contemporary economic landscape continues to be shaped by evolutionary shifts in labour paradigms, the accelerated integration of AI across industries and an increasingly complex geopolitical discourse that continues to alter the parameters of international commerce. Growth within this multifaceted environment demonstrates the global economy's capacity to maintain forward momentum while adapting to structural changes and emerging challenges.

Within this global context, Singapore's economic outlook remains a compelling narrative of resilience and strategic adaptation. MTI has upgraded its gross domestic product growth forecast for 2026 to a range of 2.0% to 4.0%, reflecting confidence in the nation's economic fundamentals despite external headwinds. This growth trajectory is expected to be underpinned by the continued robust performance of key industries, including electronics, aerospace, finance and information technology, and benefits from the government's forward-looking economic policies and strategic diversification initiatives. The country's manufacturing and trade-related services sectors are expected to continue serving as primary growth engines, while the government's proactive policy framework supports digital transformation, sustainable development and strategic international partnerships.

# MANAGEMENT DISCUSSION AND ANALYSIS

Singapore's construction sector is poised for continued strong momentum in 2026 and beyond, entering what industry analysts have described as a multi-decade supercycle. BCA has projected total construction demand of between S\$47 billion and S\$53 billion for 2026, comparable with the record S\$50.5 billion achieved in 2025. Over the medium term, from 2027 to 2030, BCA expects total construction demand to remain elevated at an average of S\$39 billion to S\$46 billion per year. This sustained demand is anchored by transformative infrastructure initiatives, including the continued development of Changi Airport Terminal 5, the Cross Island MRT Line Phase 3, the renewal of MRT signalling systems, the redevelopment of the National University Hospital and extensive public housing programmes. Civil engineering demand is forecast to reach a record S\$11.6 billion to S\$13.4 billion in 2026, while commercial building demand is expected to surge significantly to between S\$6.1 billion and S\$6.7 billion, driven by major integrated resort expansion projects and urban redevelopment initiatives.

Leveraging its prestigious A2-grade BCA civil engineering and general building contractor status, the Group is strategically positioned to capitalise on these emerging market opportunities. Central to its expansion strategy is the selective pursuit of high-value public sector projects that offer compelling profit margins while nurturing enduring client relationships across Singapore's construction market. The Group's strategic diversification into property investment and dormitory management provides a resilient, recurring income base that complements the cyclical nature of the construction business. This integrated model, combined with the Group's unwavering focus on operational excellence and disciplined financial management, provides a robust platform for sustainable growth.

While the Group remains mindful of the persistent challenges of rising business costs and a competitive labour market, its proactive strategies in talent management, technology adoption and productivity enhancement will enable it to navigate these headwinds effectively. The Group has continued to invest in advanced construction methodologies, including the deployment of AI-enabled safety systems, the development of in-house digital management tools and the adoption of sustainable building practices aligned with Singapore's Green Plan 2030. These initiatives not only enhance operational efficiency but also position the Group at the vanguard of the industry's technological transformation.

As Singapore's construction sector continues to evolve, the Group remains resolute in its conviction to leverage its formidable constellation of strengths, empowering itself to seize emergent, high-value opportunities and drive the creation of sustainable, long-term value for the Company's shareholders (the "**Shareholders**"). Leveraging its impressive legacy and deep expertise in Singapore's construction industry, the Group maintains an unwavering commitment to the highest business ethics and operational standards, ensuring impeccable project execution and timely delivery.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Results for the Year

#### Revenue and Gross Profit

	2025			2024		
	Revenue recognised S\$'000	Gross profit S\$'000	Gross profit margin	Revenue recognised S\$'000	Gross profit S\$'000	Gross profit margin
Earthworks and ancillary services	133,126	31,037	23.3%	97,434	14,425	14.8%
General construction works	23,988	1,418	5.9%	39,225	3,205	8.2%
Property investment	12,890	3,749	29.1%	7,091	1,329	18.7%
<b>Total</b>	<b>170,004</b>	<b>36,204</b>	<b>21.3%</b>	<b>143,750</b>	<b>18,959</b>	<b>13.2%</b>

The total revenue of the Group for the year ended 31 December 2025 amounted to approximately S\$170.0 million, representing a surge of approximately S\$26.3 million or 18.3% as compared to the year ended 31 December 2024. The remarkable growth was primarily attributed to the sustained momentum in Singapore's construction sector, complemented by the Group's successful execution of strategic operational initiatives. The Group's revenue enhancement was driven by several key strategic implementations, including competitive bid pricing, a systematic reduction in subcontractor reliance, the maximisation of internal expertise and resource utilisation, the implementation of comprehensive post-project evaluation frameworks and the deployment of analytics-driven tender pricing strategies. Furthermore, enhanced contribution from the earthworks and ancillary services segment, alongside the full-year contribution from the property investment segment, significantly bolstered the Group's financial performance. As a result, the Group registered a substantial increase in gross profit, rising approximately 91.0% to reach approximately S\$36.2 million (31 December 2024: approximately S\$19.0 million). The gross profit margin also increased to approximately 21.3% (31 December 2024: approximately 13.2%), while the Group's profit for the Year amounted to approximately S\$19.0 million (31 December 2024: approximately S\$8.1 million).

# MANAGEMENT DISCUSSION AND ANALYSIS

## *Earthworks and Ancillary Services*

During the Year, the earthworks and ancillary services segment remained the primary revenue generator for the Group, accounting for approximately 78.3% of its total revenue. The exceptional performance was underpinned by the exemplary execution of higher-margin projects, coupled with sophisticated project cost optimisation and heightened operational excellence. Furthermore, the Group demonstrated strategic excellence through the sophisticated deployment of scale economies, characterised by precision-engineered resource allocation frameworks and the implementation of cutting-edge construction methodologies. This dual-pronged approach yielded substantial operational cost efficiency while simultaneously driving enhanced segment profitability. The segmental revenue experienced a year-on-year increase of approximately 36.6% to approximately S\$133.1 million (31 December 2024: approximately S\$97.4 million). Particularly noteworthy was the segmental gross profit, which exhibited remarkable growth, surging approximately 115.2% to approximately S\$31.0 million (31 December 2024: approximately S\$14.4 million).

The Group successfully secured 25 new earthworks and ancillary services projects with a total estimated contract value of approximately S\$107.3 million during the Reporting Year, highlighting its distinguished project execution excellence and robust operational capabilities, strategically positioning it to capitalise on Singapore's construction sector's sustained recovery and stabilisation trajectory.

## *General Construction Works*

During the Reporting Year, the Group demonstrated exceptional operational prowess through the successful execution of high-value projects, achieving significant operational efficiency and strategically securing premium contracts within the country's vibrant construction landscape. The Group's commitment to operational excellence manifested in the successful completion of multiple strategic milestones across major projects, coupled with sophisticated resource optimisation protocols. Financial performance metrics revealed segment revenue of approximately S\$24.0 million, representing a strategic decline from approximately S\$39.2 million in 2024, primarily attributable to the completion of several large-scale projects in the previous year. The segmental gross profit experienced a decline of approximately 55.8% to approximately S\$1.4 million (31 December 2024: approximately S\$3.2 million).

During the Reporting Year, the Group maintained strategic oversight and operational excellence across its general construction works projects. Demonstrating its continued market leadership and business development capabilities, the Group successfully procured 2 new general construction works projects in 2025, commanding an aggregate estimated contract value of approximately S\$15.3 million.

# MANAGEMENT DISCUSSION AND ANALYSIS

## *Property Investment*

During the Reporting Year, the property investment segment delivered a substantial contribution to the Group's performance, reflecting the first full year of consolidated operations following the Acquisition. This segment's full-year contribution for the Year amounted to approximately S\$12.9 million, representing a significant increase of approximately 81.8% as compared to only seven months of contribution of approximately S\$7.1 million recorded in 2024. The Group's strategic utilisation model encompasses strategic surplus capacity leasing, generating stable recurring rental income and demonstrating the Group's commitment to optimal asset monetisation. The segmental gross profit reached approximately S\$3.7 million (31 December 2024: approximately S\$1.3 million), primarily attributable to the consistent rental income stream from the integrated property portfolio. The segment's impressive performance was underpinned by robust occupancy rates, effective tenant management and stringent cost control measures, all of which collectively ensured sustainable returns on investment.

## **Other Income and Gains**

Other income and gains amounted to approximately S\$2.9 million for the year ended 31 December 2025, representing a decrease of approximately S\$0.3 million as compared to the year ended 31 December 2024. Such decrease was mainly due to lower gain on the disposals of property, plant and equipment during the Reporting Year.

## **Administrative and Other Operating Expenses**

During the Reporting Year, administrative and other operating expenses increased by approximately 48.3% to approximately S\$11.5 million (31 December 2024: approximately S\$7.7 million). The increment was primarily attributed to enhanced human capital investments, encompassing both workforce expansion and market-competitive salary adjustments; augmented professional service fees driven by heightened regulatory compliance requirements and business growth initiatives; and an overall inflationary impact on general overheads.

## **Finance Costs**

For the year ended 31 December 2025, finance costs amounted to approximately S\$1.9 million (31 December 2024: approximately S\$2.0 million). The Group maintained a disciplined approach to its financing structure, with the slight decrease reflecting the repayment of certain bank borrowings during the Year.

## **Share of Results of Joint Ventures and Associates**

The Group's share of profit of joint venture amounted to approximately S\$423,000 during the Reporting Year (31 December 2024: share of loss of approximately S\$5,000). The Group's share of losses of associates amounted to approximately S\$1.4 million during the Reporting Year (31 December 2024: share of losses of approximately S\$568,000). The loss was primarily attributable to the dual impact of significantly elevated interest rates on the bank loan secured for the Group's property redevelopment project, reflecting prevailing market conditions, and the concurrent escalation of construction costs encompassing both labour and material costs.

## **Income Tax Expense**

For the year ended 31 December 2025, income tax expense amounted to approximately S\$5.3 million, while that of approximately S\$3.1 million was recorded for the year ended 31 December 2024. The increase in tax expense was commensurate with the significant increase in the Group's profit before tax.

## Net Profit attributable to Owners of the Company and Net Profit Margin

The confluence of the aforementioned factors resulted in a net profit attributable to owners of the Company of approximately S\$19.0 million during the Reporting Year, marking a significant increase of approximately 132.9% from approximately S\$8.1 million for the year ended 31 December 2024. The Group's net profit margin demonstrated notable improvement, reaching approximately 11.2% for the year ended 31 December 2025 (31 December 2024: net profit margin of approximately 5.7%).

## Earnings per Share

For the year ended 31 December 2025, the basic earnings per share was approximately S\$1.50 cents, with the calculation based on net profit attributable to owners of the Company for the Year and the weighted average number of 1,263,427,200 Shares in issue during the Year.

For the year ended 31 December 2025, the diluted earnings per share was approximately S\$1.41 cents, with the calculation based on net profit attributable to owners of the Company for the Year and the weighted average number of Shares adjusted for the effects of dilution from the Group's share options of 1,342,651,200.

For the year ended 31 December 2024, the basic earnings per share was approximately S\$0.64 cents, with the calculation based on net profit attributable to owners of the Company for the year ended 31 December 2024 and the weighted average number of 1,263,427,200 Shares in issue during the year ended 31 December 2024.

For the year ended 31 December 2024, the diluted earnings per share was approximately S\$0.61 cents, with the calculation based on net profit attributable to owners of the Company for the year ended 31 December 2024 and the weighted average number of Shares adjusted for the effects of dilution from the Group's share options of 1,342,651,200.

## Liquidity, Financial Resources and Gearing Ratio

### *Liquidity*

During the Reporting Year, the Group exhibited robust financial resilience, sustaining a strong balance sheet buoyed by a strategic blend of internally generated funds and bank borrowings. As at 31 December 2025, the Group had cash and cash equivalents of approximately S\$26.2 million (31 December 2024: approximately S\$31.4 million). The decrease in cash was primarily due to the Group's investment in capital expenditure and working capital requirements to support its expanded operations, partially offset by strong operating cash flows.

In maintaining its robust financial health, the Group employs rigorous monitoring protocols for cash and cash equivalents, implementing comprehensive oversight mechanisms to ensure optimal liquidity levels that both sustain operational requirements and provide an effective buffer against unforeseen cash flow volatility. This proactive approach to liquidity management underscores the Group's commitment to financial prudence and operational resilience.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Cash Flows Analysis

The table below summaries the Group's cash flows for the years ended 31 December 2025 and 2024:

	2025 S\$'000	2024 S\$'000
Net cash flows generated from operating activities	22,170	28,783
Net cash flows used in investing activities	(3,959)	(43,038)
Net cash flows (used in)/generated from financing activities	<u>(23,313)</u>	<u>15,447</u>

### Operating Activities

For the year ended 31 December 2025, the Group generated net cash inflow from operating activities of approximately S\$22.2 million (31 December 2024: approximately S\$28.8 million). The approximate S\$14.6 million difference between the operating profit before working capital changes and net cash generated from operating activities was mainly attributable to (i) the increase in contract assets amounted to approximately S\$8.7 million; (ii) the increase in trade receivables amounted to approximately S\$8.1 million; (iii) the increase in deposits, prepayments and other receivables of approximately S\$7.6 million; (iv) the decrease in contract liabilities of approximately S\$4.6 million, partially offset by (v) the increase in trade payables of approximately S\$7.0 million; (vi) the increase in other payables, accruals and deposits received of approximately S\$10.3 million; and (vii) the decrease in inventories of approximately S\$272,000. The net cash generated from operations was partially offset by income tax payments of approximately S\$3.2 million.

### Investing Activities

For the year ended 31 December 2025, the net cash flows used in investing activities was approximately S\$4.0 million (31 December 2024: approximately S\$43.0 million), mainly attributable to (i) the proceeds from settlement of financial assets at fair value through profit or loss ("FVTPL") of approximately S\$4.8 million; (ii) the proceeds from disposals of property, plant and equipment of approximately S\$1.6 million; (iii) the interest and dividend received of approximately S\$304,000, offset by (iv) the purchase of property, plant and equipment of approximately S\$7.9 million; (v) the investment in associates and joint venture of approximately S\$2.7 million; and (vi) the purchase of financial assets at FVTPL of approximately S\$154,000.

### Financing Activities

For the year ended 31 December 2025, the net cash flows used in financing activities was approximately S\$23.3 million (31 December 2024: approximately S\$15.4 million generated from financing activities), which was principally attributable to (i) the repayment of borrowings of approximately S\$15.4 million; (ii) the repayment of principal portion of the lease liabilities of approximately S\$6.0 million; (iii) the repayment of interest portion of the lease liabilities amounted to approximately S\$697,000; and (iv) the interest on borrowings paid of approximately S\$1.2 million.

# MANAGEMENT DISCUSSION AND ANALYSIS

## ***Borrowing and Gearing Ratio***

As at 31 December 2025, the Group had an aggregate of current and non-current bank borrowings and lease liabilities of approximately S\$41.4 million, a decrease from approximately S\$52.1 million as at 31 December 2024. As at 31 December 2025, the Group's gearing ratio was approximately 0.34 time (31 December 2024: approximately 0.51 time). Gearing ratio is calculated by dividing total borrowings (borrowings and lease liabilities) by total equity as at the end of the respective years. This improvement reflects both the Group's proactive debt reduction and the substantial increase in total equity to approximately S\$122.2 million (31 December 2024: approximately S\$103.1 million), driven by the strong profitability during the Year.

## ***Cash and Cash Equivalents***

As at 31 December 2025, the Group had cash and cash equivalents of approximately S\$26.2 million (31 December 2024: approximately S\$31.4 million). The Group had cash and cash balances of approximately S\$27.4 million but the amount was reduced by the pledge for the guarantee arrangement and issuance of performance bonds, along with the banking facilities including letter of credit, overdraft and banking guarantee of approximately S\$1.3 million.

## **Foreign Exchange Exposure**

The Group principally operates in Singapore, with the majority of business transactions denominated in Singapore Dollars.

The Group has no substantial foreign exchange risk due to limited foreign currency transactions other than the functional currency of respective entities. To maintain prudent risk management, the Group implements systematic monitoring protocols and conducts regular assessment in a timely manner.

## **Charges on Group's Assets**

As at 31 December 2025, the Group's banking facilities were secured by the pledge of the Group's deposits of approximately S\$1.3 million (31 December 2024: approximately S\$1.3 million), while the Group's lease liabilities were secured by the charge over the leased assets of net book value of approximately S\$20.3 million (31 December 2024: approximately S\$15.3 million).

## **Contingent Liabilities**

As at 31 December 2025, the Group had contingent liabilities in respect of performance bonds of construction contracts in its ordinary course of business in the amount of approximately S\$5.2 million, compared to approximately S\$7.1 million for the year ended 31 December 2024. The guarantees in respect of performance bonds issued by banks were secured by pledged deposits.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Capital Expenditure and Capital Commitments

For the year ended 31 December 2025, the Group invested approximately S\$16.5 million (31 December 2024: approximately S\$10.7 million) in the purchase of property, plant and equipment, which was mainly funded by finance lease liabilities and working capital.

As at 31 December 2025, the Group's capital commitments in respect of acquisition of property, plant and equipment amounted to approximately S\$3.2 million (31 December 2024: approximately S\$2.1 million).

## Significant Investments Held, Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Ventures and Discloseable Transactions

### *Discloseable Transaction in relation to Further Shareholder's Loan to Chuan Investments*

On 7 May 2021, each of Longlands Holdings Limited ("**Longlands**"), a company incorporated in the British Virgin Islands ("**BVI**") with limited liability which is a wholly-owned subsidiary of the Company, Mr. Tng Kay Lim ("**Mr. Tng**"), an independent third party, and Mr. Yang Tse Pin ("**Mr. Yang**"), an independent third party, entered into a shareholder's loan agreement with Chuan Investments Pte. Ltd. ("**Chuan Investments**"), a company incorporated in Singapore with limited liability which is owned as to one-third each by Longlands, Mr. Tng and Mr. Yang, pursuant to which the balance of the capital contribution to Chuan Investments payable by each of Longlands, Mr. Tng and Mr. Yang shall be made by way of unsecured interest-free shareholder's loans in the amount of not more than S\$16,900,000 for the purpose of financing the redevelopment project of Maxwell House, the 13-storey residential and commercial mixed-use building comprising 145 strata units located at 20 Maxwell Road, Singapore 069113 with a land area of 3,883.3 square metres (the "**Redevelopment Project**"). The amount of the contribution was determined based on Chuan Investments' portion (being 30%) of the cash contribution or commitment towards the then capital needs for the Redevelopment Project (being an amount in the range of 20% to 27% of the then total estimated capital needs for the Redevelopment Project). The unsecured interest-free shareholder's loans are repayable on demand. For further details, please refer to the announcement of the Company dated 7 May 2021 and the circular of the Company dated 25 June 2021.

On the respective dates of 3 January 2024 and 12 March 2024, in order to finance Chuan Investments' portion (being 30%) of the cash contribution or commitment towards the then further capital needs for the Redevelopment Project, Longlands and Chuan Investments entered into (i) the further shareholder's loan agreement dated 3 January 2024 (the "**First Further Shareholder's Loan Agreement**"), pursuant to which Longlands provided to Chuan Investments a further shareholder's loan (the "**First Further Shareholder's Loan**") in the amount of S\$500,000 on 3 January 2024; and (ii) the second further shareholder's loan agreement dated 12 March 2024 (the "**Second Further Shareholder's Loan Agreement**"), pursuant to which Longlands provided to Chuan Investments a second further shareholder's loan (the "**Second Further Shareholder's Loan**") in the amount of S\$2,500,000 on 18 March 2024. The aforesaid further shareholder's loans are unsecured, interest-free and repayable on demand. For further details, please refer to the announcement of the Company dated 12 March 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

On the respective dates of 7 January 2025, 2 May 2025, 22 September 2025 and 12 January 2026, in order to finance Chuan Investments' portion (being 30%) of the cash contribution or commitment towards the then further capital needs for the Redevelopment Project, Longlands and Chuan Investments entered into (i) the third further shareholder's loan agreement dated 7 January 2025 (the "**Third Further Shareholder's Loan Agreement**"), pursuant to which Longlands provided to Chuan Investments a third further shareholder's loan (the "**Third Further Shareholder's Loan**") in the amount of S\$750,000 on 7 January 2025; (ii) the fourth further shareholder's loan agreement dated 2 May 2025 (the "**Fourth Further Shareholder's Loan Agreement**"), pursuant to which Longlands provided to Chuan Investments a fourth further shareholder's loan (the "**Fourth Further Shareholder's Loan**") in the amount of S\$250,000 on 2 May 2025; (iii) the fifth further shareholder's loan agreement dated 22 September 2025 (the "**Fifth Further Shareholder's Loan Agreement**"), pursuant to which Longlands provided to Chuan Investments a fifth further shareholder's loan (the "**Fifth Further Shareholder's Loan**") in the amount of S\$750,000 on 22 September 2025; and (iv) the sixth further shareholder's loan agreement dated 12 January 2026 (the "**Sixth Further Shareholder's Loan Agreement**"), pursuant to which Longlands provided to Chuan Investments a sixth further shareholder's loan (the "**Sixth Further Shareholder's Loan**") in the amount of S\$1,500,000 on 16 January 2026. The aforesaid further shareholder's loans are unsecured, interest-free and repayable on demand.

The principal activity of Chuan Investments is investment holding, where Chuan Investments owns 30% equity interest in two joint venture companies established for the Redevelopment Project, namely Maxwell Commercial Pte. Ltd. and Maxwell Residential Pte. Ltd., each of which is a company incorporated in Singapore with limited liability and is owned as to 30% by Chuan Investments, 40% by SingHaiyi Holdings Pte. Ltd. and 30% by SingHaiyi Investments Pte. Ltd.

Taking into account that (i) the Company is optimistic about the future prospect of the Redevelopment Project, which is expected to generate attractive investment return; (ii) the Company is indirectly interested in the Redevelopment Project via Chuan Investments and the provision of the Sixth Further Shareholder's Loan will strengthen the Redevelopment Project's cash position to support the conduct of the redevelopment works and its operations; and (iii) each of Mr. Tng and Mr. Yang has agreed to provide to Chuan Investments a sixth further shareholder's loan in the amount of S\$1,500,000 with terms identical to those of the Sixth Further Shareholder's Loan Agreement, whereby the Group's contribution of the Sixth Further Shareholder's Loan to Chuan Investments remains in proportion to its equity interest in Chuan Investments, the Directors consider that the provision of the Sixth Further Shareholder's Loan (including the terms of the Sixth Further Shareholder's Loan Agreement) is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

For further details, please refer to the announcement of the Company dated 12 January 2026.

Save as disclosed above, during the Reporting Year and up to the date of this annual report, there has been no material change on the current information in relation to the significant investments held, material acquisitions or disposals of subsidiaries, associates and joint ventures and discloseable transactions from the information as disclosed in the interim report of the Group for the six months ended 30 June 2025 (the "**2025 Interim Report**").

# MANAGEMENT DISCUSSION AND ANALYSIS

## Connected Transactions

During the Reporting Year and up to the date of this annual report, there was no connected transaction or continuing connected transaction carried out by the Group which was subject to the annual review and/or disclosure requirements under Chapter 14A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Details of the related party transactions entered into by the Group during the Year are disclosed in Note 30 to the audited consolidated financial statements (the “**Consolidated Financial Statements**”) of the Group for the financial year ended 31 December 2025.

## Off-balance Sheet Transactions

As of 31 December 2025, the Group did not involve in any material off-balance sheet transaction.

## Quantitative and Qualitative Disclosure about Material Risk

### *Foreign Currency Risk*

The majority of the Group’s transactions take place in Singapore and are denominated in Singapore Dollars, which serves as the Group’s functional currency. The Group currently does not have a foreign currency hedging policy. The Management is dedicated to maintaining vigilant oversight of foreign currency exposures, implementing strategic hedging mechanisms when warranted to mitigate significant currency risks.

### *Credit Risk*

As at 31 December 2025, the Group’s maximum exposure to credit risk, which could potentially result in financial loss arising from counterparties’ failure to fulfil their contractual obligations, encompasses several key financial components. The risks include trade and other receivables, contract assets, pledged deposits, cash and cash equivalents and the contingent liabilities stemming from financial guarantees issued by the Group.

The Group maintains a stringent policy of engaging exclusively with recognised and reputable third-party entities for trading transactions. Prior to contract initiation, the Group conducts comprehensive due diligence evaluations encompassing multiple criteria, including the prospective customer’s payment history, current financial capacity, specific business circumstances and the broader economic environment in which they operate.

The Group has established a credit policy and monitored the exposures to these credit risks on an ongoing basis.

### *Liquidity Risk*

The Group prudently manages liquidity risk by monitoring and maintaining sufficient cash and cash equivalents to ensure adequate liquidity for operations as well as alleviate the effects of cash flow volatility. Primarily financed by cash flow generated from operating and financing activities, the Group proactively monitors the utilisation of borrowings and ensures compliance with loan covenants.

## SHARES OPTION SCHEME

A share option scheme (the “**Share Option Scheme**”) was adopted pursuant to the written resolutions of the Shareholders passed on 10 May 2016. The objective of the Share Option Scheme is to enable the Company to grant share options to employees and eligible participants, serving as incentives or rewards to optimise their contribution to the Group, and to attract and retain talented individuals essential for the Group’s performance and expansion.

Details of the Share Option Scheme are disclosed in the “Report of the Directors” on pages 65 to 67 of this annual report and Note 35 to the Consolidated Financial Statements.

## EMPLOYEE AND EMOLUMENT POLICY

As at 31 December 2025, the Group had 745 (31 December 2024: 610) employees.

The Group’s remuneration framework is strategically designed to align compensation with individual responsibilities and prevailing market dynamics. In addition to base compensation, all employees are eligible for performance-driven discretionary bonuses. Furthermore, to recognise exceptional contributions and foster a culture of shared success, the Group has instituted the Share Option Scheme, incentivising its talent to drive the organisation’s continued growth and long-term advancement.

## DIVIDEND

The Board does not propose the payment of a final dividend for the year ended 31 December 2025.

# BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

**Mr. Lim Kui Teng**, aged 57, founder of the Group, was appointed as a Director on 25 August 2015 and re-designated as an executive Director and the chairman of the Board (the “**Chairman of the Board**”) on 5 October 2015. Mr. Lim relinquished his role as the Chairman of the Board on 16 October 2020 and retired as the chairman of the nomination committee (the “**Nomination Committee**”) of the Board on 19 April 2021, but he has continued to act as an executive Director, a member of the remuneration committee (the “**Remuneration Committee**”) of the Board and the chief executive officer (the “**CEO**”) of the Company. Mr. Lim founded Chuan Lim Construction Pte. Ltd. (“**Chuan Lim**”), a company incorporated in Singapore with limited liability which is an indirect wholly-owned operating subsidiary of the Company, in January 1996 and has been a director of the same since then. Mr. Lim is responsible for the Group’s overall management, strategic planning and business development. Mr. Lim is also the sole director of Longlands and a director of CLC Machinery Pte. Ltd. (“**CLC Machinery**”), a company incorporated in Singapore with limited liability which is an indirect wholly-owned subsidiary of the Company, and Hulett Construction.

Mr. Lim has over 29 years of experience in the provision of earthworks in the construction industry in Singapore. He started his career as a trainee operator and site supervisor at Cheng Yap Construction Pte Ltd in January 1985 and was promoted to a formal operator and site supervisor in January 1988. During the course of his work, he had managed various projects including earthworks for Central Expressway tunnel and the apron for the aircraft at Changi Airport Terminal 2. After leaving Cheng Yap Construction Pte Ltd in May 1992 and prior to establishing the Group in January 1996, Mr. Lim set up and operated Chuan Lim Construction & Engineering, which was engaged in the business of building construction and rental of machinery and equipment, as the sole proprietor.

Mr. Lim is the sole shareholder and sole director of Brewster Global Holdings Limited (“**Brewster Global**”), a company incorporated in the BVI with limited liability which has an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “**SFO**”).

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Phang Yew Kiat**, aged 57, joined the Company as an independent non-executive Director on 10 May 2016. He was re-designated as a non-executive Director on 16 October 2020 and has later been re-designated as an executive Director with effect from 1 January 2024. Mr. Phang has also served as the Chairman of the Board with effect from 16 October 2020 and the chairman of the Nomination Committee with effect from 19 April 2021.

Mr. Phang brings over 31 years of experience in banking and managerial roles. He began his career with Standard Chartered Bank in 1994 and held various management positions within the bank's corporate and consumer banking sectors. Notably, he was appointed as the chief financial officer in Indonesia and as the general manager for small and medium enterprises in Singapore and Malaysia. In 2005, Mr. Phang was seconded to China to establish China Bohai Bank, a new national joint-stock commercial bank headquartered in Tianjin. He served as an executive director and the deputy chief executive officer of the bank, overseeing the consumer banking business. For the period between July 2014 and April 2020, Mr. Phang was an executive director, the vice chairman and the chief executive officer of Chong Sing Holdings FinTech Group Limited. Since July 2016, he has acted as a co-founder, the chairman and a non-executive director of Acore Capital Investments, a company licensed by the Monetary Authority of Singapore for Capital Market Services. For the period between 16 December 2024 and 27 May 2025, Mr. Phang was the independent non-executive chairman of TOTM Technologies Limited, shares of which are listed on the Singapore Exchange Limited (SGX Symbol:42F.SI). Mr. Phang graduated from the University of Manchester Institute of Science and Technology in July 1993 with a Bachelor's Degree in Engineering in Microelectronic Systems Engineering. He also obtained a Master's Degree in Business Administration in International Business from the University of Bristol in June 1995. Furthermore, he served as a member of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) Business Advisory Council until May 2023.

**Mr. Bijay Joseph**, aged 57, was appointed as a Director on 25 August 2015 and has been re-designated as an executive Director with effect from 5 October 2015. Mr. Joseph joined the Group in September 2000 and is currently responsible for planning, organising and managing the overall construction development projects. Mr. Joseph is also the chairman of the ESG working taskforce (the "**ESG Taskforce**") of the Group and a director of Chuan Lim and Hulett Construction. Mr. Joseph has over 33 years of working experience in the construction industry. Prior to joining the Group, Mr. Joseph worked at Econ Piling Pte Ltd as a project engineer for the period between August 1995 and August 2000. Mr. Joseph graduated from the Bangalore University, India with a Bachelor of Engineering Degree in Civil Engineering in June 1993. He also obtained a Master of Science (Project Management) Degree from the National University of Singapore in January 2006 and a Master of Business Administration Degree from Nanyang Technological University, Singapore in 2016. Mr. Joseph has achieved accreditations in being a Chartered Engineer of the Institution of Engineers Singapore, a Professional Project Manager of the Society of Project Managers, Singapore, an Accredited Construction Professional of The Singapore Contractors Association Limited and an Accredited Professional Quantity Surveyor of the Singapore Institute of Surveyors and Valuers.

**Ms. Ong Sok Hun**, aged 52, has been appointed as an executive Director with effect from 1 November 2024. Ms. Ong joined the Group in October 2005 and has been appointed as the chief financial officer (the "**CFO**") and the head of the human resources department of the Company with effect from 1 January 2020 and 26 June 2024 respectively. She has also been appointed as a member of the Nomination Committee with effect from 26 June 2025. Ms. Ong is responsible for financial, accounting, human resources, taxation, secretarial affairs, treasury and banking matters of the Group. She is also the head of the ESG Team of the ESG Taskforce. Ms. Ong has over 20 years of experience in the accounting and finance aspects of the construction industry. Ms. Ong graduated from Oxford Brookes University with a Bachelor of Science (Honours) Degree in Applied Accounting in 2003. She was admitted as a Fellow of the Association of Chartered Certified Accountants in October 2008.

# BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Wee Hian Eng Cyrus**, aged 59, has been appointed as an independent non-executive Director and a member of the audit committee (the “**Audit Committee**”) of the Board with effect from 17 December 2019. He has also been appointed as a member of the Nomination Committee with effect from 26 June 2025. Mr. Wee has over 26 years of management experience and over 20 years of real estate industry experience covering a broad spectrum across sales and marketing, project development and investment. Mr. Wee started his real estate career in 2001 with Isshin Realty as a general manager. He proceeded to join Surbana International Consultants Pte. Ltd. in 2007 as the vice president, where he was responsible for spearheading the opening up of consultancy business of Surbana International Consultants Pte. Ltd. in Singapore. Mr. Wee was then promoted to the senior vice president, CEO’s Office and the deputy managing director, Singapore in 2011 and 2014 respectively. For the period between 31 December 2018 and 8 April 2021, Mr. Wee was an executive director and the deputy chief executive officer of ZACD Group Ltd., shares of which are listed on the GEM of the Stock Exchange (Stock Code:8313). Mr. Wee obtained a Bachelor’s Degree in Engineering (Electrical) from the National University of Singapore in June 1992.

**Mr. Wong Ka Bo Jimmy**, aged 45, has been appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee with effect from 27 May 2022. Mr. Wong has more than 19 years of experience in the provision of assurance and advisory services. Mr. Wong worked in Ernst and Young for eight years from 2005 to 2013 with his last position as an audit manager. He then worked as an advisory and audit manager in a Japanese accounting firm from 2013 to 2014. He was an accounting and finance manager of a subsidiary of a company listed on the Main Board of the Stock Exchange from 2014 to 2016. He then joined another accounting firm as a senior audit manager from 2016 to 2018. For the period between November 2019 and November 2020, Mr. Wong was an executive director of Chong Sing Holdings FinTech Group Limited. Since 2020, he has acted as the managing director of Jon Gepsom CPA Limited (previously named as McM (HK) CPA Limited), a Hong Kong accounting firm. For the period between 22 January 2021 and 25 September 2024, Mr. Wong was an independent non-executive director of China Next-Gen Commerce and Supply Chain Limited (previously named as S&T Holdings Limited), shares of which are listed on the Main Board of the Stock Exchange (Stock Code:3928). Mr. Wong obtained a Bachelor’s Degree in Accountancy, Specialism in Accounting Information System from The Hong Kong Polytechnic University in 2005. Mr. Wong is a practising member of the Hong Kong Institute of Certified Public Accountants.

**Mr. Xu Fenglei**, aged 48, has been appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee with effect from 16 October 2020. He has over 22 years of experience in telecom, mobile internet and information technology fields. From 2004 to 2006, Mr. Xu was a solution manager of ZTE Corporation, shares of which are listed on the Main Board of the Stock Exchange (Stock Code:763). He became the head of the technical and commercial department and the vice president of the sales department of ZTE Singapore Pte. Ltd., a then subsidiary of ZTE Corporation, in 2006 and 2008 respectively. He was the managing director of ZTE Singapore Pte. Ltd. from 2011 to 2017. For the period between 2017 and 2022, Mr. Xu was the chief executive officer and a partner of Sunway International Pte. Ltd. He is currently a co-founder and chief strategy officer of iMin Technology Pte. Ltd., which he joined in March 2022. Mr. Xu obtained a Bachelor’s Degree in Communication Engineering from the Hebei University of Science and Technology, a Master’s Degree in Software Engineering from the Beijing University of Technology and a Master’s Degree in Management from the National University of Ireland, Dublin in June 2001, January 2008 and September 2012 respectively.

# BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

## SENIOR MANAGEMENT

**Mr. Lau Yan Hong**, aged 60, was appointed as a Director on 25 August 2015 and re-designated as an executive Director on 5 October 2015. Mr. Lau retired as an executive Director on 27 May 2022, but he has remained to act as a senior management (the “**Senior Management**”) of the Group. Mr. Lau joined the Group in January 2000 and is currently responsible for overseeing the project team and managing, executing and coordinating the alteration and addition projects. He is also a director of Chuan Lim and the sole director of Advance Data Global Limited, a company incorporated in the BVI with limited liability which is a wholly-owned subsidiary of the Company. Mr. Lau has over 23 years of working experience in the construction industry. Prior to joining the Group, Mr. Lau had approximately 10 years of working experience in quality control and assurance in the retail industry. He obtained a Certificate in Building Construction Safety Supervisors from BCA in November 2000 and is currently a Registered Personnel in Structural Works under the Construction Registration of Tradesmen Scheme of BCA.

**Mr. Hong Kyung Seon**, aged 62, joined Chuan Lim in August 2018 and is currently an executive director of Chuan Lim. Mr. Hong is mainly responsible for the execution of the project tenders, alteration and addition works and building construction works. Mr. Hong has about 40 years of experience in tender and project execution in the construction industry. Prior to joining the Group, he was the vice president of Daelim Industrial Co. at its head office in Seoul and its Singapore branch respectively, where he was entrusted with responsibilities for civil business promotion, tender and project operation for South East Asia and was in charge of tender and project execution for Singapore’s Land Transport Authority (“**LTA**”) and marine project for the Maritime and Port Authority of Singapore. Mr. Hong graduated from Seoul National University, South Korea with a Bachelor’s Degree in Civil Engineering in 1986. Mr. Hong held several senior professional positions such as project manager and project cost and contract manager in various international renowned projects.

**Mr. Lee Yunsang**, aged 46, joined Chuan Lim in October 2018 and is currently a deputy director, tender of Chuan Lim. Mr. Lee is responsible for participating in tender projects such as road and earthworks, setting up the cost budget control programme for the projects or contracts for the purpose of improving the forecast procedure for each project and drafting the project operation plan. Mr. Lee has over 21 years of professional experience in the construction industry. Prior to joining the Group, Mr. Lee held several senior professional positions such as construction engineer, planning engineer, design manager for tender, project manager and tender contract manager in various construction companies. Mr. Lee graduated from Yonsei University, South Korea with a Bachelor’s Degree in Civil Engineering in 2005. Mr. Lee also obtained Certificates of Design for Safety Professional and Construction Safety Course for Project Manager.

**Mr. Lim Chai Huat**, aged 56, joined Chuan Lim in September 2001 and is currently an operation director of Chuan Lim and a director of CLC Machinery. Mr. Lim is responsible for overseeing the execution and implementation of projects, ensuring they are completed on time and within budget, and with a strong focus on safety. His role involves managing progress schedules, cost control and implementing safety measures to maintain the highest standards of quality and efficiency. With over 34 years of experience in the construction industry, Mr. Lim’s expertise lies in earthwork operations, which has been the focus of much of his career. Prior to joining the Group, Mr. Lim worked in both Singapore and Malaysia, where he gained diverse and valuable experience in construction management and site operations. Such background has equipped him with a deep understanding of the industry, enabling him to contribute effectively to various projects throughout his career. Over the years, Mr. Lim continues to expand his knowledge and qualifications. He became a Registered Earthwork Supervisor in 2017 and obtained the Construction Safety Management certification from the Singapore’s LTA Academy in 2018. Those credentials have strengthened his leadership capabilities and allowed him to better manage large-scale projects while prioritising safety and sustainability.

# CORPORATE GOVERNANCE REPORT

Achieving high standards of corporate governance has always been one of the Group's prime tasks. The Board is committed to conducting the Group's business in a transparent and responsible way and maintaining good corporate governance practices, which are considered essential to protect the Shareholders' interests and to enhance corporate value and accountability.

## CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of good corporate governance in and adopted all of the code provisions (the "Code Provision(s)") of the Corporate Governance Code (the "CG Code") set out in Part 2 of Appendix C1 to the Listing Rules as its own code on corporate governance practices.

The Company had complied with all applicable Code Provisions throughout the Year.

The Board is aware that the Company shall comply with the Code Provisions and any deviation from the Code Provisions shall be carefully considered and disclosed in the interim and annual reports of the Group in accordance with the CG Code. The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance.

## BOARD OF DIRECTORS

The Group is led and controlled by the Board, which is collectively responsible for promoting the success of the Group by directing and overseeing the overall management of the Group's affairs and business and establishing the long-term purpose, values and strategy of the Group which are in line with the Group's culture. The Directors take decisions objectively with the aim of protecting and maximising the interests of the Group and the Shareholders.

The Board, with the assistance of the Audit Committee, is also responsible for performing the corporate governance duties as required under the CG Code, which include:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of the Directors and the Senior Management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual, if any, applicable to the employees of the Group and the Directors; and
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report of the Company.

The Board is committed to ensuring values of acting lawfully, ethically and responsibly are embedded throughout the Group's vision, culture, policies and strategy. All Directors must act with integrity, lead by example and promote the desired culture of the Group. Detailed information about the Group's vision, mission, corporate values and strategy is set out in the "Environmental, Social and Governance Report" of this annual report.

The day-to-day management, administration and operations of the Group are delegated to the Management, which works under the leadership and supervision of the CEO and the executive Directors, as discussed in the section headed "Management Functions" below.

## Board Composition

As at 31 December 2025, the Board consisted of seven Directors, including four executive Directors and three independent non-executive Directors.

The composition of the Board and the biographical details (including the length of tenure) of the Directors as at the date of this annual report are set out on page 2 and pages 24 to 26 of this annual report respectively.

An updated list of the Directors identifying their roles and functions and the identity of the independent non-executive Directors is maintained on the website of the Stock Exchange and the website of the Company. The independent non-executive Directors are identified in all corporate communications containing the names of the Directors.

No Director has any relationship (including financial, business, family or other material/relevant relationship(s)) with any other Directors.

The Board currently consists of a diverse mix of the Directors in terms of gender, cultural and educational background, industry experience, professional knowledge and skills. The Board reviews its composition annually to ensure that it has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business.

## Board Independence

A balanced composition of the executive and non-executive Directors (including the independent non-executive Directors) is maintained to ensure a strong independent element on the Board, which can effectively exercise independent judgment and provide sufficient checks and balances that safeguard the Shareholders' interests. The non-executive Directors (including the independent non-executive Directors) possess diverse academic and professional qualifications, skills and experience and give the Board the benefit of a wide range of valuable business and financial knowledge and expertise. Their views and active participation in the meetings of the Board and its committees (the "Board Committees") bring independent advice on issues relating to the Group's strategy, conflicts of interest and management process and ensure that the Shareholders' interests are taken into account.

# CORPORATE GOVERNANCE REPORT

During the Year and up to the date of this annual report, the Board has at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Board currently has three independent non-executive Directors, representing more than one-third of the Board, and at least one of whom has appropriate professional qualifications or accounting or related financial management expertise. No independent non-executive Director has served for more than nine years.

None of the independent non-executive Directors informed the Company that there was any change of circumstances which might affect his independence during the Year. The Company has received from each of the independent non-executive Directors an annual confirmation of his independence for the Year pursuant to Rule 3.13 of the Listing Rules and considers each of them to be independent for the Year.

The Board has established mechanisms to ensure that independent views and input are available to the Board and reviews their implementation and effectiveness on an annual basis (the “**Board Independence Evaluation Mechanism**”). Pursuant to the Board Independence Evaluation Mechanism, the Board conducted an assessment and discussion on the results of the questionnaire on Board independence submitted by all individual Directors, and taking into account the following channels, the Board considers that it had in place effective mechanisms to ensure a strong independent element on the Board for the Year:

- to maintain a sufficient number of three independent non-executive Directors, representing more than one-third of the Board, and to ensure that all of them continue to devote sufficient time and attention to the affairs of the Group;
- to review annually the cross-directorships in Hong Kong or overseas between the Directors (if any);
- to encourage all Directors to express their views in an open and candid manner during the meetings of the Board and the Board Committees and to ensure that they have opportunity to provide input to the agenda for the meetings;
- to encourage all Directors to access and consult with the Senior Management independently, if necessary;
- to have in place a mechanism for the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, including to assist the Directors in performing their duties to the Company, at the Company’s expense;

- to have in place procedures for assessing the independence of a candidate who is nominated to be a new independent non-executive Director before his/her appointment and to ascertain the continued independence of the current independent non-executive Directors;
- to support the division of responsibilities between the Chairman of the Board and the CEO to ensure a balance of power and authority;
- to ensure that the Chairman of the Board at least annually holds meetings with the independent non-executive Directors without the presence of the other Directors;
- to ensure that no equity-based remuneration with performance-related elements is granted to the independent non-executive Directors; and
- to ensure that all Directors are required to declare their interests (if any) in the matters placed before the Board. If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall be dealt with by a physical Board meeting with the independent non-executive Directors who, and whose close associates, have no material interest in the transaction present. The Directors who, or whose close associates, are considered to be materially interested in the matter shall abstain from voting on the resolution approving such matter.

## Appointment, Re-election and Removal of Directors

Pursuant to the articles of association (the “**Articles of Association**”) of the Company, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Such appointment shall be recommended by the Nomination Committee and approved by the Board based on the formal written procedures and policies adopted by the Company for the nomination of the Directors (the “**Nomination Policy**”) and the diversity of the Board (the “**Board Diversity Policy**”), details of which are set out in the sections headed “Nomination Policy” and headed “Board Diversity Policy” below respectively. According to Article 83(3) of the Articles of Association, any Director so appointed shall hold office only until the first annual general meeting (“**AGM**”) of the Company after his/her appointment and shall then be eligible for re-election.

Furthermore, according to Article 84(1) of the Articles of Association, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (i.e. including those appointed for a specific term) shall be subject to retirement at the AGM at least once every three years. A retiring Director shall be eligible for re-election.

# CORPORATE GOVERNANCE REPORT

All Directors (including the non-executive Directors) have a three-year term of appointment and are subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. Each Director has entered into a written service agreement or a written letter of appointment with the Company setting out the key terms and conditions of his/her appointment, brief details (including the current period of appointment) of which are as follows:

- Mr. Lim Kui Teng, the CEO and an executive Director, has renewed his service agreement with the Company for a term of three years commencing from 1 June 2025, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. He is entitled to a basic salary of S\$1,225,200 per annum and a fixed year-end bonus of S\$15,000 plus a discretionary bonus, which may be subject to adjustment as determined by the Board and the Remuneration Committee with reference to Mr. Lim's individual performance and the Group's performance. The remuneration package of Mr. Lim was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, his qualifications, competence and experience, job responsibilities, involvement with the Group's affairs and individual performance, the Group's performance and the prevailing market conditions and is subject to review by the Board and the Remuneration Committee from time to time;
- Mr. Phang Yew Kiat, the Chairman of the Board and an executive Director, has entered into a new service agreement with the Company for a term of three years commencing from 1 January 2024, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. He is entitled to a basic salary of S\$120,000 per annum. The remuneration of Mr. Phang was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, his qualifications, competence and experience, job responsibilities, involvement with the Group's affairs and individual performance, the Group's performance and the prevailing market conditions and is subject to review by the Board and the Remuneration Committee from time to time;
- Mr. Bijay Joseph, an executive Director, has renewed his service agreement with the Company for a term of three years commencing from 1 June 2025, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. He is entitled to a basic salary of S\$352,800 per annum and a fixed year-end bonus of S\$12,500 plus a discretionary bonus, which may be subject to adjustment as determined by the Board and the Remuneration Committee with reference to Mr. Joseph's individual performance and the Group's performance. The remuneration package of Mr. Joseph was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, his qualifications, competence and experience, job responsibilities, involvement with the Group's affairs and individual performance, the Group's performance and the prevailing market conditions and is subject to review by the Board and the Remuneration Committee from time to time;

# CORPORATE GOVERNANCE REPORT

- Ms. Ong Sok Hun, the CFO and an executive Director, has entered into a new service agreement with the Company for a term of three years commencing from 1 November 2024, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. She is entitled to a basic salary of S\$186,000 per annum and a fixed year-end bonus of S\$28,750 plus a discretionary bonus, which may be subject to adjustment as determined by the Board and the Remuneration Committee with reference to Ms. Ong's individual performance and the Group's performance. The remuneration package of Ms. Ong was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, her qualifications, competence and experience, job responsibilities, involvement with the Group's affairs and individual performance, the Group's performance and the prevailing market conditions and is subject to review by the Board and the Remuneration Committee from time to time;
- Mr. Wee Hian Eng Cyrus, an independent non-executive Director, has renewed his letter of appointment with the Company for a term of three years commencing from 17 December 2025, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. Mr. Wee is entitled to a director's fee of S\$21,000 per annum, which was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, his skill, knowledge and experience, time commitment and duties and responsibilities within the Company and the prevailing market conditions and is subject to review by the Board and the Remuneration Committee from time to time;
- Mr. Wong Ka Bo Jimmy, an independent non-executive Director, has renewed his letter of appointment with the Company for a term of three years commencing from 27 May 2025, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. Mr. Wong is entitled to a director's fee of HK\$180,000 per annum, which was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, his skill, knowledge and experience, time commitment and duties and responsibilities within the Company and the prevailing market conditions and is subject to review by the Board and the Remuneration Committee from time to time; and
- Mr. Xu Fenglei, an independent non-executive Director, has renewed his letter of appointment with the Company for a term of three years commencing from 16 October 2023, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. Mr. Xu is entitled to a director's fee of S\$24,000 per annum, which was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, his skill, knowledge and experience, time commitment and duties and responsibilities within the Company and the prevailing market conditions and is subject to review by the Board and the Remuneration Committee from time to time.

In accordance with Article 84(1)-(2) of the Articles of Association, Mr. Phang Yew Kiat, Mr. Bijay Joseph and Mr. Wong Ka Bo Jimmy will retire from office by rotation at the forthcoming AGM and, being eligible, have offered themselves for re-election.

# CORPORATE GOVERNANCE REPORT

## Directors' Induction and Continuous Professional Development

All newly appointed Directors shall obtain the legal advice referred to in Rule 3.09D of the Listing Rules before their appointments become effective. They shall also receive a comprehensive, formal and tailored induction arranged by the Company upon appointment to ensure that they have an appropriate understanding of the Group's business, operations and governance policies and full awareness of their responsibilities as a Director under statute and common law, the Listing Rules, legal and other regulatory requirements and the Group's business and governance policies, as well as the possible consequences of making a false declaration or giving false information to the Stock Exchange. From time to time, the Company provides materials, briefings and/or professional development necessary to keep the Directors abreast of their responsibilities and the Group's conduct, business activities and development. The Directors are encouraged to attend seminars, talks and continuous professional development training to enrich their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

During the Year, legal and regulatory updates were provided from time to time to the Directors for their reading to ensure compliance and enhance the Directors' awareness of good corporate governance practices. The Senior Management reported the Group's business activities, including operations, performance, strategy and new initiatives at the regular Board meetings and provided the Directors with monthly updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable the Directors to discharge their duties under the Listing Rules. All Directors attended a training relating to the responsibilities as a Director under the Listing Rules arranged by the Company with the assistance of its company secretary (the "Company Secretary"). The participation of each Director in continuous professional development for the Year is summarised below:

Name of the Directors	Reading regulatory updates	Attending seminars, talks and continuous professional development training
Mr. Lim Kui Teng ( <i>CEO</i> )	✓	✓
Mr. Phang Yew Kiat ( <i>Chairman of the Board</i> )	✓	✓
Mr. Bijay Joseph	✓	✓
Ms. Ong Sok Hun ( <i>CFO</i> )	✓	✓
Mr. Wee Hian Eng Cyrus	✓	✓
Mr. Wong Ka Bo Jimmy	✓	✓
Mr. Xu Fenglei	✓	✓

## Roles and Responsibilities of Directors

The executive Directors oversee the daily operations and management of the Group which include, among others, the implementation of policies and strategy set by the Board. They report periodically to the Board on their works and business decisions.

The non-executive Directors (including the independent non-executive Directors) have the same duties of care and skill and fiduciaries duties as the executive Directors and should make a positive contribution to the development of the Group's strategy and policies through independent, constructive and informed comments. Their functions include:

- to participate in the Board meetings to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;
- to take the lead where potential conflicts of interests arise;
- to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee, if invited; and
- to scrutinise the Group's performance in achieving agreed corporate goals and objectives and to monitor performance reporting.

The Directors (including the non-executive Directors) should ensure that they can give sufficient time and attention to the affairs of the Group. Pursuant to Code Provision C.1.4, all Directors disclosed to the Company at the time of their appointments the number and nature of offices held in public companies or organisations (including the identities of the public companies or organisations and an indication of the time involved) and other significant external time commitments, and they have agreed to disclose to the Company in a timely manner for any changes thereof.

The Board regularly reviews whether the Directors devote sufficient time and make contributions to the Group that are commensurate with their role and Board responsibilities.

## Directors' and Officers' Liability Insurance and Indemnity

The Company has arranged appropriate liability insurance, which is reviewed from time to time, to indemnify the Directors and the officers of the Company in respect of legal actions against them arising from corporate activities. During the Year, no claim was made against any Director or officer of the Company.

## Chairman of the Board and CEO

Code Provision C.2.1 stipulates that the roles of the Chairman of the Board and the CEO should be separate and should not be performed by the same individual and that the division of responsibilities between the Chairman of the Board and the CEO should be clearly established and set out in writing. The Company fully supports such a division of responsibilities in order to ensure a balance of power and authority. During the Year and up to the date of this annual report, the Board has been chaired by Mr. Phang Yew Kiat, an executive Director, whereas Mr. Lim Kui Teng, an executive Director, has acted as the CEO. Those positions have clearly defined separate responsibilities.

# CORPORATE GOVERNANCE REPORT

The Chairman of the Board provides leadership for the Board with the aim of ensuring that the Board works effectively and performs its responsibilities and that all key and appropriate issues can be discussed by the Board in a timely manner. His primary responsibilities include:

- to ensure that good corporate governance practices and procedures are established and maintained;
- to encourage all Directors to make a full and active contribution to the Board's affairs and to take the lead to ensure that the Board acts in the best interests of the Group;
- to ensure that all Directors are properly briefed on issues arising at the Board meetings;
- to ensure that all Directors receive, in a timely manner, adequate information, which must be accurate, clear, complete and reliable;
- to ensure that appropriate steps are taken to provide effective communication with the Shareholders and that their views are communicated to the Board as a whole; and
- to promote a culture of openness and debate by facilitating the effective contribution of the non-executive Directors in particular and ensuring constructive relations between the executive and non-executive Directors.

The Chairman of the Board is committed to maintaining good corporate governance practices and proper Board procedures. During the Year, the Chairman of the Board ensured to have taken into account, where appropriate, any matters proposed by the other Directors for inclusion in the agenda for Board meetings, encouraged and allowed sufficient time for constructive discussions, criticisms and/or debates among the Directors in the Board meetings and ensured that the Board decisions fairly reflected the Board consensus. He also held a meeting with the independent non-executive Directors without the presence of the other Directors.

The CEO leads the day-to-day management of the Group and takes overall responsibility for the supervision of the Management and the monitoring and conduct of the Group's business and ordinary operations in accordance with the policies, strategy and objectives established. The CEO remains accountable to the Board, which sets limits to the authorities exercisable by the CEO and monitors the performance of the CEO to ensure that the Board's objectives are attained.

## Management Functions

Whilst the Board is responsible for directing and approving the Group's overall policies, strategy and objectives, the Group has also formed strong management teams in its business areas, with authorities and responsibilities to develop and exercise both operational and non-operational duties. The management teams' members have a wide range of skills, knowledge and experience necessary to govern the Group's operations.

# CORPORATE GOVERNANCE REPORT

The Board and the Management fully appreciate their respective roles and are committed to achieving good corporate governance. The Board gives clear directions to the Management as to its powers of management and administration, in particular, where the Management should report back and obtain the Board's prior approval before making any decisions or entering into any commitments on the Group's behalf. Major matters of the Group are reserved for the Board's own decisions, including the overall policies, strategy, directions and objectives of the Group; the issue, allotment and disposal of, or grant of options in respect of, the Shares and the debentures of the Company; the significant changes in accounting policies; the appointment and removal of the Directors, the Company Secretary and the external auditor (the "Auditor") of the Company; the dividend of the Company; major acquisitions and disposals; major capital investments; notifiable transactions; and other major operational and financial matters. The Directors clearly understand delegation arrangements in place, which are reviewed by the Board periodically to ensure that the same remain appropriate to the Group's needs and do not significantly hinder or reduce the ability of the Board as a whole to perform its functions.

The Management, under the leadership and supervision of the CEO and the executive Directors, is responsible for the day-to-day management, administration and operations of the Group, the execution of the policies, strategy and objectives set by the Group and the implementation of adequate systems of risk management and internal control procedures. The Management is required to report directly to the CEO and the relevant executive Directors on a regular basis in respect of the business performance and the operational and functional issues of the Group.

## Conduct of Board Proceedings and Supply of and Access to Information

The Board meets regularly and holds meetings at least four times a year at approximately quarterly intervals. A regular Board meeting is scheduled in advance with at least 14 days' notice being given to all Directors so as to give them an opportunity to attend. For all other Board meetings, reasonable notice is generally given. A meeting agenda and accompanying Board papers/materials, in the form and quality sufficient to enable the Board to make informed decisions on the matters placed before it, are sent in full to all Directors in a timely manner and at least three days before the intended date of a Board meeting. All Directors are given an opportunity to include matters in the agenda for Board meetings. The Directors may participate in Board meetings in person or by means of conference telephone, electronic facilities or other communications equipment through which all participants thereof can communicate with each other simultaneously and instantaneously. The Directors may also approve various matters by way of circulating written resolutions, where appropriate.

All Directors are required to declare their interests (if any) in the matters placed before the Board in accordance with the Articles of Association. Should a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall be dealt with by a physical Board meeting, rather than a written resolution, and the independent non-executive Directors who, and whose close associates, have no material interest in the transaction shall be present at the Board meeting. Pursuant to the Articles of Association, the Directors who, or whose close associates, are considered to be materially interested in the matter shall abstain from voting on the resolution approving such matter.

# CORPORATE GOVERNANCE REPORT

The Company Secretary assists the Chairman of the Board to prepare the meeting agendas and ensures that all applicable rules and regulations regarding Board procedures are followed. The Company Secretary is also responsible for taking and keeping minutes of all Board meetings, which should record in sufficient detail the matters considered and decisions reached, including any concerns raised by the Directors or dissenting views expressed. Draft and final versions of minutes are sent to the Directors for their comment and records respectively, within a reasonable time after the Board meeting is held. The final signed versions of the minutes are available for inspection at any reasonable time on reasonable notice by any Director.

During the Year, the Board held four regular meetings and the attendance record of each Director at those meetings is set out below:

Name of the Directors	Attendance/ Number of meetings
<i>Executive Directors</i>	
Mr. Lim Kui Teng (CEO)	4/4
Mr. Phang Yew Kiat (Chairman of the Board)	4/4
Mr. Bijay Joseph	4/4
Ms. Ong Sok Hun (CFO)	4/4
<i>Independent Non-executive Directors</i>	
Mr. Wee Hian Eng Cyrus	4/4
Mr. Wong Ka Bo Jimmy	4/4
Mr. Xu Fenglei	4/4

During the Year, the Board considered and approved, among others, the annual results and report of the Group for the financial year ended 31 December 2024; the annual budget for the Year; the results and performance updates together with business reports from the Management; the interim results and report of the Group for the six months ended 30 June 2025; the proposed re-election of the retiring Directors and re-appointment of the Directors; the proposed re-appointment of Ernst & Young LLP (“EY”) as the Auditor; the appointment of each of Ms. Ong Sok Hun and Mr. Wee Hian Eng Cyrus as a member of the Nomination Committee; the remuneration packages of the Directors and the Senior Management; the adoption of the workforce diversity policy (the “**Workforce Diversity Policy**”) of the Group; the adoption of the revisions to the terms of reference of the Nomination Committee, the Nomination Policy, the Board Diversity Policy and the dividend policy (the “**Dividend Policy**”) and shareholders communication policy (the “**Shareholders Communication Policy**”) of the Company; as well as other critical business operations, compliance and housekeeping matters, including the review of the Board Independence Evaluation Mechanism. The Board also, with the assistance of the Audit Committee, performed its corporate governance duties as required under the CG Code, including but not limited to the review of the Company’s compliance with the CG Code and the adequacy of the Group’s risk management and internal control systems, as elaborated in the section headed “Risk Management and Internal Control” below.

All Directors are provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities. They have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable laws, rules and regulations, are followed. The Management is obliged to supply the Board with adequate information, which must be complete and reliable, in a timely manner, to enable the Board to make informed assessments and decisions and shall answer further enquiries raised by any Director. Accordingly, the Board and the individual Directors have separate and independent access to the Senior Management. Queries raised by the Directors shall receive a prompt and full response, if possible.

All Directors, upon reasonable request and with the consent of the Chairman of the Board and/or the chairman of the Audit Committee, may seek independent professional advice in appropriate circumstances, including to assist the Directors in performing their duties to the Company, at the Company's expense. During the Year, no Director exercised his/her right for independent professional advice.

## BOARD COMMITTEES

The Board has established three Board Committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, and given the Board Committees specific terms of reference, which are no less exacting than those set out in the CG Code and are sufficiently clear to enable them to perform their functions properly.

All Board Committees are required by their terms of reference to report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so.

The Company Secretary acts as the secretary of all Board Committees and is responsible for taking and keeping minutes of all Board Committees meetings, which should record in sufficient detail the matters considered and decisions reached, including any concerns raised by the Directors or dissenting views expressed. Draft and final versions of minutes are sent to the respective Board Committee members for their comment and records respectively, within a reasonable time after the Board Committee meeting is held. The final signed versions of the minutes are available for inspection at any reasonable time on reasonable notice by any Director.

All Board Committees are provided with sufficient resources to perform their duties and have access to independent professional advice, at the expense of the Company, if necessary. The Board regularly evaluates the performance of the Board Committees.

### Audit Committee

The Audit Committee currently comprises all three independent non-executive Directors, namely Mr. Wong Ka Bo Jimmy (chairman), Mr. Wee Hian Eng Cyrus and Mr. Xu Fenglei.

Mr. Wong Ka Bo Jimmy has appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules. No former partner of the Group's existing auditing firm acts as a member of the Audit Committee within two years from the date of his/her ceasing to be a partner of or to have any financial interest in the firm, whichever is later. The Board expects the members to exercise independent judgment in conducting the business of the Audit Committee.

# CORPORATE GOVERNANCE REPORT

The written terms of reference of the Audit Committee detailing its role and the authority delegated to it by the Board are available on the Stock Exchange's website and the Company's website. The major duties of the Audit Committee include:

- to act as the key representative body for overseeing the Company's relations with the Auditor;
- to review the Group's financial information;
- to oversee the Group's financial reporting system and risk management and internal control systems; and
- to review arrangements the Group's employees can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and to ensure that proper arrangements are in place for fair and independent investigation of those matters and for appropriate follow-up action.

During the Year, the Audit Committee held two meetings and the attendance record of each member of the Audit Committee at those meetings is set out below:

<b>Name of the Directors</b>	<b>Attendance/ Number of meetings</b>
Mr. Wong Ka Bo Jimmy ( <i>chairman</i> )	2/2
Mr. Wee Hian Eng Cyrus	2/2
Mr. Xu Fenglei	2/2

During the Year, the Audit Committee performed, inter alia, the following works:

- (1) considered and approved the audited consolidated financial statements of the Group for the financial year ended 31 December 2024 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2025 and reviewed any significant financial reporting judgement contained therein before submission to the Board;
- (2) considered and approved the annual results and report of the Group for the financial year ended 31 December 2024 and the interim results and report of the Group for the six months ended 30 June 2025;
- (3) assessed and confirmed the independence of the Auditor for the Year;
- (4) reviewed and made recommendation to the Board on the proposed re-appointment of EY as the Auditor and its terms of engagement, including remuneration in respect of audit and non-audit services;
- (5) reviewed and approved the audit plan of the Group for the Year;
- (6) reviewed the Group's risk management and internal control systems (including ESG risk management and internal control systems) and considered the necessity for an internal audit function;

- (7) reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting functions, as well as those relating to the Group's ESG performance and reporting;
- (8) reviewed the anti-bribery, anti-corruption and anti-money laundering policy (the "**Anti-corruption Policy**") and the whistleblowing policy (the "**Whistleblowing Policy**") of the Company; and
- (9) assisted the Board to perform its corporate governance duties set out in the section headed "BOARD OF DIRECTORS" above.

During the Year, the Board and the Audit Committee had no disagreement on the selection, appointment, resignation or dismissal of the Auditor.

## Remuneration Committee

The Remuneration Committee currently comprises two independent non-executive Directors, namely Mr. Xu Fenglei (chairman) and Mr. Wong Ka Bo Jimmy, and an executive Director, namely Mr. Lim Kui Teng.

A majority of the Remuneration Committee members are the independent non-executive Directors. The Board expects the members to exercise independent judgment in conducting the business of the Remuneration Committee.

The written terms of reference of the Remuneration Committee detailing its role and the authority delegated to it by the Board are available on the Stock Exchange's website and the Company's website. The major duties of the Remuneration Committee include:

- to review and make recommendations to the Board on the Company's policy and structure for all Directors' and Senior Management remuneration (the "**Remuneration Policy**") and on the establishment of a formal and transparent procedure for developing the Remuneration Policy;
- to review and approve the Management's remuneration proposals with reference to the Board's corporate goals and objectives;
- to make recommendations to the Board on the remuneration packages of the individual executive Directors and Senior Management;
- to make recommendations to the Board on the remuneration of the non-executive Directors;
- to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- to review and approve compensation payable to the executive Directors and the Senior Management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

# CORPORATE GOVERNANCE REPORT

- to review and approve compensation arrangements relating to dismissal or removal of the Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- to ensure that no Director or any of his/her associates is involved in deciding that Director's own remuneration; and
- to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

## *Remuneration Policy*

The Remuneration Policy is set and recommended by the Remuneration Committee to the Board. Under the Remuneration Policy, remuneration levels should be fair and sufficient to attract and retain high-quality Directors and staff to enable smooth operation within the Group without paying more than necessary. When setting the remuneration to each Director and Senior Management, regards shall be given to his/her qualifications and competence, time commitment, job responsibilities and involvement with the Group's affairs; the Group's performance and profitability; employment conditions elsewhere in the Group; salaries paid by comparable companies; and the prevailing market conditions. The Remuneration Committee shall consult the Chairman of the Board and/or the CEO with regard to their remuneration proposals for the other executive Directors. No Director or any of his/her associates shall be involved in deciding that Director's own remuneration.

To ensure the fairness and competitiveness of the remuneration payable to each executive Director and Senior Management, his/her remuneration package is structured to include:

- an appropriate rate of base remuneration for the job of the executive Director/Senior Management;
- competitive benefit programmes;
- bonus linked to sets of performance measures and targets for performance-related annual and long-term incentive plans based on an appropriate independent advice and/or an assessment of the interests of the Shareholders and taking into account an appropriate balance of risks and rewards for the Directors and other participants; and
- other benefits-in-kind, pension rights and compensation payments, including any compensation payable for loss or termination of his/her office or appointment.

Remuneration to each non-executive Director is based on an adequate compensation for the efforts and time dedicated by such Director to the Group's affairs including his/her participation in the Board and the respective Board Committees. No equity-based remuneration with performance-related elements is granted to the independent non-executive Directors to avoid bias in their decision-making or compromising their objectivity and independence.

The Remuneration Committee periodically reviews the Remuneration Policy and the remuneration packages of the Directors and the Senior Management.

# CORPORATE GOVERNANCE REPORT

During the Year, the Remuneration Committee held two meetings and the attendance record of each member of the Remuneration Committee at those meetings is set out below:

<b>Name of the Directors</b>	<b>Attendance/ Number of meetings</b>
Mr. Xu Fenglei ( <i>chairman</i> )	2/2
Mr. Lim Kui Teng	2/2
Mr. Wong Ka Bo Jimmy	2/2

During the Year, the Remuneration Committee performed, inter alia, the following works:

- (1) reviewed the Remuneration Policy;
- (2) assessed the performance of the executive Directors for the Year;
- (3) reviewed and made recommendation to the Board on the remuneration packages of all Directors and Senior Management for the Year;
- (4) reviewed and made recommendation to the Board on the Management's remuneration proposals with reference to the Board's corporate goals and objectives; and
- (5) considered and made recommendation to the Board on the proposed distributions payable under the employee compensation scheme of the Group for the Year.

During the Year, the Board and the Remuneration Committee had no disagreement on any remuneration or compensation arrangements. No Director or any of his/her associates was involved in deciding that Director's own remuneration.

## **Nomination Committee**

The Nomination Committee currently comprises the Chairman of the Board and an executive Director, namely Mr. Phang Yew Kiat (chairman), an executive Director, namely Ms. Ong Sok Hun, and three independent non-executive Directors, namely Mr. Wee Hian Eng Cyrus, Mr. Wong Ka Bo Jimmy and Mr. Xu Fenglei. During the Year, each of Ms. Ong Sok Hun and Mr. Wee Hian Eng was appointed as a member of the Nomination Committee with effect from 26 June 2025.

A majority of the Nomination Committee members are the independent non-executive Directors. The Board expects the members to exercise independent judgment in conducting the business of the Nomination Committee.

# CORPORATE GOVERNANCE REPORT

The written terms of reference of the Nomination Committee detailing its role and the authority delegated to it by the Board are available on the Stock Exchange's website and the Company's website. During the Year, the written terms of reference of the Nomination Committee were revised to conform with relevant amendments to the Listing Rules. The major duties of the Nomination Committee include:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, to assist the Board in maintaining a Board skills matrix and to make recommendations to the Board on any proposed changes to the Board to complement the Group's corporate strategy;
- to identify individuals suitably qualified to become the Directors and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
- to assess the independence of the independent non-executive Directors;
- to make recommendations to the Board on the appointment or re-appointment of the Directors and succession planning for the Directors, in particular the Chairman of the Board and the CEO;
- to assess each Director's time commitment and contribution to the Board, as well as the Director's ability to discharge his/her responsibilities effectively, and to make disclosure of such assessment in the annual reports of the Group;
- to support the Company's regular evaluation of the Board's performance;
- to monitor, review and disclose the Nomination Policy and the Board Diversity Policy (including the implementation thereof); and
- to review and make recommendations to the Board on the measurable objectives set or measures adopted for implementing the Board Diversity Policy and to monitor the progress on achieving those objectives.

## ***Board Diversity Policy***

The Company is committed to equality of opportunity and does not discriminate on the grounds of age, gender, sexual orientation, gender identity, marital status, pregnancy, family status, race, ethnicity, nationality, language, religion, disability and other factors. In recognition of Board diversity as an essential element in enhancing Board effectiveness and supporting its sustainable and balanced development, the Company has adopted the Board Diversity Policy since 1 January 2019. During the Year, the Board Diversity Policy was reviewed and revised to conform with the relevant amendments to the Listing Rules.

The Company sees diversity as a wide concept. In determining the Board composition and the selection of candidates for directorship, factors including but not limited to age, gender, race, ethnicity, nationality, language, religion, cultural and educational background, professional qualifications, industrial experience, skills, knowledge, length of service and other qualities will be considered. Emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives and insights that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core business and strategy of the Group and support succession planning and development of the Board. All Board appointments shall be based on meritocracy and candidates shall be considered against the objective criteria, having regards for the benefits of diversity on the Board, the Group's business model and its specific needs from time to time. The ultimate decision shall be based on the merit and contribution that the selected candidates will bring to the Board.

In recognition of the benefits of achieving gender diversity at all levels of the Group, the Company will ensure to have at least one Director of a different gender on the Board and is committed to taking opportunities to increase the proportion of female members over time when selecting and making recommendations on suitable candidates for the Board appointments, where appropriate. The Nomination Committee shall give due consideration on gender diversity when identifying and selecting candidates for directorship. The Board, with the assistance of the Nomination Committee, will ensure that the composition of the Board shall comply with the applicable requirements of the Listing Rules from time to time and will make reference to the stakeholders' expectations and international and local recommended best practices in such regard.

The Nomination Committee has been monitoring the implementation of the Board Diversity Policy since its adoption and reviews the implementation of the Board Diversity Policy (including the measurable objectives set for achieving gender diversity on the Board) on an annual basis to ensure its effectiveness. During the Year, the Board consisted of six male Directors and one female Director, thereby meeting the Listing Rules requirements and the Company's numerical target set for achieving gender diversity on the Board. Furthermore, the Board comprised Directors with different backgrounds, expertise and qualifications, reflecting an appropriate mix of skills, experience and diversity that were relevant to Group's strategy and business and contributed to the Board's effectiveness and efficiency. Taking into account the aforesaid, the Nomination Committee has confirmed that the implementation of the Board Diversity Policy for the Year (including progress towards the Company's objectives) was effective. In view of its size, the Board targets to maintain such parameter unless there is any change in either the market average in Hong Kong or the Listing Rules requirements.

### ***Workforce Diversity Policy***

The Group believes that a diverse workforce and an inclusive culture are fundamental to its sustainable growth and operational success. The Group endeavours to ensure that its workforce has the appropriate balance of skills, experience and diversity of perspectives, seeking to attract, retain and motivate employees from the widest possible pool of available talent. Since 2 December 2025, the Company has adopted the Workforce Diversity Policy, which sets out the Group's approach and commitment to inclusion and diversity in the workforce (including the Senior Management), in place of the gender diversity plan adopted on 30 June 2022.

# CORPORATE GOVERNANCE REPORT

The Group is committed to fostering an inclusive, diverse and supportive workplace where all employees, regardless of age, gender, sexual orientation, gender identity, marital status, pregnancy, family status, race, ethnicity, nationality, language, religion, disability or other characteristics protected by applicable laws, are valued, respected and treated fairly with equal access to opportunities. The Group does not tolerate any form of bias, discrimination, harassment and violence in the workplace and in any work-related circumstances. It strictly adheres to all applicable equal opportunity legislation and non-discriminatory employment practices and procedures and promotes diversity and inclusivity initiatives across all levels. All employment-related decisions, including but not limited to recruitment and selection, compensation and benefits, performance evaluation, development and training, promotion and dismissal, shall be based on meritocracy, emphasising qualifications, experience, skills, potential, performance and contributions of the individual, and free from any form of bias or discrimination. The Group also adheres to the principle of equal pay equal work regardless of gender. The Group provides various mechanisms for employees to raise their concerns relating to the workplace (including through the whistleblowing channel) and will take appropriate actions (including disciplinary action) in case of any act of discrimination, harassment, vilification or victimisation in the workplace and/or in any work-related circumstances.

The Group endeavours to foster gender empowerment, gender equality and gender diversity across its workforce. Achieving gender diversity is a challenge to the Group due to the characteristics of its principal activities. As most of the construction works require high intensity of physical labour, the workforce of the construction industry comprises mostly male construction workers. It is inevitable that the proportion of the Group's male workforce is much higher and therefore, achieving gender diversity across the Group's workforce is challenging. The Company is committed to seeking opportunities to increase the proportion of female members over time when employing suitable employees and officers (including the Senior Management) within the corporation level of the Group, where appropriate, to achieve a good balanced gender ratio in its workforce (in particular, for the non-labour extensive workforce) and promoting inclusivity.

The Board shall monitor and review the Group's plan or measurable objectives set for achieving gender diversity across the workforce by reviewing the composition of the Group's workforce (including the Senior Management) at least once annually. During the Year, all four Senior Management were male members. As at 31 December 2025, the gender ratio in the Group's workforce (excluding the Senior Management) was approximately 92.6% male to 7.4% Female. Other details on the gender ratio in the workforce of the Group together with the relevant data are set out in the "Environmental, Social and Governance Report" on page 107 of this annual report.

## ***Nomination Policy***

Since 1 January 2019, the Company has adopted the Nomination Policy in relation to the nomination, appointment and re-appointment of the Directors, as well as the nomination procedures of the Directors, with the aim of ensuring changes to the Board composition can be managed without undue disruption. During the Year, the Nomination Policy was reviewed and revised to conform with the relevant amendments to the Listing Rules.

The Nomination Committee is delegated authority to identify potential candidates for directorship through different means and channels, including recommendations from the Directors or the Shareholders, use of external search firms and any other means or channels it deems appropriate. A Shareholder may propose a person for election as a Director at a general meeting of the Company, detailed procedures of which are available on the Company's website.

Once a candidate has been identified, the Nomination Committee will request the candidate to provide his/her personal and biographical information and other information deemed necessary, including but not limited to information on his/her interests in the securities of the Company and/or any competing business (if any); information on cross-directorships in Hong Kong or overseas with the Directors (if any); his/her consent to act as a Director and the disclosure of information relating to his/her proposed appointment; and for an independent non-executive Director candidate, his/her confirmation of independence in accordance with the criteria under the Listing Rules.

In the case of nominating a candidate for directorship, the Nomination Committee shall review and take reasonable steps to verify the information obtained from the candidate and seek clarification, where required. The Nomination Committee shall hold a meeting to consider the candidate identified against the nomination criteria and make recommendation to the Board, if applicable, for consideration and may, at its discretion, invite any candidate for a meeting. The Board shall deliberate and decide on the appointment or the recommendation to the Shareholders for the proposed appointment (as the case may be) based on the recommendation of the Nomination Committee.

Where a retiring Director, being eligible, offers himself/herself for re-election, the Nomination Committee shall review the profile of the retiring Director and his/her overall contribution and service to the Company and determine whether the retiring Director continues to meet the nomination criteria set out in the Nomination Policy. The Nomination Committee will, where appropriate, recommend the retiring Director to the Board for consideration and the Board will, at its discretion, make recommendation to the Shareholders for the proposed re-election of the retiring Director at an AGM based on such recommendation.

In evaluating and selecting any candidate for directorship, the Nomination Committee shall consider the structure, size, composition and needs of the Board, taking into account the succession planning and diversity of the Board, where appropriate; the diversity criteria set out in the Board Diversity Policy; factors that may be used as reference in assessing the suitability of the candidate, including but not limited to his/her character, integrity, independence (where applicable) and commitment to devote time and effort for discharging his/her duties and responsibilities as a Director; and such other criteria that are appropriate to the business, strategy and needs of the Group. The Nomination Committee is also vested with discretion to take into account such other factors as it may consider appropriate.

The appointment of any proposed candidate for directorship or re-appointment of any existing Director shall be made in accordance with the Articles of Association and all applicable laws, rules and regulations. For the proposed appointment of a candidate at a general meeting of the Company or the proposed re-election of a retiring Director at an AGM, details of the candidate or the retiring Director (as the case may be), including, among others, his/her personal and biographical particulars and the Board's recommendation shall be included in the circular to the Shareholders for consideration in accordance with the applicable Listing Rules.

To the extent that it is permissible under the Listing Rules, the Nomination Committee may make a recommendation to re-elect an independent non-executive Director who has served nine years or more for the Board's consideration, and the re-election of such Director shall be subject to a separate resolution to be approved by the Shareholders. The Board shall state in the circular to the Shareholders why it believes that the Director is still independent and should be re-elected, including the factors considered, as well as the process and the discussion of the Board and the Nomination Committee in arriving at such determination.

# CORPORATE GOVERNANCE REPORT

The Nomination Committee has been following the nomination criteria and procedures under the Nomination Policy since its adoption and reviews the Nomination Policy from time to time.

During the Year, the Nomination Committee held two meetings and the attendance record of each member of the Nomination Committee at those meetings is set out below:

<b>Name of the Directors</b>	<b>Attendance/ Number of meetings</b>
Mr. Phang Yew Kiat ( <i>chairman</i> )	2/2
Ms. Ong Sok Hun (appointed on 26 June 2025)	1/1
Mr. Wee Hian Eng Cyrus (appointed on 26 June 2025)	1/1
Mr. Wong Ka Bo Jimmy	2/2
Mr. Xu Fenglei	2/2

During the Year, the Nomination Committee performed, inter alia, the following works:

- (1) reviewed the existing Board structure, size and composition;
- (2) assessed the independence of the independent non-executive Directors;
- (3) reviewed and made recommendation to the Board on the retiring Directors' eligibility for re-election at the AGM held on 30 May 2025 ("**2025 AGM**");
- (4) considered and made recommendation to the Board on the proposed re-election of the retiring Directors;
- (5) monitored and disclosed the Board Diversity Policy, the Nomination Policy and the Gender Diversity Plan; and
- (6) reviewed and made recommendation to the Board on revisions to the Board Diversity Policy and the Nomination Policy.

## CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors’ securities transactions. All Directors, following specific enquiry made by the Company, have confirmed that they had complied with the required standard set out in the Model Code and its code of conduct regarding Directors’ securities transactions throughout the Year.

The Company has also adopted a written code of conduct on terms no less exacting than the Model Code for its relevant employees (including all employees of the Company and all directors and employees of the Company’s subsidiaries who, because of their office or employment, are likely to possess inside information in relation to the Company or its securities, the “**Relevant Employees**”) in respect of their dealings in the Company’s securities. All Relevant Employees are required to follow such code when dealing in the securities of the Company.

## AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT

### Financial Reporting

The Board is responsible for presenting a balanced, clear and comprehensive assessment of the Group’s performance, position and prospects. The Directors acknowledge their responsibility for preparing the financial statements of the Group for each financial year ended 31 December, which should give a true and fair view of the state of affairs of the Company and of the Group on that date and of the Group’s results and cash flows for that year in accordance with applicable accounting standards and the relevant laws and disclosure provisions of the Listing Rules. The Management shall provide sufficient explanation and information to the Board to enable it to make an informed assessment of financial and other information put before it for approval.

In preparing the financial statements of the Group for the Year, the Directors adopted appropriate and consistent accounting policies and made prudent and reasonable judgments and estimations. The financial statements of the Group for the Year were prepared by the Directors on a going concern basis, and the Directors were not aware of any material uncertainties relating to events or conditions that might cast significant doubt on the Group’s ability to continue as a going concern. A statement by the Auditor regarding its reporting responsibilities is set out in the “Independent Auditor’s Report” of this annual report.

### Risk Management and Internal Control

The Board has overall responsibilities for maintaining appropriate and effective risk management and internal control systems (including ESG risk management and internal control systems) for the purpose of dealing with identified risks, safeguarding the Group’s assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the Group’s financial reports and achieving compliance with applicable laws and regulations. The Board is also responsible for ensuring that the review of the effectiveness of such systems, which shall be conducted at least annually, is adequately resourced.

# CORPORATE GOVERNANCE REPORT

The Group's risk management and internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. Hence, such systems are to provide clear governance structure, policies and procedures as well as the reporting mechanism to facilitate the Group to manage its risks across business operations.

With the continuous efforts of the Board, the Group has established and maintained appropriate and effective internal control systems and a risk management framework, which consists of three tiers of structure, being the Board, the Audit Committee and the Management, to safeguard, among others, corporate operating management, asset security, financial reporting and the fairness, accuracy and completeness of dissemination of the relevant information in a rational manner.

The Board is responsible for evaluating and determining the nature and extent of the risks (including material risks relating to ESG) it is willing to take in achieving the Group's strategic objectives. The Audit Committee is delegated to oversee the Group's risk management and internal control systems on an ongoing basis and conduct a review of the effectiveness of the same, which should cover all material controls including financial, operational and compliance controls, at least annually. Under the supervision of the Audit Committee, the Management is responsible for the formulation, implementation and monitoring of the risk management and internal control systems as well as the review and update of the same to ensure that they remain relevant and adequate. The Board has also established and empowered the ESG Taskforce for ESG-related matters, duties of which are explained in the "Environmental, Social and Governance Report" of this annual report. The ESG Taskforce shall report to the Board on the Group's ESG-related matters, including the risk and opportunities, initiatives and performance, at least annually.

To assist the Audit Committee in fulfilling its responsibilities, the Management has developed a risk management policy in providing directions to identify, evaluate and manage significant risks (including ESG risks). Each half year, the Management follows the policy to identify and assess the key risk areas which cover all aspects of corporate strategy, operations, finance and ESG, as well as the changes thereof, reviews the internal control systems, distinguishes the material defects thereof (if any) and discusses the solutions to address such risk areas and defects, where appropriate. Risk management and internal control reviews shall be reported by the Management to the Audit Committee at least once a year, to enable the Audit Committee to assess the Group's control and the effectiveness of risk management and to make recommendations to the Board, where appropriate.

The Group does not have an internal audit function. In light of the Group's relatively simple corporate and operation structure, close supervision of the Senior Management and effective communications with the Auditor in respect of any material control deficiency identified during the course of financial statement audit, the Board is currently of the view that there is no immediate need to set up an internal audit function within the Group. As opposed to diverting resources to establish a separate internal audit department, the Board, supported by the Audit Committee, shall be responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems. In order to maintain high standards of corporate governance, the Group also engages external independent consultants with professional staff in possession of the relevant expertise to perform independent review of the adequacy and effectiveness of the Group's risk management and internal control systems on project-basis as well as to give trainings to the Group's staff on implementing and monitoring such systems. The Group will continue to review the need for an internal audit function on an annual basis.

## *Procedures and Internal Controls for Handling and Dissemination of Discloseable Information*

The Group has adopted a continuous disclosure policy (the “**Continuous Disclosure Policy**”) which sets out the procedures and controls for the handling and dissemination of discloseable information, including inside information and any other information required to prevent a false market in the Company’s securities, in compliance with the SFO and the Listing Rules. The Continuous Disclosure Policy contains guidelines to the Directors, the Relevant Employees and the Group’s officers with the aim of enhancing the Group’s system of handling of discloseable information and ensuring the truthfulness, accuracy, completeness and timeliness of the Group’s public disclosures.

Certain reasonable measures are taken by the Group from time to time to ensure that proper safeguards are in place to prevent any breach of the disclosure requirements in relation to the Group, which include:

- The Group ensures to conduct its affairs with close adherence to the Listing Rules and the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission of Hong Kong;
- Access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligation to preserve confidentiality;
- Confidentiality covenants will be in place when the Group enters into significant negotiations. In addition, all Relevant Employees are required to strictly adhere to the rules and regulations regarding the management of inside information, including the securities transactions rules adopted by the Company which are on terms no less exacting than those required under the SFO and the Listing Rules; and
- The Group is committed to disclosing inside information as soon as reasonably practicable under applicable laws and regulations. Before any information is fully disclosed to the public, the Group ensures that such information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that the confidentiality covenants may have been breached, the Group shall disclose such information to the public as soon as practicable.

Under the Continuous Disclosure Policy, the Management has the obligation to notify the CFO of any matter, development or event that may give rise to disclosure obligations promptly. Upon being notified, the CFO shall, with the assistance of the Company’s legal advisor for the listed matters, assess the materiality of the relevant information and, if considered appropriate, consult the Chairman of the Board who may convene a Board meeting to consider and decide whether or not the information constitutes inside information and whether disclosure shall be made immediately or may be temporarily delayed under statutory exemptions. When considering a disclosure of the relevant information, the Board shall, with the assistance of the CEO, the CFO and/or the Company Secretary (as the case may be), decide on the scope of the information to be released and the timing of the release. The Directors may seek independent professional advice, where appropriate, to ensure that the Company can timely comply with the disclosure requirements.

Also, the Company has a continuous disclosure obligation to announce the information necessary to avoid a false market in its securities as soon as reasonably practicable, where in the view of the Stock Exchange there is or there is likely to be a false market in its securities. The Company shall respond promptly to any enquiries made by the Stock Exchange concerning unusual movements in the price or trading volume of its securities and take appropriate actions to ensure compliance with the disclosure requirements.

# CORPORATE GOVERNANCE REPORT

The Group is committed to ensuring that the information contained in its corporate communications is not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts. Heads of the Group's relevant divisions where the to-be disclosed matter, development or event is being handled shall be responsible for providing the Company Secretary and/or other officers of the Company responsible for stakeholders' communication with the details to enable them to prepare the related announcement or news release, if necessary, and confirming the accuracy and completeness of the information before it is publicly disclosed.

## *Whistleblowing Policy*

Under the Whistleblowing Policy, the Group has in place a clear system and procedures for all directors, officers and employees at all levels and divisions of the Group as well as other stakeholders (including business counterparts) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Group.

Depending upon the circumstances, the CFO or a suitable investigation officer with suitable seniority at the Company will be appointed, or a special committee will be set up, for investigation of the reported case in a confidential and timely manner and the same shall report the investigation results, with any recommendations for change or improvement (if applicable), to the Audit Committee.

The Audit Committee shall regularly review the Whistleblowing Policy and make appropriate revision, where necessary, to improve its effectiveness.

## *Anti-corruption Policy*

The Group takes a zero-tolerance approach towards all forms of bribery, corruption, money laundering or fraud. The Group has adopted the Anti-corruption Policy which sets out the basic standard of conduct and provides guidance to all directors, officers and employees at all levels and divisions of the Group on the acceptance of advantages and handling of conflicts of interest. The Group also encourages and expects its business partners to abide by the principles of the Anti-corruption Policy.

Under the Anti-corruption Policy, the Group's regular auditing procedures may, when deemed necessary and appropriate, include a review of the local circumstances that may make particular officer or project vulnerable to corruption and the defences and strategy that are in place to mitigate such risk. The Company may, where necessary, also arrange an audit of compliance with the Anti-corruption Policy on an office and function basis, result of the same shall be reported to the Audit Committee.

Pursuant to the Anti-corruption Policy, the Group shall arrange regular anti-corruption trainings and briefings for all of its employees (including the Directors), and further trainings which are specific to the respective employees' fields of business, to ensure their awareness of the Group's anti-bribery, anti-corruption and anti-money laundering practices as well as the compliance with the laws and regulations.

The Audit Committee shall regularly review the Anti-corruption Policy and make appropriate revision, where necessary, to improve its effectiveness.

The Company has confirmed that the risk management and internal control provisions under the CG Code had been complied with throughout the Year. The Audit Committee has performed an annual review on the effectiveness of the Group's risk management and internal control systems (including ESG risk management and internal control systems) for the Year, including but not limited to the changes, since the last annual review, (if any) in the nature and extent of significant risks (including ESG risks); the Group's ability to respond to the changes in its business and the external environment; the scope and quality of the Management's ongoing monitoring of risks (including ESG risks) and of the internal control systems; the extent and frequency of communication of monitoring results to the Audit Committee for the purposes of assessing the adequacy and the effectiveness of the Group's risk management and internal control systems; the significant control failures or weaknesses (if any) identified during the review and their related implications; the effectiveness of the Group's processes for financial reporting and compliance with the Listing Rules; and the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, as well as those relating to the Group's ESG performance and reporting. During the Year, there were no significant changes in the Group's assessment of risks (including ESG risks) and the risk management and internal control systems, and no significant control failings or weaknesses were identified.

The Audit Committee received a confirmation from the Management on the effectiveness of the risk management and internal control systems (including ESG risk management and internal control systems) of the Group for the Year, which was endorsed by the Audit Committee and submitted to the Board. Based on the result of the review, the Board has confirmed that the Group's risk management and internal control systems (including ESG risk management and internal control systems) were appropriate and effective for the purposes set out in Principle D2 of the CG Code during the Year.

## COMPANY SECRETARY

The Company Secretary supports the Board by ensuring good information flow within the Board and that Board policies and procedures are followed and facilitates induction and professional development of the Directors. The Company Secretary reports to, and advises the Board on governance matters through, the Chairman of the Board.

The selection, appointment or dismissal of the Company Secretary shall be approved by the Board by a physical Board meeting rather than a written resolution. During the Year and up to the date of this annual report, Mr. Ho Kai Tak ("**Mr. Ho**"), a practicing solicitor in Hong Kong and an external service provider, has been the Company Secretary. The primary corporate contact person at the Company for the purpose of Code Provision C.6.1 is Ms. Ong Sok Hun, the CFO and an executive Director.

Mr. Ho has confirmed that he took no less than 15 hours of relevant professional training during the Year.

# CORPORATE GOVERNANCE REPORT

## AUDITOR'S REMUNERATION AND AUDITOR RELATED MATTERS

The re-appointment of EY as the Auditor was approved by the Shareholders at the 2025 AGM.

The analysis of remuneration paid or payable in respect of audit and non-audit services provided by EY to the Group during the Year is set out below:

	<b>Remuneration paid/payable</b> S\$'000
<b>Audit services</b>	
– Annual audit services	210
<b>Non-audit services</b>	
– Tax returns compliance services	14
	<hr/>
	224
	<hr/>

## SHAREHOLDERS' RIGHTS

The Company is committed to ensuring that all Shareholders are treated equitably and fairly. Set out below is a summary of certain rights of the Shareholders as disclosed pursuant to the mandatory disclosure requirements under the CG Code:

### – Convening an extraordinary general meeting (“EGM”) of the Company and putting forward proposals at general meetings

Pursuant to Article 58 of the Articles of Association, any one or more Shareholders holding at the date of deposit of the requisition at least one-tenth of the voting rights, on a one vote per share basis, in the share capital of the Company shall at all times have the right to make a requisition in writing to the Board or the Company Secretary to convene an EGM and/or add resolution(s) to the agenda of a meeting. Such requisition shall be signed by the requisitionist(s) and deposited at the Company's principal place of business in Singapore or Hong Kong, for the purpose of requiring an EGM to be called by the Board for the transaction of any business or resolution specified in such requisition; and such EGM shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene an EGM, the requisitionist(s) himself/herself/itself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. The relevant contact details are set out in the “Corporate Information” of this annual report.

Pursuant to Article 85 of the Articles of Association, a Shareholder may propose a person other than the retiring Director(s) for election as a Director at a general meeting of the Company. Detailed procedures for the same are available on the Company's website.

## – Putting enquiries to the Board

The Shareholders may at any time send their written enquiries in relation to the Group and/or the Board by addressing the same to the Board via the Company's website ([www.chuanholdingsltd.com](http://www.chuanholdingsltd.com)), mail to the Company's principal place of business in Singapore or email at [chuanlc@singnet.com.sg](mailto:chuanlc@singnet.com.sg).

In addition, the Shareholders may contact the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, if they have any enquiry about their shareholdings or entitlements to dividend. The relevant contact details are set out in the "Corporate Information" of this annual report.

## INVESTOR RELATIONS AND SHAREHOLDERS ENGAGEMENT

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations and recognises the importance of disclosing the Group's information in a timely, accurate and complete manner, thereby enabling the Shareholders, investors as well as the public to make rational and informed investment decisions.

The Company is also committed to protecting the privacy rights on all personal data collected from the Shareholders. When collecting personal data from the Shareholders, the Company will specify in the relevant document the purpose of such collection and the use of the personal data. Contact details are also provided to the Shareholders for accessing and correcting their personal data.

The Company has adopted the Shareholders Communication Policy with the objective of ensuring that the Shareholders, and in appropriate circumstances, the Group's customers and the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Group, in order to enable the Shareholders to exercise their rights in an informed manner and to facilitate them and the investment community to engage with the Company and the Board. The Board shall be responsible for maintaining an on-going dialogue with the Shareholders and investors and reviewing the implementation and effectiveness of the Shareholders Communication Policy on a regular basis.

Information of the Group is mainly communicated through the Company's general meetings, corporate communications (including but not limited to annual and interim reports, notices, announcements, circulars and proxy forms) and disclosures on the website of the Company. Under the Shareholders Communication Policy, the Shareholders are encouraged to participate in the Company's general meetings, and all Directors should attend the general meetings to gain and develop a balanced understanding of the views of the Shareholders. The Company shall monitor and review the proceedings of its general meetings, as elaborated in the section headed "General Meetings" below, to ensure compliance and that the Shareholders' needs are fulfilled. The Company's website provides general and up-to-date information of the Group at a dedicated "Investor Relations" section and an effective communication platform to the Shareholders, investors and the public. Contact details of the Company, such as telephone hotline, fax number, email address and postal address, are also available on the Company's website, in order to enable the Shareholders and other stakeholders to communicate their views via such means. The Company's corporate communications are provided to the Shareholders in plain language and in both English and Chinese versions to facilitate the Shareholders' understanding. To facilitate timely and effective communications and contribute to environmental protection, the Company has provided options for the Shareholders to receive its corporate communications by electronic means in lieu of receiving printed copies. The Shareholders are encouraged to access the Company's corporate communications electronically via the Company's website ([www.chuanholdingsltd.com](http://www.chuanholdingsltd.com)).

# CORPORATE GOVERNANCE REPORT

Apart from raising general enquiries to the Board, manner of which is set out in the section headed “SHAREHOLDERS’ RIGHTS” above, and reporting concerns about possible improprieties in any matter related to the Group under the scope of the Whistleblowing Policy set out in the section headed “Whistleblowing Policy” above, the Shareholders and other stakeholders may lodge any suggestion and/or complaint with full details in relation to the Group and/or the Board by addressing to the complaints officer designated by the Group via the Company’s website ([www.chuanholdingsltd.com](http://www.chuanholdingsltd.com)), mail to the Company’s principle place of business in Singapore or email at [chuanlc@singnet.com.sg](mailto:chuanlc@singnet.com.sg), or by phone, if such person has any individual difficulty to lodge a written suggestion/complaint. The Group may also organise investment market communications, such as investor/analyst briefings and one-on-one meetings, media interviews and marketing activities for investors, where necessary, in order to facilitate communications between the Company, the Shareholders and the investment community.

During the Year, in view of the relevant amendments to the Listing Rules, the Board reviewed and adopted certain revisions to the Shareholders Communication Policy as appropriate. The latest Shareholders Communication Policy are available on the Company’s website. Having reviewed the implementation of the Shareholders Communication Policy and taking into account (i) multiple channels of communication and engagement that are in place for the Shareholders to communicate their views on various matters affecting the Group and steps taken to solicit and understand the views of the Shareholders and stakeholders; (ii) the Company’s disclosures in its corporate communications and website for the Year; and (iii) the engagements conducted by the Board during the Year to understand the Shareholders’ views on matters affecting the Group, being the 2025 AGM and the procedures thereof, details of which are set out in the section headed “General Meetings” below, the Board has confirmed that the Shareholders Communication Policy was appropriate and effective for the Year.

During the Year, there was no change to the Company’s constitutional documents, which are available on the Stock Exchange’s website and the Company’s website.

## Dividend Policy

Since 1 January 2019, the Company has adopted the Dividend Policy to determine the dividend payout, which aims to allow the Shareholders to participate in the Company’s profits sharing whilst enabling the Company to retain adequate reserves for future development. During the Year, in view of the relevant amendments to the Listing Rules, the Board reviewed and adopted certain revisions to the Dividend Policy as appropriate.

Under the Dividend Policy, subject to the Articles of Association and the relevant laws and regulations, the Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. There is no assurance that dividends will be paid in any particular amount for any given period. In determining or recommending the frequency, amount and form of any dividend in any financial year/period, the Board shall consider, inter alia, the following factors:

- the Group’s actual and expected financial performance;
- the Group’s current and future operations, liquidity position and capital requirements;
- the Group’s business strategies, including future commitments and investment needs to sustain the long-term growth aspects of the business;

- the Group's debt to equity ratios;
- the restrictions on payment of dividends that may be imposed by the Group's lenders (if any);
- the business cycle of the Group's business;
- the dividends received from the Company's subsidiaries and associates;
- the Shareholders' and investors' expectation;
- general economic conditions and other external factors that may have an impact on the business or financial performance and position of the Group;
- the industry's norm; and
- any other factors that the Board deems relevant.

Any final dividends recommended by the Board must be approved by the Shareholders in general meetings. The Board may from time to time determine and pay to the Shareholders interim or other dividends as it considers appropriate.

The Dividend Policy shall be reviewed by the Board from time to time so as to keep the same in line with the future prospects and capital requirements of the Group as well as the changes in market conditions.

During the Year, the Board decided not to declare any dividends, after taking into account, in particular, the Group's future commitments and investment needs, the Group's gearing ratio and the restrictions on payment of dividends imposed by the Group's lenders. The Board has confirmed that such dividend decisions were made in accordance with the Dividend Policy.

## General Meetings

One of the principal channels of communication with the Shareholders is the Company's general meetings, where the Shareholders can directly exchange their views with the Board. For each substantially separate issue at a general meeting, the chairman of such meeting, who is generally the Chairman of the Board, shall propose a separate resolution to the Shareholders for their consideration and approval. The Chairman of the Board and the chairmen of all Board Committees, or in their absence, another member of the respective Board Committees, shall attend the AGM to answer questions from the Shareholder. The Auditor shall also be invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and the Auditor's independence. The chairman of the independent committee of the Board (if any) shall attend any general meeting to approve a connected transaction or any other transaction that requires independent Shareholders' approval and be available to answer questions thereat.

# CORPORATE GOVERNANCE REPORT

The Company reviews the proceedings of its general meetings from time to time to ensure that the same follow good corporate governance practices. Pursuant to the Listing Rules and the Articles of Association, the Company shall arrange a notice of the AGM to be sent to the Shareholders not less than 21 clear days before the AGM and a notice of the EGM to be sent to the Shareholders not less than 14 clear days before the EGM. All votes of the Shareholders at a general meeting shall be taken by poll. The chairman of a general meeting shall ensure that the detailed procedures for conducting a poll are explained to the Shareholders and answer any questions relating thereto prior to the poll being taken. The Company's Hong Kong branch share registrar and transfer office shall act as the scrutineer for the vote-taking. Announcement on the poll vote results shall be made by the Company in the manner prescribed under Rule 13.39(5) of the Listing Rules and shall be published on the website of the Stock Exchange and the website of the Company.

During the Year, the 2025 AGM was held on 30 May 2025 at the Company's headquarters and all Shareholders were encouraged to attend to engage with the Board. The attendance record of each Director at the 2025 AGM is set out below:

<b>Name of the Directors</b>	<b>Attendance</b>
<i>Executive Directors</i>	
Mr. Lim Kui Teng ( <i>CEO</i> )	✓
Mr. Phang Yew Kiat ( <i>Chairman of the Board and chairman of the Nomination Committee</i> )	✓
Mr. Bijay Joseph	✓
Ms. Ong Sok Hun ( <i>CFO</i> )	✓
<i>Independent Non-executive Directors</i>	
Mr. Wee Hian Eng Cyrus	✓
Mr. Wong Ka Bo Jimmy ( <i>chairman of the Audit Committee</i> )	✓
Mr. Xu Fenglei ( <i>chairman of the Remuneration Committee</i> )	✓

The 2025 AGM was chaired by the Chairman of the Board and all of the aforesaid proceedings were duly followed at the 2025 AGM.

Business transacted at the 2025 AGM includes the adoption of the audited consolidated financial statements of the Group together with the reports of the Directors and of the Auditor for the financial year ended 31 December 2024; the re-election of the retiring Directors; the authorisation to the Board to fix the Directors' remuneration; the re-appointment of EY as the Auditor and the authorisation to the Board to fix its remuneration; and the grant to the Directors of the general mandates to buy-back the Shares and to issue the Shares (and the extension thereof).

The Directors are pleased to present their report together with the Consolidated Financial Statements for the financial year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are:

- the provision of earthworks and ancillary services, including land clearing, demolition, rock breaking, mass excavation, deep basement excavation, foundation excavation, earth disposal, earth filling and shore protection. Certain earthworks projects may require civil engineering works, such as road diversions, road reinstatements, overhead bridge, sewerage, drainage, pipe laying and cable trench works;
- the provision of general construction works, including alteration and addition works, which can be classified into interior works or works affecting building systems or components, such as structural works, additions of lifts and reinforcement works, and construction of new buildings; and
- property leasing and management operations.

A list of the Company's subsidiaries and their particulars are set out in Note 34 to the Consolidated Financial Statements.

An analysis of the Group's segment information for the Year by business is set out in Note 4 to the Consolidated Financial Statements.

## BUSINESS REVIEW

A fair review of the Group's business, an analysis of the Group's performance using financial key performance indicators ("KPIs") and a description of the principal risks and uncertainties facing the Group for the Year as well as an indication of likely future development in the Group's business are provided throughout this annual report, particularly in the "Chairman's Statement" and the "Management Discussion and Analysis" of this annual report as well as the Consolidated Financial Statements. Details of the Group's financial risk management are set out in Note 36 to the Consolidated Financial Statements.

# REPORT OF THE DIRECTORS

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to reinforcing values of acting lawfully, ethically and responsibly in its daily operations to fulfill its environmental and social responsibilities. The Group has an integrated management system (“**IMS**”) to govern the ESG-related aspect of its operations.

In particular, the Group considers that environmental protection is essential to the long-term development of the Group and constantly improves its management practices so as to reduce waste, maximise efficiencies and minimise negative impact on the environment.

In order to minimise the impact of its construction activities on the environment, the Group has adopted and implemented an environmental management policy (the “**Environmental Management Policy**”) with procedures to enable the Group to fulfill its commitment to the long-term sustainability of the environment and the communities in which it operates. The Group endeavours to maintain environmentally-friendly and low-carbon emission business operations to minimise the Group’s impact on environment and natural resources and help fight against global climate changes.

Detailed information on the ESG practices adopted by the Group is set out in the “Environmental, Social and Governance Report” of this annual report.

## COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

In recognition of the importance of complying with regulatory requirements and the risk of non-compliance with the same, the Group has allocated sufficient systems and manpower resources to ensure ongoing compliance with all relevant laws and regulations in different jurisdictions which have a significant impact on the Group in conduct of its business and operations.

The principal activities of the Group comprise the provision of earthworks and ancillary services, the provision of general construction works and property leasing and management operations, operations of which are mainly carried out by the Company’s subsidiaries in Singapore, whereas the Company itself was incorporated in the Cayman Islands and has been listed on the Main Board of the Stock Exchange since June 2016. Accordingly, the Group shall have to comply with the relevant laws and regulations in Singapore, the Cayman Islands and Hong Kong.

On the corporate level, the Company had complied with the Listing Rules and the SFO in relation to, among others, disclosure of information and corporate governance matters throughout the Year. The Company has also adopted the Model Code.

So far as it is known to the Directors, the Group had complied with all relevant laws and regulations whereat it was operating that had a significant impact on the Group throughout the Year.

## RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group actively engages with its employees, customers and suppliers through different channels to develop mutual beneficial relationships and promote sustainability.

The Group ensures that all employees are reasonably remunerated and regularly reviews and improves its policies on remuneration and benefits, training, occupational health and safety. The Group is also committed to ensuring all employees and job candidates are treated fairly and equally.

In view of maintaining long-term business relationships with the Group's major customers and suppliers will further enhance the market recognition of the Group and attract more potential business opportunities, the Group endeavours to maintain good and stable relationships with its customers and suppliers. With the aim of improving service quality, the Group has put in place a customer complaint handling mechanism to receive, analyse and study complaint cases (if any) and to make recommendations on remedial actions. The Group regularly reviews and evaluates the performance of its suppliers by conducting fair and strict appraisals.

## RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the "Consolidated Statement of Comprehensive Income" of this annual report.

No interim dividend was paid during the Year and the Board did not recommend the payment of a final dividend for the Year. There was no arrangement under which a Shareholder had waived or agreed to waive any dividends during the Year.

## FIVE YEARS' FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out on pages 4 and 5 of this annual report.

## PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group during the Year are set out in Note 12 to the Consolidated Financial Statements.

## INVESTMENT PROPERTY

Details of movements in the investment property of the Group during the Year are set out in Note 13 to the Consolidated Financial Statements.

# REPORT OF THE DIRECTORS

## SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in Note 28 to the Consolidated Financial Statements.

## EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme as disclosed in the section headed “SHARE OPTION SCHEME” below, no equity-linked agreement was entered into by the Company during the Year or subsisted at the end of the Year.

## RESERVES

Details of movements in the reserves of the Group and of the Company during the Year are set out in Notes 28 and 33 to the Consolidated Financial Statements respectively.

## DISTRIBUTABLE RESERVES

The Company’s reserves available for distribution to the Shareholders represent the aggregate of share premium and contributed surplus less accumulated losses. Under the Companies Act, laws of the Cayman Islands (as amended, supplemented or otherwise modified from time to time), the share premium of the Company may be applied for paying distributions or dividends to the Shareholders subject to the provisions of the Company’s Memorandum and Articles of Association, provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business. As at 31 December 2025, the Company’s reserves available for distribution to the Shareholders were approximately S\$57.4 million, being the aggregate of share premium and contributed surplus of approximately S\$74.7 million less accumulated losses of approximately S\$17.3 million.

## DONATIONS

The Group's donations for charitable and other purposes during the Year are disclosed on page 121 of this annual report.

## DIRECTORS

The Directors during the Year and up to the date of this report are set out below:

### Executive Directors

Mr. Lim Kui Teng (*CEO*)

Mr. Phang Yew Kiat (*Chairman of the Board*)

Mr. Bijay Joseph

Ms. Ong Sok Hun (*CFO*)

### Independent Non-executive Directors

Mr. Wee Hian Eng Cyrus

Mr. Wong Ka Bo Jimmy

Mr. Xu Fenglei

The biographical details of the Directors as at the date of this report are set out on pages 24 to 26 of this annual report.

In accordance with Article 84(1)-(2) of the Articles of Association, Mr. Phang Yew Kiat, Mr. Bijay Joseph and Mr. Wong Ka Bo Jimmy will retire from office by rotation at the forthcoming AGM and, being eligible, have offered themselves for re-election.

## DIRECTORS' SERVICE CONTRACTS

Details of the Directors' service contracts are set out on pages 32 and 33 of this annual report.

None of the Directors (including the Directors proposed for re-election at the forthcoming AGM) has entered into a service contract with the Company or any of its subsidiaries which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

# REPORT OF THE DIRECTORS

## PERMITTED INDEMNITY PROVISION

It is provided in the Articles of Association that the Directors for the time being of the Company and every one of them, and every one of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts, provided that such indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons.

During the Year and up to the date of this report, the Group has taken out and maintained a directors' liability insurance, which provides appropriate cover for the legal actions against the Directors and the directors of the Company's subsidiaries arising from corporate activities. The level of the insurance coverage is reviewed annually.

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

As at 31 December 2025, the interests and short positions of the Directors and the chief executives (the "Chief Executives") of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### Aggregate Long Positions in the Shares and Underlying Shares

Name of the Directors	Number of Shares				Sub-total	Number of underlying Shares held under equity derivatives (Note 3)	Total	Approximate percentage of the total number of issued Shares as at 31 December 2025
	Personal interest (held as beneficial owner)	Corporate interest (interest of controlled corporation)	Family interest (interest of spouse or child under 18)					
Mr. Lim Kui Teng ("Mr. Lim")	21,380,000	529,125,000 (Note 1)	–	–	550,505,000	–	550,505,000	43.57%
Mr. Phang Yew Kiat ("Mr. Phang")	228,019,200	–	–	–	228,019,200	10,364,000	238,383,200	18.87%
Mr. Bijay Joseph ("Mr. Joseph")	–	–	–	–	–	8,000,000	8,000,000	0.63%
Ms. Ong Sok Hun ("Ms. Ong")	–	–	108,000 (Note 2)	108,000	108,000	8,500,000	8,608,000	0.68%

*Notes:*

1. These Shares were held by Brewster Global, entire issued share capital of which is directly held by Mr. Lim.
2. These Shares were held by the spouse of Ms. Ong.
3. These interests represented the interests of these Directors in the underlying Shares in respect of the share options granted to them as beneficial owners under the Share Option Scheme, details of which are set out in the section headed "SHARE OPTION SCHEME" below.

Save as disclosed above, as at 31 December 2025, none of the Directors or the Chief Executives had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SHARE OPTION SCHEME

Pursuant to the written resolutions of the Shareholders passed on 10 May 2016, the Company adopted the Share Option Scheme which became effective from 10 May 2016. Pursuant to the Share Option Scheme, the Board may grant share options to eligible participants under the Share Option Scheme to subscribe for the Shares.

### – Purpose

The purpose of the Share Option Scheme is to enable the Board to grant share options to eligible participants as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high-calibre eligible participants and attract human resources that are valuable to the Group.

### – Eligible participants

Eligible participants include employees or proposed employees (whether full time or part time, including directors) of members or invested entities of the Group; suppliers of goods or services; customers; persons or entities that provide research, development or other technological support; the Shareholders; and other participants who contribute to the development and growth of the Group or its invested entities.

### – Total number of Shares available for issue

The total number of Shares which may be issued in respect of all share options to be granted under the Share Option Scheme must not exceed 10% of the total number of issued Shares as at the date of approval of the Share Option Scheme (i.e. 100,000,000 Shares).

The total number of Shares available for issue under the Share Option Scheme is 79,272,000 Shares, representing approximately 6.3% of the total number of issued Shares, as at the date of this annual report.

# REPORT OF THE DIRECTORS

## – Maximum entitlement of each eligible participant

No share options shall be granted to an eligible participant if any grant of share options would result in the Shares issued and to be issued upon exercise of all share options granted and to be granted to such person (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such grant exceeding 1% of the total number of Shares in issue from time to time, unless (i) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the eligible participant and his/her close associates (as defined in the Listing Rules), or associates (as defined in the Listing Rules) if such eligible participant is a connected person (as defined in the Listing Rules), shall abstain from voting; (ii) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including the identity of the eligible participant, the number and terms of the share options to be granted and the share options previously granted to such eligible participant in the 12-month period, the purpose of granting share options to such eligible participant and an explanation as to how the terms of the share options serve such purpose); and (iii) the number and terms (including the exercise price) of such share options have been fixed before the Shareholders' approval is sought.

## – Period within which the share option may be exercised by the grantee

Share options may be exercised in whole or in part by the grantee at any time before the expiry of the period as determined and notified by the Board to the grantee which, in any event, shall not be longer than 10 years commencing from the date of the offer letter and expiring on the last day of such 10-year period.

There are no general requirements on the performance targets that must be achieved before a share option may be exercised under the Share Option Scheme. However, the Board may, on the case-by-case basis, make an offer subject to the conditions in relation to performance targets to be achieved and the relevant clawback mechanism for the Company to recover the share options granted as the Board may determine in its absolute discretion.

## – Vesting period of share options granted

No vesting period is provided for the share options granted under the Share Option Scheme unless otherwise determined by the Board at the time of grant.

## – Payment on acceptance of the share option

An offer of grant of a share option may be accepted by an eligible participant within 21 days from the date of grant of the share option (the “**Date of Grant**”), which must be a trading day, upon payment of HK\$1.00.

## – Basis of determining the exercise price of share options granted

The exercise price of share options granted under the Share Option Scheme shall be such price as determined by the Board and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the Date of Grant; and (iii) the nominal value of the Shares on the Date of Grant. In respect of any share option to be granted, the date of the Board meeting at which the grant is proposed shall be taken to be the Date of Grant.

## – Remaining life

The Share Option Scheme shall expire on 9 May 2026.

No share options were granted by the Company under the Share Option Scheme during the Year. The number of share options available for grant under the Share Option Scheme at the beginning and the end of the Year are 48,000 and 48,000 respectively. The number of Shares that may be issued in respect of the share options granted under the Share Option Scheme during the Year divided by the weighted average number of Shares in issue for the Year is nil%.

Details of movements in the share options granted by the Company under the Share Option Scheme during the Year are as follows:

Name of the participants	Date of Grant	Exercise price per Share HK\$	Number of share options					Outstanding as at 31 December 2025 (Note 1)	Exercise period (Note 2)
			Outstanding as at 1 January 2025 (Note 1)	Granted during the Year	Exercised during the Year	Lapsed during the Year	Cancelled during the Year		
<b>Directors</b>									
Mr. Phang	29 October 2021	0.220	10,364,000 (L)	–	–	–	–	10,364,000 (L)	16 October 2022 to 9 May 2026 (both days inclusive)
Mr. Joseph	28 October 2020	0.090	8,000,000 (L)	–	–	–	–	8,000,000 (L)	10 May 2021 to 9 May 2026 (both days inclusive)
Ms. Ong	28 October 2020	0.090	8,500,000 (L)	–	–	–	–	8,500,000 (L)	10 May 2021 to 9 May 2026 (both days inclusive)
<b>Employees of the Group</b>	28 October 2020	0.090	52,360,000 (L)	–	–	–	–	52,360,000 (L)	10 May 2021 to 9 May 2026 (both days inclusive)
Total			79,224,000 (L)	–	–	–	–	79,224,000 (L)	

### Notes:

1. The letter “L” denotes a long position in the underlying Shares.
2. The vesting period of each share option granted commences from the Date of Grant of the share option up to the date immediately before the same becomes exercisable.

# REPORT OF THE DIRECTORS

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" and headed "SHARE OPTION SCHEME" above:

- (a) no arrangements to which the Company or any of its subsidiaries was a party and whose objects were, or one of whose objects was, to enable the Directors, or their spouses or children under 18 years of age, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate subsisted at any time during the Year or at the end of the Year; and
- (b) none of the Directors, or their spouses or children under 18 years of age, had any right to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate or exercised any such right during the Year.

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

So far as it is known to the Directors and the Chief Executives, as at 31 December 2025, the interests and short positions of the persons, other than the Directors and the Chief Executives, in the Shares and the underlying Shares as recorded in the register required to be kept under Section 336 of the SFO were as follows:

### Aggregate Long Positions in the Shares

Name of the substantial Shareholders	Capacity/Nature of interest	Number of Shares	Approximate percentage of the total number of issued Shares as at 31 December 2025
Brewster Global	Beneficial owner	529,125,000 (Note 1)	41.88%
Ms. Yee Say Lee ("Ms. Yee")	Interest of spouse (Note 2)	550,505,000	43.57%

Notes:

1. The entire issued share capital of Brewster Global is directly held by Mr. Lim. Accordingly, Mr. Lim is deemed to be interested in the Shares held by Brewster Global under the SFO. Mr. Lim is a controlling Shareholder and an executive Director.
2. Ms. Yee is the spouse of Mr. Lim. Accordingly, Ms. Yee is deemed to be interested in the Shares in which Mr. Lim is interested under the SFO.

Save as disclosed above, as at 31 December 2025, no person, other than the Directors and the Chief Executives, had any interest or short position in the Shares or the underlying Shares as recorded in the register required to be kept under Section 336 of the SFO.

## PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption of the Shares by the Company or any of its subsidiaries, and the Company did not hold any treasury shares (within the meaning of the Listing Rules), during the Year.

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or under the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer the new Shares on a pro-rata basis to the existing Shareholders.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year, none of the Directors or their associates (as defined in the Listing Rules) had any interest in a business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the Group's business.

Mr. Lim, a controlling Shareholder and an executive Director, has confirmed that he had not engaged in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the Group's business and that he had complied with the undertaking given under the deed of non-competition as disclosed in the prospectus of the Company dated 25 May 2016 throughout the Year. The independent non-executive Directors are not aware of any incident of non-compliance of such undertaking.

## DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save for the borrowings of the Group and the related party transactions of the Group as disclosed in Note 30 to the Consolidated Financial Statements, no transaction, arrangement or contract of significance in relation to the Group's business entered into by the Company or any of its subsidiaries and in which a Director, or any of his/her connected entities, had, directly or indirectly, a material interest subsisted at any time during the Year or at the end of the Year.

## MAJOR CUSTOMERS, SUPPLIERS AND SUBCONTRACTORS

During the Year,

- Approximately 28.8% (2024: 39.5%) and 80.1% (2024: 85.3%) of the Group's total purchases were attributable to the largest supplier of the Group and the five largest suppliers of the Group combined respectively;
- Approximately 18.8% (2024: 37.7%) and 52.6% (2024: 56.6%) of the Group's total revenue were attributable to the largest customer of the Group and the five largest customers of the Group combined respectively; and

# REPORT OF THE DIRECTORS

- Approximately 12.4% (2024: 16.5%) and 41.4% (2024: 57.7%) of the Group's total subcontractor fees were attributable to the largest subcontractor of the Group and the five largest subcontractors of the Group combined respectively.

None of the Directors, their close associates (as defined in the Listing Rules) or the Shareholders (which to the knowledge of the Directors own more than 5% of the total number of issued Shares) had any beneficial interest in any of the Group's five largest suppliers or customers during the Year.

## MANAGEMENT CONTRACTS

No contracts, other than the contracts of service with the Directors and employment contracts, concerning the management and/or administration of the whole or any substantial part of any business of the Group were entered into or existed during the Year.

## CHANGES IN DIRECTORS' INFORMATION

Save as disclosed below, there have been no changes in the information of the Directors since the date of the 2025 Interim Report and up to the date of this annual report which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

Mr. Wee Hian Eng Cyrus, an independent non-executive Director, has renewed his letter of appointment with the Company for a term of three years commencing from 17 December 2025, which may be terminated by either party by giving not less than three months' notice in writing, and shall be subject to retirement by rotation and re-election at the AGM at least once every three years in accordance with the Listing Rules and the Articles of Association. Pursuant to the said letter of appointment, Mr. Wee is entitled to a director's fee of S\$21,000 per annum, which was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, his skill, knowledge and experience, time commitment and duties and responsibilities within the Company and the prevailing market conditions and is subject to review by the Board and the Remuneration Committee from time to time.

## RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of the related party transactions entered into by the Group during the Year are disclosed in Note 30 to the Consolidated Financial Statements.

During the Year, there was no connected transaction or continuing connected transaction which was required to be disclosed in this annual report pursuant to Chapter 14A of the Listing Rules.

## DISCLOSURES PURSUANT TO RULES 13.20 AND 13.22 OF THE LISTING RULES

Details of the Group's advances to an entity and financial assistance to, and guarantees given for facilities granted to, the Group's joint ventures and associated companies (collectively, the "affiliated companies") as at 31 December 2025 are as follows:

1. On 7 May 2021, each of Longlands, Mr. Tng and Mr. Yang entered into a shareholder's loan agreement with Chuan Investments, pursuant to which the balance of the capital contribution to Chuan Investments payable by each of Longlands, Mr. Tng and Mr. Yang shall be made by way of unsecured interest-free shareholder's loans in the amount of not more than S\$16,900,000 for the purpose of financing the Redevelopment Project. The amount of the contribution was determined based on Chuan Investments' portion (being 30%) of the cash contribution or commitment towards the then capital needs for the Redevelopment Project (being an amount in the range of 20% to 27% of the then total estimated capital needs for the Redevelopment Project). The unsecured interest-free shareholder's loans are repayable on demand. For further details, please refer to the announcement of the Company dated 7 May 2021 and the circular of the Company dated 25 June 2021.

On the respective dates of 3 January 2024, 12 March 2024, 7 January 2025, 2 May 2025 and 22 September 2025, in order to finance Chuan Investments' portion (being 30%) of the cash contribution or commitment towards the then further capital needs for the Redevelopment Project, Longlands and Chuan Investments entered into (i) the First Further Shareholder's Loan Agreement, pursuant to which Longlands provided to Chuan Investments the First Further Shareholder's Loan of S\$500,000 on 3 January 2024; (ii) the Second Further Shareholder's Loan Agreement, pursuant to which Longlands provided to Chuan Investments the Second Further Shareholder's Loan of S\$2,500,000 on 18 March 2024; (iii) the Third Further Shareholder's Loan Agreement, pursuant to which Longlands provided to Chuan Investments the Third Further Shareholder's Loan of S\$750,000 on 7 January 2025; (iv) the Fourth Further Shareholder's Loan Agreement, pursuant to which Longlands provided to Chuan Investments the Fourth Further Shareholder's Loan of S\$250,000 on 2 May 2025; and (v) the Fifth Further Shareholder's Loan Agreement, pursuant to which Longlands provided to Chuan Investments the Fifth Further Shareholder's Loan of S\$750,000 on 22 September 2025. The aforesaid further shareholder's loans are unsecured, interest-free and repayable on demand. For further details, please refer to the announcements of the Company dated 12 March 2024 and 12 January 2026.

2. On 16 October 2024, Chuan Lim and BuildStar Contractor Pte. Ltd. ("**BuildStar**"), a company incorporated in Singapore with limited liability which is owned as to 55% by Mr. Lee Kit Ha, an independent third party, and 45% by Mr. Fang Quanxin, an independent third party, entered into the joint venture agreement dated 16 October 2024 in respect of the establishment, operations and management of Chuan Lim – BuildStar JV Pte. Ltd. ("**Chuan Lim – BuildStar JV**"), a company incorporated in Singapore with limited liability which is owned as to 50% each by Chuan Lim and BuildStar. Pursuant to the said joint venture agreement, each of Chuan Lim and BuildStar contributed S\$5,000 to the paid-up capital of Chuan Lim – BuildStar JV and provided to Chuan Lim – BuildStar JV a shareholder's loan in the amount of S\$1,000,000 on 18 August 2025 for the purpose of financing Chuan Lim – BuildStar JV's execution of the joint venture project, which involves subcontracting the building works under a public construction project in relation to the erection of a 5-storey electrical substation building at Mukim 06 Lot 04984X, Jalan Ahmad Ibrahim, Jurong Pier Road, Lan Pesawat, Singapore. The aforesaid shareholder's loan is unsecured, interest-free and repayable on demand. For further details, please refer to the announcements of the Company dated 16 October 2024 and 25 October 2024.

# REPORT OF THE DIRECTORS

The advances to an entity as well as the financial assistance and guarantees to the affiliated companies given by the Group as at 31 December 2025 are set out below:

	<b>2025</b> <b>S\$'000</b>	2024 S\$'000
Amount due by the affiliated companies ( <i>Note</i> )	<b>22,650</b>	19,900
Guarantees given for the affiliated companies in respect of banking and other credit facilities	–	–
Commitments to capital injections and loan contributions	–	1,000

*Note:* The advances are unsecured interest-free shareholder's loans, which are repayable on demand.

Subsequent to the end of the Year, Longlands provided to Chuan Investments the Sixth Further Shareholder's Loan of S\$1,500,000 on 16 January 2026 pursuant to the Sixth Further Shareholder's Loan Agreement. The Sixth Further Shareholder's Loan is unsecured, interest-free and repayable on demand. For further details, please refer to the announcement of the Company dated 12 January 2026. The advances to an entity as well as the financial assistance and guarantees to the affiliated companies given by the Group as at the date of this report are set out below:

	S\$'000
Amount due by the affiliated companies ( <i>Note</i> )	24,150
Guarantees given for the affiliated companies in respect of banking and other credit facilities	–
Commitments to capital injections and loan contributions	–

*Note:* The advances are unsecured interest-free shareholder's loans, which are repayable on demand.

Pursuant to Rule 13.22 of the Listing Rules, a combined statement of financial position of the affiliated companies with financial assistance from the Group together with the Group's attributable interests in those affiliated companies as at 31 December 2025 are presented as follows:

	<b>Combined statement of financial position</b> S\$'000	<b>The Group's attributable interests</b> S\$'000
Non-current assets	59,182	19,727
Current assets	7,338	3,650
Current liabilities	(4,639)	(2,276)
Total assets less current liabilities	61,881	21,101
Non-current liabilities	(66,854)	(22,618)
Net assets	(4,974)	(1,517)

The combined statement of financial position of the affiliated companies was prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classifications in the statement of financial position, as at 31 December 2025.

## DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

The information required to be disclosed pursuant to Rule 13.21 of the Listing Rules is as follows:

On 28 February 2024, Hulett Construction entered into a facility agreement (the “**Facility Agreement**”) with DBS Bank Ltd (“**DBS**”), a licensed bank in Singapore, pursuant to which Hulett Construction was granted a term loan facility up to the amount of S\$26,720,000 for a term of seven years from the drawdown date of the loan. The aforesaid facility was fully utilised on 21 June 2024 for the purpose of financing the Acquisition. Pursuant to the Facility Agreement, Hulett Construction shall ensure, among others, that (i) Mr. Lim shall continue to act as the chief executive officer of the Group; and (ii) Mr. Lim, Ms. Yee together with their associates (as defined in the Listing Rules) shall collectively continue to hold at least 30% of the total number of issued Shares. Any breach of the above undertakings would constitute a termination event under the Facility Agreement, upon which DBS may by notice in writing declare all amounts owing or payable to DBS thereunder to be immediately due and payable. For further details, please refer to the circular of the Company dated 22 April 2024.

As at 31 December 2025, the outstanding principal amount of the aforesaid facility granted to Hulett Construction was approximately S\$12,712,000.

## EMOLUMENT POLICY AND LONG-TERM INCENTIVE SCHEMES

The employees' emolument policy adopted by the Group and the Remuneration Policy are set out on pages 23 and 42 of this annual report respectively.

The Company has adopted the Share Option Scheme as an appropriate long-term incentive scheme to the Directors and eligible employees of the Group, details of which are set out in the section headed “SHARE OPTION SCHEME” above.

## PENSION SCHEME

The Group participates in the Central Provident Fund (“**CPF**”) Scheme (“**CPF Scheme**”), which is a defined contribution pension scheme in Singapore. The CPF Scheme is a comprehensive social security system that enables working Singapore citizens and permanent residents to set aside funds for retirement.

# REPORT OF THE DIRECTORS

Pursuant to the Central Provident Fund Act (“**CPF Act**”), laws of Singapore, the Group is obliged to make CPF contributions for all of its employees who are Singapore citizens or permanent residents employed in Singapore.

CPF contributions are required for both ordinary wages and additional wages (subject to an ordinary wage ceiling and a yearly additional wage ceiling) of an employee at the applicable prescribed rates which are dependent on, among others, the amount of monthly wages and the age of the employee. An employer must pay both the employer’s and employee’s shares of monthly CPF contributions. However, the employer can recover the employee’s share of monthly CPF contributions from his/her wages when the contributions are paid for that month. No forfeited contributions under the CPF Scheme may be used by the employer to reduce the existing level of contributions.

The total costs amounting to approximately S\$1,198,000 charged to profit or loss for the Year represent the CPF contributions paid by the Group. As at 31 December 2025, all due CPF contributions were paid.

Save as disclosed above, the Group did not participate in any other pension schemes during the Year.

## EMOLUMENTS OF DIRECTORS, SENIOR MANAGEMENT AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors, the Senior Management and the five highest paid individuals of the Group are set out in Note 8 to the Consolidated Financial Statements. The five highest paid individuals of the Group for the Year include 3 Directors and 2 Senior Management. Details of the remuneration of the Senior Management for the Year are as presented in the table below:

<b>Remuneration band</b>	<b>Number of individuals</b>
Nil – HK\$1,000,000	–
HK\$1,000,001 – HK\$1,500,000	2
HK\$1,500,001 – HK\$2,000,000	2
HK\$2,000,001 – HK\$2,500,000	–

There was no arrangement under which a Director had waived or agreed to waive any emoluments during the Year.

## TAX RELIEF

The Company is not aware of any relief from taxation to which the Shareholders are entitled by reason of their holding of the Shares.

## SUFFICIENCY OF PUBLIC FLOAT

During the Year and up to the date of this annual report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient amount of public float for the Shares as required under the Listing Rules.

## CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out in the “Corporate Governance Report” of this annual report.

In the opinion of the Directors, the Company had complied with all applicable Code Provisions throughout the Year.

## AUDITOR

The Consolidated Financial Statements are audited by EY, which shall retire at the forthcoming AGM and, being eligible, has offered itself for re-appointment. A resolution for the re-appointment of EY as the Auditor will be proposed at the forthcoming AGM.

## EVENTS AFTER END OF YEAR

Save as disclosed below, the Directors confirm that there have been no significant events affecting the Group after 31 December 2025 and up to the date of this annual report:

On 12 January 2026, in order to finance Chuan Investments’ portion (being 30%) of the cash contribution or commitment towards the further capital needs for the Redevelopment Project, Longlands and Chuan Investments entered into the Sixth Further Shareholder’s Loan Agreement, pursuant to which Longlands provided to Chuan Investments the Sixth Further Shareholder’s Loan of S\$1,500,000 on 16 January 2026. The Sixth Further Shareholder’s Loan is unsecured, interest-free and repayable on demand. For further details, please refer to the announcement of the Company dated 12 January 2026.

On behalf of the Board

**Phang Yew Kiat**

*Chairman and Executive Director*

30 March 2026

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THE COMPANY AND GROUP

Listed on the Main Board of the Stock Exchange (Stock Code: 1420) since June 2016, the Company is a leading earthworks contractor in Singapore. Renowned for reliability, technical competence and industry excellence, the Group specialises in high-quality earthworks and ancillary services, general construction works as well as property leasing and management operations.

The Group's core revenue stems from earthworks and ancillary services segment, including excavation, land clearing, demolition, rock breaking, earth disposal, earth filling and shore protection, serving a wide range of commercial and residential projects. The Group also undertakes general construction works, covering new project developments and alteration and addition works for both private and public sector clients. Further enhancing its market positioning, the Group's expanded portfolio now includes an advanced property leasing and management operations, which offers workforce accommodation solutions, expansive logistics facilities for the deployment of heavy equipment and custom engineered production environments.

With over two decades of industry experience, the Group is a trusted market leader committed to integrity, safety and quality. Guided by its robust ESG principles, the Group pursues sustainable growth while delivering value to stakeholders and the community.

## ABOUT THIS REPORT

### Overview

This Environmental, Social and Governance Report (the “**ESG Report**”) details the Group's ESG performance and strategic initiatives for the Year, providing a comprehensive, balanced and objective account prepared in accordance with established reporting standards.

### Reporting Year and Scope

The Group's ESG strategy drives long-term stakeholder value by embedding sustainability into its operating model, utilising the precautionary principle to mitigate environmental and social risks.

The ESG Report covers the Group's sustainability performance from 1 January 2025 to 31 December 2025 across the Group's core business segments – earthworks and ancillary services, general construction works as well as property leasing and management operations in Singapore. Confined to high-impact units under direct operational control, the ESG Report offers stakeholders a transparent view of the Group's progress on material sustainability issues.

### Reporting Standards and Principles

The ESG Report, primarily compiled in accordance with the Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”) set out in Appendix C2 to the Listing Rules, adheres to the principles of “Materiality”, “Quantitative”, “Balance” and “Consistency”.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## **Materiality**

The Group prioritises stakeholder input to shape its sustainability strategy. Regular materiality assessments are undertaken to identify and address the most significant ESG-related issues, ensuring the ESG Report accurately reflects the concerns and expectations of both internal and external stakeholders.

## **Quantitative**

The ESG Report provides quantitative disclosures on the Group's performance on material ESG-related issues. Supplementary notes are added along with quantitative data disclosed in the ESG Report to explain any standards, methodologies and sources of conversion factors used during the calculation of greenhouse gas ("GHG") emissions.

## **Balance**

To ensure a fair and comprehensive view, the Group discloses both achievements and challenges. Where performance gap exists, the Group outlines the corresponding mitigation measures. The ESG Report avoids selective disclosures, omissions or biased representations that could mislead stakeholders.

## **Consistency**

The Group maintains consistent reporting standards and data methodologies to ensure comparability with prior years. Any deviations (if any) from the ESG Report for 2024 are clearly explained.

## **Confirmation and Approval**

To ensure accuracy and reliability, the Group employs robust internal controls and a rigorous review process. The ESG Report has been carefully reviewed by the Senior Management and approved by the Audit Committee and the Board, ensuring integrity, credibility and transparency.

## **Opinions and Feedback**

The Group values stakeholder feedback as a driver for continuous improvement in sustainability management. It welcomes comments on the ESG Report's content and format via email at [chuanlc@singnet.com.sg](mailto:chuanlc@singnet.com.sg).

## **Forward-looking Statements**

The ESG Report contains forward-looking statements based on current evaluations and market assumptions. These statements are aspirational, not guaranteed; actual performance remains subject to market volatility and exogenous variables which may cause material divergence from these projections.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## MESSAGE FROM CHAIRMAN

To all stakeholders,

On behalf of the Board, I am pleased to present the Group's ESG Report for 2025. This report encapsulates our commitment to sustainable development, ethical corporate governance and the creation of long-term value for our stakeholders.

The year 2025 was one of significant strategic progress. Against a dynamic macroeconomic backdrop, the Group delivered robust operational performance – achieving year-on-year revenue growth and a substantial increase in net profit – while simultaneously advancing measurable improvements across key environmental and social metrics. This outcome reinforces our conviction that commercial success and environmental responsibility are mutually reinforcing imperatives.

A defining milestone was the formal integration of climate-related risk management into our enterprise governance framework. For the first time, the Group conducted comprehensive climate scenario analyses, evaluating operational resilience under both stringent mitigation (SSP1-2.6) and high-emission (SSP5-8.5) pathways. Coupled with the expansion of our Scope 3 GHG emissions reporting, this positions the Group at the forefront of climate transparency and preparedness. The successful commissioning of the photovoltaic system at our property's dormitory further exemplifies our tangible commitment to renewable energy, in direct alignment with the decarbonisation objectives of the Singapore Green Plan 2030.

The Group is pioneering industry transformation through the strategic deployment of AI and robotics. A landmark initiative is the development of a robotic arm for the automated installation of noise barrier panels – a process traditionally labour-intensive and hazardous – significantly enhancing both on-site safety and productivity. This embrace of automation is simultaneously driving workforce transformation, as employees are upskilled for higher-value roles in data monitoring, systems supervision and performance optimisation, cultivating a more resilient and technologically adept team.

Our workforce remains the bedrock of our competitive advantage. We have deepened our “safety-first” culture, treating workplace safety as a non-negotiable priority across all construction sites and corporate offices. Beyond physical safety, we are enhancing the professional experience through flexible work practices that support mental well-being and work-life balance, fostering a motivated team capable of driving productivity and innovation.

We are elevating our approach to corporate social responsibility by transitioning towards a quantifiable social value framework. This data-driven approach allows us to measure the efficacy of our community investments, ensuring transparency and maximising the social return on investment.

Looking ahead, the Group remains resolute in balancing business growth with environmental stewardship. We will continue to refine our ESG strategies to generate long-term value for the Shareholders and stakeholders, upholding our position as a responsible corporate citizen.

**Chuan Holdings Limited**

**Phang Yew Kiat**

*Chairman and Executive Director*

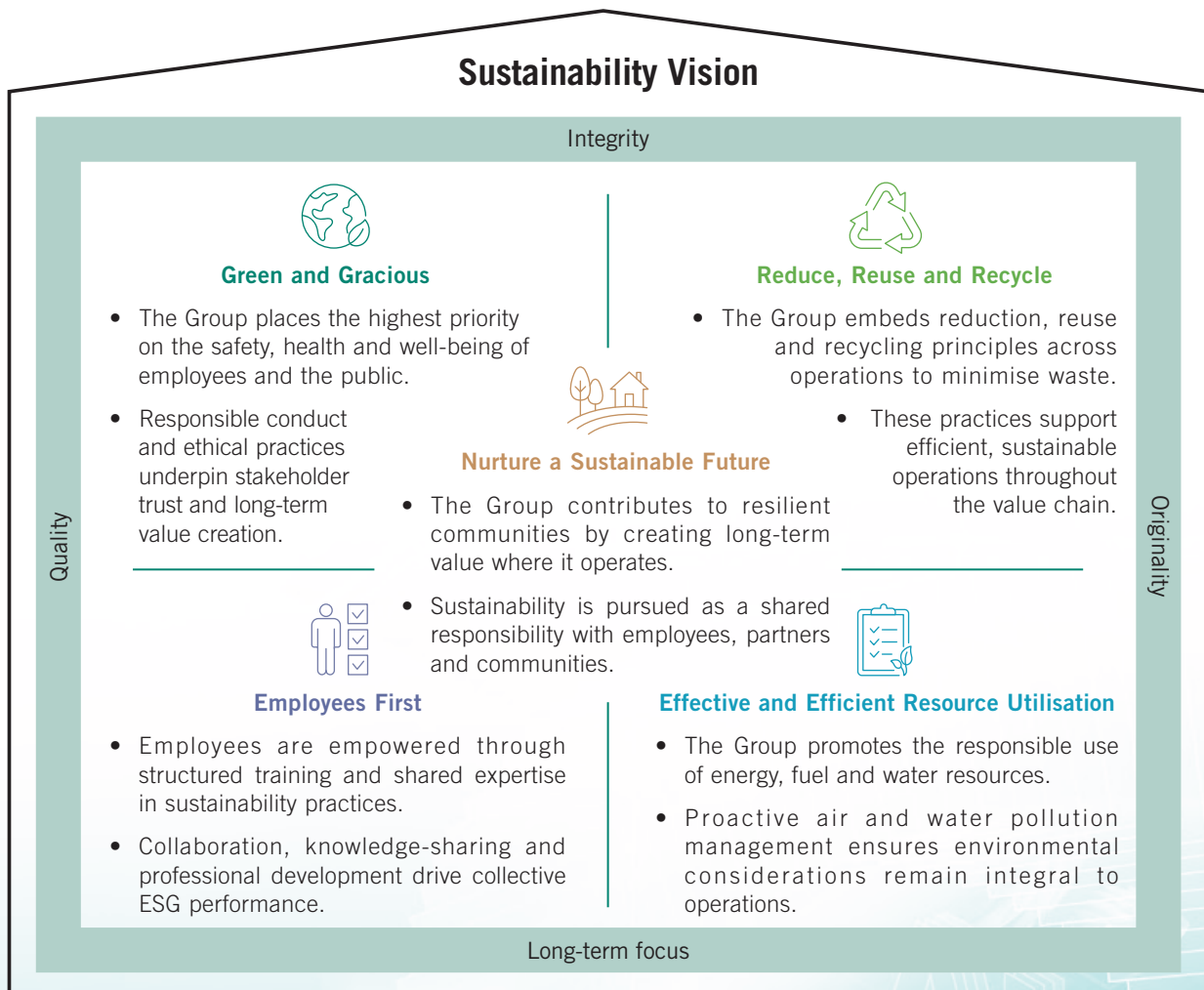
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SUSTAINABILITY VISION

The Group is committed to advancing sustainable development across the construction value chain through a balanced and integrated focus on environmental protection, social responsibility and economic resilience. Guided by strong corporate governance and ethical business practices, the Group strives to create long-term, sustainable value for its stakeholders while operating responsibly and in full compliance with regulatory requirements.

Anchored in the Group’s enduring philosophy, its sustainability vision, “Green and Gracious”, shapes strategic direction and operational conduct. “Green” reflects the Group’s commitment to minimising environmental impact, enhancing resource efficiency, reducing carbon emissions and supporting the transition to a low-carbon, climate-resilient economy. “Gracious” embodies the Group’s dedication to people and communities – prioritising workplace safety, nurturing a caring and inclusive culture and contributing positively to community well-being.

Through responsible construction practices, continuous improvement and innovation, the Group seeks to minimise the environmental footprint of its core activities while supporting a better economy, a stronger community and a healthier environment for present and future generations.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

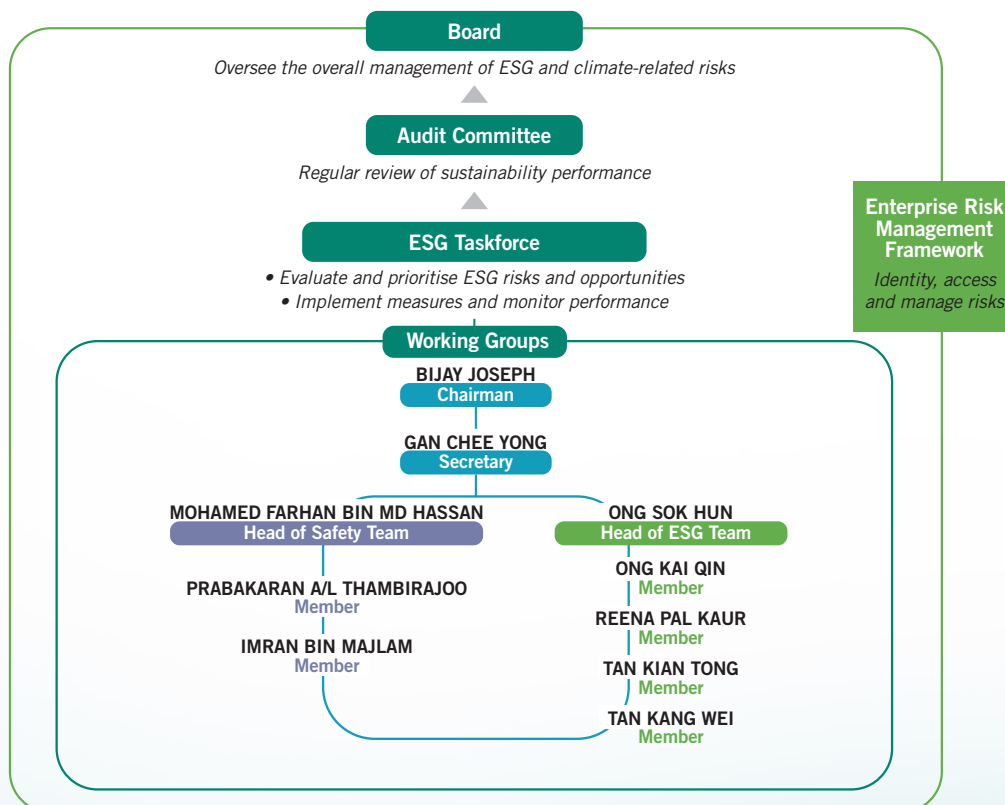
Sustainability is a collective responsibility. The Group fosters open communication, transparency and engagement with its stakeholders to drive continuous improvement. As the Group delivers excellence in earthworks and ancillary services, general construction works and property leasing and management operations, it remains steadfast in advancing sustainable practices, embracing innovative technologies and aligning with globally recognised sustainability frameworks.

The Group has established clear, progressive environmental targets to reinforce its commitment to sustainability. As detailed in the section headed “Metrics and Targets” below, the Group has delineated short-term (3-5% reduction), medium-term (6-15% reduction) and long-term (16-40% reduction) intensity targets for energy consumption, GHG emissions and non-hazardous waste, together with a mid-term target of 6-15% reduction in water consumption, all benchmarked against a 2025 baseline. These phased objectives chart a comprehensive and accountable pathway toward the Group’s ultimate aspiration of full environmental sustainability and alignment with Singapore’s decarbonisation agenda.

By integrating sustainability into its core strategy, the Group is well positioned to navigate a dynamic and evolving global landscape – generating enduring value today while fostering a responsible and sustainable future for generations to come.

## ESG GOVERNANCE STRUCTURE

To ensure the integration of ESG considerations into its operations and strategic decisions, the Group has established a robust ESG governance structure centred on the ESG Taskforce. This structure reflects the Group’s dedication to aligning its business objectives with sustainability principles and fostering a culture of continuous improvement.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Board holds the ultimate responsibility for overseeing the Group's ESG issues, encompassing its management approach, strategy and policies. To strengthen ESG performance management and risk identification, the Board reviews materiality assessments – supported by the Audit Committee and the ESG Taskforce, to evaluate and prioritise material ESG issues in alignment with stakeholder views and expectations. The Board sets the overall strategic direction for ESG initiatives and is responsible for ensuring the effectiveness of ESG risk management and related internal controls. With the support of the ESG Taskforce, the Board reviews the Group's progress against ESG goals and targets at least annually, ensuring that the Group's sustainability vision is embedded in its strategic planning processes and operational practices.

To oversee ESG matters effectively, the Board delegates specific responsibilities to the Audit Committee, which reviews the ESG Taskforce's report on ESG-related matters and performance at least annually to ensure the implementation of appropriate and effective ESG risk management and internal control systems. The Audit Committee is further responsible for reviewing the Group's performance and compliance in corporate governance matters, including disclosures in the Corporate Governance Report and the ESG Report. Findings, decision and recommendations of the Audit Committee are reported back to the Board for consideration and approval.

The ESG Taskforce comprises a dedicated team of ten core members from across the Group, each contributing specialised expertise to advance the Group's sustainability agenda. Led by the Chairman, an executive Director, and supported by the Secretary to the Chairman, the ESG Taskforce includes the ESG Team and the Safety Team, consisting of five and three members respectively. Together, these professionals provide strategic direction, technical expertise and operational insights to ensure the effective integration of ESG principles across the Group's activities.

The members of the ESG Taskforce are committed to continuous improvement and professional development. Recognising the evolving nature of sustainability, they actively pursue knowledge enhancement to stay abreast of emerging trends, industry best practices and regulatory developments. This proactive approach enables the ESG Taskforce to adapt its strategies accordingly, ensuring continued effectiveness in addressing both current and future ESG challenges, positioning the Group as a leader with sustainable and responsible business practices.

The ESG Taskforce is entrusted with a wide range of key responsibilities in advancing the Group's sustainability agenda, which include:

- To identify, assess, prioritise and manage material ESG-related issues and risks affecting the Group and its stakeholders;
- To provide recommendations to the Board on materiality assessment methodologies, prioritisation criteria and the setting of ESG goals and targets aligned with the Group's long-term strategy;
- To formulate, develop and implement the Group's ESG strategies, frameworks and policies pursuant to the strategic direction set by the Group and to continuously enhance these strategies, frameworks and policies to ensure their effectiveness and relevance;
- To monitor and evaluate the Group's performance against its ESG objectives and sustainability targets, such as environment, health and safety as well as labour standards;
- To collect relevant information for preparing the ESG Report;

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- To assist the Audit Committee and the Board in assessing the effectiveness of Group’s ESG risk management and internal control systems; and
- To support the Board in overseeing ESG matters and ensure compliance with applicable laws, rules and regulatory requirements for ESG disclosures and reporting.

The ESG Taskforce meets regularly to review progress, refine initiatives and maintain alignment with the Group’s sustainability vision and long-term value creation objectives. It works closely with business units across the Group to strengthen ESG practices and reports key ESG risks, opportunities, materiality assessment outcomes, performance and recommendations to the Audit Committee and the Board at least annually, ensuring informed oversight, transparency and accountability.

## PERFORMANCE REVIEW

During the Reporting Year, the Group has effectively addressed its ESG issues and successfully achieved the following key milestones.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## STAKEHOLDER ENGAGEMENT

### Stakeholders and Communication Channels

The Group is committed to integrating sustainability into its ESG strategies, focusing on improving environmental protection and social responsibility. Recognising the importance of stakeholder input, the Group actively engages in close communication to identify, understand and address key stakeholder concerns. To support effective dialogue and ensure stakeholder insights are systematically integrated into sustainable management practices and ESG strategy development, the Group has established diverse communication channels.

Major Stakeholder Groups	Engagement Channels	Issues of Concerns
<b>The Board and Management</b>	<ul style="list-style-type: none"> <li>• Board and Board Committee meetings</li> <li>• Executive meetings</li> <li>• Interview with the Management</li> <li>• Phone and emails</li> <li>• Questionnaire Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Regulatory compliance</li> <li>• Financial performance</li> <li>• Healthy and sustainable business development</li> </ul>
<b>Government and Regulatory Authorities</b>	<ul style="list-style-type: none"> <li>• Officers' site inspection</li> <li>• Meetings with officials</li> <li>• Public consultation on regulations and policies</li> <li>• Feedback through industry associations</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Environmental protection</li> <li>• Contribution to society</li> <li>• Occupational safety</li> </ul>
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>• Annual reports, interim reports and ESG reports</li> <li>• Announcements and circulars</li> <li>• Annual general meetings and extraordinary general meetings</li> <li>• Investor enquiries</li> <li>• Investor meetings</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Return on investment</li> <li>• Business compliance</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Major Stakeholder Groups	Engagement Channels	Issues of Concerns
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Assessment of work performance</li> <li>• Regular meetings and management communication (e.g. email and telephone)</li> <li>• Training programmes</li> <li>• Corporate newsletter</li> <li>• Team-building activities</li> <li>• Questionnaire survey</li> </ul>	<ul style="list-style-type: none"> <li>• Employees' compensation and benefits</li> <li>• Healthy and safe work environment</li> <li>• Career development</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Project meetings</li> <li>• Support hotline</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Service quality</li> <li>• Protection of customers' right</li> <li>• Safety management</li> </ul>
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>• Industrial events and supplier meetings</li> <li>• Industry associations</li> </ul>	<ul style="list-style-type: none"> <li>• Stable, long-term business partnership</li> <li>• Co-operation and mutual benefits</li> <li>• Fair trade and anti-corruptions</li> </ul>
<b>Suppliers and Subcontractors</b>	<ul style="list-style-type: none"> <li>• Daily business communication</li> <li>• Supplier/subcontractor management meetings and events</li> <li>• Regular assessment of suppliers/subcontractors' performance</li> <li>• Site inspection</li> <li>• Procurement procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable supply chain</li> <li>• Fair and open tendering</li> <li>• Stable business relationship</li> </ul>
<b>Community and the Public</b>	<ul style="list-style-type: none"> <li>• Community opinion surveys</li> <li>• Charity event planning and participation</li> <li>• ESG reports</li> <li>• Media</li> </ul>	<ul style="list-style-type: none"> <li>• Involvement in communities</li> <li>• Business compliance</li> <li>• Environmental protection awareness</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• Feedback and responses to media enquiries</li> <li>• Interviews and media audits</li> <li>• Annual reports, interim reports and ESG reports</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental protection awareness</li> <li>• Sustainable communication</li> </ul>

## Materiality Assessment

The Group recognises the significance of material topics to its stakeholders and strives to identify and assess issues that are critical to both its business and stakeholders. During the Reporting Year, a materiality survey was conducted to capture stakeholder perspectives on ESG matters, and the results confirmed the continued relevance of the identified topics. This process involved the following key steps:

### 1. *Identifying Relevant Topics*

The Group identified the most relevant sustainability topics by monitoring industry trends, best practices and global developments. This process was guided by alignment with both local and international reporting standards, including the ESG Reporting Code and other applicable sustainability frameworks.

### 2. *Engaging Stakeholders*

The Group engaged with internal and external stakeholders to surface sustainability concerns and gather valuable insights. An online survey was conducted to provide stakeholders with a platform to share their perspectives on ESG priorities and challenges, with the feedback gathered informing the Group's sustainability agenda.

### 3. *Prioritising Material Topics*

The Group evaluated and prioritised each identified topic based on stakeholder feedback and operational relevance. This structured approach ensured that the most significant ESG issues—those with the greatest impact on both stakeholders and the Group—were prioritised for action.

### 4. *Validating the Sustainability Strategy*

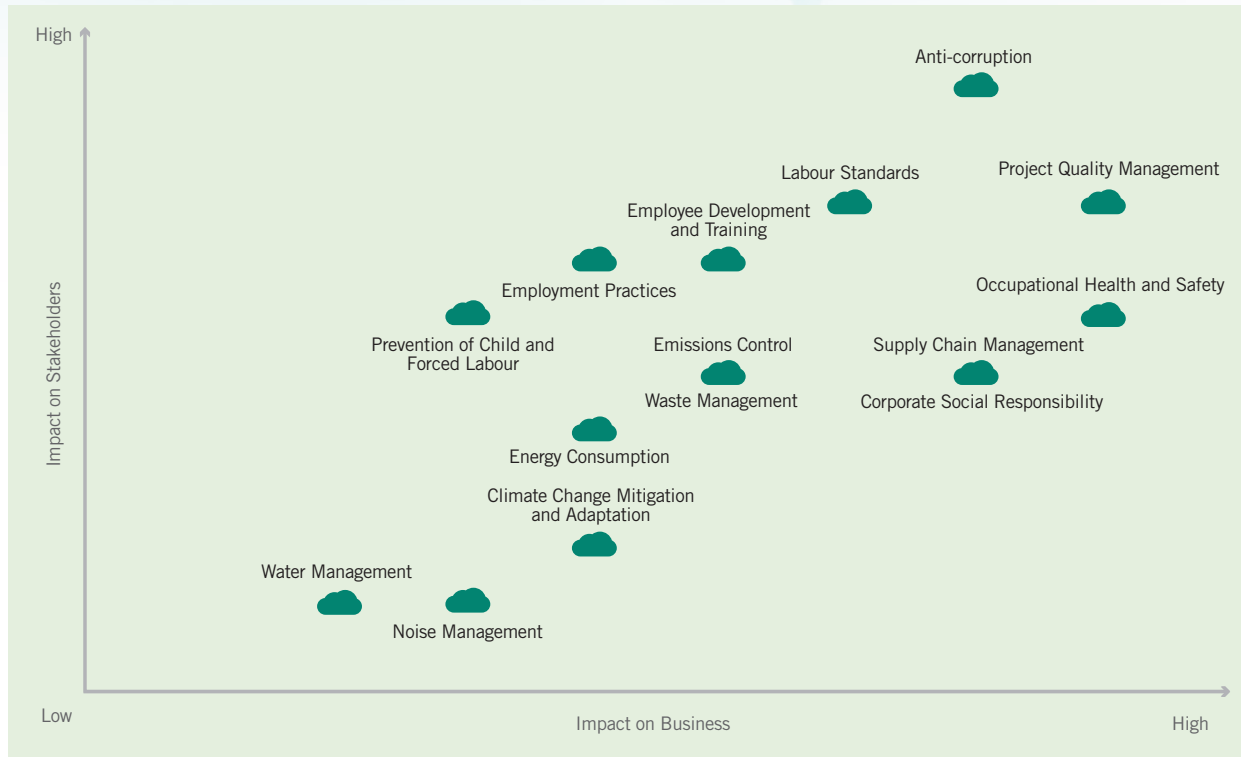
The Board reviewed and endorsed the prioritised list of ESG topics, ensuring that the Group's sustainability strategy aligns with emerging business challenges, stakeholder expectations and long-term objectives. By integrating material ESG topics into its corporate strategy, the Group reaffirmed its commitment to driving meaningful and measurable sustainability progress.

The Group views stakeholder engagement as an ongoing journey rather than a one-time exercise. Through open and transparent dialogue, the Group fosters a collaborative environment where ideas, concerns and solutions are exchanged. This strengthens the Group's ability to address ESG risks and opportunities, while empowering stakeholders to contribute to the Group's mission of creating long-term value for society and the environment.

The matrix below summarises the Group's material ESG-related issues. This initiative was designed to evaluate 15 pre-identified sustainability issues. Based on stakeholder feedback and analysis, the most significant concerns identified are i) anti-corruption; ii) project quality management; and iii) labour standards.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

**Materiality Matrix**



## ENVIRONMENTAL ENGAGEMENT

### Environmentally-friendly Operation Policy

The Group is committed to responsible environmental protection and the minimisation of environmental impacts arising from its construction activities and daily operations. Environmental protection is embedded within the Group’s corporate values and operational philosophy, guiding decision-making across all levels of the Group.

To operationalise this commitment, the Group has established a green sustainability project, which sets out structured approaches and actionable initiatives to implement environmentally-responsible practices, enhance resource efficiency and minimise construction waste, complemented by an its environment and waste management plan, which governs pollution prevention, environmental protection and waste control procedures across all operations. In addition, an environmental management system aligned with ISO 14001:2004 has been adopted to ensure that environmental considerations are systematically integrated into project planning, design and execution.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group operates in full compliance with all applicable environmental laws and regulations in Singapore, including the Environmental Protection and Management Act and the Environmental Public Health Act. During the Reporting Year, the Group recorded zero incidents of environmental non-compliance, underscoring the effectiveness of its environmental governance framework.

The Group's environmental management framework is underpinned by the following principles:

- Recognition of environmental protection as a responsibility to society;
- Integration of pollution prevention, resource conservation and waste reduction measures across all scopes of work;
- Full compliance with applicable environmental legislation and standards;
- Establishment and regular review of environmental objectives and targets to drive continuous improvement;
- Ongoing training to enhance environmental awareness and competency among employees; and
- Transparent communication of environmental policies to employees and parties working for or on behalf of the Group.

Through these principles, the Group strives to achieve sustainable development while maintaining high standards of environmental performance.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Climate-Related Disclosures

### *Governance*

With the assistance of the ESG Taskforce and the Audit Committee, through detailed annual report and regular updates in the Board meetings, the Board considers a broad spectrum of climate-related risks and opportunities in setting the Group's strategic direction, and ensures these factors are fully integrated into its oversight of strategy, major transactions and policies. ESG considerations and stakeholder expectations are fully embedded in decision-making by regularly assessing whether proposed transactions and its controls and mitigation measures align with the Group's climate commitments. The Board balances short-term financial implications with long-term resilience to support informed, forward-looking decisions that enable sustainable performance.

The Board further oversees the development of climate-related targets, ensuring they are grounded in credible data, aligned with strategic priorities and supported by clear execution plans. It reviews progress against these targets on a regular basis and raises queries where gaps or delays arise. Although climate-related performance indicators are not yet incorporated into its remuneration policies, the Group's commitment to achieving its climate objectives remains fully intact.

Internal controls and review mechanisms are integrated into the operations of business units. These include periodic climate-related risks assessments, as well as cross-functional reviews of regulatory and market developments. As elaborated in the section headed "ESG GOVERNANCE STRUCTURE" above, the ESG Taskforce, including executive Directors and senior personnel in the Management, is accountable for managing the day-to-day identification, assessment and management of climate-related risks and opportunities. It reviews consolidated risk and opportunity information, considers appropriate action plan and ensures alignment with the Group's strategy. The reporting follows a bottom-up approach, with departmental inputs consolidated and escalated upwards for review and decision-making. The ESG Taskforce reports to the Audit Committee and the Board regularly, ensuring effective oversight.

All the Directors and senior personnel in the ESG Taskforce have received a training on Singapore Green Plan 2030. The Board is kept informed of emerging ESG developments, including energy policies, regulatory updates and evolving market best practices. ESG training is embedded in the ongoing development of Directors and Senior Management.

### *Strategy*

Since 2025, the Group has defined clear time horizons to guide the effective implementation of its strategy and to track its progress throughout the journey. Each period represents a deliberate phase of action, allowing the Group to build momentum in a structured and measurable way. By defining the purpose of each period, the Group ensures that its efforts remain focused, coordinated and aligned with its overarching ambition.

**Short Term (1-5 years):** The Group's near-term priorities centre on strengthening operational efficiency, ensuring full compliance and building the data and governance foundations needed to support its broader ESG strategy.

**Medium Term (6-10 years):** Over the medium term, the Group will make meaningful progress on its ESG targets that embed sustainable practices across its operations. These goals are designed to deliver measurable improvements on the Group's material topics and align with its corporate strategic planning.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Long Term (10+ years): The Group's long-range ambitions focus on transformational outcomes that contribute to wider societal and environmental goals, including climate action and the transition to a circular economy. These aspirations position the Group to play a leading role in shaping a sustainable future.

## *Managing Climate-related Risks and Opportunities*

Climate change presents a dual landscape of risk and opportunity. The Group adopts a measured approach, weighing both favourable and adverse implications to optimise value creation while mitigating detrimental impacts on its operations.

### Physical Risks, Transition Risks and Opportunities

The Group classifies climate-related impacts into physical risks, transition risks and opportunities that may materially influence its cash flows, access to finance or cost of capital.

**Physical risks:** Encompass both acute events – such as extreme heat, intense rainfall, storms and other natural disasters – that may disrupt the Group's supply chain and infrastructure, and chronic shifts in climatic patterns that could impair long-term business viability.

**Transition risks:** Arise from the global shift towards a low-carbon economy, encompassing increasingly stringent legislation and regulation governing environmental protection, carbon emissions and waste generation. Evolving technologies and a growing market preference for environmentally responsible enterprises may necessitate adjustments to the Group's business model and operations. Such developments may heighten the risk of regulatory non-compliance, giving rise to legal, technological, market and reputational exposure.

**Opportunities:** The transition to a low-carbon business model presents the Group with a range of strategic opportunities. Rising ESG awareness among consumers is progressively reshaping the market, with preferences increasingly favouring responsible enterprises. Initiatives to enhance energy efficiency and reduce waste not only lower operating costs in the near term but also serve to streamline and optimise operations over the medium term. Emerging low-carbon markets are anticipated to mature within the next three to ten years, opening new avenues for growth and innovation. Through transparent ESG disclosure and decisive action, the Group can strengthen its reputation, thereby attracting fresh capital and broadening its customer base.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Effects of Climate-related Risks and Opportunities

The Group has identified key risks and opportunities within its value chain. Leveraging available disclosure reliefs, the Group has opted for a qualitative assessment rather than financial quantification.

The ESG Reporting Code’s implementation reliefs have been applied in this section:

	Reasonable Information Relief	Capabilities Relief	Financial Effects Relief
Current financial effects			•
Anticipated financial effects	•	•	•
Metrics in cross-industry categories	•		

Risk Type	Description	Effects on Business Model	Effects on Value Chain	Qualitative Financial Impact
<b>Physical Risks</b>				
Acute Risks	<ul style="list-style-type: none"> <li>Increased severity of extreme weather</li> <li>Extreme heat</li> <li>Rainfall/flooding</li> </ul>	<ul style="list-style-type: none"> <li>Damages property and assets in areas affected by extreme weather</li> <li>Increases in need for air-conditioning and energy use</li> <li>Affects employee health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Interrupts supply chains</li> <li>Reduces availability of insurance on assets in risks exposed areas</li> <li>Lowers sales/output due to business disruption</li> </ul>	<ul style="list-style-type: none"> <li>Time Horizon: Short-to-long term</li> <li>Financial Impact: Asset value</li> <li>The impact is low considering the Group’s location of operation.</li> </ul>
Chronic Risks	<ul style="list-style-type: none"> <li>Variability in climate and precipitation patterns</li> <li>Changing climate patterns</li> </ul>	<ul style="list-style-type: none"> <li>Disrupts utilities supply</li> <li>Increases maintenance costs and insurance premiums</li> <li>Reduces short-term revenue</li> <li>Impact asset values</li> </ul>	<ul style="list-style-type: none"> <li>Affects costs and availability of utilities</li> </ul>	<ul style="list-style-type: none"> <li>Time Horizon: Mid-to-long term</li> <li>Financial Impact: Revenue</li> <li>The impact is low considering the Group’s location of operation.</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk Type	Description	Effects on Business Model	Effects on Value Chain	Qualitative Financial Impact
<b>Transition Risks</b>				
Regulatory Risks	<ul style="list-style-type: none"> <li>Increased carbon pricing</li> <li>Mandatory reporting obligations</li> <li>Regulation of existing products and services</li> <li>Exposure to litigation</li> </ul>	<ul style="list-style-type: none"> <li>Increases regulatory requirements on carbon pricing</li> <li>Retires existing assets early due to policy changes</li> <li>Increases costs in adopting new processes for compliance</li> </ul>	<ul style="list-style-type: none"> <li>Induces structural changes in compliance throughout the value chain</li> <li>Increases risks from non-compliance of suppliers, sub-contractors or partners</li> <li>Reduces demand for high-emissions products and services</li> <li>Lowers profit margin due to upstream compliance costs</li> </ul>	<ul style="list-style-type: none"> <li>Time Horizon: Mid-to-long term</li> <li>Financial Impact: Operating cost</li> <li>The impact is low to medium considering the Group's industry. The cost of compliance may grow with time.</li> </ul>
Market Risks	<ul style="list-style-type: none"> <li>Changes in consumer behaviour</li> <li>Unpredictable market demand</li> <li>Changes in competitive landscape</li> </ul>	<ul style="list-style-type: none"> <li>Changes input prices (e.g. legal and compliance expenses)</li> <li>Increases output requirements (e.g. on waste treatment and emission control)</li> </ul>	<ul style="list-style-type: none"> <li>Disrupts existing upstream and downstream partnerships as procurement shifts toward greener alternatives</li> </ul>	<ul style="list-style-type: none"> <li>Time Horizon: Mid-to-long term</li> <li>Financial Impact: Revenue</li> <li>The impact is low to medium considering the Group's industry. The cost of compliance may grow with time.</li> </ul>
Reputational Risks	<ul style="list-style-type: none"> <li>Criticism of industry sector</li> <li>Negative stakeholder feedback</li> </ul>	<ul style="list-style-type: none"> <li>Increases the difficulty of talent retention and workforce planning</li> <li>Lowers ability to attract capital</li> </ul>	<ul style="list-style-type: none"> <li>Reduces demand of goods and services throughout the value chain</li> </ul>	<ul style="list-style-type: none"> <li>Time Horizon: Mid-to-long term</li> <li>Financial Impact: Operating cost</li> <li>The impact is low considering the Group's industry.</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Opportunity Type	Description	Effects on Business Model	Effects on Value Chain	Qualitative Financial Impact
Efficiency Gains	<ul style="list-style-type: none"> <li>More efficient and diverse service offerings</li> <li>Savings from optimising resources</li> <li>Energy and water efficiency</li> <li>Use of new technologies</li> </ul>	<ul style="list-style-type: none"> <li>Improves efficiency from flexible work arrangements during extreme weather</li> <li>Improves profit margins</li> <li>Benefits employee health, satisfaction and productivity</li> <li>Reduces exposure to fossil fuel price increases</li> <li>Increases capital availability</li> </ul>	<ul style="list-style-type: none"> <li>Increases capacity and resource utilisation throughout the value chain</li> <li>Reduces operational costs due to upstream improvements</li> </ul>	<ul style="list-style-type: none"> <li>Time Horizon: Short-to-long term</li> <li>Financial Impact: Operating cost</li> <li>The impact is low to medium considering the energy alternative options in Singapore is limited.</li> </ul>
Market Opportunities	<ul style="list-style-type: none"> <li>Access to new markets</li> <li>Opportunity to expand geographically</li> </ul>	<ul style="list-style-type: none"> <li>Increases revenue source from new markets</li> <li>Diversifies geographically</li> </ul>	<ul style="list-style-type: none"> <li>Fosters maturity of the entire value chain via expanded product and service offerings</li> </ul>	<ul style="list-style-type: none"> <li>Time Horizon: Short-to-long term</li> <li>Financial Impact: Revenue</li> <li>The impact is low considering the Group's geographical location.</li> </ul>
Consumer Preference	<ul style="list-style-type: none"> <li>Changes in consumer behaviour and expectations</li> </ul>	<ul style="list-style-type: none"> <li>Opens up new revenue streams</li> <li>Increases market share of green companies</li> </ul>	<ul style="list-style-type: none"> <li>Incentivises sustainable innovation throughout the value chain, driven by downstream demands</li> </ul>	<ul style="list-style-type: none"> <li>Time Horizon: Short-to-long term</li> <li>Financial Impact: Operating cost</li> <li>The impact is low in considering the Group's industry.</li> </ul>

## Climate Scenario Analysis

To assess the potential impacts of climate change on its operations, supply chain and business model, the Group conducted a climate scenario analysis in the Reporting Year. Two externally recognised climate pathways were chosen after considering the scenarios of Intergovernmental Panel on Climate Change (the “IPCC”) and the Network for Greening the Financial System.

The analysis evaluates physical risks, transition risks and opportunities across short-, medium- and long-term horizons. The results provide insights on how these risks and opportunities could influence the Group's strategy, resource allocation and overall capacity to adapt under different climate scenarios. Despite thorough consideration, the Group also recognises significant uncertainties, including future policy directions, technology adoption rates and the severity of climate impacts.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Scenario Selection: The two chosen climate pathways are widely used and take reference to the scenarios presented by the IPCC. They will help the Group to assess the level of exposure from risks and opportunities and support its future strategic planning.

Scenarios*	Key Assumptions
<p><b>&lt;2°C scenario</b></p> <p>Warming limited to less than 2°C (above pre-industrial levels) before 2100</p>	<ul style="list-style-type: none"> <li>• ≤ 2°C policy ambition</li> <li>• Immediate policy reaction</li> <li>• Fast technological change</li> <li>• Rapid grid decarbonisation</li> <li>• Rising customer expectations</li> <li>• Low local exposure to hazards</li> </ul>
<p><b>&gt;4°C scenario</b></p> <p>Warming exceeds 4°C (above pre-industrial levels) before 2100</p>	<ul style="list-style-type: none"> <li>• ≥ 4°C policy ambition</li> <li>• Delayed policy reaction</li> <li>• Slow technological change</li> <li>• Gradual grid decarbonisation</li> <li>• Mild shift in customer expectations</li> <li>• High local exposure to hazards</li> </ul>

\*Note: Source of the two scenarios is the Shared Socioeconomic Pathways (“SSP”) from the IPCC’s Sixth Assessment Report, SSP1-2.6 and SSP5-8.5. SSP1-2.6 represents a relatively low emissions scenario, while SSP5-8.5 denotes a high emissions scenario.

Scope and Time Horizons: The analysis covers the Group’s major operating locations in Singapore. Impacts were evaluated across short term (1-5 years), medium term (6-10 years) and long term (10+ years) horizons, consistent with the Group’s time horizons outlined in the section headed “Strategy” above.

Methodology: For each scenario, the Group assesses the potential operational and financial implications of identified climate-related risk and opportunity factors. While full quantitative modelling is still in progress, the Group remains committed to strengthening its data systems and analytical capabilities to support more detailed and quantitative scenario assessments in the future (reasonable information relief and capabilities relief on quantitative data disclosure are hereby applied).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Assessment Results: The results of the Group's climate scenario analysis are presented below:

Risk/Opportunity Type	Relevance or Assumptions	Risk Level under a <2°C Scenario			Risk Level under a >4°C Scenario		
		Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
<b>Physical Acute Risks</b>							
Extreme Heat	Affects health and productivity	Low	Low	Medium	Low	Medium	High
Rainfall/Flooding	Damages facilities	Low	Low	Medium	Low	Medium	High
<b>Physical Chronic Risks</b>							
Changing Climate Patterns	Increases risks of business viability	Low	Low	Medium	Low	Medium	High
<b>Transition Risks</b>							
Regulatory Risks	Increases costs of compliance	Low	Low	Medium	Low	Low	Medium
Market Risks	Changes in market demands	Low	Medium	Medium	Low	Medium	Medium
Reputational Risks	Affects corporate image and business	Medium	High	Medium	Low	Low	Medium
<b>Opportunities</b>							
Efficiency Gains	Reduces costs and improves margins	Low	Low	Medium	Low	Medium	Medium
Market Opportunities	Accesses new markets	Low	Low	Medium	Low	Low	Medium
Consumer Preference	Opens new opportunities	Low	Low	Medium	Low	Medium	Medium

The Group's climate-related risks and opportunities are concentrated in Singapore, its principal place of operations. Nonetheless, Singapore is a city characterised by well-developed infrastructure, strong emergency preparedness and robust public healthcare systems. These conditions help moderate exposure to acute physical risks and support continuity across the Group's business activities.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Adaptation and Mitigation Plans*

Based on the findings of the scenario analysis, the Group has formulated and planned to engage below adaptation and mitigation measures to tackle physical and transition risks and to capitalise climate-related opportunities:

Risk/Opportunity Type	Adaptation and Mitigation Measures
Physical Acute Risks	<p>To effectively tackle the acute risks, the Group has a robust emergency plan that includes staff training to enhance its resilience:</p> <ul style="list-style-type: none"> <li>• Activate contingency plans with flexible work arrangements in event of extreme weather;</li> <li>• Advise employees to undertake precautionary measures when necessary;</li> <li>• Promote ventilation and cooling improvements in facilities to improve working conditions;</li> <li>• Position servers, air conditioners and other critical equipment in locations that meet required flood and wind resistance standards; and</li> <li>• Explore energy-efficient equipment and alternative energy sources to reduce reliance on traditional energy supplies.</li> </ul>
Physical Chronic Risks	<p>Consideration is given in the Group's long-term planning to tackle chronic risks:</p> <ul style="list-style-type: none"> <li>• Consider flood hazards during office site selection;</li> <li>• Use water-saving equipment and retrofit existing equipment to improve water efficiency; and</li> <li>• Assess alternative water source availability in case of shortages.</li> </ul>
Transition Risks	<p>The Group is strengthening climate governance and accelerating the shift toward low-carbon technologies and business models to tackle transition risks:</p> <ul style="list-style-type: none"> <li>• Monitor market trends and changes in legal requirement to ensure it satisfies the demands of customers and authorities at all times;</li> <li>• Maintain transparency by producing high-quality climate disclosure;</li> <li>• Collaborate with suppliers to promote adoption of low-carbon processes and technologies; and</li> <li>• Consider climate-related risk in products, services and value chain to ensure market risks are effectively monitored.</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk/Opportunity Type	Adaptation and Mitigation Measures
Opportunities	<p>The Group leverages industry insights to identify and secure emerging climate-related opportunities:</p> <ul style="list-style-type: none"><li>• Develop lower-carbon service offerings; and</li><li>• Invest in energy-efficient and low-emission technologies to reduce costs.</li></ul>

For the climate-related risks and opportunities identified in the table above, there is no significant risk of a material adjustment within the next reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. The Group did not recognise any impairment loss on assets damaged by acute risks during the Year. During the Year, the Group did not undertake any capital expenditure, financing or investments related to climate-related risks and opportunities.

The Group has applied the reasonable information relief under the ESG Reporting Code for disclosure requirements about amount and percentage of assets or business activities vulnerable to climate-related physical and transition risks and aligned with climate-related opportunities. The Group has also not disclosed the quantified financial effects of climate-related risks and opportunities. Given its scale, both current and anticipated financial effects of climate-related risks and opportunities are not considered material to the Group's overall financial position. Furthermore, where effects may exist, the level of measurement uncertainty is high and isolating specific impacts is difficult. The Group is also developing internal capabilities for preparing disclosures on anticipated financial effects. Accordingly, the Group has applied the reasonable information relief, the financial effects relief and the capabilities relief (where applicable) under the ESG Reporting Code for disclosure requirements about the current and anticipated financial effects of the climate-related risks and opportunities. The Group has also assessed and determined that the combined financial effects of climate-related risks and opportunities would not be useful at this stage.

Internal carbon prices are currently not applied in the Group's scenario analysis or decision-making.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Risk Management*

The Group has in place a comprehensive risk management framework. Climate-related risk and opportunity identification, assessment, prioritisation and management are fully integrated into the Group's overall risk management processes. The relevant policies and processes are reviewed annually, and an annual enterprise risk management review report are presented to the Audit Committee and the Board.

Climate-related risks and opportunities are examined across the Group through a coordinated, multi-level process. Strategic direction is set at the top, with the Board providing oversight and regularly reviewing the most significant climate-related issues. At the same time, operational teams contribute detailed, ground-level insights by assessing their own exposures, taking into account such as relevant laws and regulations, external information, customer feedback and risk incidents, on an annual basis. When a potential risk is identified, the Management, with the assistance of the relevant department, will design and carry out mitigation actions, followed by ongoing reviews to ensure that the controls remain robust and effective over time. For further details of the Group's risk management processes and governance on climate-related matters, please refer to the sections headed "Risk Management and Internal Control" in the "Corporate Governance Report" of this annual report and headed "Governance" above.

All identified climate-related risks and opportunities play a role in shaping the Group's strategic direction, operational priorities and internal policies. The Group evaluates each item based on its potential impact and the likelihood of occurrence, creating a clear profile that supports informed decision-making. These evaluations also underpin the scenario analysis outlined above. Risks that score highly on both impact and likelihood are elevated in priority and addressed ahead of lower-rated issues to ensure the Group's resources are focused where they matter most.

Compared with the previous reporting period, there were no change in the processes the Group used to identify, assess, prioritise and monitor climate-related risks and opportunities during the Year.

## *Metrics And Targets*

### *Environmental Targets*

The Group does not have a climate-related transition plan at the moment but a long-term transition plan will set out a clear direction to transform the Group's operations into a low-carbon, climate-resilient business. The Group is setting long-term climate-related targets supported by short-, medium- and long-term milestones, all measured against a 2025 base year to ensure consistent comparison over time. These targets have taken reference of Singapore's long-term decarbonisation pathway and its goal of achieving carbon neutrality, ensuring that the Group's efforts contribute meaningfully to the city's broader climate ambitions. These targets will be reviewed annually, tracked through energy records, bills and customer feedback, etc., with any revisions documented and explained in future ESG Reports based on progress assessments and evolving business circumstances.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To deliver on this plan, the Group will focus on decarbonising its entire operations through improved energy efficiency, responsible resource management and the adoption of lower-carbon technologies. The Group develops its target internally based on its strategic planning and did not apply the Science Based Targets initiatives' Sectoral Decarbonisation Approach. The targets and their underlying methodology have not been validated by a third party. The use of carbon credits to achieve any net targets is currently not considered. Below sets forth the phrased targets over the Group's time horizon:

Targets	Descriptions
Energy Consumption Intensity	Short term: 3 – 5 % reduction when compared to 2025 Medium-term: 6 – 15 % reduction when compared to 2025 Long-term: 16 – 40 % reduction when compared to 2025
Non-hazardous Waste Intensity	Short term: 3 – 5 % reduction when compared to 2025 Medium-term: 6 – 15 % reduction when compared to 2025 Long-term: 16 – 40 % reduction when compared to 2025
GHG Emission Intensity (Scope 1 & 2)	Short term: 3 – 5 % reduction when compared to 2025 Medium-term: 6 – 15 % reduction when compared to 2025 Long-term: 16 – 40 % reduction when compared to 2025

## GHG Emissions

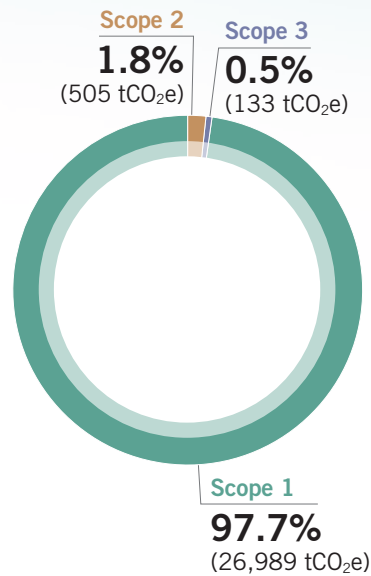
The consumption of electricity at offices, dormitory as well as diesel consumption for the vehicles and construction operations are the major sources of GHG emissions of the Group.

Summary of GHG emissions is stated as below:

GHG Emissions <sup>1</sup>	Unit <sup>2</sup>	2025	2024
Scope 1 Direct GHG Emissions	tCO <sub>2</sub> e	26,989	24,293
Scope 2 Energy Indirect GHG Emissions			
– Location-based <sup>3</sup>	tCO <sub>2</sub> e	505	446
<b>Total GHG Emissions (Scope 1+2)</b>	tCO <sub>2</sub> e	<b>27,494</b>	24,739
<b>Total GHG Emissions (Scope 1+2) Intensity<sup>4</sup></b>	tCO <sub>2</sub> e/employee	<b>36.9</b>	40.7
Scope 3 Other Indirect GHG Emissions		133	60
– Category 1: Purchased Goods and Services <sup>5</sup>	tCO <sub>2</sub> e	23	N/A
– Category 5: Waste Generated in Operations <sup>6</sup>	tCO <sub>2</sub> e	87	53
– Category 6: Business Travel <sup>7</sup>	tCO <sub>2</sub> e	22	7
<b>Total GHG Emissions</b>	tCO <sub>2</sub> e	<b>27,627</b>	24,799
<b>Total GHG Emissions Intensity<sup>4</sup></b>	tCO <sub>2</sub> e/employee	<b>37.1</b>	40.8

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Scopes 1, 2 and 3 Emissions



### Notes:

1. GHG emissions data is based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” and “Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard” issued by the World Resources Institute and the World Business Council for Sustainable Development, “How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, the Global Warming Potential Values from the IPCC Synthesis Report (AR5) (2014) and the electricity grid emission factors published by Singapore’s Energy Market Authority (“EMA”). Scope 3 emissions data is calculated with reference, but not limited to, the International Civil Aviation Organization (“ICAO”) and the Department for Energy Security & Net Zero (“DESNZ”) of the United Kingdom.
2. The Group’s GHG emissions include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O and are converted to reflect the tonnes of CO<sub>2</sub> equivalent.
3. Scope 2 emissions are calculated using a location-based approach, which considers the average emission intensity of the local electricity grid where the energy is consumed (i.e. EMA).
4. During the Reporting Year, the Group has 745 (2024: 610) employees. The data is also used for calculating other intensity data.
5. GHG Scope 3 Category 1 emissions: The Group utilises average-data method to calculate the GHG emission from generation of fresh water.
6. GHG Scope 3 Category 5 emissions: The Group uses waste-specific data multiplied by applicable emission factors such as those provided by DESNZ.
7. GHG Scope 3 Category 6 emissions: The data is calculated by ICAO calculator.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company selected the measurement approaches as mentioned in above to ensure regulatory compliance with applicable requirements imposed by the Stock Exchange, achieve accurate regional representation through specific emission factors and maintain reliable estimations. The Company made no changes to the measurement approach, inputs and assumptions used to measure its GHG emissions during the Reporting Year.

## Green Operation

### *Emissions Management*

The Group recognises the intrinsic relationship between energy consumption and air emissions. Fuel and electricity remain essential to operations; however, the Group actively manages its environmental impact through systematic assessment and continuous improvement initiatives. Annual emissions assessments are conducted to support emissions reduction planning and responsible corporate citizenship.

To enhance air quality, the Group adopts environmentally-friendly machinery and fuel where practicable and implements a comprehensive dark smoke management programme. All fuel-burning equipment is subject to rigorous inspection by certified technical examiners to ensure compliance and optimal performance.

Energy efficiency measures include power management protocols for idle equipment, controlled air-conditioning settings, procurement of energy-efficiency appliances and systematic monitoring of electricity and fuel consumption. Dust and particulate emissions are mitigated through water spraying systems, PM2.5 monitoring devices, mounted de-dusting equipment and strict material handling and transportation controls. The Group maintains acute awareness of their contribution to GHG emissions and atmospheric pollutants, including nitrogen oxides, sulfur oxides and respirable suspended particulates. Through systematic annual evaluations of emissions performance, the Group demonstrates its unwavering commitment to environmental stewardship. These rigorous assessments inform strategic initiatives and drive continuous improvement in emissions reduction efforts.

### Performance of Air Emissions

	Quantity - tonnes	
	2025	2024
Nitrogen oxides	98.42	95.68
Sulfur oxides	0.11	0.10
Respirable suspended particulates	7.12	6.88

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Waste Management

The Group is committed to minimising its ecological footprint through a comprehensive waste management strategy guided by the principles of “Reduce, Reuse, Recycle and Replace”. Stringent protocols govern the segregation, handling and disposal of both hazardous and non-hazardous materials, ensuring full compliance with Singapore’s environmental legislation.

### Hazardous Waste

The Group’s operations generate hazardous materials primarily comprising spent machinery lubricants, vehicle tyres, electronic waste and fluorescent lighting components. Through rigorous operational controls and enhanced equipment maintenance protocols, total hazardous waste decreased to 158.43 tonnes during the Reporting Year (2024: 169.24 tonnes), representing a 25% improvement in hazardous waste intensity to 0.21 tonnes per employee (2024: 0.28 tonnes per employee). All hazardous materials are systematically collected, securely stored and processed exclusively by certified waste management contractors.

### Hazardous Waste Disposal Amount and Intensity

Hazardous Waste	Unit	2025	2024
E-waste	tonnes	–	0.24
Tyres	tonnes	<b>84.06</b>	111.28
Engine oil	tonnes	<b>59.72</b>	46.22
Fluorescent lamps	tonnes	<b>0.01</b>	0.01
Battery	tonnes	<b>14.46</b>	11.47
Metal	tonnes	<b>0.18</b>	–
Plastic	tonnes	–	0.02
<b>Total</b>	tonnes	<b>158.43</b>	169.24
<b>Intensity</b>	tonnes/employee	<b>0.21</b>	0.28

The Group maintains a comprehensive environmental management framework spanning the complete waste lifecycle – from collection and secure storage to controlled transportation and sustainable disposal. Rigorous protocols at all construction facilities include advanced particulate management systems, hermetically sealed silo containment and multi-layered environmental safeguards encompassing leak prevention, weatherproofing and dust suppression technologies, all designed to exceed regulatory compliance requirements.

A strategic partnership with a leading environmental services provider ensures the adoption of best-in-class treatment technologies and sustainable disposal methodologies, reinforcing the Group’s commitment to continuous operational enhancement and industry-leading waste management standards.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Non-hazardous Waste

Non-hazardous waste comprises general construction debris, excavated earth, organic waste and administrative refuse. The Group mandates strict on-site waste segregation, separating recoverable materials such as steel and timber from general refuse. In 2025, total non-hazardous waste amounted to 336.44 tonnes (2024: 236.30 tonnes), with an intensity of 0.45 tonnes per employee (2024: 0.39 tonnes per employee). The increase was primarily attributable to expanded construction activities and facility relocation requirements. The Group partners exclusively with authorised waste collectors to ensure responsible end-to-end disposal.

Strategic partnerships with authorised waste collectors and specialised licensed contractors deliver end-to-end disposal solutions within a robust compliance framework, ensuring adherence to regulatory requirements and environmental standards throughout the waste management process.

### Non-Hazardous Waste Disposal Amount and Intensity

Non-hazardous Waste	Unit	2025	2024
General waste	tonnes	334.7	233.9
Paper	tonnes	2.7	1.7
Non-hazardous waste generated from renovation/relocation of office	tonnes	1.8	0.7
<b>Total</b>	tonnes	<b>339.2</b>	236.3
<b>Intensity</b>	tonnes/employee	<b>0.5</b>	0.4

The Group embeds sustainability within its administrative operations through the following initiatives:

- Mandatory double-sided printing protocols;
- Comprehensive digital workplace solutions, including paperless meetings, electronic documentation and digital signatures;
- Designated recycling zones for aluminium, glass and paper;
- Waste material repurposing to maximise resource efficiency;
- Strategic placement of recycling stations with clear signage;
- Prioritisation of virtual conferencing over non-essential business travel;
- Sustainable commuting initiatives promoting public transit, carpooling and eco-friendly alternatives;
- Centralised office supply management for optimal procurement and inventory control; and
- Preventive maintenance protocols to maximise equipment longevity and efficiency.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Five-Year Waste Reduction Strategy*

Since launching a five-year waste reduction strategy in 2021, the Group has reinforced its commitment through systematic employee engagement and awareness campaigns. A significant enhancement in data integrity was achieved through the transition from volumetric approximations to verified waste collection analytics, resulting in heightened measurement precision. Following the Acquisition in 2024, a fundamental recalibration of the Group's waste metrics became necessary, as historical waste data could no longer serve as a compatible baseline due to the substantial expansion of its operational portfolio. In response to this expanded business scope, the Group undertook a comprehensive review and recalibration of its waste reduction framework in 2024, establishing new five-year targets that align with its enhanced operational scale, as disclosed in the section headed "Metrics And Targets" above. The Group remains committed to advancing innovative waste solutions and elevating industry benchmarks.

## ***Use of Packaging Materials***

In accordance with the Group's business model, packaging materials represent an insignificant portion of its resource utilisation profile. Consumption maintained minimal levels during the Reporting Year.

## ***Energy Saving Management Implementation***

### *Energy Consumption*

The Group's energy profile is predominantly characterised by electricity consumption and fossil fuel combustion essential to its operational processes. The Group actively pursues innovative energy efficiency solutions, embedding a culture of resource conservation supported by a comprehensive energy management framework aligned with Singapore's regulatory requirements.

### *Energy Saving*

The Group demonstrates an uncompromising dedication to resource optimisation and rigorous environmental impact assessment across its operational portfolio. Through rigorous evaluation and strategic deployment of energy conservation measures, the Group maintains vigilant oversight in identifying and capitalising on efficiency optimisation opportunities. The Group's procurement strategy prioritises advanced equipment compliant with Euro 6 emission standards. Central to the renewable energy strategy is the deployment of solar technology across construction sites and corporate facilities, including solar-powered surveillance systems. During the Reporting Year, Hulett Construction commissioned a solar photovoltaic system at its residential facility through a strategic partnership with a specialised third-party contractor, marking a significant renewable energy milestone.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has instituted energy optimisation protocols aligned with stakeholder directives and industry-leading standards, supported by real-time monitoring for anomaly detection and corrective action. The following protocols are implemented across corporate operations:

- Sustainable transportation initiatives and advocacy programmes;
- Comprehensive office supply recycling and resource recovery;
- Digital transformation to optimise workflows and eliminate paper-based processes;
- Optimal indoor climate conditions (24-26°C) with regulated humidity (60-80%) during peak seasons;
- Energy-efficient HVAC infrastructure upgrades;
- Advanced lighting solutions, including LED T5 technology and motion-sensor systems;
- Power management protocols encouraging staff engagement in equipment optimisation;
- Environmental stewardship communications to enhance workplace sustainability awareness; and
- Progressive transition to hybrid and electric vehicle fleet operations.

## *Energy Consumption Amount and Intensity*

Following the full-year integration of Hulett Construction – whose facilities accommodate a workforce exceeding 2,000 – total energy consumption increased, reflecting expanded operational scale rather than diminished efficiency. The Group maintains rigorous energy audits, advanced monitoring systems and continuous optimisation within a robust governance framework to drive sustainable performance.

The Group has established a short-term energy optimisation roadmap targeting a 3-5% reduction in energy consumption using 2025 as baseline, underpinned by technology integration, conservation protocols and an organisation-wide energy-conscious culture.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Through real-time monitoring systems, advanced analytics and strategic optimisation of consumption patterns, the Group maintains comprehensive visibility into its operational energy matrix, enabling precise identification of efficiency opportunities and targeted performance enhancements.

## Energy Consumption Amount and Intensity

Energy Type	Quantity – MWh		Intensity – MWh per employee	
	2025	2024	2025	2024
Direct Energy Consumption	<b>109,777</b>	98,855	<b>147.35</b>	162.59
– Diesel				
Indirect Energy Consumption	<b>1,567</b>	1,083	<b>2.10</b>	1.78
– Electricity				
<b>Total</b>	<b>111,344</b>	99,937	<b>149.45</b>	164.37

## Water Resources Management

Water is a fundamental resource in the Group's construction and earthworks operations. The Group has instituted a comprehensive water management framework designed to optimise consumption and minimise environmental impact, integrating advanced conservation technologies with rigorous monitoring protocols. Key initiatives include the deployment of low-flow hydraulic systems, water-efficient fixtures and real-time consumption analytics. During the Reporting Year, primary water supply was reliably sourced from Singapore's municipal water system.

Due to the expansion of the Group's workforce and operational footprint – particularly the full-year integration of the Hulett Construction dormitory facilities – total water consumption increased to 122,645 cubic metres in 2025 (2024: 84,784 cubic metres). Water consumption intensity rose to 164 cubic metres per employee (2024: 139 cubic metres per employee). Despite this operational expansion, the Group remains committed to enhancing water efficiency through continuous technological upgrades and stringent usage protocols.

## Water Consumption Amount and Intensity

	Unit	2025	2024
<b>Total</b>	m <sup>3</sup>	<b>122,645</b>	84,784
<b>Intensity</b>	m <sup>3</sup> /employee	<b>164.62</b>	138.99

Beyond consumption optimisation, the Group enforces rigorous wastewater management practices. These include the establishment of designated containment zones for sediment control, systematic maintenance of filtration systems and the mandatory use of high-pressure aqueous cleaning systems for vehicle decontamination prior to site egress. These measures ensure strict compliance with environmental regulations and safeguard local water ecosystems.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



## Wastewater Management

- Designated containment zones for sediment and debris management;
- Systematic monitoring and assessment of sediment retention systems;
- Comprehensive vehicle decontamination using high-pressure aqueous cleaning systems prior to site egress;
- Proactive monitoring and rapid response protocols for hazardous material incidents;
- Strategic positioning of diesel storage tanks to prevent drainage contamination;
- Licensed plumbers engaged for compliant temporary sanitation and water systems;
- Sediment control systems (e.g. sand traps, silt traps and sediment basins) installed to filter construction runoff;
- Stormwater channelled to sediment control facilities via barriers and diversion structures; and
- Boundary channels constructed to intercept external stormwater runoff.



## Water Conservation

- Training sessions to promote water conservation awareness;
- Proper faucet usage protocols;
- Scheduled inspections and maintenance of water infrastructure to prevent leakage; and
- Water-efficient fixtures, including automated taps and float valves, across facility washrooms and construction areas.



## Recycling

- Comprehensive water management strategies at construction sites;
- On-site wastewater treatment facilities for construction site effluent recycling;
- Rainwater harvesting systems for sustainable facility operations, including sanitation, maintenance and landscape irrigation; and
- Advanced wastewater reclamation systems for multiple site applications, including sanitation, particulate control, equipment decontamination and safety barrier maintenance.

During the Reporting Year, water consumption increased as anticipated, primarily due to the integration of the Hulett Construction facility's dual dormitory complexes, which accommodate a workforce exceeding 2,000 personnel. While the Group had previously established an ambitious five-year water conservation roadmap in 2021, the significant expansion of its business operations in 2024 prompted a strategic recalibration of the water management framework. The Group has established a mid-term water resources optimisation roadmap targeting a 6-15% reduction in water consumption using 2025 as baseline. Through comprehensive evaluation protocols – including analysis of historical consumption data, examination of usage patterns and strategic trend identification – the Group maintains a data-driven approach to assess the efficacy of its water conservation objectives.

## SOCIAL ENGAGEMENT

### Employment and Labour Practices

#### *Recruitment and Promotion*

The Group recognises that its talented team is pivotal to its success. It is committed to nurturing talent through comprehensive training programmes, including mandatory compliance training, role-specific training and continuing education to remain informed of governance best practices and relevant legal or regulatory changes, and fostering a safe, healthy and inspiring work environment with equal opportunities for all.

During the Year, the Group adopted the Workforce Diversity Policy, which promotes an inclusive workforce at all levels, valuing a wide range of attributes including experience, skills, gender, age and ethnicity. All employment-related decisions, including but not limited to recruitment and selection, compensation and benefits, performance evaluation, development and training, promotion and dismissal, shall be merit-based and aligned with the Group's corporate values, focusing on contributions that enhance the Group's competencies. Under the Workforce Diversity Policy, the Group aims to increase female representation over time within the corporation level of the Group, where appropriate. In 2025, the Group reinforced this commitment by welcoming 9 more female colleagues to join the Group.

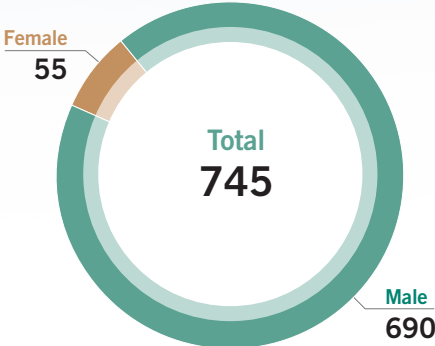
As at 31 December 2025, the Group employed a proficient team of 745 individuals, dedicated to supporting its business operations. The team composition is detailed as follows:

Categories		2025 Number	2024 Number
Gender	Male	690	565
	Female	55	45
Employee Category	Executive Directors and Senior Management	8	7
	Management	43	29
	General staff	694	574
Age Group	Below 30	130	117
	30 – 50	480	382
	Above 50	135	111
Geographical Region*	Singapore	745	610
	Overseas	0	0
Employment Type	Full-time	742	608
	Part-time	3	2

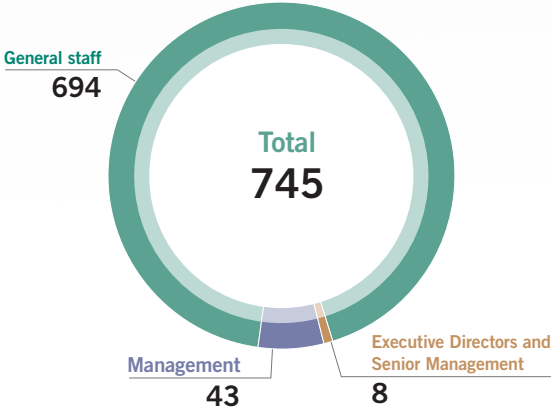
\*Note: Geographical region distinguishes employees of the Group working in Singapore or working in overseas countries (outside Singapore). The same definition is also applied to other relevant KPIs.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

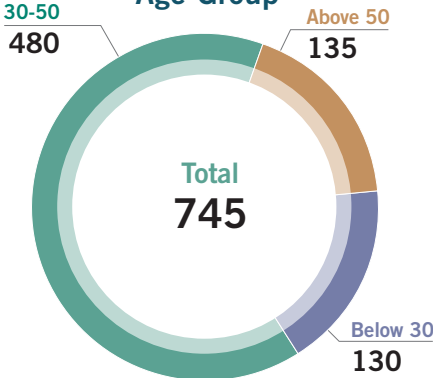
Number of Employees by Gender



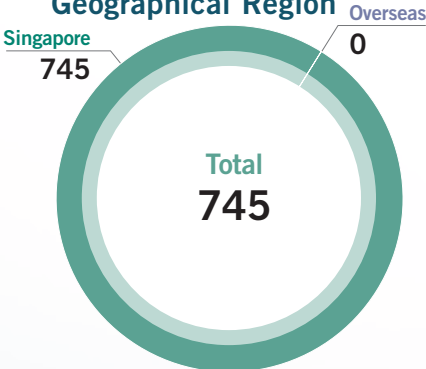
Number of Employees by Employee Category



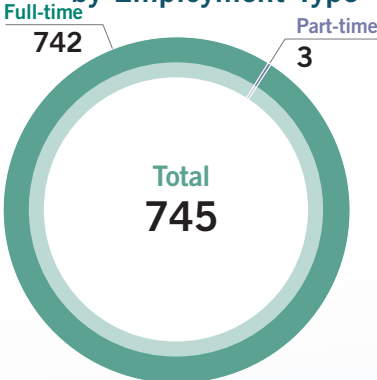
Number of Employees by Age Group



Number of Employees by Geographical Region



Number of Employees by Employment Type



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

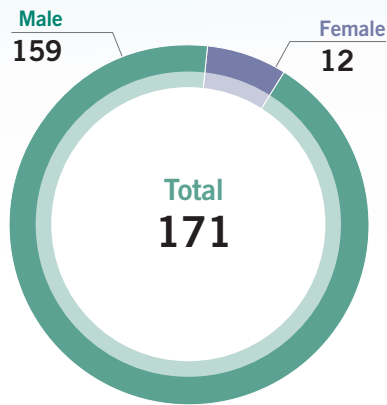
Organisational success is fundamentally contingent upon effective talent acquisition, integration, management and compensation practices. Employee turnover rate serves as a critical indicator of such operational efficacy. During the Reporting Year, the Group maintained a relatively stable overall turnover rate of approximately 23%\*, demonstrating sustained workforce retention. A comprehensive analysis of turnover rates segmented by gender, age group, geographical region and employment type is presented below.

Categories	2025		2024		
	Number	Percentage*	Number	Percentage*	
Gender	Male	159	23.04%	123	21.77%
	Female	12	21.82%	10	22.22%
Age Group	Below 30	30	23.08%	27	23.08%
	30 – 50	115	23.96%	90	23.56%
	Above 50	26	19.26%	16	14.41%
Geographical Region	Singapore	171	22.95%	133	21.80%
	Overseas	0	0	0	0
Employment Type	Full-time	171	23.04%	133	21.80%
	Part-time	0	0	0	0

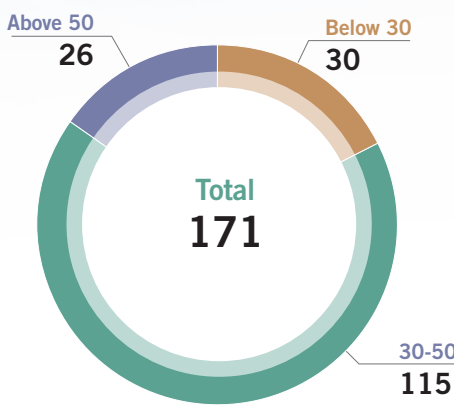
\*Note: Turnover rate by category is calculated by number of employees in the specified category leaving employment/number of employees in the specified category x 100.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

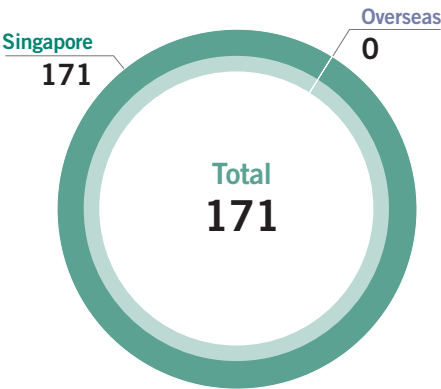
**Number of Employees by Gender**



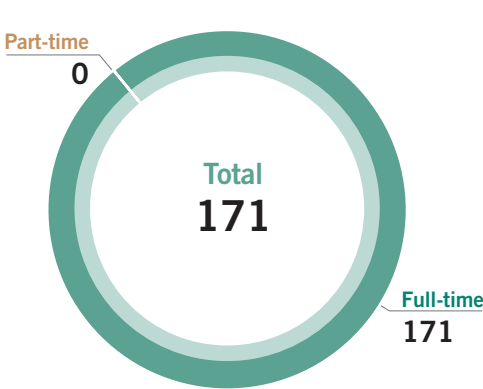
**Number of Employees by Age Group**



**Number of Employees by Geographical Region**



**Number of Employees by Employment Type**



**Employee Welfare and Working Condition**

The Group is committed to cultivating a people-centric culture that prioritises developing skilled, innovative talent within a diverse and inclusive environment. Recognising equity and inclusion as fundamental drivers of sustainable business performance, the Group has implemented flexible work arrangements, including adjustable working hours, to enhance employee experience and productivity. In full compliance with applicable employment regulations, comprehensive policies and systems are in place to ensure fair treatment, dignity and respect for all employees.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group continuously refines its compensation and benefits framework to attract, motivate and retain top-tier talent. The Group's human resources department regularly benchmarks remuneration structures and benefits offerings against prevailing market standards and industry best practices. Annual performance appraisals assess employee achievement against predefined objectives, informing merit-based compensation decisions and guiding professional development pathways. Contributions to ESG initiatives are embedded within performance evaluations, reinforcing the strategic importance of sustainability across the Company. Competitive compensation packages are complemented by comprehensive benefits, including discretionary performance bonuses, paid leave entitlements and extensive insurance coverage.

High-calibre talent constitutes the cornerstone of the Group's growth and competitive advantage. The Group is dedicated to building a diverse team with balanced representation across gender, age and geographical dimensions. Upholding principles of fairness and legality, the Group strictly prohibits unlawful employment practices and adheres to equal pay for equal work regardless of gender or other protected characteristics. Human rights risk factors are integrated into the Group's risk management policy and assessment checklist to monitor the human rights impacts arising from its business activities and relationships. A zero-tolerance policy is maintained against workplace discrimination, harassment and human trafficking, supported by robust grievance mechanisms to promptly address any violations and safeguard human rights.

The Group places paramount importance on employee physical and mental well-being. Through targeted engagement initiatives, the Group promotes work-life balance, strengthens team cohesion and cultivates a supportive environment that enhances employee satisfaction and organisational belonging – providing sustained talent support for the Group's long-term development.

During the Reporting Year, the Group identified no instances of material non-compliance with applicable laws and regulations on employment practices regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination or other employee benefits and welfare.



The Group celebrated Chinese New Year with its employees to promote cultural appreciation, strengthen team cohesion and acknowledge their valuable contributions. The event reinforced a positive organisational culture, fostered camaraderie across the workforce and uplifted employee morale heading into the year ahead.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



The Group hosted an appreciation dinner to recognise and celebrate employees' dedication, contributions and achievements over the year. This cultivated a spirit of goodwill and motivation, while strengthening professional bonds within a collegial and celebratory setting.



The Group organised a Donation Drive to encourage employees to contribute to those in need, reflecting the Group's commitment to social responsibility and community support. This initiative fostered a culture of compassion and giving, reinforcing the Group's dedication to making a meaningful and positive impact beyond the workplace.

The Group hosted a series of employee engagement events, including a Christmas celebration and a BBQ gathering, designed to foster camaraderie and informal interaction. A wellness walk incorporating a treasure hunt activity preceded the BBQ, promoting both physical well-being and team participation. These initiatives cultivated a collaborative and inclusive workplace culture, reinforcing a shared sense of community and belonging across the Group.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



The Group conducted a series of targeted training programmes to equip employees with advanced skills, thereby enhancing operational efficiency and productivity. These encompassed Access and Egress Safety Training, AI and Digital Capabilities Training and Driver Safety Training. Collectively, these initiatives ensure that employees possess the requisite competencies to perform their roles effectively, while reinforcing the Group's commitment to minimising workplace safety risks and cultivating a culture of operational excellence.



## **Retirement Scheme**

Employees of the Group who are Singapore citizens or permanent residents are obligated to participate in the CPF Scheme, a statutory social security savings programme funded by employer and employee contributions.

The Group is in full compliance with all applicable CPF regulations, contributing the prescribed percentage of employees' monthly salaries subject to the prevailing salary cap. During the Reporting Year, the Group contributed up to 17% of eligible employees' salaries, with qualifying salaries capped at S\$7,400 per month. Total CPF contributions amounted to approximately S\$1,198,000, recognised as expenses in the profit or loss for the Year. No additional pension schemes were introduced during the Reporting Year.

## **Training and Development**

The Group is committed to empowering employee growth through a structured and forward-looking learning ecosystem. By delivering comprehensive development programmes and diverse training initiatives, the Group enhances capabilities, fosters adaptability and cultivates a highly skilled workforce.

During the Reporting Year, targeted management and technical training programmes strengthened core leadership competencies, advanced digital and analytical skills and improved operational efficiency. A total of 257 employees across various departments participated in these initiatives. In aggregate, the Group delivered 5,893 hours of professional training, encompassing mandatory ESG-focused programmes to reinforce sustainability awareness and responsible practices and specialised Excel proficiency programmes to equip employees with sophisticated analytical capabilities.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

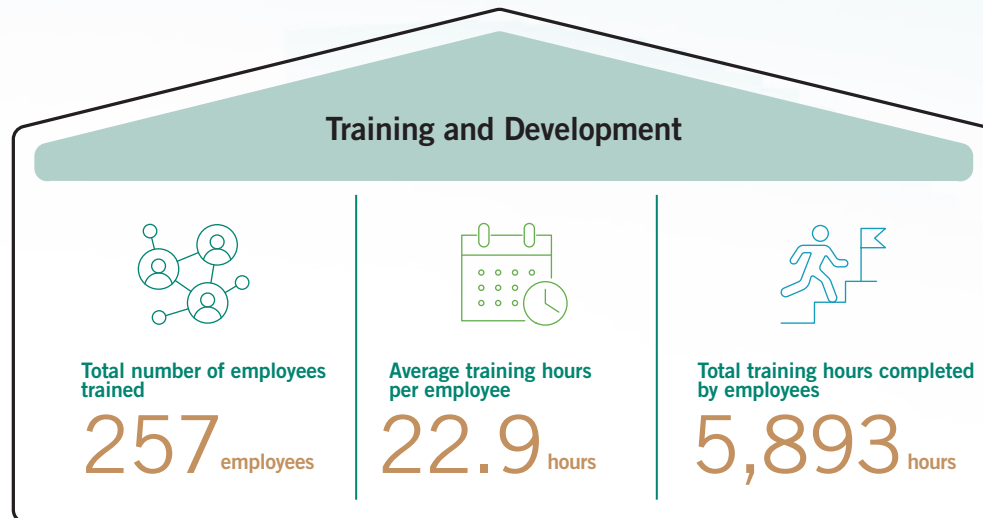
The Group actively supports continuing education and professional certification through on-the-job learning, reimbursement and incentive schemes aligned with corporate policies. The end-to-end training framework spans all career stages – from new graduates to senior management – enhancing competencies, broadening career pathways and strengthening the Group’s ability to attract, develop and retain high-calibre talents.

	Categories	Percentage of employees trained (%) <sup>1</sup>	Average training hours completed per employee (hours) <sup>2</sup>
Gender	Male	98.83%	8.42
	Female	1.17%	1.49
Employee Category	Executive Directors and Senior Management	0	0
	Management	5.45%	7.24
	General staff	94.55%	8.06
Geographical Region	Singapore	100%	7.91
	Overseas	0	0
Working Location	Office	1.56%	1.07
	Construction sites	98.44%	8.78

*Notes:*

1. Percentage of employees trained in relevant categories is calculated by number of employees trained in the specified category/total number of employees who took part in training x 100.
2. Average training hours completed per employee in relevant categories is calculated by total number of training hours completed by employees in the specified category/number of employees in the specified category.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



## Employees' Health and Occupational Safety

The Group places the highest priority on employee health, safety and well-being, recognising these as fundamental to long-term sustainability and workforce effectiveness. A comprehensive health and safety policy is in place, underpinned by a robust management framework, clear procedures and systematic risk assessment and mitigation measures to address occupational hazards.

The Group adopts a holistic approach to workplace safety through the provision of appropriate safety equipment and facilities, regular review and communication of health and safety policies and strict compliance with all applicable laws and regulations. This integrated strategy fosters a strong culture of safety awareness and ensures a secure, healthy and productive working environment across all operations.

The Group maintains strict compliance with applicable health and safety legislation in Singapore, including the Workplace Safety and Health Act, the Work Injury Compensation Act, the Employment Act 1968 (the “**Employment Act**”) and the Workplace Safety and Health (Noise) Regulations 2011. Comprehensive occupational health and safety measures are in place, including professional assessment of workplace hazards – such as temperature, noise, air quality, dust and gas exposure – alongside mandatory safety training to enhance hazard awareness and risk mitigation.

The Group enforces regular inspection and maintenance of plant and equipment, upholds strict safety standards across construction activities and ensures the provision of appropriate personal protective equipment. The Management conducts ongoing monitoring and reviews to ensure the effectiveness of these measures. During the Reporting Year, the Group recorded full regulatory compliance, with no material safety incidents or non-compliance identified.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

No work-related fatalities happened during the past three consecutive years.

	Unit	2025	2024	2023
Fatalities due to work	Cases	0	0	0

	Unit	2025	2024
Lost days due to work injury	Days	181	119
Work injury rate*	%	0.09%	0.07%

\*Note: Work injury rate is calculated by number of work-related injury lost days/(number of employees x 22 x 12 (working days)) x 100.

The Group has subscribed employees' compensation insurance for all employees, and it has covered the compensation required due to work-related injury.

## Labour Standards

The Group maintains zero tolerance for child labour, forced labour and the employment of illegal immigrants across all operations. Robust controls and preventive measures are implemented to ensure full compliance with applicable labour laws and ethical employment standards.

*Prevention of child labour:* During recruitment, the Group's human resources department rigorously verifies applicants' identity documents and confirms compliance with the minimum legal age requirements for employment.

*Prohibition of forced labour:* All employees voluntarily enter into labour agreements upon employment initiation and any amendments to labour agreements are executed through transparent negotiations, adhering steadfastly to principles of equality and mutual consent. Overtime compensation arrangements are clearly stipulated in the Employment Handbook. Employees' working hours and schedules are closely monitored to ensure work is undertaken on a voluntary basis and to preserve operational flexibility.

In the event of any illegal labour practice is identified, the Group will immediately terminate the employment concerned, conduct a thorough investigation and report the matter to the relevant authorities in accordance with applicable laws and regulations.

The Group upholds an uncompromising commitment to ethical business conduct and the protection of labour rights, exceeding minimum standards prescribed under the Employment Act and Singapore's Employment (Children and Young Persons) Regulations 2000. During the Reporting Year, the Group maintained full compliance with all applicable laws and regulations relating to child labour, illegal labour and forced labour, with no material breaches or instances of non-compliance identified or reported.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Well-being of Employees*

The Group is committed to promoting a healthy work-life balance and holistic employee well-being by encouraging diverse interests and fostering an inclusive, supportive workplace culture. A broad range of engagement initiatives, including social and recreational activities, is complemented by a comprehensive benefits programme covering medical care, hospitalisation, occupational accident insurance and preventive health screenings.

## **Operation Practices**

### *Supply Chain Management*

The Group is dedicated to creating a resilient and sustainable supply chain that drives long-term value, with an extensive range of strategies implemented to address and monitor environmental and social risks of the supply chain. Its integrated tendering and procurement management system ensures the selection of qualified suppliers who align with its commitment to operational excellence and sustainable development. The Group enforces stringent quality standards, requiring all partners to maintain complete certification and adhere to its management systems. The Group conducts rigorous monitoring, regulation and evaluation of supplier and subcontractor performance throughout the entire production cycle, ensuring strict compliance with industry standards, regulatory requirements and Group-specific specifications. Its zero-tolerance policy for significant non-compliance ensures accountability and upholds the Group's reputation for quality.

The Group's procurement philosophy is founded on fairness, transparency and the highest standards of business ethics, strictly prohibiting bribery and commission-based sales. As at 31 December 2025, the Group's supplier network in Singapore comprised 811 qualified suppliers and subcontractors, a testament to its robust and collaborative partnerships. The Group was not aware of any key supplier or subcontractor with violations concerning business ethics, environmental protection, human rights or labour practices during the Reporting Year.

### *Supplier selection*

The Group maintains a meticulous supplier and subcontractor evaluation process, assessing prospective partners on quality, reputation, financial stability and ethical practices. Its selection criteria emphasise environmental protection, occupational health and safety and social responsibility, effectively minimising supply chain risks. By collaborating with suppliers on green chain management, the Group advances its collective goal of sustainable development.

### *Performance Evaluation*

The Group's multifaceted supplier performance evaluation framework integrates key assessment criteria, including quality assurance, environmental conservation and health and safety compliance. Through this rigorous annual evaluation, the Group ensures sustained compliance with its high standards and fosters a collaborative ecosystem that promotes sustainable business practices.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Sustainable Procurement*

The Group prioritises sustainable procurement, building collaborative relationships with suppliers who meet benchmarks such as ISO 9001 certification and have well-defined sustainability principles. By favouring suppliers with outstanding ecological responsibility and a proven dedication to energy optimisation, the Group maximises supply chain sustainability and minimise its ecological impact, reinforcing its commitment to environmental protection. Furthermore, to minimise its carbon footprint and support regional sustainability, the Group prioritises local suppliers to reduce the emissions associated with long-distance transportation.

## **Product Management and Safety**

### *Product Management*

The Group's specialised product quality control system ensures the delivery of standardised, high-quality products tailored to customer needs. The IMS objectives include achieving an average customer satisfaction index of at least 70%, maintaining 100% on-time delivery rates and preventing any liquidated damages.

During the Reporting Year, the Group continued to enhance its operational capabilities through the strategic implementation of advanced technologies. The Global Navigation Satellite System implemented has significantly improved excavation precision and productivity, while the Group's innovative robotic noise barrier installation system, now deployed across multiple infrastructure projects, has revolutionised installation methodologies, improving efficiency and workplace safety. These technological advancements underscore the Group's commitment to operational excellence and innovation.

The Group aims to enhance its control over product quality by bolstering quality assurance, refining monitoring processes, implementing standardised measures and optimising quality management practices. Additionally, to offer well-informed recommendations for suitable remedial actions, the Group has developed a customer complaint handling mechanism designed to effectively receive, evaluate and handle complaints.

During the Reporting Year, the Group maintained full compliance with all applicable laws and regulations, including Personal Data Protection Act 2012 and relevant Singapore legislation governing health and safety, advertising, labelling, privacy and redress mechanisms. No material instances of non-compliance were identified. Additionally, the Group received no substantiated complaints concerning the quality of work performed by contractors on construction projects, nor were any product recalls necessitated by health and safety concerns.

### *Product Safety*

Excellence in project delivery is the cornerstone of the Group's operational philosophy. Its sophisticated quality management system integrates stringent evaluation and inspection protocols throughout each project's lifecycle, ensuring unwavering adherence to safety regulations and technical specifications. The Group's robust quality assurance framework mandates immediate corrective action protocols for any identified non-conformities, incorporating mandatory remediation measures and subsequent verification processes before advancing to successive project stages or client handover. This methodical approach to quality control, which extends to superior aesthetic standards, is supported by an advanced documentation management system that ensures complete traceability and supports continuous improvement.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Customer Data Privacy and Intellectual Property*

### *Customer Data Privacy*

The Group prioritises customer privacy through comprehensive data governance frameworks and strict regulatory compliance. It demonstrates exceptional diligence in upholding contractual confidentiality obligations while ensuring full adherence to all applicable legislative requirements and industry standards. The Group's commitment extends to safeguarding the collection, utilisation, retention and exchange of customer information through robust security protocols that are regularly evaluated and updated.

To prevent inappropriate access, use or disclosure of confidential information, the Group maintains a sophisticated information security architecture incorporating detailed policies and procedural guidelines governing employee conduct. Strict prohibitions against unauthorised disclosure or misappropriation apply across all organisational levels. The Group reinforces this security-first culture through comprehensive awareness initiatives and regular best-practice training programmes designed to enhance employee understanding of confidentiality principles and their critical role in maintaining data integrity. Any information breach triggers thorough investigation and proactive measures to prevent recurrence.

During the Reporting Year, the Group maintained exemplary data privacy standards, with no substantiated customer complaints regarding privacy or data protection matters.

### *Intellectual Property*

The Group recognises that intellectual property protection is essential for sustainable business development and has established a comprehensive protection mechanism tailored to operational requirements and industry dynamics. In strict compliance with applicable legislation, the Group enforces rigorous protocols prohibiting unauthorised software use across all workplace systems and extends its intellectual property governance framework to supply chain partners through contractual commitments.

The Group safeguards its intellectual property through systematic registration and maintenance. Its trademark "Chuan Holdings Limited" registered in Hong Kong has been renewed with the expiry date on 4 February 2036, while the Chuan Lim Construction Pte Ltd. logo is registered in Singapore (expiring on 31 August 2035). The Group's domain name [www.chuanholdingsltd.com](http://www.chuanholdingsltd.com), transitioned from [www.chuanholdings.com](http://www.chuanholdings.com) on 1 January 2024, is protected until 4 February 2036. Through vigilant monitoring and proactive portfolio management, the Group maintains unwavering commitment to protecting its proprietary assets within all applicable legal frameworks.

No disputes or legal actions concerning intellectual property infringement arose during the Reporting Year.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Anti-corruption*

Integrity is the fundamental pillar of the Group's enduring business excellence, manifested through stringent anti-corruption measures and unwavering ethical standards. The Group maintains an absolute zero-tolerance policy regarding misconduct, implementing comprehensive safeguards against corruption, bribery and fraud. Its commitment to ethical business practices is codified through a sophisticated anti-corruption infrastructure that establishes clear behavioural parameters and ethical directives for all stakeholders—from Directors to operational staff. This framework serves as a definitive guide for navigating potential conflicts of interest while upholding the highest standards of professional conduct. The Group's comprehensive staff handbook articulates a stringent code of conduct that expressly forbids personnel from engaging in activities involving gifts or benefits that might influence, or appear to influence, business judgment objectivity.

To provide an ethical framework for employees, the Group organises regular training to heighten anti-corruption awareness and strengthen organisational integrity. Its training curriculum integrates real case studies from the construction sector, providing practical insights into risk identification and ethical decision-making. In its ongoing commitment to exemplary business practices, the Group arranges anti-corruption seminars in collaboration with the Corrupt Practices Investigation Bureau of Singapore, tailored to the construction industry's unique challenges. These strategic educational initiatives enhance corporate governance and contribute to broader societal efforts to combat corruption and promote sustainable business practices.

The Group upholds rigorous ethical standards throughout its operations, mandating comprehensive compliance from the Board and all employees. Its stringent protocols prohibit bribery, corruption and improper solicitation while establishing clear guidelines for acceptable gifts and hospitality. All personnel must strictly adhere to applicable anti-money laundering and counter-terrorist financing regulations, with new employees required to complete mandatory compliance training including code of conduct and ethics upon joining. Through the robust Anti-corruption Policy, the Group explicitly prohibits all forms of corrupt practices, including bribery, extortion, fraud and money laundering. The Group maintains uncompromising commitment to full compliance with anti-corruption legislation across all operational jurisdictions, ensuring consistent ethical standards regardless of location or business context.

### *Whistleblowing Policy*

The Group maintains a comprehensive integrity assurance framework empowering employees to identify and report potential misconduct, including corruption, money laundering and other ethical violations. The Whistleblowing Policy enables employees to report suspected malpractice anonymously, ensuring all integrity-related concerns receive appropriate attention under strict confidentiality protocols.

The Group guarantees absolute confidentiality and identity protection for whistleblowers under a strict non-retaliation policy. This framework ensures that any stakeholder can report ethical concerns in good faith without fear of reprisal, reinforcing the Group's commitment to transparency and integrity.

Under the direct oversight of the CFO or an appointed qualified investigator, the Group conducts thorough investigations into suspected ethical breaches. All reported violations undergo prompt and discreet investigation, with relevant cases escalated to local law enforcement authorities, reflecting the Group's zero-tolerance approach to ethical violations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Audit Committee maintains vigilant oversight through periodic reviews of the Anti-corruption Policy and the Whistleblowing Policy, implementing strategic amendments to optimise operational effectiveness and ensure continued governance excellence.

During the Reporting Year, the Group maintained full compliance with all anti-bribery, anti-extortion, anti-fraud and anti-money laundering legislation. Neither the Group nor its employees were subject to any legal proceedings related to corrupt practices. There were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

## Commitment to Society

### *Donations and Sponsorship*

The Group is dedicated to fostering sustainable community growth through strategic collaborations with charitable organisations and sponsorships of programmes in health, education, environmental conservation and cultural development.

During the Reporting Year, the Group contributed S\$695,000 in cash, product donations and financial sponsorships to a diverse range of non-profit organisations. Its support extended to beneficiaries including PMF-Lian Shan Shuang Lin Monastery, Stroke Support Station, Singapore Thong Chai Medical Institution, National Council of Social Services and Singapore Heart Foundation, reflecting the Group's commitment to building a more inclusive and prosperous society.

### *Contribution to Communities and Employee Engagement*

The Group's visionary "Think Green; Go Green" initiative guides its engagement with different stakeholders, aiming to foster a shared journey towards a sustainable future. This commitment is embedded in the Group's operations through five key pillars: Green and Gracious; Reduce, Reuse, and Recycle; Employees First; Effective and Efficient Resource Utilisation; and Nurturing a Sustainable Future.

The Group believes a vibrant community is built on shared connections and experiences. To this end, the Group actively understands the needs of the communities it operates and curates and participates in local events, from beach clean-ups to community runs, designed to enrich its neighbourhoods and foster a spirit of collective well-being. Through open dialogue and collaborative efforts with its customers and business partners, the Group is building a community centred on sustainable action.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE ESG REPORTING CODE CONTENT INDEX

### Mandatory Disclosure Requirements

Governance Structure

Reporting Principles

Reporting Boundary

### Section/Declaration

ESG Governance Structure

Reporting Standards and Principles

Reporting Year and Scope

Indicators	Description	Section/Declaration
<b>A. Environmental</b>		
<b>Aspect A1. Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmentally-friendly Operation Policy, Emissions Management and Waste Management
KPI A1.1	The types of emissions and respective emissions data.	Emissions Management
KPI A1.2	Replaced by Climate-Related Disclosures	
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management
<b>Aspect A2. Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operation
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Energy Consumption Amount and Intensity
KPI A2.2	Water consumption in total and intensity.	Water Resources Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Saving Management Implementation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Resources Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Packaging Materials

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indicators	Description	Section/Declaration
<b>Aspect A3. The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmentally-friendly Operation Policy and Green Operation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmentally-friendly Operation Policy and Green Operation
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1. Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Recruitment and Promotion, Employee Welfare and Working Condition, Retirement Scheme and Well-being of Employees
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Recruitment and Promotion
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Recruitment and Promotion

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indicators	Description	Section/Declaration
<b>Aspect B2. Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employees' Health and Occupational Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employees' Health and Occupational Safety
KPI B2.2	Lost days due to work injury.	Employees' Health and Occupational Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employees' Health and Occupational Safety
<b>Aspect B3. Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Training and Development
<b>Aspect B4. Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indicators	Description	Section/Declaration
<b>Operating Practices</b>		
<b>Aspect B5. Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
<b>Aspect B6. Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Management and Safety
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Management and Safety
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Management and Safety
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Product Management and Safety
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Data Privacy

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indicators	Description	Section/Declaration
<b>Aspect B7. Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Whistleblowing Policy
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
<b>Community</b>		
<b>Aspect B8. Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Commitment to Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Commitment to Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Donations and Sponsorship

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE ESG REPORTING CODE CONTENT INDEX – PART D: CLIMATE-RELATED DISCLOSURES

### Climate-related

Disclosures	Description	Section/Declaration
(I) Governance	Governance	Climate-related Disclosure: Governance
(II) Strategy	<ol style="list-style-type: none"> <li>1. Climate-related risks and opportunities</li> <li>2. Business model and value chain</li> <li>3. Strategy and decision-making</li> <li>4. Financial position, financial performance and cash flows</li> <li>5. Climate resilience</li> </ol>	Climate-related Disclosure: Strategy
(III) Risk Management	Risk Management	Climate-related Disclosure: Risk Management
(IV) Metrics and Targets	GHG Emissions	Climate-related Disclosure: Metrics and Targets and GHG Emissions
	Climate-related Physical Risks, Transition Risks and Opportunities	Climate-related Disclosure: Strategy
	Capital Deployment	Climate-related Disclosure: Strategy - Adaptation and Mitigation Plans
	Internal Carbon Prices	Climate-related Disclosure: Strategy - Adaptation and Mitigation Plans
	Remuneration	Climate-related Disclosure: Governance
	Industry-based Metrics	The Group has not applied industry-based metrics under the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures.
	Climate-related Targets	Climate-related Disclosure: Metrics and Targets

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHUAN HOLDINGS LIMITED

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the financial statements of Chuan Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of the consolidated financial performance, the consolidated changes in equity and the consolidated cash flows of the Group for the financial year then ended in accordance with International Financial Reporting Standards (the “**IFRSs**”) as issued by the International Accounting Standards Board (the “**IASB**”) and have been prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (the “**ISAs**”) as issued by the International Auditing and Assurance Standards Board (the “**IAASB**”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants (the “**IESBA**”) Code of Ethics for Professional Accountants (the “**IESBA Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

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

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

## KEY AUDIT MATTERS (CONTINUED)

### Revenue recognition from construction contracts

The Group is involved in construction projects for which it recognises contract revenue over time using the input method in accordance with IFRS 15 *Revenue from Contracts with Customers*. The measure of progress is calculated based on the actual contract costs incurred to-date to the total budgeted costs for each project. The input method involves the use of significant management estimates, including amongst others, the total estimated project costs and estimated contract revenue. Accordingly, we have identified this to be a key audit matter.

As part of our audit procedures, we obtained an understanding and reviewed management's internal costing and budgeting processes in estimating contract revenues and contract costs. On a sample basis, our procedures included:

- reviewed the contractual terms and conditions with customers, including the contractual sums and other terms that may impose penalties by the customers;
- verified the costs incurred against underlying supporting documents;
- assessed the reasonableness of the key assumptions used by management in estimating the total budgeted cost for the projects;
- reviewed the appropriateness of key inputs, amongst others, materials, subcontractors and labor costs, used by management in their estimation of the total costs to complete and obtained supporting documentation on the major inputs;
- checked the arithmetic accuracy of revenue recognised according to the progress of each project measured by reference to costs incurred for work performed to date to the total budgeted cost;
- reviewed the project files and discussed with the management on the progress of projects to determine if there are signs of potential disputes, variation order claims, known technical issues, delays, penalties or overruns; and
- reviewed management's assessment and estimation of the additional time and costs needed to complete the on-going projects due to business disruptions and operational changes related to the changes in operation environment on the budgeted costs to complete the projects.

We also evaluated the adequacy of the Group's disclosures for revenue recognition and contract balances in Notes 5 and 20 to the consolidated financial statements.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHUAN HOLDINGS LIMITED

## OTHER INFORMATION

Management is responsible for other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

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

## RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRSs approved by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal controls as management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

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

The directors of the Company are assisted by audit committee (the "**Audit Committee**") of the Company in discharging their responsibilities for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHUAN HOLDINGS LIMITED

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHUAN HOLDINGS LIMITED

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

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

Ernst & Young LLP  
*Public Accountants and  
Chartered Accountants*  
Singapore

30 March 2026

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

	Note	2025 S\$'000	2024 S\$'000
<b>Revenue</b>	5	<b>157,114</b>	136,659
Cost of sales		<u>(124,659)</u>	<u>(119,029)</u>
		<b>32,455</b>	17,630
<b>Rental income — property investment</b>	5	<b>12,890</b>	7,091
Direct operating expenses		<u>(9,141)</u>	<u>(5,762)</u>
		<b>3,749</b>	1,329
<b>Gross profit</b>		<b>36,204</b>	18,959
Other income and gains	5	<b>2,880</b>	3,159
Administrative and other operating expenses		<u>(11,469)</u>	<u>(7,732)</u>
Other expenses		<u>(489)</u>	<u>(633)</u>
Finance costs	6	<u>(1,869)</u>	<u>(1,960)</u>
Share of profit/(loss) of joint venture	15	<b>423</b>	(5)
Share of losses of associates	14	<u>(1,427)</u>	<u>(568)</u>
<b>Profit before income tax</b>	7	<b>24,253</b>	11,220
Income tax expense	9	<u>(5,289)</u>	<u>(3,079)</u>
<b>Net profit attributable to owners of the Company</b>		<b>18,964</b>	8,141
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Financial assets at fair value through other comprehensive income (“FVOCI”)			
– Fair value gain/(loss)		<u>70</u>	<u>(22)</u>
<b>Other comprehensive income, net of tax</b>		<b>70</b>	(22)
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<b>19,034</b>	8,119
Basic earnings per share (cents)	11	<u>1.50</u>	<u>0.64</u>
Diluted earnings per share (cents)	11	<u>1.41</u>	<u>0.61</u>

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 S\$'000	2024 S\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	85,133	80,922
Investment property	13	1,250	1,262
Investment in associates and joint venture	14,15	21,106	19,460
Other assets	17	360	363
Deposits, prepayments and other receivables	22	577	620
Financial assets at fair value through profit or loss ("FVTPL")	18	1,511	3,278
Financial assets at FVOCI	18	605	535
<b>Total non-current assets</b>		<b>110,542</b>	<b>106,440</b>
<b>Current assets</b>			
Financial assets at FVTPL	18	–	2,240
Inventories	19	1,366	1,638
Contract assets	20	37,016	28,292
Trade receivables	21	26,094	17,877
Deposits, prepayments and other receivables	22	12,743	2,314
Pledged deposits	23	1,294	1,290
Cash and cash equivalents	23	26,150	31,408
<b>Total current assets</b>		<b>104,663</b>	<b>85,059</b>
<b>Total assets</b>		<b>215,205</b>	<b>191,499</b>
<b>Current liabilities</b>			
Contract liabilities	20	10,201	14,793
Trade payables	24	13,746	6,761
Other payables, accruals and deposits received	25	21,752	10,843
Borrowings	26	4,796	5,369
Lease liabilities	27(b)	6,007	9,894
Income tax payable		5,429	3,353
<b>Total current liabilities</b>		<b>61,931</b>	<b>51,013</b>
<b>Net current assets</b>		<b>42,732</b>	<b>34,046</b>
<b>Total assets less current liabilities</b>		<b>153,274</b>	<b>140,486</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Note</i>	<b>2025</b> <b>S\$'000</b>	2024 S\$'000
<b>Non-current liabilities</b>			
Borrowings	26	<b>17,368</b>	32,164
Lease liabilities	27(b)	<b>13,250</b>	4,674
Deferred tax liabilities	9	<b>474</b>	500
<b>Total non-current liabilities</b>		<b>31,092</b>	37,338
<b>Total liabilities</b>		<b>93,023</b>	88,351
<b>Net assets</b>		<b>122,182</b>	103,148
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	28	<b>2,154</b>	2,154
Share premium	28	<b>29,950</b>	29,950
Reserves	28	<b>90,078</b>	71,044
<b>Total equity</b>		<b>122,182</b>	103,148

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

	Share capital S\$'000	Share premium S\$'000	Merger reserve* S\$'000	Share option reserve* S\$'000	Fair value reserve* S\$'000	Retained profits* S\$'000	Total S\$'000
<b>At 1 January 2024</b>	1,767	27,250	5,166	664	(42)	57,283	92,088
Transactions with owners:							
Issuance of shares	387	2,700	-	(146)	-	-	2,941
	2,154	29,950	5,166	518	(42)	57,283	95,029
Profit for the year	-	-	-	-	-	8,141	8,141
Other comprehensive income:							
Changes in fair value of financial assets at FVOCI	-	-	-	-	(22)	-	(22)
Total comprehensive income for the year	-	-	-	-	(22)	8,141	8,119
<b>At 31 December 2024</b>	2,154	29,950	5,166	518	(64)	65,424	103,148

\* These reserve accounts comprise the consolidated reserves of S\$71,044,000 in the consolidated statement of financial position as at 31 December 2024.

	Share capital S\$'000	Share premium S\$'000	Merger reserve* S\$'000	Share option reserve* S\$'000	Fair value reserve* S\$'000	Retained profits* S\$'000	Total S\$'000
<b>At 1 January 2025</b>	2,154	29,950	5,166	518	(64)	65,424	103,148
Profit for the year	-	-	-	-	-	18,964	18,964
Other comprehensive income:							
Changes in fair value of financial assets at FVOCI	-	-	-	-	70	-	70
Total comprehensive income for the year	-	-	-	-	70	18,964	19,034
<b>At 31 December 2025</b>	2,154	29,950	5,166	518	6	84,388	122,182

\* These reserve accounts comprise the consolidated reserves of S\$90,078,000 in the consolidated statement of financial position as at 31 December 2025.

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	2025 S\$'000	2024 S\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	24,253	11,220
Adjustments for:		
Interest income	(293)	(321)
Interest expense	1,869	1,960
Dividend income from financial assets at FVOCI	(9)	(9)
Depreciation of property, plant and equipment	11,087	8,344
Depreciation of investment property	12	12
Gain on disposals of property, plant and equipment	(472)	(779)
(Reversal of)/provision for expected credit loss ("ECL") on contract assets	(7)	12
(Reversal of)/provision for ECL on trade receivables, net	(124)	76
Impairment on other assets	3	3
Fair value loss/(gain) on financial assets at FVTPL	138	(487)
Gain on settlement of financial assets at FVTPL	(772)	–
Impairment loss from financial assets at amortised cost	–	250
Share of losses of associates and joint venture	1,004	573
Unrealised exchange difference	156	(111)
<b>Operating cash flows before changes in working capital</b>	<b>36,845</b>	<b>20,743</b>
Increase in contract assets	(8,717)	(1,000)
Increase in trade receivables	(8,093)	(1,753)
Decrease/(increase) in inventories	272	(1,638)
(Increase)/decrease in deposits, prepayments and other receivables	(7,622)	2,029
(Decrease)/increase in contract liabilities	(4,592)	10,692
Increase/(decrease) in trade payables	6,985	(1,424)
Increase in other payables, accruals and deposits received	10,331	2,620
<b>Cash flows from operations</b>	<b>25,409</b>	<b>30,269</b>
Income tax paid, net	(3,239)	(1,486)
<b>Net cash flows generated from operating activities</b>	<b>22,170</b>	<b>28,783</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	2025 S\$'000	2024 S\$'000
<b>Cash flows from investing activities</b>		
Proceeds from disposals of property, plant and equipment	1,634	931
Purchase of property, plant and equipment	(7,888)	(3,133)
Purchase of financial assets at FVTPL	(154)	(378)
Proceeds from settlement of financial assets at FVTPL	4,795	3,846
Investment in associates and joint venture	(2,650)	(3,105)
Acquisition of assets through acquisition of subsidiary, net	–	(41,570)
Interest received	295	362
Dividend received	9	9
	<u>(3,959)</u>	<u>(43,038)</u>
<b>Net cash flows used in investing activities</b>		
<b>Cash flows from financing activities</b>		
Interest portion of the lease liabilities	(697)	(527)
Principal portion of the lease liabilities	(6,040)	(3,445)
Repayment of borrowings	(15,369)	(9,831)
Proceeds from borrowings	–	31,720
Repayment of sales loan	–	(4,000)
Repayment of promissory note	–	(8,000)
Issuance of promissory note	–	8,000
Proceed from new shares	–	2,941
Increase in pledged deposits secured against banking facilities	(4)	(5)
Interest paid	(1,203)	(1,406)
	<u>(23,313)</u>	<u>15,447</u>
<b>Net cash flows (used in)/generated from financing activities</b>		
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,102)</b>	<b>1,192</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>31,408</b>	<b>30,105</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(156)</b>	<b>111</b>
	<u>26,150</u>	<u>31,408</u>
<b>Cash and cash equivalents at end of financial year (Note 23)</b>		

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 1. GENERAL INFORMATION

Chuan Holdings Limited (the “**Company**”) is a limited liability company incorporated and domiciled in the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the principal place of business of the Company in Singapore is located at 20 Senoko Drive, Singapore 758207.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the provision of general building and construction services as well as property leasing and management operations in Singapore.

As at the date of this report, in the opinion of the directors (the “**Directors**”) of the Company, the controlling shareholder of the Company is Mr. Lim Kui Teng (“**Mr. Alan Lim**”), who is the sole director and sole shareholder of Brewster Global Holdings Limited, which is incorporated in the British Virgin Islands.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (the “**IFRSs**”) as issued by the International Accounting Standards Board (the “**IASB**”) and the disclosures requirement of the Hong Kong Companies Ordinance.

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

These consolidated financial statements are presented in Singapore Dollars (“**SGD**” or “**S\$**”), which is the Company’s functional currency and all values are rounded to the nearest thousand (“**SGD’000**” or “**S\$’000**”), except where otherwise stated.

The Group has prepared these financial statements on the basis that it will continue to operate as a going concern.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.2 Basis of consolidation

These consolidated financial statements comprise the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

The financial statements of the subsidiaries are prepared for the same financial year as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income (“**OCI**”) are attributed to the owners of the parent of the Group. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.3 a) Changes in accounting policy and disclosures

The Group applied for the first-time certain amendment, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The adoption of this amendment did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current financial year.

### 2.3 b) Standards and amendments issued but not yet effective

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRSs, if applicable, when they become effective.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 9: <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to IFRSs Accounting Standards – Volume 11: Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	1 January 2026
Amendments to IFRS 9: <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures: Contracts Referencing Nature dependent Electricity</i>	1 January 2026
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The Directors expect that the adoption of the standards and amendments above, except for IFRS 18 *Presentation and Disclosure in Financial Statements*, will have no material impact on the Group's financial statements in the period of initial application.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.3 b) Standards and amendments issued but not yet effective (Continued)

#### *IFRS 18 Presentation and Disclosure in Financial Statements*

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

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

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

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

The Group is currently working to identify the impact the amendments will have on the primary financial statements and notes to the financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.4 Investment in associates and joint ventures

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which they become associates or joint ventures.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's or the joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in an associate or a joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate or the joint venture. The profit or loss reflects the share of results of the operations of the associate or the joint venture. Distributions received from the associate or the joint venture reduce the carrying amount of the investment. Where there has been a change recognised in OCI by the associate or the joint venture, the Group recognises its share of such changes in OCI. In addition, when there has been a change recognised directly in the equity of the associate or the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or the joint venture are eliminated to the extent of the interest in the associate or the joint venture.

When the Group's share of losses in an associate and a joint venture is equal or exceed its interest in the associate or the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or the joint venture.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.4 Investment in associates and joint ventures (Continued)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates or joint ventures. The Group determines at the end of each reporting date whether there is any objective evidence that the investment in associates or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and the joint ventures are prepared as the same reporting date as the Group. The accounting policies of the associates and the joint ventures are aligned with the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of profit or loss of the investees after the date of acquisition.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### 2.5 Investment in joint operation

A joint operation is an arrangement in which the Group has rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

The Group recognises in its financial statements, its interest in the joint operations as follows: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the share of its output arising from the joint operations; its share of the revenue from the sale of the output by the joint operations; and its expenses, including its share of any expenses incurred jointly.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.6 Impairment of non-financial assets

Property, plant and equipment, investment property, investment in associates and joint ventures, and other assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating-unit (“CGU”) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

### 2.7 Property, plant and equipment

#### (a) Measurement

##### (i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

##### (ii) Component of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.7 Property, plant and equipment (Continued)

#### *(b) Depreciation*

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Leasehold land	Over the lease period of 30 years
Leasehold property	Over the lease period of 26.58 years
Plant and machinery	5 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years
Tools and equipment	5 years
Solar panel	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

#### *(c) Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

#### *(d) Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.8 Investment property

Investment property of the Group includes those portions of buildings that are held for long term rental yields and/or for capital appreciation.

Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful life of 50 years. The residual value, useful life and depreciation method of investment property are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are included in profit or loss when the changes arise.

When the cost model is applied, the fair value of investment property shall be disclosed at each reporting date.

### 2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in-first-out method, and includes expenditure incurred in acquiring the inventories.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 2.10 Borrowing costs

Borrowing costs are interest and other cost incurred in connection with the borrowing and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.11 Financial assets

#### (a) *Classification and measurement*

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

#### *At initial recognition*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

#### *At subsequent measurement*

##### (i) Debt instruments

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in OCI and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "other income and gains".

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.11 Financial assets (Continued)

#### (a) Classification and measurement (Continued)

*At subsequent measurement (Continued)*

(i) Debt instruments (Continued)

- FVTPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in “other gains and losses”.

(ii) Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in “other gains and losses”, except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as “fair value gains/losses” in OCI. Dividends from equity investments are recognised in profit or loss as “dividend income”.

#### (b) Impairment

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.11 Financial assets (Continued)

#### *(b) Impairment (Continued)*

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

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

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### *(c) Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in OCI relating to that asset is reclassified to profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

### 2.13 Leases

#### (a) *When the Group is the lessee*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- *Right-of-use assets*

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term, unless the Group has the option to acquire the right-of-use assets at the end of the lease term. In this case, the right-of-use assets will be subsequently depreciated using the straight-line method from the commencement date to the end of useful life of the assets.

Right-of-use assets are presented within “Property, plant and equipment”.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.13 Leases (Continued)

#### (a) When the Group is the lessee (Continued)

- *Lease liabilities*

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For a contract that contains both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Group has elected to not separate lease and non-lease components for leases and account these as one single lease component. Lease liabilities are remeasured with a corresponding adjustment to the right-of-use assets, or are recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.13 Leases (Continued)

#### (a) *When the Group is the lessee (Continued)*

- *Short-term leases and leases of low-value assets*

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

#### (b) *When the Group is the lessor*

The Group leases investment property under operating lease to non-related parties.

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as revenue or income in profit or loss when earned.

### 2.14 Fair value measurement

Fair value 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.14 Fair value measurement (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 2.15 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

### 2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.17 Income tax

#### *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### *Deferred tax*

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.17 Income tax (Continued)

#### *Deferred tax (Continued)*

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

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

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.17 Income tax (Continued)

#### *Goods and Services Tax ("GST")*

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

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### 2.18 Revenue recognition

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

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

#### *(a) Revenue from construction contracts*

Revenue from earthworks and general construction works transferred over time is recognised progressively by reference to the proportion of contract costs incurred to date compared to expected total cost, which depict the transfer of control of the goods or services to the customer.

The Group recognises revenue over time only if it can reasonably measure its progress toward complete satisfaction of the performance obligation. However, if the Group cannot reasonably measure the outcome but expects to recover the costs incurred in satisfying the performance obligation, then it recognises revenue to the extent of the costs incurred.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.18 Revenue recognition (Continued)

#### (a) Revenue from construction contracts (Continued)

##### *Contract assets and liabilities*

The Group presents a contract liability or a contract asset in its consolidated statement of financial position when either party to the contract has performed. The Group performs by transferring goods or services to the customer, and the customer performs by paying consideration to the Group.

A contract asset represents the Group's rights to consideration in exchange for goods and services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

Contract asset is recognised when the Group completes the construction works under such services contracts but yet certified by architects, surveyors or other representatives appointed by customers.

Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

A contract liability represents the Group's obligations to transfer goods and services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.18 Revenue recognition (Continued)

#### *(a) Revenue from construction contracts (Continued)*

##### *Contract costs*

Incremental cost of obtaining a contract is capitalised if the Group expects to recover those costs, unless the amortisation period for such costs would be one year or less. Costs that will be incurred regardless of whether the contract is obtained are expensed as they are incurred.

The Group recognises an asset from the costs incurred to fulfil a contract when those costs meet all of the following criteria:

- (a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the costs relate. The asset is subject to impairment review.

#### *(b) Rental income*

Revenue from rental income on investment property is recognised on a straight-line basis over the term of the lease. Lease incentives, if any, is recognised as part of the total lease income.

#### *(c) Interest income*

Interest income is recognised using the effective interest method, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.18 Revenue recognition (Continued)

#### *(d) Dividend income*

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

### 2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

#### *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

### 2.20 Share based payments

Where share options are awarded to employees and others providing similar services, the fair value of the options at the date of grant is recognised in profit or loss over the vesting period with a corresponding increase in the share option reserve within equity for equity-settled share based payments. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.21 Currency translation

#### *(a) Functional and presentation currency*

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (“**functional currency**”). The financial statements are presented in SGD, which is the functional currency of the Company.

#### *(b) Transactions and balances*

Transactions in a currency other than the functional currency (“**foreign currency**”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

### 2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

### 2.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital amount.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.24 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
  - (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Group or the Company or of a parent of the Company.
  
- (b) A person or a close member of that person's family is related to the Group and the Company if that person:
  - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third party and the other entity is an associate of the third party;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a); or
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

### 3.1 Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 3.2 Key sources of estimation uncertainty

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

#### *(a) Revenue recognition from construction contracts*

Revenue recognition on a project is dependent on management's estimation of the progress of the satisfaction of performance obligations of a construction contract over time, measuring using input method, with reference to the proportion that contract costs incurred for work performed to date to the estimated total costs for the contracts.

The Group reviews and revises the estimates of contract revenue, contract costs and variations for each construction contract as the contract progresses. Budgeted construction costs are prepared by the management on the basis of quotations from time to time provided by the major contractors, suppliers or vendors involved and the experience of the management. Such budgeted costs mainly comprise of materials and processing charges, project staff costs, costs of subcontracting, and an appropriation of variable and fixed construction overheads.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### 3.2 Key sources of estimation uncertainty (Continued)

#### *(a) Revenue recognition from construction contracts (Continued)*

In estimating the total budgeted costs for construction contracts, management makes reference to information such as costs incurred up to date, current offers from sub-contractors and suppliers, recent offers agreed with sub-contractors and suppliers, and professional estimation on materials and processing charges, project staff costs and other costs estimated by the Directors. In order to keep the budget accurate and up to date, the management conducts periodic reviews of the management budgets by comparing the budgeted amounts to the actual amounts incurred in particular in the case of costs over-run, and revises the estimated costs when necessary.

Significant judgement is required in estimating the budgeted contract costs which may have an impact in terms of percentage of completion and hence contract revenue recognised. In many cases the results reflect the expected outcome of long-term contractual obligations which span more than one reporting period. Contract costs and revenues are affected by a variety of uncertainties that depend on the outcome of future events and often need to be revised as events unfold and uncertainties are resolved. Notwithstanding that the management regularly reviews and revises contract budgets when those construction contracts progressed, the actual contract costs and gross profit margin achieved may be higher or lower than the estimates and that will affect the revenue and gross profit recognised in the consolidated financial statements. The Group's revenue, contract assets and contract liabilities are disclosed in Notes 5 and 20 respectively.

#### *(b) Provision for ECLs on trade and other receivables*

The provision for ECLs on trade and other receivables is based on estimation about credit default risk. The Group uses judgement in making assumptions and selecting the inputs to the impairment calculation, based on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of each reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to profit or loss. The carrying amounts of contract assets as well as trade and other receivables are disclosed in Notes 20, 21 and 22 respectively.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 4. OPERATING SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the Group determines its operating segments based on the reports reviewed by the chief operating decision maker (“CODM”) that are used to make strategic decisions. These consolidated financial statements which were reported to the CODM based on the following segments:

- Provision of earthworks and related services, mainly include excavation, earth disposal, demolition and various earthwork ancillary services (collectively referred as “**Earthworks and ancillary services**”);
- Provision of general construction works, mainly include construction of new buildings and alteration and addition works (collectively referred as “**General construction works**”); and
- Property leasing and management operations (collectively referred as “**Property investment**”).

### Segment revenue and results

Segment revenue below represents revenue from external customers. There was inter-segment revenue during the years ended 31 December 2025 and 31 December 2024. Operating revenue, direct costs, gain on disposals of property, plant and equipment (including plant and machinery and motor vehicles), interest expenses on lease liabilities and provision for ECL on trade receivables and contract assets are allocated to different segments to assess corresponding performance.

The segment revenue and results, and the totals presented for the Group’s operating segments reconcile to the Group’s key financial figures as presented in the consolidated financial statements are as follows:

	Earthworks and ancillary services S\$’000	General construction works S\$’000	Property investment S\$’000	Total S\$’000
<b>2025</b>				
Total segment revenue	133,222	23,988	15,211	172,421
Inter-segment revenue	(96)	–	(2,321)	(2,417)
Revenue from external customers	<u>133,126</u>	<u>23,988</u>	<u>12,890</u>	<u>170,004</u>
<i>Reconciliation:</i>				
Reportable segment results	30,930	1,549	2,459	34,938
Unallocated other income and gains				2,408
Corporate and other unallocated expenses				(12,089)
Share of losses of associates and joint venture				<u>(1,004)</u>
Profit before income tax				<u>24,253</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 4. OPERATING SEGMENT INFORMATION (CONTINUED)

### Segment revenue and results (Continued)

The segment revenue and results, and the totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the consolidated financial statements are as follows: (Continued)

	Earthworks and ancillary services S\$'000	General construction works S\$'000	Property investment S\$'000	Total S\$'000
<b>2024</b>				
Total segment revenue	97,497	39,225	8,986	145,708
Inter-segment revenue	(63)	–	(1,895)	(1,958)
Revenue from external customers	97,434	39,225	7,091	143,750
<i>Reconciliation:</i>				
Reportable segment results	14,461	3,405	(176)	17,690
Unallocated other income and gains				2,380
Corporate and other unallocated expenses				(8,277)
Share of losses of associates and joint venture				(573)
Profit before income tax				11,220

Corporate and other unallocated expenses mainly included Directors' emoluments, employee benefit expenses, depreciation of office equipment, provision for ECL on other receivables and other centralised administrative cost for the Group's headquarter.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 4. OPERATING SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities

#### *Reportable segment assets*

The following is an analysis of the Group's segment assets by reportable and operating segment:

	2025 S\$'000	2024 S\$'000
Earthworks and ancillary services	81,785	57,067
General construction works	11,999	9,672
Property investment	56,766	59,773
<b>Total</b>	<b>150,550</b>	<b>126,512</b>
<i>Additions to non-current segment assets:</i>		
Earthworks and ancillary services	14,714	10,151
General construction works	32	2
Property investment	24	61,878
	<b>14,770</b>	<b>72,031</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 4. OPERATING SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities (Continued)

#### Reportable segment assets (Continued)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the consolidated financial statements as follows:

	2025 S\$'000	2024 S\$'000
Reportable segment assets	150,550	126,512
Unallocated property, plant and equipment	1,606	602
Unallocated right-of-use assets	42	67
Financial assets at FVTPL	1,511	5,518
Financial assets at FVOCI	605	535
Investment property	1,250	1,262
Other assets	360	363
Pledged deposits	1,294	1,290
Cash and cash equivalents	26,150	31,408
Investment in associates and joint venture	21,106	19,460
Corporate and other unallocated assets	10,731	4,482
<b>Group assets</b>	<b>215,205</b>	<b>191,499</b>

Corporate and other unallocated assets mainly included deposits, prepayment and other receivables due from related parties.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 4. OPERATING SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities (Continued)

#### Reportable segment liabilities

The following is an analysis of the Group's segment liabilities by reportable and operating segment:

	2025 S\$'000	2024 S\$'000
Earthworks and ancillary services	36,793	30,177
General construction works	3,920	3,298
Property investment	24,503	39,443
<b>Total</b>	<b>65,216</b>	<b>72,918</b>

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the consolidated financial statements as follows:

	2025 S\$'000	2024 S\$'000
Reportable segment liabilities	65,216	72,918
Borrowings	–	657
Deferred tax liabilities	474	500
Corporate and other unallocated liabilities	27,333	14,276
<b>Group liabilities</b>	<b>93,023</b>	<b>88,351</b>

Corporate and other unallocated liabilities mainly included accruals for employee benefit expenses and payables of office operating expenses and utilities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 4. OPERATING SEGMENT INFORMATION (CONTINUED)

### Other segment information

	Earthworks and ancillary services S\$'000	General construction works S\$'000	Property investment S\$'000	Unallocated S\$'000	Total S\$'000
<b>2025</b>					
Gain on disposals of property, plant and equipment	472	-	-	-	472
Gain on settlement of financial assets at FVTPL	772	-	-	-	772
Depreciation of property, plant and equipment and investment property	7,345	-	3,418	336	11,099
Provision for/(reversal of) ECL on contract assets	116	(123)	-	-	(7)
Reversal of ECL on trade receivables	(116)	(8)	-	-	(124)
Finance costs	579	-	1,290	-	1,869
Interest income	-	-	-	293	293
Share of losses of associates and joint venture	-	-	-	(1,004)	(1,004)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	Earthworks and ancillary services S\$'000	General construction works S\$'000	Property investment S\$'000	Unallocated S\$'000	Total S\$'000
<b>2024</b>					
Gain on disposals of property, plant and equipment	779	-	-	-	779
Fair value gain on financial assets at FVTPL	487	-	-	-	487
Depreciation of property, plant and equipment and investment property	5,961	-	2,262	133	8,356
Provision for/(reversal of) ECL on contract assets	36	(24)	-	-	12
Provision for/(reversal of) ECL on trade receivables	252	(176)	-	-	76
Finance costs	455	-	1,505	-	1,960
Interest income	-	-	-	321	321
Share of losses of associates and joint venture	-	-	-	(573)	(573)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 4. OPERATING SEGMENT INFORMATION (CONTINUED)

### Geographical information

The Group's non-current assets are all based in Singapore. No geographical information is presented for the Group's business segment as the Group is principally engaged in projects within Singapore. Accordingly, the Group's revenue is all derived from customers located in Singapore.

Revenue from customers for the respective years over 10% of the Group's total revenue is as follows:

	2025 S\$'000	2024 S\$'000
Customer A – attributable to Earthworks and ancillary services	21,161	25,756
Customer A – attributable to General construction works	8,542	25,706
Customer B – attributable to Earthworks and ancillary services	<u>21,461</u>	<u>N/A</u>

## 5. REVENUE, OTHER INCOME AND GAINS

- a) Revenue, which is also the Group's turnover, represents revenue from Earthworks and ancillary services, General construction works and Property investment. Revenue recognised from the principal activities during the respective years is as follows:

	Revenue from external customers	
	2025 S\$'000	2024 S\$'000
Revenue from contracts with customer and recognised over time:		
Earthworks and ancillary services	133,126	97,434
General construction works	<u>23,988</u>	<u>39,225</u>
Subtotal	<u>157,114</u>	<u>136,659</u>
Property investment	<u>12,890</u>	<u>7,091</u>
<b>Total</b>	<u><b>170,004</b></u>	<u><b>143,750</b></u>

Earthworks and ancillary services included revenue of S\$126,459,000 (2024: S\$92,211,000) from earthworks and S\$6,667,000 (2024: S\$5,223,000) from earthwork ancillary services.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

- b) Transaction price allocated to remaining performance obligations

As at 31 December 2025, the transaction price allocated to performance obligations that were unsatisfied (or partially unsatisfied) in relation to project works was S\$415,000,000 (2024: S\$427,000,000). The Directors expect that the unsatisfied performance obligations will be recognised as revenue from 1 to 5 years according to the contract period.

- c) An analysis of the Group's other income and gains recognised during the respective years is as follows:

	2025 S\$'000	2024 S\$'000
<b>Other income</b>		
Management service income	430	463
Interest income from financial assets at amortised cost	293	321
Reversal of provision for ECL	227	298
Rental income from investment property	105	75
Dividend income from financial assets at FVOCI	9	9
Sales of scrap materials and consumables	389	492
Government grants	89	22
Others	94	102
	<u>1,636</u>	<u>1,782</u>
<b>Gains</b>		
Gain on disposals of property, plant and equipment	472	779
Gain on settlement of financial assets at FVTPL	772	–
Fair value gain on financial assets at FVTPL	–	487
Net exchange gain	–	111
	<u>1,244</u>	<u>1,377</u>
<b>Total</b>	<u>2,880</u>	<u>3,159</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 6. FINANCE COSTS

	2025 S\$'000	2024 S\$'000
Interest expenses on financial liabilities at amortised cost:		
– Interest on lease liabilities	697	527
– Interest on borrowings	1,172	1,095
– Interest on promissory note	–	338
	<u>1,869</u>	<u>1,960</u>

## 7. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Note	2025 S\$'000	2024 S\$'000
Auditor's remuneration			
– audit fees		210	210
– other non-audit fees		14	118
Depreciation of property, plant and equipment (Note 12)	(i)	11,087	8,344
Depreciation of investment property (Note 13)	(ii)	12	12
Direct operating expenses arising from investment property that generated rental income		29	22
Net foreign exchange loss/(gain)		156	(111)
Employee benefit expenses (including Directors' remuneration (Note 8)):			
– Salaries, wages and bonuses		33,144	24,643
– Defined contribution retirement plan		1,198	895
– Other short-term benefits		4,018	3,675
(Reversal of)/provision for ECL on contract assets (Note 20)		(7)	12
(Reversal of)/provision for ECL on trade receivables, net (Note 21)		(124)	76
Impairment on other assets (Note 17)		3	3
Gain on settlement of financial assets at FVTPL		(772)	–
Fair value loss/(gain) on financial assets at FVTPL		138	(487)
		<u>138</u>	<u>(487)</u>

Notes:

- (i) Depreciation of property, plant and equipment amounting to S\$10,628,000 (2024: S\$7,909,000) was included in direct costs and S\$459,000 (2024: S\$435,000) in administrative and other operating expenses during the year.
- (ii) Depreciation of investment property was included in administrative and other operating expenses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

Directors' remuneration for the respective years, disclosed pursuant to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulations, is as follows:

(a) Directors' remuneration

The remuneration paid or payable to the Directors is as follow:

	Fees S\$'000	Salaries, allowances and benefits in kind S\$'000	Discretionary bonuses S\$'000	Defined contribution S\$'000	Total S\$'000
<b>2025</b>					
Executive Directors:					
Mr. Lim Kui Teng ("Mr. Alan Lim")	-	1,194	70	29	1,293
Mr. Phang Yew Kiat ("Mr. Phang")	-	120	-	-	120
Mr. Bijay Joseph	-	358	20	27	405
Ms. Ong Sok Hun ("Ms. Vivian Ong")	-	211	53	31	295
	-	1,883	143	87	2,113
Independent non-executive Directors:					
Mr. Wee Hian Eng Cyrus	21	-	-	-	21
Mr. Xu Fenglei	24	-	-	-	24
Mr. Wong Ka Bo Jimmy	30	-	-	-	30
	75	-	-	-	75
<b>Total</b>	<b>75</b>	<b>1,883</b>	<b>143</b>	<b>87</b>	<b>2,188</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(a) Directors' remuneration (Continued)

The remuneration paid or payable to the Directors is as follow: (Continued)

	Fees S\$'000	Salaries, allowances and benefits in kind S\$'000	Discretionary bonuses S\$'000	Defined contribution S\$'000	Total S\$'000
<b>2024</b>					
Executive Directors:					
Mr. Lim Kui Teng ("Mr. Alan Lim")	–	1,084	15	21	1,120
Mr. Phang Yew Kiat ("Mr. Phang") (Note (i))	–	120	–	–	120
Mr. Bijay Joseph	–	311	13	19	343
Ms. Ong Sok Hun ("Ms. Vivian Ong") (Note (ii))	–	44	–	5	49
	–	1,559	28	45	1,632
Independent non-executive Directors:					
Mr. Wee Hian Eng Cyrus	21	–	–	–	21
Mr. Xu Fenglei	24	–	–	–	24
Mr. Wong Ka Bo Jimmy	31	–	–	–	31
	76	–	–	–	76
<b>Total</b>	76	1,559	28	45	1,708

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

### (a) Directors' remuneration (Continued)

Notes:

- (i) Mr. Phang was re-designated as the executive director of the Company on 1 January 2024.
- (ii) Ms. Vivian Ong was appointed as executive director of the Company on 1 November 2024.

### (b) Five highest paid individuals

The five highest paid individuals of the Group included 3 (2024: 2) Directors for the year, whose emoluments are reflected in Note (a).

The analysis of the emolument of the remaining 2 (2024: 3) highest paid individuals for the respective years is set out below:

	2025 S\$'000	2024 S\$'000
Salaries, allowances and benefits in kind	463	603
Discretionary bonuses	166	230
	<u>629</u>	<u>833</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(b) Five highest paid individuals (Continued)

The remuneration of the remaining 2 (2024: 3) individuals falls within the following bands:

	Number of individuals	
	2025	2024
Nil – HK\$1,000,000	–	–
HK\$1,000,001 – HK\$1,500,000	–	1
HK\$1,500,001 – HK\$2,000,000	2	2
HK\$2,000,001 – HK\$2,500,000	–	–
	<u>2</u>	<u>3</u>

(c) During the year, no Director or any of the highest paid individuals waived or agreed to waive any emoluments (2024: Nil). No emoluments were paid by the Group to the Directors or any of the highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

## 9. INCOME TAX EXPENSE

(a) Income tax

	2025	2024
	S\$'000	S\$'000
<b>Current tax – Singapore income tax</b>		
Charge for the year	5,418	2,935
Over provision in respect to prior year	(103)	(300)
	<u>5,315</u>	<u>2,635</u>
<b>Deferred tax</b>		
(Credit)/charge for the year due to origination and reversal of temporary differences (Note (b))	(26)	444
<b>Income tax expense</b>	<u>5,289</u>	<u>3,079</u>

Singapore income tax was provided at the rate of 17% on the estimated assessable profits.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 9. INCOME TAX EXPENSE (CONTINUED)

### (a) Income tax (Continued)

The income tax expense for the respective years can be reconciled to the profit before income tax per the consolidated statement of comprehensive income as follows:

	2025 S\$'000	2024 S\$'000
Profit before income tax	24,253	11,220
Add: Share of losses of associates and joint venture	1,004	573
	<b>25,257</b>	11,793
Tax at statutory tax rate of 17%	4,294	2,005
Enhanced tax allowances, exemptions and rebates	(52)	(52)
Non-deductible expenses	1,426	1,259
Income not subject to tax	–	(29)
Over provision in respect to prior year	(103)	(300)
Utilisation of previously unrecognised deferred income tax benefits	–	213
Others	(276)	(17)
<b>Income tax expense</b>	<b>5,289</b>	<b>3,079</b>

As at 31 December 2025 and 2024, the Group had no unutilised estimated tax losses available to offset against future profits.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 9. INCOME TAX EXPENSE (CONTINUED)

### (b) Deferred tax

The movements in deferred tax liabilities and assets during the respective years are as follow:

#### *Deferred tax (liabilities)/assets*

	Accelerated tax depreciation S\$'000	Leases S\$'000	Impairment loss S\$'000	Unutilised leave S\$'000	Total S\$'000
<b>At 1 January 2024</b>	(316)	–	229	31	(56)
(Charge)/credit to profit or loss for the year (Note (a))	<u>(516)</u>	<u>47</u>	<u>17</u>	<u>8</u>	<u>(444)</u>
<b>At 31 December 2024</b>	(832)	47	246	39	(500)
(Charge)/credit to profit or loss for the year (Note (a))	<u>26</u>	<u>6</u>	<u>(22)</u>	<u>16</u>	<u>26</u>
<b>At 31 December 2025</b>	<u>(806)</u>	<u>53</u>	<u>224</u>	<u>55</u>	<u>(474)</u>

The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 S\$'000	2024 S\$'000
Deferred tax liabilities	<u>474</u>	<u>500</u>

## 10. DIVIDENDS

No dividend was declared or paid by the Company during the year ended 31 December 2025 and 31 December 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 11. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2025 is based on the profit for the year of S\$18,964,000 (2024: S\$8,141,000) and on the weighted average number of 1,263,427,200 (2024: 1,263,427,200) ordinary shares (the “**Shares**”) of HK\$0.01 each in the share capital of the Company in issue during the year ended 31 December 2025.

The calculation of diluted earnings per share for the year ended 31 December 2025 is based on the profit for the year of S\$18,964,000 (2024: S\$8,141,000) and on the weighted average number of Shares adjusted for the effects of dilution from the Group’s share options of 1,342,651,200 (2024: 1,342,651,200).

## 12. PROPERTY, PLANT AND EQUIPMENT

	Properties leased for own use S\$'000	Construction in progress S\$'000	Solar panels S\$'000	Leasehold improvements S\$'000	Plant and machinery S\$'000	Furniture, fixtures and office equipment S\$'000	Motor vehicles S\$'000	Total S\$'000
<b>Cost</b>								
At 1 January 2024	-	-	-	-	28,390	4,345	42,661	75,396
Acquisition of subsidiary	61,876	-	-	-	-	26	-	61,902
Additions	-	389	-	-	2,739	599	6,969	10,696
Disposals	-	-	-	-	(1,633)	-	(4,947)	(6,580)
At 31 December 2024 and 1 January 2025	61,876	389	-	-	29,496	4,970	44,683	141,414
Additions	-	1,326	199	24	6,067	865	7,979	16,460
Transfer	-	(1,715)	1,334	381	-	-	-	-
Disposals	-	-	-	-	(1,491)	-	(16,827)	(18,318)
At 31 December 2025	61,876	-	1,533	405	34,072	5,835	35,835	139,556
<b>Accumulated depreciation</b>								
At 1 January 2024	-	-	-	-	20,311	2,194	36,071	58,576
Depreciation charge (Note 7)	2,250	-	-	-	2,675	781	2,638	8,344
Disposals	-	-	-	-	(1,626)	-	(4,802)	(6,428)
At 31 December 2024 and 1 January 2025	2,250	-	-	-	21,360	2,975	33,907	60,492
Depreciation charge (Note 7)	3,374	-	211	14	3,072	898	3,518	11,087
Disposals	-	-	-	-	(952)	-	(16,204)	(17,156)
At 31 December 2025	5,624	-	211	14	23,480	3,873	21,221	54,423
<b>Net book value</b>								
At 31 December 2024	59,626	389	-	-	8,136	1,995	10,776	80,922
At 31 December 2025	56,252	-	1,322	391	10,592	1,962	14,614	85,133

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 13. INVESTMENT PROPERTY

	S\$'000
<b>Cost</b>	
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>1,546</u>
<b>Accumulated depreciation</b>	
At 1 January 2024	272
Depreciation charge (Note 7)	<u>12</u>
At 31 December 2024 and 1 January 2025	284
Depreciation charge (Note 7)	<u>12</u>
At 31 December 2025	<u>296</u>
<b>Net book value</b>	
At 31 December 2024	<u>1,262</u>
At 31 December 2025	<u>1,250</u>
<b>Fair value</b>	
At 31 December 2024	<u>6,800</u>
At 31 December 2025	<u>7,200</u>

The investment property of the Group consists of a four-storey industrial building used for rental income generation purpose. It is located at 1015 Upper Serangoon Road, Singapore 534753 on a freehold land. The estimated useful life of the investment property is 50 years. The remaining useful life of the investment property as at 31 December 2025 is 25 years (2024: 26 years).

The fair value of the investment property has been carried out by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. Fair value is determined by a market comparison method by taking into account the movement of the industrial property market index in Singapore. The fair value disclosed is categorised as Level 3 valuation. The key unobservable input used in valuing the investment property under the direct comparison approach was the prices per square meter. Significant increase/(decrease) in the unobservable input would result in a significant higher/(lower) fair value measurement. The highest and best use of the investment property of the Group does not differ from its current use.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 14. INVESTMENT IN ASSOCIATES

	2025 S\$'000	2024 S\$'000
Advances to an associate	21,618	19,968
Share of net liabilities, including cost	<u>(1,935)</u>	<u>(508)</u>
	<u>19,683</u>	<u>19,460</u>

The advances to an associate are unsecured, interest-free and repayable on demand. In the opinion of the Directors, these advances are unlikely to be repaid in the foreseeable future and are considered as part of the Group's net investments in the associate. There was no recent history of default and past due amounts for advances to associate. As at 31 December 2025 and 31 December 2024, the loss allowance was assessed to be minimal.

The material associate held by the Group is listed below:

Name of entity	Principal place of business and incorporation	Principal activities	% of interest held by the Group	
			2025 %	2024 %
Chuan Investments Pte. Ltd. <sup>(i)</sup>	Singapore	Real estate developer	33.3	33.3

<sup>(i)</sup> Audited by Ernst & Young LLP.

The Group accounts for its interest in associates by applying the equity method of accounting in the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 14. INVESTMENT IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information in respect of Chuan Investments Pte. Ltd. adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

### Summarised statement of financial position

	Chuan Investments Pte. Ltd.	
	2025 S\$'000	2024 S\$'000
Current assets	140	65
Non-current assets	59,182	58,715
Total assets	59,322	58,780
Current liabilities	287	416
Non-current liabilities	64,854	59,904
Total liabilities	65,141	60,320
Net liabilities	(5,819)	(1,540)
Proportion of the Group's ownership	33.3%	33.3%
Group's share of net liabilities and carrying amount of the investment	(1,940)	(513)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 14. INVESTMENT IN ASSOCIATES (CONTINUED)

### Summarised statement of comprehensive income

	Chuan Investments Pte. Ltd.	
	2025 S\$'000	2024 S\$'000
Other income	1,791	2,541
Loss for the year, net of taxation, representing total comprehensive loss for the year	(4,280)	(1,705)
Proportion of the Group's ownership	33.3%	33.3%
Group's share of losses	(1,427)	(568)

The following table illustrates the aggregate financial information of the Group's associate which is not individually material:

	2025 S\$'000	2024 S\$'000
Share of the associates' profit for the year, representing total comprehensive income for the year	–	–
Aggregate carrying amount of the Group's investment in associate	5	5

There are no contingent liabilities relating to the Group's interest in the associates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 15. INVESTMENT IN JOINT VENTURE

The Group has a 50% interest in ownership and voting rights in a joint venture, Chuan Lim – BuildStar JV Pte. Ltd. The joint venture is formed between Chuan Lim Construction Pte. Ltd., an indirect wholly-owned operating subsidiary of the Company, and BuildStar Contractor Pte. Ltd. on 25 October 2024. The Group jointly controls the venture with another partner under a contractual agreement and the joint venture requires unanimous consent for all major decisions over the relevant activities.

### Breakdown of investment

	2025 S\$'000	2024 S\$'000
Investment, at cost	1,005	5
Group's share of profit/(loss)	418	(5)
	<u>1,423</u>	<u>–</u>

The joint venture held by the Group is listed below:

Name of entity	Principal place of business and incorporation	Principal activities	% of interest held by the Group	
			2025 %	2024 %
Chuan Lim – BuildStar JV Pte. Ltd. <sup>(i)</sup>	Singapore	General contractor	50	50

<sup>(i)</sup> Audited by Ernst & Young LLP.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 15. INVESTMENT IN JOINT VENTURE (CONTINUED)

### Breakdown of investment (Continued)

#### *Summarised statement of financial position*

	Chuan Lim – BuildStar JV Pte. Ltd.	
	2025 S\$'000	2024 S\$'000
Current assets/Total assets	6,772	11
Current liabilities	3,936	25
Non-current liabilities	2,000	–
Total liabilities	5,936	25
Net assets/(liabilities)	836	(14)
Proportion of the Group's ownership	50%	50%
Group's share of net assets/(liabilities)	418	(7)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 15. INVESTMENT IN JOINT VENTURE (CONTINUED)

### Breakdown of investment (Continued)

#### *Summarised statement of comprehensive income*

	Chuan Lim – BuildStar JV Pte. Ltd.	
	2025 S\$'000	2024 S\$'000
Profit/(loss) for the year, net of taxation, representing total comprehensive profit/(loss) for the year	<u>851</u>	<u>(25)</u>
Proportion of the Group's ownership	<u>50%</u>	<u>50%</u>
Group's share of profit/(loss)	<u>426</u>	<u>(13)</u>

The Group discontinued recognising its share of further losses in 2024 as its interest in joint venture is reduced to zero.

There are no contingent liabilities relating to the Group's interest in the joint venture.

## 16. INVESTMENT IN JOINT OPERATION

The Group has a 20% (2024: Nil) equity interest in the ownership and voting rights in joint operations, GUOLINK PARTNERSHIP. The joint operation is formed between Chuan Lim Construction Pte. Ltd., an indirect wholly-owned operating subsidiary of the Company, and Kok Tong Construction Pte. Ltd. on 21 March 2025.

All joint operations are strategic business partnerships governed under the Partnership Act 1980, Laws of the Singapore and registered in Singapore under the Business Names Registration Act 2014, Chapter 32 of the Laws of Singapore. The Group controls the joint operation with the other partner under contractual agreements which provide the Group with its proportional rights to assets and obligations for the liabilities relating to the joint operations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 16. INVESTMENT IN JOINT OPERATION (CONTINUED)

The details regarding the joint operation as follows:

Name of entity	Principal place of business and incorporation	Principal activities	% of interest held by the Group	
			2025	2024
			%	%
GUOLINK PARTNERSHIP	Singapore	General contractor	20	Nil

## 17. OTHER ASSETS

The Group's other assets represented golf club memberships. The golf club memberships are tested for impairment annually.

As at the reporting date, the Directors have performed impairment review and impairment of S\$3,000 (2024: S\$3,000) was recognised in profit and loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 18. FINANCIAL ASSETS – FAIR VALUE THROUGH PROFIT OR LOSS, FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND AMORTISED COST

	Note	2025 S\$'000	2024 S\$'000
<b>Financial assets at FVTPL</b>			
– Investment in life insurance policy at fair value	(a)	1,511	1,548
– Investment in property development projects		–	3,970
		<u>1,511</u>	<u>5,518</u>
Classified as:			
Non-current assets		1,511	3,278
Current assets		–	2,240
		<u>1,511</u>	<u>5,518</u>
<b>Financial assets at FVOCI</b>			
– Quoted equity securities at fair value		288	218
– Unquoted equity security at fair value		317	317
	(b)	<u>605</u>	<u>535</u>
<b>Financial assets at amortised cost</b>			
– Investment in corporate bond			
Cost		250	250
Accumulated impairment		(250)	(250)
		<u>–</u>	<u>–</u>

Notes:

- (a) The Group entered into contract with an insurance company which contains life insurance policy to insure against incapacity of a key management personnel of the Group, with insured sum of US\$5,000,000 (equivalent to S\$6,421,000). Under these contracts, the beneficiary and policy holder is Chuan Lim Construction Pte. Ltd., a wholly-owned subsidiary of the Company.
- (b) The equity investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

Below are the amounts denominated in currencies other than the functional currency:

	2025 S\$'000	2024 S\$'000
United States dollar (“US\$”)	<u>1,511</u>	<u>1,548</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 19. INVENTORIES

	2025 S\$'000	2024 S\$'000
Consumables, cost	<u>1,366</u>	<u>1,638</u>
Inventories recognised as an expense in cost of sales	<u>4,576</u>	<u>–</u>

## 20. CONTRACT ASSETS AND CONTRACT LIABILITIES

	2025 S\$'000	2024 S\$'000
Contract assets	<u>37,500</u>	28,783
Less: Provision for ECL on contract assets	<u>(484)</u>	<u>(491)</u>
	<u>37,016</u>	28,292
Contract liabilities	<u>(10,201)</u>	<u>(14,793)</u>
	<u>26,815</u>	<u>13,499</u>

The timing of revenue recognition, progress billings to customers and payments received from customers would affect the amount of trade receivables, contract assets and contract liabilities recognised as at the reporting date on the consolidated statement of the financial position.

The Group's contract assets represent the Group's rights to consideration for work completed but not yet billed to customers as at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional, that is, when the Group issued progress billing/invoices to customers based on certified amount agreed with customer.

The contract assets are expected to be recovered or settled within 3 years upon completion of services and acceptance by the customers.

During the year, S\$7,000 (2024: S\$12,000 was recognised as a provision for ECL) was recognised as a reversal of ECL on contract assets. Further details on the Group's credit policy and credit risk arising from contract assets are set out in Note 36.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 20. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

Movement in the provision for ECL on contract assets:

	2025 S\$'000	2024 S\$'000
Balance at beginning of the year	491	479
(Reversal of)/provision for ECL	(7)	12
Balance at end of the year	484	491

The Group's contract liabilities represent advanced payment received from customers while revenue is recognised based on measure of progress.

(i) Significant changes in the contract assets during the year are as follows:

	2025 S\$'000	2024 S\$'000
Changes in measurement of progress	90,331	60,684
Transfers from the contract assets recognised at the beginning of the year to trade receivables	(23,301)	(19,885)
Transfers from the contract assets recognised during the year to trade receivables	(58,314)	(39,320)

(ii) Significant changes in the contract liabilities during the year are as follows:

	2025 S\$'000	2024 S\$'000
Changes in measurement of progress	48,386	74,204
Revenue recognised that was included in the contract liabilities balances at the beginning of the year	(14,284)	(4,090)
Increase due to amounts billed, excluding amounts recognised as revenue	(9,693)	(14,782)

Included in the Group's contract assets of S\$3,087,000 (2024: S\$3,087,000) is a balance with a related party who is the spouse of Mr. Alan Lim ("Mrs. Lim"), a shareholder and director of the Company.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 21. TRADE RECEIVABLES

	Note	2025 S\$'000	2024 S\$'000
Trade receivables		27,183	18,806
Retention receivables		81	365
	(a)	27,264	19,171
Less: Provision for ECL on trade receivables and retention receivables		(1,170)	(1,294)
	(b)	26,094	17,877
Total trade receivables, net			
– Non-related parties		23,815	17,875
– Related parties	(c)	2,279	2
		26,094	17,877

*Notes:*

- (a) During the year, the credit period granted to the Group's customers was generally within 30 (2024: 30) days from the invoice date of the relevant contract revenue. Some construction contracts stipulate that the customers withhold a portion of total contract sum (usually 5%) until a specified period (usually 1 year) after completion of the contract. The amount withheld is classified as retention receivables. Retention receivables are unsecured and interest-free.
- (b) Based on the invoice date, the ageing analysis of the Group's trade receivables is as follows:

	2025 S\$'000	2024 S\$'000
0 to 30 days	14,294	9,306
31 to 90 days	9,822	5,919
91 to 180 days	1,315	1,381
181 to 365 days	536	1,229
Over 365 days	70	42
	26,037	17,877
Retention receivables	57	–
	26,094	17,877

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 21. TRADE RECEIVABLES (CONTINUED)

Notes: (Continued)

(b) (Continued)

The ageing analysis of the Group's trade receivables that were not impaired is as follows:

	2025 S\$'000	2024 S\$'000
Neither past due nor impaired	14,294	9,306
1 to 30 days past due	4,399	3,195
31 to 90 days past due	5,745	3,348
91 to 180 days past due	1,117	901
181 to 365 days past due	412	1,085
Over 365 days past due	70	42
	<u>26,037</u>	<u>17,877</u>
Retention receivables	57	–
	<u>26,094</u>	<u>17,877</u>

The Group's trade receivables that were neither past due nor impaired as at the reporting date related to the customers who had no recent history of default. The Group's management considers that trade receivables that were past due but not impaired under review are of good credit quality. The Group does not hold any collateral in respect of trade receivables past due but not impaired.

The movement in the provision for ECL on trade receivables and retention receivables is as follows:

	2025 S\$'000	2024 S\$'000
Balance at beginning of the year	1,294	1,175
Acquisition of subsidiary	–	43
Provision for ECL, net	<u>(124)</u>	<u>76</u>
Balance at end of the year	<u>1,170</u>	<u>1,294</u>

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 36.

(c) The receivables from these related parties are unsecured, interest free and repayable on demand and are to be settled in cash. The trading transactions with these related parties and corresponding relationship with the Group are detailed in Note 30.

	2025 S\$'000	2024 S\$'000
Trade receivables	2,337	2
Less: Provision for ECL	<u>(58)</u>	<u>–</u>
	<u>2,279</u>	<u>2</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	<i>Note</i>	<b>2025</b> <b>S\$'000</b>	2024 S\$'000
Other receivables		<b>3,390</b>	168
Less: Provision for ECL on other receivables		<u>—</u>	<u>—</u>
		<b>3,390</b>	168
Deposits		<b>7,142</b>	699
Prepayments		<b>2,788</b>	2,067
	<i>(a)</i>	<u><b>13,320</b></u>	<u>2,934</u>
Classified as:			
Non-current assets		<b>577</b>	620
Current assets		<u><b>12,743</b></u>	<u>2,314</u>
		<u><b>13,320</b></u>	<u>2,934</u>

*Note:*

(a) Total deposits, prepayments and other receivables are analysed as follows:

	<b>2025</b> <b>S\$'000</b>	2024 S\$'000
Non-related parties	<b>13,312</b>	2,728
Related parties	<u><b>8</b></u>	<u>206</u>
	<u><b>13,320</b></u>	<u>2,934</u>

The deposits, prepayments and other receivables from these related parties are unsecured, interest free and repayable on demand and are to be settled in cash. The transactions with these related parties and corresponding relationship with the Group are detailed in Note 30.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 23. CASH AND CASH EQUIVALENTS

	2025 S\$'000	2024 S\$'000
Cash and bank balances	27,444	28,875
Time deposits with an original maturity of less than three months	—	3,823
	<b>27,444</b>	32,698
Less: Pledged deposits	<b>(1,294)</b>	(1,290)
<b>Cash and cash equivalents</b>	<b>26,150</b>	31,408

The bank balances bear interest at floating rates based on daily bank deposits rates. Short term time deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates.

As at 31 December 2025 and 31 December 2024, pledged deposits were restricted bank balances to secure:

- (i) the guarantee arrangement and the issuance of performance bonds (*Note 31*);
- (ii) the banking facilities including letter of credit, overdraft and bank guarantee amounting to S\$13,063,000 and S\$13,063,000 respectively;
- (iii) the term loan amounting to \$27,164,000 and \$60,482,000 respectively; and
- (iv) the hire purchase of property, plant and equipment amounting to \$43,082,000 and \$34,000,000 respectively.

Included in cash and cash equivalents are the following amounts denominated in currencies other than the functional currency:

	2025 S\$'000	2024 S\$'000
HK\$	2,017	2,420
US\$	97	352

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 24. TRADE PAYABLES

	Note	2025 S\$'000	2024 S\$'000
Trade payables	(a)	13,069	6,167
Retention payables		677	594
		<u>13,746</u>	<u>6,761</u>
Total trade payables			
– Non-related parties		13,738	6,753
– Related parties	(b)	8	8
		<u>13,746</u>	<u>6,761</u>

Notes:

- (a) The Group's trade payables are non-interest bearing and generally have payment terms of 30 days.
- (b) The trading transactions with these related parties and corresponding relationship with the Group are detailed in Note 30.

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

	2025 S\$'000	2024 S\$'000
0 to 30 days	8,980	4,240
31 to 90 days	3,014	1,349
91 to 180 days	1,185	273
Over 180 days	567	899
	<u>13,746</u>	<u>6,761</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 25. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	2025 S\$'000	2024 S\$'000
<b>Current liabilities:</b>		
Other payables	3,108	2,429
Accruals		
– Wages and bonuses	6,332	1,467
– Others	9,624	5,299
Deposits received	2,688	1,648
	<u>21,752</u>	<u>10,843</u>

Included in the accruals for wages and bonus is profit sharing bonus amounting to S\$4,306,000 (2024: Nil), which is payable within 12 months.

## 26. BORROWINGS

	Note	2025 S\$'000	2024 S\$'000
<b>Current liabilities:</b>			
Amounts payable within one year			
– Term loans	(a)	4,796	5,369
<b>Non-current liabilities:</b>			
Amounts payable in the second year onwards			
– Term loans	(a)	17,368	32,164
<b>Total borrowings</b>		<u>22,164</u>	<u>37,533</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 26. BORROWINGS (CONTINUED)

Notes:

- (a) The Group had obtained secured term loans to finance the Group's working capital and acquisition of subsidiary during the respective years.

	2025 %	2024 %
Fixed interest rate of the secured term loans per annum	2%	2%
Floating interest rate of the secured term loans per annum	<b>Singapore Overnight Rate Average in-arrears plus a margin of 1.35% to 1.45%</b>	Singapore Overnight Rate Average in-arrears plus a margin of 1.35% to 1.45%

- (b) Based on the schedule repayment dates set out in the loan agreements as mentioned in (a), the borrowings and repayable are as follows:

	2025 S\$'000	2024 S\$'000
Within one year	4,796	5,369
In the second year	4,885	4,797
In the third to fifth year	12,483	14,934
In the sixth year onwards	–	12,433
	<b>22,164</b>	<b>37,533</b>

- (c) The Group's aggregate banking facilities amounted to S\$83,309,000 (2024: S\$107,545,000) of which S\$50,961,000 (2024: S\$78,551,000) had been utilised as at 31 December 2025. The banking facilities of the Group were pledged by bank deposits as set out in Note 23. The summary of banking facilities is as follows:

	2025 S\$'000	2024 S\$'000
Banking facilities for:		
– Term loan	27,164	60,482
– Letter of credit, bank overdraft and bank guarantee	13,063	13,063
– Hire purchase	43,082	34,000
	<b>83,309</b>	<b>107,545</b>

As at 31 December 2025, the Group had unutilised banking facilities of S\$32,348,000 (2024: S\$28,994,000).

Note:

The secured term loans of S\$22,164,000 (2024: S\$37,533,000) are subject to financial covenants, which are tested semi-annually on 30 June and 31 December each year. The Group had complied with these covenants in both 2025 and 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 27. LEASES

### (a) As lessor

Future minimum rental receivables under non-cancellable operating leases of the Group as at the reporting dates are as follows:

	2025 S\$'000	2024 S\$'000
Within one year	3,537	6,930
Within the second to fifth years	<u>206</u>	<u>203</u>
	<u>3,743</u>	<u>7,133</u>

The Group leases its investment property under operating leases. The leases run for an initial period of 1 to 2 years. None of these leases includes any contingent rentals.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 27. LEASES (CONTINUED)

### (b) As lessee

#### *Right-of-use assets classified within property, plant and equipment*

	Land leased for own use S\$'000	Plant and machinery S\$'000	Office equipment S\$'000	Motor vehicles S\$'000	Total S\$'000
<b>Cost</b>					
At 1 January 2024	–	7,712	121	7,456	15,289
Acquisition of subsidiary	2,064	–	–	–	2,064
Additions	–	2,222	–	6,190	8,412
Transfer to PPE	–	(710)	–	(1,711)	(2,421)
At 31 December 2024 and 1 January 2025	2,064	9,224	121	11,935	23,344
Additions	–	4,402	–	6,586	10,988
Disposals	–	(976)	–	(187)	(1,163)
Transfer to PPE	–	(850)	–	(1,136)	(1,986)
At 31 December 2025	2,064	11,800	121	17,198	31,183
<b>Accumulated depreciation</b>					
1 January 2024	–	1,598	30	2,886	4,514
Depreciation charge	65	1,778	24	1,917	3,784
Transfer to PPE	–	(662)	–	(1,626)	(2,288)
At 31 December 2024 and 1 January 2025	65	2,714	54	3,177	6,010
Depreciation charge	111	2,267	24	2,816	5,218
Disposals	–	(437)	–	(111)	(548)
Transfer to PPE	–	(610)	–	(1,103)	(1,713)
At 31 December 2025	176	3,934	78	4,779	8,967
<b>Net book value</b>					
At 31 December 2024	1,999	6,510	67	8,758	17,334
At 31 December 2025	1,888	7,866	43	12,419	22,216

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 27. LEASES (CONTINUED)

### (b) As lessee (Continued)

#### *Lease liabilities*

	2025 S\$'000	2024 S\$'000
Current	6,007	9,894
Non-current	<u>13,250</u>	<u>4,674</u>
	<u>19,257</u>	<u>14,568</u>

Movements of lease liabilities for the respective years are as follows:

	2025 S\$'000	2024 S\$'000
Beginning of financial year	14,568	6,921
Additions	10,729	8,780
Acquisition of subsidiary	–	2,312
Accretion of interest	697	527
Principal payment of lease liabilities	(6,040)	(3,445)
Interest paid	<u>(697)</u>	<u>(527)</u>
End of financial year	<u>19,257</u>	<u>14,568</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 27. LEASES (CONTINUED)

### (b) As lessee (Continued)

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods:

	2025		2024	
	Minimum lease payments S\$'000	Present values of minimum lease payments S\$'000	Minimum lease payments S\$'000	Present values of minimum lease payments S\$'000
Within one year	6,640	6,007	10,728	9,894
In the second to fifth year, inclusive	14,736	13,250	5,959	4,674
	<u>21,376</u>	<u>19,257</u>	16,687	<u>14,568</u>
Less: Future interest expenses	<u>(2,119)</u>		<u>(2,119)</u>	
Present value of lease liabilities	<u>19,257</u>		<u>14,568</u>	
Analysed into:				
Current portion		6,007		9,894
Non-current portion		<u>13,250</u>		<u>4,674</u>
		<u>19,257</u>		<u>14,568</u>

Note:

During the year, the Group leased plant and machinery, office equipment and motor vehicles under finance leases. The lease term is ranging from 4 to 7 years, with effective interest rate ranging from 2.2% to 5.45% (2024: 2.2% to 5.45%) per annum. All the leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. In addition, the Group has certain leases with variable lease payments which are determined based on the actual usage of the floor space by the Group.

The Group also has certain leases of office equipment with low value. The Group applies the "lease of low-value assets" recognition exemptions for these leases.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 27. LEASES (CONTINUED)

### (b) As lessee (Continued)

The followings are the amounts that are recognised in profit or loss:

	2025 S\$'000	2024 S\$'000
Depreciation expense of right-of-use assets	5,218	3,784
Interest expense on lease liabilities	697	527
Low value lease expense	36	23
	<u>5,951</u>	<u>4,334</u>

Total cash outflow for all the leases was S\$6,737,000 (2024: S\$3,972,000).

The weighted average lessee's incremental borrowing rate applied to lease liabilities in relation to properties leased for own use recognised in the consolidated statement of financial position as at 31 December 2025 is 1.18% (2024: 1.18%).

## 28. SHARE CAPITAL AND RESERVES

	Number of shares	Amounts S\$'000
Authorised:		
Ordinary share HK\$0.01 each		
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>10,000,000,000</u>	<u>17,430</u>
Issued and fully paid:		
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>1,263,427,200</u>	<u>2,154</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 28. SHARE CAPITAL AND RESERVES (CONTINUED)

### Share premium

Share premium account of the Group represents the excess of the proceeds received over the nominal value of the Shares issued.

### Share option reserve

Cumulative expenses recognised on the granting of share options to the Directors and employees over the vesting period. The amount will either be transferred to share capital when the share options are exercised, or be transferred to retained profits should the share options expire or be forfeited.

### Merger reserve

Merger reserve of the Group represents the difference between the nominal value of the Shares issued pursuant to the Group's re-organisation prior to the listing of the Shares and the nominal value of the aggregate share capital and the share premium of subsidiaries.

## 29. COMMITMENTS

The Group had the following commitments as at the reporting dates:

	2025 S\$'000	2024 S\$'000
Contracted but not provided for, in respect of – Acquisition of property, plant and equipment	3,197	2,125

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

- (a) The Directors are of the view that the following individual and companies are related parties that had transactions or balances with the Group during the year:

<b>Name of the related party</b>	<b>Relationship with the Group</b>
Mrs. Lim	Mr. Alan Lim's spouse
Cheng Yap Construction Pte. Ltd. (" <b>Cheng Yap</b> ")	A related company wholly owned by Mr. Alan Lim's brother
Hulett Construction (S) Pte. Ltd. (" <b>Hulett Construction</b> ")	A related company wholly owned by Mr. Alan Lim and his spouse before the acquisition of Hulett Construction by the Group in 2024

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. RELATED PARTY TRANSACTIONS (CONTINUED)

- (b) Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material related party transactions during the respective years:

	2025 S\$'000	2024 S\$'000
Construction contract work and earthwork ancillary services income received from related parties		
– Cheng Yap	19	–
– Chuan Lim – BuildStar JV Pte. Ltd.	5,474	–
– Chuan Lim – United E & P Joint Venture	196	229
	<u>5,689</u>	<u>229</u>
Rental income received from a related party		
– Cheng Yap	21	–
	<u>21</u>	<u>–</u>
Construction costs and related supporting service fees charged by related parties		
– Cheng Yap <sup>#</sup>	60	65
– Chuan Lim – BuildStar JV Pte. Ltd.	8,760	–
– Hulett Construction <sup>#</sup>	–	807
	<u>8,820</u>	<u>872</u>
Rental expenses charged by a related party		
– Hulett Construction <sup>#</sup>	–	40
	<u>–</u>	<u>40</u>

<sup>#</sup> The transactions with the related parties constitute continuing connected transactions for the year ended 31 December 2024, as defined in Chapter 14A of the Listing Rules and have complied with all applicable requirements thereunder.

All the transactions with the related parties were negotiated and carried out in the ordinary course of business and at terms agreed between the parties.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 30. RELATED PARTY TRANSACTIONS (CONTINUED)

- (c) Compensation of key management personnel

The remuneration of the Directors and other members of key management during the respective years is as follows:

	2025 S\$'000	2024 S\$'000
Short-term employee benefits	<u>3,163</u>	<u>2,820</u>

- (d) Details of amounts due from/(to) related parties are as follows:

	31 December 2025 S\$'000	Maximum amount outstanding during the year S\$'000	31 December 2024 S\$'000	Maximum amount outstanding during the prior year S\$'000	1 January 2024 S\$'000
Mrs. Lim	3,087	3,087	3,087	3,087	3,087
Cheng Yap	(11)	(12)	(6)	(92)	(11)
Chuan Lim – BuildStar JV Pte. Ltd.	2,335	3,937	–	–	–
Hulett Construction	–	–	–	(43)	(43)
Chuan Lim – United E & P Joint Venture	8	54	18	71	102
	<u>8</u>	<u>54</u>	<u>18</u>	<u>71</u>	<u>102</u>

The amounts due from/(to) related parties are unsecured, interest-free and repayable on demand.

## 31. CONTINGENT LIABILITIES

Performance bonds provided for in the ordinary course of business

As at 31 December 2025, the Group had contingent liabilities in respect of performance bonds of construction contracts in its ordinary course of business of S\$5,176,000 (2024: S\$7,093,000). The guarantees in respect of performance bonds issued by banks were secured by pledged deposits (*Note 23*).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities:

	<b>Borrowings</b>	<b>Lease liabilities</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000
<b>At 1 January 2024</b>	1,817	6,921	8,738
New lease	–	8,780	8,780
Financing cash outflows	–	(3,445)	(3,445)
Interest element on lease liabilities	–	(527)	(527)
Acquisition of subsidiary	13,827	2,312	16,139
New borrowings	31,720	–	31,720
Repayment of borrowings	(9,831)	–	(9,831)
Interest on borrowings	(1,068)	–	(1,068)
Interest expense	<u>1,068</u>	<u>527</u>	<u>1,595</u>
<b>At 31 December 2024 and 1 January 2025</b>	37,533	14,568	52,101
New lease	–	10,729	10,729
Financing cash outflows	–	(6,040)	(6,040)
Interest element on lease liabilities	–	(697)	(697)
Repayment of borrowings	(15,369)	–	(15,369)
Interest on borrowings	(1,172)	–	(1,172)
Interest expense	<u>1,172</u>	<u>697</u>	<u>1,869</u>
<b>At 31 December 2025</b>	<u>22,164</u>	<u>19,257</u>	<u>41,421</u>

### Major non-cash transactions

During the year ended 31 December 2025, the Group purchased certain property, plant and equipment with a total capital value of S\$10,988,000 (2024: S\$7,563,000) under lease arrangements. Of these amounts, S\$1,097,000 (2024: S\$835,000) was paid as deposits and down payments and the remaining balances of S\$9,891,000 (2024: S\$6,728,000) was financed by entering into lease arrangements during the year ended 31 December 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 S\$'000	2024 S\$'000
<b>ASSETS AND LIABILITIES</b>		
<b>Non-current assets</b>		
Investment in subsidiaries	44,791	44,791
Amount due from subsidiaries	22,914	21,258
	<u>67,705</u>	<u>66,049</u>
<b>Current assets</b>		
Deposits, prepayments and other receivables	70	73
Cash and cash equivalents	406	1,501
	<u>476</u>	<u>1,574</u>
<b>Total assets</b>	<u>68,181</u>	<u>67,623</u>
<b>Current liabilities</b>		
Other payables and accruals	120	73
Amount due to subsidiaries	7,976	5,629
	<u>8,096</u>	<u>5,702</u>
<b>Net current liabilities</b>	<u>(7,620)</u>	<u>(4,128)</u>
<b>Net assets</b>	<u>60,085</u>	<u>61,921</u>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	2,154	2,154
Reserves	57,931	59,767
<b>Total equity</b>	<u>60,085</u>	<u>61,921</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

### Reserves

	Share premium S\$'000	Contributed surplus* S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
<b>At 1 January 2024</b>	27,250	44,791	664	(13,436)	59,269
Loss for the year, representing total comprehensive loss for the year	-	-	-	(2,056)	(2,056)
Issuance of shares	<u>2,700</u>	<u>-</u>	<u>(146)</u>	<u>-</u>	<u>2,554</u>
<b>At 31 December 2024 and 1 January 2025</b>	29,950	44,791	518	(15,492)	59,767
Loss for the year, representing total comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,836)</u>	<u>(1,836)</u>
<b>At 31 December 2025</b>	<u>29,950</u>	<u>44,791</u>	<u>518</u>	<u>(17,328)</u>	<u>57,931</u>

\* The contributed surplus of the Company represents the difference between the net asset value of the subsidiary acquired and the nominal value of the share capital of the Company issued in exchange thereof pursuant to the Group's re-organisation prior to the listing of the Shares.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 34. PARTICULARS OF SUBSIDIARIES

The following list contains the particulars of subsidiaries, of which the Company has direct or indirect interests, in and all of which are private companies with limited liability:

Company name	Place of incorporation	Principal place of operations	Particulars of issued and fully paid-up share capital	Effective interest held by the Company	Principal activities
<i>Interest held directly</i>					
Longlands Holdings Limited <sup>(a)</sup>	British Virgin Islands	Singapore	US\$100	100%	Investment holding
Advance Data Global Limited <sup>(a)</sup>	British Virgin Islands	British Virgin Islands	US\$1	100%	Investment holding
<i>Interest held indirectly</i>					
Chuan Lim Construction Pte. Ltd. <sup>(b)</sup>	Singapore	Singapore	S\$6,500,000	100%	General contractors and builders
CLC Machinery Pte. Ltd. <sup>(b)</sup>	Singapore	Singapore	S\$1,000,000	100%	Renting of construction and civil engineering machinery and equipment
Hulett Construction <sup>(b)</sup>	Singapore	Singapore	S\$1,000,000	100%	General contractors and builders

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

(b) The statutory financial statements for the year ended 31 December 2025 prepared under Singapore Financial Reporting Standards are audited by Ernst & Young LLP.

## 35. SHARE OPTION SCHEME

A share option scheme (the “**Share Option Scheme**”) was adopted pursuant to written resolutions of the shareholders (the “**Shareholders**”) of the Company passed on 10 May 2016 for the purpose of providing incentives or rewards to employees and other eligible participants and will expire on 9 May 2026. Under the Share Option Scheme, the board of Directors (the “**Board**”) may grant options to employees and eligible participants, including suppliers and customers, to subscribe for the Shares. Nil (2024: Nil) share options under the Share Option Scheme was granted during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 35. SHARE OPTION SCHEME (CONTINUED)

### (i) Purpose

The purpose of the Share Option Scheme is to enable the Board to grant options to eligible participants as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high-calibre eligible participants and attract human resources that are valuable to the Group.

### (ii) Eligible participants

Eligible participants include any employees or proposed employees (whether full time or part time, including any directors) of any members or invested entities of the Group, any suppliers of goods or services, any customers, any persons or entities that provide research, development or other technological support, any Shareholders or any other participants who contribute to the development and growth of the Group or any invested entities.

### (iii) Total number of Shares available for issue

The total number of Shares which may be issued in respect of all options to be granted under the Share Option Scheme must not exceed 10% of the total number of issued Shares as at the date of approval of the Share Option Scheme (i.e. 100,000,000 Shares).

The total number of Shares available for issue under the Share Option Scheme is 79,272,000 Shares, representing 6.3% of the total number of issued Shares.

### (iv) Maximum entitlement of each eligible participant

No options shall be granted to an eligible participant if any grant of options would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such grant exceeding 1% of the total number of Shares in issue from time to time (the “**Participant Limit**”), unless:

- (i) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the eligible participant and his/her close associates (as defined in the Listing Rules), or associates (as defined in the Listing Rules) if such eligible participant is a connected person (as defined in the Listing Rules), shall abstain from voting;
- (ii) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including the identity of the eligible participant, the number and terms of the options to be granted and the options previously granted to such eligible participant in the 12-month period, the purpose of granting options to such eligible participant and an explanation as to how the terms of options serve such purpose); and
- (iii) the number and terms (including the exercise price) of such options have been fixed before the Shareholders’ approval is sought.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 35. SHARE OPTION SCHEME (CONTINUED)

### (v) Option period and payment on acceptance of an option

An offer of grant of an option may be accepted by an eligible participant within 21 days from the date of grant upon payment of HK\$1.00. Option may be exercised in whole or in part by the grantee at any time before the expiry of the period as determined and notified by the Board to the grantee which, in any event, shall not be longer than 10 years commencing from the date of the offer letter and expiring on the last day of such 10-year period.

There are no general requirements on the performance targets that must be achieved before a share option may be exercised under the Share Option Scheme. However, the Board may, on the case-by-case basis, make an offer subject to the conditions in relation to performance targets to be achieved and the relevant clawback mechanism for the Company to recover the share options granted as the Board may determine in its absolute discretion.

### (vi) Vesting period of options granted

No vesting period is provided for the options granted under the Share Option Scheme unless otherwise determined by the Board at the time of grant.

### (vii) Exercise price of options granted

The exercise price of an option granted under the Share Option Scheme shall be such price as determined by the Board and shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant (the "Offer Date"), which must be a trading day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the Offer Date; and
- (iii) the nominal value of the Shares on the Offer Date.

The Company has granted a total of 99,952,000 share options to subscribe for an aggregate of 99,952,000 Shares of HK\$0.01 each in the capital of the Company, comprising:

- (i) 47,592,000 share options to three Directors; and
- (ii) 52,360,000 share options to certain qualified participants, being employees of the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 35. SHARE OPTION SCHEME (CONTINUED)

### (vii) Exercise price of options granted (Continued)

(a) The terms and conditions of the grants are as follows:

Date of grant		Number of options granted	Vesting conditions	Exercise period
Options granted to Directors:				
28 October 2020	Tranche 1	8,000,000	195 days from the date of grant	10 May 2021 to 9 May 2026 (both days inclusive)
28 October 2020	Tranche 3 <sup>(i)</sup>	8,500,000	195 days from the date of grant	10 May 2021 to 9 May 2026 (both days inclusive)
28 October 2020	Tranche 2	10,364,000	354 days from the date of grant	16 October 2021 to 9 May 2026 (both days inclusive)
29 October 2021	Tranche 4	10,364,000	354 days from the date of grant	16 October 2022 to 9 May 2026 (both days inclusive)
1 November 2022	Tranche 5	10,364,000	350 days from the date of grant	16 October 2023 to 9 May 2026 (both days inclusive)
Options granted to employees:				
28 October 2020	Tranche 1	16,000,000	195 days from the date of grant	10 May 2021 to 9 May 2026 (both days inclusive)
28 October 2020	Tranche 3 <sup>(i)</sup>	36,360,000	195 days from the date of grant	10 May 2021 to 9 May 2026 (both days inclusive)
		99,952,000		

<sup>(i)</sup> The share options granted to Ms. Vivian Ong were transferred from the category of "Employees of the Group" to the category of "Directors" as she was appointed as an executive Director on 1 November 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 35. SHARE OPTION SCHEME (CONTINUED)

### (vii) Exercise price of options granted (Continued)

(b) The number and weighted average exercise prices of share options are as follows:

	2025		2024	
	Weighted average exercise price HK\$	Number	Weighted average exercise price HK\$	Number
At beginning of the year	0.11	79,224,000	0.11	99,952,000
Exercised during the year	–	–	0.10	20,728,000
Outstanding at end of the year	0.11	79,224,000	0.11	79,224,000
Exercisable at end of the year	0.11	79,224,000	0.11	79,224,000

None of the above share options were exercised during the year (2024: 20,728,000 share options were exercised during the year).

The weighted average exercise price of options outstanding at the end of the year was HK\$0.11 (2024: HK\$0.11) and their weighted average remaining contractual life was 0.4 years (2024: 1.4 years).

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimation of the fair value of the share options granted is measured based on a binomial option pricing model. The values of share options calculated using the binomial model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty relating to a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself. The value of an option varies with different variables of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of an option. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial option pricing model.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 35. SHARE OPTION SCHEME (CONTINUED)

### (vii) Exercise price of options granted (Continued)

(c) Fair value of share options and assumptions (Continued)

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Share price (HK\$)	0.086	0.086	0.086	0.086	0.086
Exercise price (HK\$)	0.090	0.090	0.090	0.220	0.103
Expected volatility	60%	60%	60%	60%	60%
Expected option life	5.5 years	5.5 years	5.5 years	4.4 years	3.4 years
Expected dividend	0%	0%	0%	0%	0%
Risk-free rate	0.26%	0.26%	0.26%	0.26%	0.26%

The expected volatility is based on the historic volatility (calculated based on the expected remaining life of the share options), adjusted for any expected changes to future volatility base on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the grants of the share options.

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board meets periodically to analyse and formulate measures to manage and monitor the Group exposure to market risk including principally changes in interest rate and currency exchange rates, credit and liquidity risk. There has been no change to the Group's exposures to these financial risks or the manner in which it manages and measures the risks.

Generally, the Group employs a conservative strategy regarding its risk management. As the Group's exposures to market risks is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The Directors review and agree policies for managing each of these risks and they are summarised below:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Equity price risk

The Group is exposed to equity price risk through its investments in quoted equity securities. The management manages this exposure by maintaining a portfolio of investments with different risk profiles and the Group has a team to monitor the price risk and will consider hedging the risk exposure should the need arise. The Group's equity price risk is concentrated on equity securities listed in Hong Kong and Singapore, and these investments are diversified into several different industries.

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of each reporting date. If the prices of the quoted equity securities classified as financial assets at FVOCI had been 10% higher/lower, the fair value reserve for the year would increase/decrease by S\$70,000 (2024: S\$22,000) as a result of the changes in fair value of the investments.

### Foreign currency risk

The Group's transactions are mainly denominated in S\$ which is the functional currency of the Group. As at 31 December 2025, the Group's assets and liabilities denominated in other currencies other than S\$ are disclosed in Notes 18 and 23. The Group currently does not have a foreign currency hedging policy. However, management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

The Group is mainly exposed to the foreign currency risk of HK\$ and US\$. The following table details the sensitivity of the Group's results before tax for the respective years in regard to a 5% appreciation in S\$ against the relevant foreign currencies. 5% is the sensitivity rate used which represents management's best assessment of the reasonably possible change in foreign exchange rates. A 5% depreciation in S\$ against the relevant foreign currencies would have the same magnitude on the Group's results before tax for the year.

	2025 S\$'000	2024 S\$'000
HK\$ to S\$	101	121
US\$ to S\$	5	18

Exposures to foreign exchange rates varied during the year depending on the volume of transactions. Nevertheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables, contract assets and the contingent liabilities. For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties. The Group has a credit policy in place and exposures to these credit risks are monitored on an ongoing basis.

The Group applied simplified approach to providing for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs below also incorporate forward-looking information.

### Trade receivables

The Group recognised lifetime ECL for its trade receivables based on individually significant customer, including individual and related companies, or the ageing of customers collectively that are not individually significant as follow:

	Weighted average lifetime	Gross carrying amount S\$'000	Loss allowance S\$'000
<b>2025</b>			
Neither past due nor impaired	0%	12,314	–
1 to 30 days past due	2.5%	4,288	7
31 to 90 days past due	2.5%	5,594	31
91 to 180 days past due	2.5%	1,129	11
181 to 365 days past due	11.0%	435	23
Over 365 days past due	98.6%	70	–
		<u>23,830</u>	<u>72</u>
Individual assessment			
– Non-related parties	100%	1,016	1,016
– Related parties	2.5%	2,337	58
– Retention receivables	5%	81	24
		<u>3,434</u>	<u>1,098</u>
<b>Total</b>		<u>27,264</u>	<u>1,170</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Credit risk (Continued)

#### Trade receivables (Continued)

	Weighted average lifetime	Gross carrying amount S\$'000	Loss allowance S\$'000
<b>2024</b>			
Neither past due nor impaired	0%	9,305	–
1 to 30 days past due	2.5%	3,244	50
31 to 90 days past due	2.5%	3,395	47
91 to 180 days past due	2.5%	917	16
181 to 365 days past due	11.0%	1,141	56
Over 365 days past due	98.6%	42	–
		<u>18,044</u>	<u>169</u>
Individual assessment			
– Non-related parties	100%	760	760
– Related parties	2.5%	2	–
– Retention receivables	5%	365	365
		<u>1,127</u>	<u>1,125</u>
<b>Total</b>		<u>19,171</u>	<u>1,294</u>

Expected loss rates are based on actual loss experience of the Group in the past. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

#### Contract assets

An assessment is performed at each reporting date using a provision matrix to measure ECLs. The provision rates for the measurement of the ECLs of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Credit risk (Continued)

#### *Contract assets (Continued)*

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

#### 2025

	Non credit- impaired S\$'000	Credit- impaired S\$'000	Total S\$'000
Gross carrying amount	37,500	–	37,500
ECLs	(484)	–	(484)
ECL rate	2.5%	N/A	

#### 2024

	Non credit- impaired S\$'000	Credit- impaired S\$'000	Total S\$'000
Gross carrying amount	28,783	–	28,783
ECLs	(491)	–	(491)
ECL rate	2.5%	N/A	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Credit risk (Continued)

#### *Other receivables*

Impairment on other receivables is measured as either 12-months ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition by considering available, reasonable and supportive forward-looking information.

There were no ECLs being recognised in profit or loss in relation to other receivables for 31 December 2025 and 31 December 2024.

Cash is deposited with financial institutions with sound credit ratings and the Group has exposure limit to any single financial institution. Given their high credit ratings, management does not expect any of these financial institutions and counterparties will fail to meet their obligations.

The Group enters into trading transaction only with the recognised and reputable non-related parties. Before accepting any new contract, evaluations are considered on the customer's past history of making payments when due and current ability to pay, and information specific to the customer as well as pertaining to the economic environment in which the customer operates are taken into account. Normally, the Group does not obtain collateral from customers.

At the end of the reporting period, the Group has significant concentration of credit risk from various customers. In view of their good payment record and long established relationships with the Group, management does not consider the Group's credit risk to be significant. At 31 December 2025, 3.3% (2024: 7.2%) of the total trade debtors was due from the Group's largest customer and 26.8% (2024: 42%) of the total trade debtors was due from the Group's five largest customers.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Fair value measurements recognised in the consolidated statement of financial position

The following table presents financial assets and liabilities measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial asset and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Some of the Group's financial assets are measured at fair value at the reporting dates. The following table gives information about how the fair values of these financial assets are determined.

#### Financial assets

	2025 S\$'000	2024 S\$'000	Fair value hierarchy
<b>Financial assets at FVTPL</b>			
Investment in life insurance policy at fair value	1,511	1,548	Level 3
Investment in property development projects	–	3,970	Level 3
<b>Financial assets at FVOCI</b>			
Quoted equity securities at fair value	288	218	Level 1
Unquoted equity security at fair value	317	317	Level 3

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Fair value measurements recognised in the consolidated statement of financial position (Continued)

#### Financial assets (Continued)

Notes:

- (a) The fair value of investment in life insurance policy purchased for a key management personnel of the Group is determined based on the cash surrender value in accordance with the keyman insurance contract which is not an observable input. Management estimates the fair value based on the latest policy statement of the keyman insurance contract provided by the insurance company. An increase/(decrease) in the cash surrender value will increase/(decrease) the fair value.
- (b) The fair value of the quoted equity securities has been determined directly with reference to published price quotation in active market.
- (c) The fair value of the equity security relates to funds which invest primarily in unquoted assets has been determined based on the investor statements issued by the fund managers. An increase/(decrease) in the projected cash flows will increase/(decrease) the fair value.

There were no transfers between different levels during the year.

The following table presents the change in Level 3 instruments:

	2025 S\$'000	2024 S\$'000
<b>Financial assets at FVTPL</b>		
At 1 January	5,518	8,499
Additions	154	378
Disposal	(4,795)	(3,846)
Fair value gain recognised in profit or loss	634	487
At 31 December	1,511	5,518
<b>Financial assets at FVOCI</b>		
At 1 January/31 December	317	317

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Fair value measurements recognised in the consolidated statement of financial position (Continued)

#### *Financial assets (Continued)*

##### *Valuation policies and procedures*

The management oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information such as insurance statements and fund manager statements are used to measure fair values, then the management assesses and documents the evidence obtained from the third party to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

#### **Liquidity risk**

The Group monitors and maintains a level of cash and cash equivalents assessed as adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on internally generated funding and borrowings as significant sources of liquidity. The Group also monitors the utilisation of borrowings and ensures compliance with loan covenants.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the reporting dates, based on the contractual undiscounted payments, are as follows:

	Carrying amount	Total contractual undiscounted cash flow	On demand	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	After 5 years
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2025</b>							
Trade payables	13,746	13,746	13,746	-	-	-	-
Other payables and accruals	19,064	19,064	19,064	-	-	-	-
Borrowings	22,164	23,006	-	5,143	5,143	12,720	-
Lease liabilities	19,257	21,376	-	6,640	6,511	5,850	2,375
	<u>74,231</u>	<u>77,192</u>	<u>32,810</u>	<u>11,783</u>	<u>11,654</u>	<u>18,570</u>	<u>2,375</u>
<b>2024</b>							
Trade payables	6,761	6,761	6,761	-	-	-	-
Other payables and accruals	9,195	9,195	9,195	-	-	-	-
Borrowings	37,533	38,809	-	5,804	5,143	15,428	12,434
Lease liabilities	14,568	16,687	8,885	1,843	1,410	1,977	2,572
	<u>68,057</u>	<u>71,452</u>	<u>24,841</u>	<u>7,647</u>	<u>6,553</u>	<u>17,405</u>	<u>15,006</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each category of financial instruments as at the reporting dates are as follows:

### Financial assets

	2025 S\$'000	2024 S\$'000
<b>Financial assets at FVTPL:</b>		
– Investment in life insurance policy at fair value	1,511	1,548
– Investment in property development projects	–	3,970
	<u>1,511</u>	<u>5,518</u>
<b>Financial assets at amortised cost:</b>		
– Investment in corporate bond	–	–
– Trade receivables	26,094	17,877
– Other receivables	3,390	168
– Pledged deposits	1,294	1,290
– Cash and cash equivalents	26,150	31,408
	<u>56,928</u>	<u>50,743</u>
<b>Financial assets at FVOCI:</b>		
– Quoted equity securities at fair value	288	218
– Unquoted equity security at fair value	317	317
	<u>605</u>	<u>535</u>
<b>Total</b>	<u>59,044</u>	<u>56,796</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 37. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

### Financial liabilities

	2025 S\$'000	2024 S\$'000
<b>At amortised cost:</b>		
– Trade payables	13,746	6,761
– Other payables and accruals	19,064	9,195
– Borrowings	22,164	37,533
– Lease liabilities	19,257	14,568
<b>Total</b>	<b>74,231</b>	<b>68,057</b>

## 38. CAPITAL MANAGEMENT

The Group's capital management objectives include:

- (i) to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for owners and benefits for other stakeholders;
- (ii) to support the Group's stability and growth; and
- (iii) to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and Shareholder's returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

Management regards total equity as capital. The amount of capital as at 31 December 2025 amounted to S\$122,182,000 (2024: S\$103,148,000), which the management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities. There is no externally imposed capital requirements on the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 39. EVENTS AFTER REPORTING PERIOD

In order to finance Chuan Investments Pte. Ltd. (“**Chuan Investments**”)’s portion (being 30%) of the cash contribution or commitment towards the further capital needs for the redevelopment project of Maxwell House, the 13-storey residential and commercial mixed-use building comprising 145 strata units located at 20 Maxwell Road, Singapore 069113 with a land area of 3,883.3 square metres, Longlands Holdings Limited (“**Longlands**”), a wholly-owned subsidiary of the Company, and Chuan Investments entered into the sixth further shareholder’s loan agreement dated 12 January 2026, pursuant to which Longlands provided to Chuan Investments a sixth further shareholder’s loan in the amount of S\$1,500,000 on 16 January 2026. The sixth further shareholder’s loan is unsecured, interest-free and repayable on demand.

## 40. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 30 March 2026.