ES Group (Holdings) Limited

ANNUAL REPORT 2025

"I think number one, the most important, is Xin Yong (trustworthiness). Be honest... never delay any ship works!"

- LOW CHYE HIN

TABLE OF CONTENTS

TRUST

信

In overcoming adversity
Transforming into a sustainable enterprise
Care for the wellbeing of Our People

CORPORATE PROFILE

Established in 1975, ES Group (Holdings) Limited (the "**Company**"), together with its subsidiaries ("**ES Group**" or the "**Group**"), is a Singapore headquartered offshore and marine ("**O&M**") group which offers a broad spectrum of services for O&M structures and vessels.

Listed on the Catalist board of the Singapore Exchange on 9 July 2010, ES Group has more than 50 years of experience in ship building and repair operations, working for prominent shipyard operators in Singapore. Upon its successful listing, it undertook a strategic shift to expand its revenue streams as the Group ventured into engineering, procurement and construction ("**EPC**") projects as well as vessel owning and chartering, which complement its core business. The EPC strategy will secure direct contracts to increase the Group's revenue and profitability. The vessel owning and chartering strategy will generate a stable stream of recurring revenue for the Group in the medium to long term.

A new chapter began in 2013 when ES Group completed and delivered its first pair of bunker vessels, affirming the Group's turnkey engineering, procurement and fabrication capabilities, uncompromising quality and safety standards. It has also created a new revenue stream from the chartering of a bunker vessel which provides stable recurring cash flow for the Group.

ES Group has on-site offices at the premises of its shipyard customers and operates out of its workshop and repair facilities within Singapore. The Company also owns a 70,000 square metre shipyard with fabrication grounds in Thailand (through its 50%-owned subsidiary in Thailand), providing new building and conversion services.

With continued efforts to propel growth, the Group set up its Loyang workshop in 2013 to design and fabricate a range of offshore structures, such as geotechnical drilling rigs. The workshop also provides mobilisation and demobilisation works, repair and maintenance works as well as other offshore support services. This addition further diversifies the competencies and capabilities of the Group's core business. Subsequently, the Group purchased its first vessel, ES Aspire, at the end of 2016, to strengthen its footprint in vessel chartering and set up its ship supplies division in 2017 to expand its customer and supplier base. In 2021, the Group acquired another vessel – a 8kt coastal tanker and renamed it as ES Jewel.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of the Company (the "**Board**" or "**Directors**"), I present the Annual Report of ES Group Holdings for the financial year ended 31 December 2025 ("**FY2025**").

The past year has been marked by continued global uncertainty and a challenging operating landscape. Geopolitical tensions have intensified across several regions, including in the Middle East, where developments involving the United States, Israel and Iran have added volatility to global energy markets, shipping routes and international trade flows. As a highly connected maritime hub, Singapore inevitably experiences the ripple effects of such geopolitical developments through shifts in trade patterns, supply chain disruptions and fluctuations in freight demand.

Against this backdrop, the global marine and shipping sectors have faced a difficult operating environment characterised by rising operating costs, persistent inflationary pressures and intensifying regional competition. These challenges have affected the Group's performance across both its offshore marine services and shipping segments.

Following a strategic review, the Board and the management of the Company ("**Management**") have concluded that exiting the shipping business would enable the Group to unlock the underlying value of its shipping assets and sharpen its strategic focus on its core offshore marine activities. Accordingly, the Group is pursuing the disposal of its two vessels as part of this restructuring effort. This initiative is intended to strengthen the Group's financial position, improve operational focus and enhance the long-term sustainability of the business.

STRATEGIC RESET

The Board views the current period not only as a time of challenge but also as an important pivotal moment for the Group. In a rapidly evolving marine landscape shaped by geopolitical uncertainty, shifting trade patterns and industry consolidation, it is essential for businesses to remain disciplined and focused on their core strengths. The steps we are taking to rationalise the Group's asset base and streamline operations represent a deliberate effort to reposition the business for greater resilience and operational clarity. While such transitions may involve difficult decisions in the short term, the Board believes that a sharper strategic focus will place the Group on a more sustainable footing and better position it to capture opportunities as industry conditions stabilise.

Notwithstanding the short term challenges, the Management remains committed to strengthen the Group's operational capabilities within the complex offshore and marine sector. Strategic priorities remain centred on improving productivity, maintaining disciplined cost management and enhancing competitiveness in a demanding market environment. The Group continues to adopt a prudent financial approach to safeguard liquidity and resilience while positioning itself to respond to evolving industry conditions.

RESPONSIBLE OPERATIONS AND SUSTAINABILITY

In an increasingly complex global environment, the Group views sustainability not simply as a reporting framework, but as an essential part of building a resilient and responsible business. The marine and offshore sector is undergoing structural transformation as industries adapt to evolving regulatory expectations, energy transition considerations and heightened stakeholder scrutiny.

Against this backdrop, the Group continues to embed environmental, social and governance principles into its operational and risk management practices. During FY2025, our focus remain on improving operational efficiency, managing resource utilisation responsibly, and maintaining a safe and supportive working environment for our employees.

APPRECIATION

The Board would like to express its sincere appreciation to our customers, suppliers, business partners and shareholders for their continued confidence in the Group. We also acknowledge the dedication and professionalism of our Management team and employees, whose resilience and commitment have enabled the Group to navigate a demanding operating environment. Finally, I would like to thank my fellow Directors for their valuable guidance and stewardship as we work collectively to strengthen the Group's strategic direction and governance. As we navigate this period of transition, the Board remains firmly focused on strengthening the Group's resilience, sharpening its strategic focus and maintaining disciplined governance. With these foundations in place, we believe the Group will be better positioned to adapt to evolving industry conditions and create sustainable long term value for our stakeholders.

Yours sincerely,

Ong Beng Chye
Non-Executive Chairman and Independent Director

CEO'S STATEMENT

Dear Shareholders,

The financial year ended 31 December 2025 was marked by global uncertainties, including geopolitical tensions, rapidly escalating trade conflicts, rising inflation and ongoing supply chain disruption which challenged export-dependent economies as well as the shipping and vessel newbuilding sectors. These factors posed considerable challenges to export-dependent economies as well as the shipping and vessel newbuilding sectors, affecting operations throughout the year. These challenges underscore the importance of prudence, adaptability, and a strategic reset to strengthen the Group's resilience.

In response, the Group will actively pursue a broader and more diversified project portfolio, encompassing both domestic and international opportunities, to capitalise on emerging market demand. As part of these strategic priorities, the Group will also undertake initiatives to rationalise its asset base and streamline operations. Collectively, these measures are intended to strengthen resilience, enhance operational clarity, and establish a more focused platform for sustainable growth.

Looking ahead, the Group will continue to adopt a prudent financial strategy to safeguard liquidity and reinforce balance sheet strength. We remain committed to disciplined capital allocation and targeted investment in domestic and international marine infrastructure projects, guided by principles of operational excellence, safety, and environmental responsibility. While market conditions remain challenging, these strategic priorities are designed to enable the Group to navigate uncertainty effectively and deliver long-term sustainable value to shareholders of the Company.

APPRECIATION

In conclusion, I wish to convey my profound appreciation to our employees for their dedication, professionalism, and resilience during a challenging period, which has been vital in sustaining the Group's operations. I also express my deepest appreciation to our valued customers, partners, and suppliers for their trust and collaborative, to the Board of Directors for their prudent guidance and steadfast support, and to our shareholders for their continued support throughout this time. The unwavering support of all our stakeholders motivates us to strengthen our operations, navigate uncertainties with agility, enhance performance, and safeguard the Group's long-term sustainability.

Yours sincerely,

Low Chee Wee
Executive Director, CEO and COO

OPERATIONAL AND FINANCIAL REVIEW

(a) Review of Financial Performance of the Group

Revenue decreased by S$8.1 million or 22.5%, from S$36.1 million in FY2024 to S$28.0 million in FY2025 as a result of a drop in revenue from the two business segments of the Group.

Revenue from the Group's new building and repair segment decreased by S$4.3 million, from S$22.0 million in FY2024 to S$17.7 million in FY2025. The decrease in revenue was due to a decline in orders driven by prevailing market conditions. The uncertainty arising from the imposition of U.S. tariffs has led to a slowdown in industry activity. Additionally, certain key customers of the Group are in the process of relocating their yards, which has resulted in a significant reduction in revenue contributed by these customers.

Revenue from the Group's shipping segment decreased by S$3.8 million, from S$14.1 million in FY2024 to S$10.3 million in FY2025. The decrease in revenue was mainly due to the Group's vessel, ES Jewel, having to stop its operations for about 4.5 months in FY2025 due to (1) a scheduled special survey and tank coating works; and (2) an extended unplanned downtime resulting from delayed in spare parts deliveries. In addition, another vessel of the Group, ES Aspire, was unavailable for close to one month due to routine repair and maintenance during second half of FY2025. These led to a decrease in revenue as the vessels were not able to fully operate and generate revenue during FY2025.

Revenue contribution from Singapore amounted to 96.1% and 97.7% of the Group's total revenue in FY2025 and FY2024 respectively, with the balance contributed by revenue from the People's Republic of China (FY2025: 0.4% and FY2024: 0.6%), Malaysia (FY2025: 3.4% and FY2024: 1.4%), Myanmar (FY2025: 0.0% and FY2024: nil) and Thailand (FY2025: 0.1% and FY2024: 0.3%). The Group's two business segments, namely new building and repair segment and shipping

segment, made up majority of the revenue contribution from Singapore for both FY2025 and FY2024. Please refer to the reasons set out above for the drop in revenue contribution (in dollar amounts) from Singapore in FY2025, as compared to FY2024. Revenue contribution from the People's Republic of China decreased in FY2025 as a result of lesser design projects secured and completed during the year. Revenue contribution from Malaysia increased in FY2025 due to rise in work volume, especially from Lunas shipyard at Lumut, as operations has been fully relocated to Lumut since September 2025. Revenue contribution from Myanmar in FY2025 was from the sale of a generator set. There was no revenue generated from Myanmar in FY2024 as no projects were carried out amid the coup situation in the country. Revenue contribution from Thailand in FY2025 and FY2024 were generated from ad-hoc projects carried out and delivered during the respective financial years. The decrease in revenue contributed by Thailand was due to decrease in ad-hoc project secured in FY2025.

Gross profit decreased by S$5.1 million, from S$8.1 million in FY2024 to S$3.0 million in FY2025. Gross profit margin decreased by 11.7 percentage points, from 22.5% in FY2024 to 10.8% in FY2025. The decreases in gross profit and gross profit margin were the result of:

(i) a temporary gross loss recorded from the shipping segment as the Group's vessels, ES Jewel and ES Aspire were not able to fully operate in FY2025 to generate revenue due to the reasons mentioned above. These led to higher repair and maintenance expenses, increased holding costs, and a decrease in revenue; and

(ii) a decrease in gross profit from the new building and repair segment as the segment could not achieve economies of scale and better productivity due to decline in order.

Other operating income decreased by S$0.9 million or 36.3%, from S$2.6 million in FY2024 to S$1.7 million in FY2025 mainly due to a lower amount of one-off insurance claims received by the Group in FY2025 arising from the breakdown of the Group's vessel, ES Jewel.

Administrative expenses remain relatively stable at approximately S$5.3 million for both FY2025 and FY2024.

Other operating expenses decreased by S$0.5 million or 21.6%, from S$2.4 million in FY2024 to S$1.9 million in FY2025 mainly due to a decrease in transport expenses for rental of crane for land project and a decrease in rental for workers' dormitory due to reduced rooms rented.

Finance costs increased by S$0.2 million or 74.0% from S$0.3 million in FY2024 to S$0.5 million in FY2025 from an additional loan drawn down during the year under review.

Share of results of a joint venture remained stable, with a loss of approximately S$0.1 million recorded for both FY2025 and FY2024.

As a result of the above, the Group recorded a net loss of S$3.1 million in FY2025, as compared to a net profit of S$2.3 million in FY2024. Net loss attributable to owners of the Company was S$3.0 million in FY2025, as compared to a net profit attributable to owners of the Company of S$2.4 million in FY2024.

(b) Review of Financial Position of the Group

The Group recorded positive working capital (current assets less current liabilities) of S$2.5 million as at 31 December 2025, as compared to S$2.6 million as at 31 December 2024.

OPERATIONAL AND FINANCIAL REVIEW

ASSETS

Current assets

The Group's current assets decreased by S$0.4 million, to S$12.5 million as at 31 December 2025 from S$12.9 million as at 31 December 2024, mainly due to:

a) a decline in cash and cash equivalents of S$0.7 million as a result of:
   - S$1.6 million incurred for purchases of property, plant and equipment, the amount was capitalised as that was pertaining to docking and enhancement costs for one of the Group's vessels;
   - S$4.0 million incurred for repayment of term loans, lease liabilities and interests; and
   - S$2.0 million incurred for cash used in operating activities, offset by proceeds from term loans of S$6.9 million.

b) decline in trade receivables of S$0.2 million; and

c) an increase in contract assets of S$0.5 million due to increase in uncompleted projects.

Non-current assets

Non-current assets decreased by S$0.6 million, to S$20.0 million as at 31 December 2025 from S$20.6 million as at 31 December 2024, mainly due to depreciation charges for property, plant and equipment during the year of S$2.5 million, partially offset by capitalisation of vessel docking and enhancement costs of S$1.6 million.

LIABILITIES

Current liabilities

Current liabilities decreased by S$0.2 million, to S$10.0 million as at 31 December 2025 from S$10.2 million as at 31 December 2024. This was mainly attributable to:

(a) a decrease in trade payables of S$0.1 million, consistent with a decrease in cost of services as a result of reduced work volume;

(b) a decrease in contract liabilities of S$0.3 million due to absence of advance billings issued to a customer for staging project;

(c) a decrease in other payables of S$0.7 million mainly due to repayment of an interest-bearing loan owing to a third party; and

(d) a decrease on income tax payable of S$0.2 million;

Partially offset by increase in bank loans of S$1.1 million from term loans drawn down during the year under review.

Non-current liabilities

Non-current liabilities increased by S$2.3 million, to S$4.1 million as at 31 December 2025 from S$1.8 million as at 31 December 2024 as a result of term loans drawn down during the year under review, partially offset by decrease in lease liabilities as a result of repayments made during the year under review.

EQUITY

As a result of the above, total equity of the Group decreased by S$3.1 million, to S$18.3 million as at 31 December 2025 from S$21.4 million as at 31 December 2024. The Group's equity attributable to owners of the Company decreased by S$3.0 million, to S$19.0 million as at 31 December 2025 from S$22.0 million as at 31 December 2024.

(c) Review of Statement of Cash Flows of the Group

In FY2025, net cash used in operating activities amounted to S$2.0 million, mainly due to (i) operating cash outflows before changes in working capital of S$0.1 million; (ii) net cash used in operations of S$1.9 million; and (iii) income tax paid of S$0.1 million.

The operating cash outflows before changes in working capital of S$0.1 million in FY2025 was mainly due to operating loss for the year under review. The net cash used in operations of S$1.9 million in FY2025 was pertaining to an increase in unbilled projects due to rise in uncompleted projects and decrease in other payables due to repayment of an interest-bearing loan owing to a third party.

Net cash used in investing activities of S$1.6 million in FY2025 was due to docking and enhancement costs for one of the Group's vessels, which was capitalised.

Net cash generated from financing activities of S$2.9 million in FY2025 was due to proceeds from term loans of S$6.9 million, offset by the repayment of term loans and lease liabilities of S$3.5 million and interest paid of S$0.5 million.

As a result of the above and after the effects of exchange rate changes on the balance of cash held in foreign currencies, there was a net decrease in the Group's cash and cash equivalents of S$0.7 million, to S$2.4 million as at 31 December 2025 from S$3.1 million as at 1 January 2025.

BOARD OF DIRECTORS

From left to right:
Low Chee Wee, Ong Beng Chye, Joanne Khoo Su Nee, Jens Rasmussen, Eddy Neo Chiang Swee

BOARD OF DIRECTORS

ONG BENG CHYE

Non-Executive Chairman and Independent Director

Ong Beng Chye is our Non-Executive Chairman and Independent Director. He was appointed to our Board on 23 November 2018 as our Independent Director and was re-designated as our Non-Executive Chairman on 26 April 2019. Mr Ong is currently the Chairman of the Audit and Risk Committee and the Nominating Committee of the Company. Mr Ong has more than 30 years of experience in areas such as accounting, auditing, public listings, due diligence, mergers and acquisitions, and business advisory. Mr Ong is a Director of Appleton Global Private Limited, a business management and consultancy services firm since January 2007. He currently also serves as a non-executive director and independent director on a few other companies listed on the Singapore Exchange. He graduated in 1990 with a Bachelor of Science with Honours in Economics and Accountancy from City University of London. He is a Chartered Financial Analyst, a Fellow of the Institute of Singapore Chartered Accountants, and the Institute of Chartered Accountants in England and Wales

LOW CHEE WEE

Executive Director, Chief Executive Officer and Chief Operating Officer

Low Chee Wee is our Executive Director and was appointed to our Board on 25 November 2009. He was re-designated as Chief Executive Officer on 18 August 2015 and expanded his scope of duty to assume Chief Operating Officer role on 27 April 2016. His primary function is to formulate and oversee the operations and strategic development of our Group. Prior to this, Mr Low was our Chief Financial Officer from 2001 to 2009 and from 2014 to 2015. He started his career in 1995 as an Audit Assistant at Deloitte & Touche (now known as Deloitte & Touche LLP) and left in 1999 as an Audit Supervisor. From 1999 to 2001, he was the Finance Manager for Harringale International Pte Ltd, a project management company, where he was in charge of the finance and accounting matters of the company. Mr Low obtained a Bachelor of Accountancy from the Nanyang Technological University, Singapore in 1994 and is a non-practising member of the Institute of Singapore Chartered Accountants.

EDDY NEO CHIANG SWEE

Executive Director (Development)

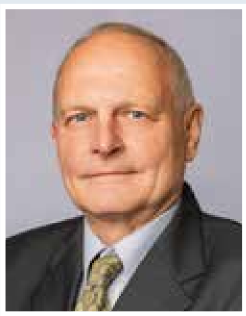
Eddy Neo Chiang Swee is our Executive Director (Development) and was appointed to our Board on 25 November 2009. He is responsible for overseeing and managing our Group's information technology, business development and receivables departments. Mr Neo joined our Group in 2000 as a Commercial Executive at Wang Fatt Oil and Gas Construction Pte Ltd, where he was in charge of preparation of sales quotation and invoicing matters. In 2001, he became a Commercial Executive of Eng Soon Engineering (1999) Pte Ltd where he was responsible for manpower and recruitment functions until 2004. He was promoted to Business Development Manager in 2005 and assumed responsibility for our Group's receivables functions. Mr Neo obtained a Diploma in Electrical Engineering from the Ngee Ann Polytechnic, Singapore in 1997.

BOARD OF DIRECTORS

JOANNE KHOO SU NEE

Independent Non-Executive Director

Joanne Khoo Su Nee is our Independent Non-Executive Director and was appointed to our Board on 6 June 2020. She is currently the Chairman of the Remuneration and Compensation Committee of the Company. Ms Khoo has almost 30 years of experience in investment banking, corporate finance, capital markets and corporate advisory services. Ms Khoo is currently a Director of Bowmen Capital Private Limited, a mergers and acquisition advisory firm. She also serves as a Non-Independent Non-Executive Director of shopper360 Limited and was formerly an Independent Non-Executive Director of Excelpoint Technology Ltd, Kitchen Culture Holdings Ltd. and Teho International Inc Ltd, companies listed on the Singapore Exchange during her tenure. She also serves as an Independent Non-Executive Director of Xamble Group Limited, a company listed on the Australian Securities Exchange Ltd and JE Cleantech Holdings Ltd, a company listed on NASDAQ as well as Ryde Group Ltd, a company listed on NYSE American. She was formerly an Independent Non-Executive Director of PayLinks Pte Ltd, wholly-owned by iPayLinks Limited. Prior to this, she was involved in a wide range of investment banking and corporate finance activities as a director at Canaccord Genuity Singapore Pte. Ltd. (formerly known as Collins Stewart Pte. Limited) as well as Phillip Securities Pte Ltd and Hong Leong Finance Limited. She started her career at PricewaterhouseCoopers in 1997. Ms Khoo graduated with a Bachelor of Business in Accountancy from Royal Melbourne Institute of Technology University in 1996. She is a Fellow Certified Practising Accountant by the CPA Australia and a Chartered Accountant under the Malaysian Institute of Accountants. She was also a member of the Women Corporate Directors, the world's largest membership organization and community of women corporate board directors.



JENS RASMUSSEN

Non-Independent Non-Executive Director

Jens Rasmussen is our Non-Independent Non-Executive Director and was appointed to our Board on 1 January 2010. Since 2008, he has been Project Manager for new building projects of accommodation and drilling vessels at Keppel FELS Ltd yard in Singapore and Yiulian Dockyard in China. He was previously involved, on a personal profession basis, in certain projects that the Group was involved. Mr Rasmussen is also the owner of Raza Service, a consultancy firm, since 2006. Mr Rasmussen has more than 35 years of professional experience in the marine and offshore industry, having been involved in the management, engineering, certification and construction of various types of new building and conversion projects associated with offshore oil and gas exploration and development, as well as shipbuilding. From 1984 to 2006, he was a General Manager with GVA Consultants AB, where he was responsible for sales, concept development of new oil and gas fields, deep-water drilling semisubmersibles, commercial and technical feasibility evaluation for floating offshore platforms. During the period between 2000 and 2004, he also held the position of Engineering Manager and Construction Manager (Korea) and Engineering Coordination Manager (Houston) at BP Exploration Company Inc. In 2006, he was a Project Manager with Frontier Drilling Inc., where he was responsible for overseeing the upgrade and refurbishment of a drillship in Keppel FELS Ltd. Mr Rasmussen obtained a Master of Science in Engineering from the Technical University of Denmark, Copenhagen in 1980.

KEY MANAGEMENT

KOAY SWEE HENG

Koay Swee Heng is our General Manager (Commercial), reporting directly to our Chief Executive Officer and Chief Operating Officer, Low Chee Wee. Mr Koay is in charge of overseeing our projects with Seatrium (SG) Pte. Ltd. @ Tuas Boulevard Yard (Megayard) and @ Admiralty Yard (Repair & Upgrades and Fixed Platform) as well as ST Engineering Marine Ltd, with overall responsibility of project tenders, reports and billings, project management, budget estimation, supervision of workers and manpower allocation. Mr Koay also oversees the quality assurance and safety assessment teams. Prior to joining our Group, Mr Koay was an Accommodation Design Draughtsman at Keppel FELS Ltd from 1989 to 1995, before he went on to become a Senior Draughtsman / Project Coordinator at Ho & Associates Chartered Architects in Malaysia. Mr Koay joined our Group in 1998 as a Commercial Executive and was responsible for project coordination and tenders. In 2004, he was promoted to Commercial Manager, in charge of project tendering, project management, budget planning and manpower planning. Mr Koay was subsequently appointed as Assistant General Manager in 2007, a position he held until January 2010. Mr Koay obtained his Certificate for Architectural Course conducted by the Ministry of Education (Malaysia) in 1988, Certificate in Introduction to Prime Medusa 2D Basic Drafting conducted by Singapore Polytechnic in 1989, Certificate in Basic Shipbuilding from Ngee Ann Polytechnic in 1990, Certificate of Quality Work Group Training conducted by FELS (now known as Keppel FELS Ltd) in 1991 and Certificate in Shipyard Supervisors Safety Course conducted by the Ministry of Manpower in 1999.

KELVIN CHUM HONG WAI

Kelvin Chum Hong Wai is our Business Development Director at ES Offshore Engineering Pte Ltd, our major subsidiary. He oversees the group clientele of large marine service providers and the Group's ship and marine supplies with logistics business division. Mr Chum started his career with several notable ship agencies and companies handling ship supplies and logistics in the Middle East, Far East and close to the regions where the Group is operating in, notably Malaysia, Indonesia, Thailand and Brunei. Prior to joining us, Mr Chum held a position as Marketing and Business Development director with Sinwa Singapore Pte Ltd.

PARCHALAR RAMARAJU SANKAR

Parchalar Ramaraju Sankar is our General Manager (Operations), reporting directly to our General Manager (Commercial), Koay Swee Heng. As our General Manager (Operations), Mr Sankar is largely responsible for daily operations on project management, manpower and jobs assignment planning, as well as quality functions at the shipyard. He joined our Group since 2002 and diligently worked from a junior position to the current General Manager (Operations) position. Mr Sankar holds a Bachelor of Technology in Mechanical Engineering and certification as Senior Welding Inspector.

LOU TIN BOANG

Lou Tin Boang is our General Manager (Thailand) and has been in charge of overseeing the day-to-day operations of our Thailand operations since 2007. Mr Lou joined our Group in 1995 as a Commercial Executive and was promoted to Commercial Manager in 1997. In 2000, he became our General Manager and took on greater responsibility for project tenders, billings, project management, budget estimation and manpower supervision and planning. Mr Lou obtained his Certificate in Architectural conducted by the Institut Teknik Jasa Pusat Vocational, Malaysia in 1986, Certificate in Introduction to Prime Medusa 2D Basic Drafting conducted by Singapore Polytechnic in 1990 and Certificate in Basic Shipbuilding conducted by Ngee Ann Polytechnic Singapore in 1991.

TAN SOOK TENG

Tan Sook Teng is our Finance Manager. She joined our Group in February 2020 as Group Accountant and was promoted to Finance Manager in November 2021. Ms Tan is responsible for our Group's accounting and financial functions, including financial reporting, taxation, treasury matters and internal controls, management of the finance team as well as ensuring compliance with listing and regulatory requirements. Ms Tan has close to eight years of experience working for Singapore and Malaysia professional accounting firms. Prior to joining our Group, Ms Tan worked as external auditor at a Chartered Public Accounting firm in Singapore for more than three years. She started her career in 2012 as a tax associate with Crowe Horwath in Malaysia. She then joined Ernst & Young, Malaysia as external auditor in 2014. Ms Tan was involved in auditing and providing consultancy to clients from various industries such as manufacturing, trading, construction, property development, non-profit organisation and many more. Ms Tan holds a Bachelor of Commerce (Honours) Accounting degree from Universiti Tunku Abdul Rahman and is a member of the Association of Chartered Certified Accountants (ACCA).

CORPORATE MILESTONES

1969/70

Inception of Eng Soon, traded as sole proprietor

1975

Eng Soon Engineering Pte Ltd was first established by Low Chye Hin

1977

Registered as a resident subcontractor of Sembawang Shipyard Pte Ltd

1992

Eng Soon Investment Pte Ltd was formed

1997

Wang Fatt Oil & Gas Construction Pte Ltd was established to serve the marine industry of Singapore Technologies Marine Ltd

1999

Eng Soon Engineering (1999) Pte Ltd was formed to provide marine piping work and mechanical installation catering for all major shipyards in Singapore

2001

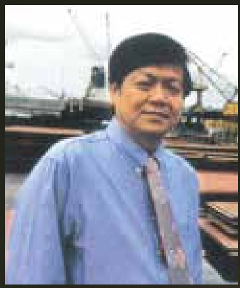
ISO 9001 was awarded to Eng Soon Investment Pte Ltd and Wang Fatt Oil & Gas Construction Pte Ltd for excellent commitment to quality

2003

ES Offshore Engineering Pte. Ltd. was formed to provide oil rigs and semi submersible new building and repair services for Keppel FELS Ltd

2006

ES Offshore and Marine Engineering (Thailand) Co., Ltd. was formed and acquired a piece of land in Thapsakae, Thailand covering 70,000 square-meters of land space to undertake EPC projects and provide new building services such as offshore modules and oil rigs structures



Low Chye Hin, 1970
Founder of Eng Soon

2007

Built a 2-storey building at No. 10 Kwong Min Road having 4,700 square-feet of office space and 43,000 square-feet of workshop space, which also accommodates 383 of our marine skilled workers

2009

Eng Soon Investment Pte Ltd, Wang Fatt Oil & Gas Construction Pte Ltd, ES Offshore Engineering Pte. Ltd. and Eng Soon Engineering (1999) Pte Ltd each attained OHSAS 18001 in Workplace Safety and Health management and Bizsafe Star Certification

2010

July, IPO listing on the Catalist board of the Singapore Exchange as ES Group (Holdings) Limited

August, secured first direct order from an international offshore engineering and construction contractor and vessel owner – Subsea 7 S.A.

October, acquired Dalian ES Marine & Offshore Engineering Co., Ltd. – a company incorporated in Dalian, People's Republic of China

CORPORATE MILESTONES

2011

Delivered an offshore barge to its first direct customer, Subsea 7 S.A.

2012

Successfully launched two bunker vessels – Sea Tanker I and Sea Tanker II

2013

Successfully delivered the two bunker vessels

Incorporated a new subsidiary – ES Energy Pte. Ltd.

Set-up Loyang workshop which designs and fabricates a range of offshore structures, such as geotechnical drilling rigs, as well as provides mobilisation and demobilisation works, repair and maintenance works and other offshore support services

2014

Incorporated a new subsidiary – ES Oil & Gas Pte. Ltd.

Entered into a joint venture with Heatec Jietong Pte. Ltd. and Mr. Stuart Edmund Cox to form Karnot Technology Pte. Ltd. – to develop a heating and cooling system for marine and other industries

2015

Entered into a joint venture with Mr. Tang Wei to establish ESW Automation Pte. Ltd. – to provide marine and offshore electrical installation and automation services

2017

Incorporated 2 new subsidiaries - ES Chartering Pte. Ltd. and ES Aspire Pte. Ltd.

Purchase of vessel, ES Aspire, in end 2016

Created ship and marine supplies division to broaden customer and supplier base

2020

Disposal of vessel, ES Bristol, completed in February 2020

Acquisition of 51% interest in joint venture business, ProXess Engineering Pte Ltd, in October 2020

2021

Acquisition of vessel, ES Jewel, completed in March 2021

CORPORATE INFORMATION

Board of Directors

Ong Beng Chye
Non-Executive Chairman and Independent Director

Low Chee Wee
Executive Director, Chief Executive Officer and Chief Operating Officer

Eddy Neo Chiang Swee
Executive Director (Development)

Joanne Khoo Su Nee
Independent Non-Executive Director

Jens Rasmussen
Non-Independent Non-Executive Director

Audit and Risk Committee

Ong Beng Chye
Chairman

Joanne Khoo Su Nee
Jens Rasmussen

Nominating Committee

Ong Beng Chye
Chairman

Joanne Khoo Su Nee
Jens Rasmussen

Remuneration and Compensation Committee

Joanne Khoo Su Nee
Chairman

Ong Beng Chye
Jens Rasmussen

Company Secretary

Ms. Kong Wei Fung and Ms. Hon Wei Ling

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Email: eng_soon@esgroup.com.sg

Company Registration Number

200410497Z

Share Registrar and Share Transfer Office

Boardroom Corporate & Advisory Services Pte. Ltd.
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Singapore 098632

Sponsor

ZICO Capital Pte. Ltd.
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

Independent Auditors

Forvis Mazars LLP
(**Unique Entity Number:** T07LL0916H)
135 Cecil Street
#10-01 Philippine Airlines Building
Singapore 069536
Partner-in-charge: Ooi Chee Keong
Date of Appointment: Since financial year ended 31 December 2022
(Public Accountants and Chartered Accountants)

Bankers

United Overseas Bank Limited
Oversea-Chinese Banking Corporation, Limited

FINANCIAL HIGHLIGHTS

Financial Performance	FY2025 $'000	FY2024 $'000	FY2023 $'000
Revenue	**27,966**	**36,065**	**26,762**
Cost of services	(24,939)	(27,941)	(24,983)
Gross profit	**3,027**	**8,124**	**1,779**
Other operating income	1,670	2,621	1,258
(Provision)/Reversal of loss allowance for trade and other receivables, net	(32)	(147)	249
Administrative expenses	(5,304)	(5,360)	(5,056)
Other operating expenses	(1,910)	(2,435)	(2,318)
Finance costs	(488)	(281)	(183)
(Loss)/Profit before share of results of a joint venture	**(3,037)**	**2,522**	**(4,271)**
Share of results of a joint venture, net of tax	(91)	(120)	(3)
(Loss)/Profit before income tax	**(3,128)**	**2,402**	**(4,274)**
Income tax credit/(expense)	65	(142)	43
(Loss)/Profit for the year	**(3,063)**	**2,260**	**(4,231)**
(Loss)/Profit attributable to owners of the parent	**(2,977)**	**2,424**	**(4,038)**

Financial Position	As at 31 December 2025 $'000	As at 31 December 2024 $'000	As at 31 December 2023 $'000
Shareholder's equity (excluding non-controlling interests)	19,045	22,027	19,623
Total assets	32,511	33,505	30,911
Total liabilities	14,169	12,066	11,681

Financial Ratios (per share)	FY2025	FY2024	FY2023
Net asset value (cents)	13.49	15.60	13.90
Basic and diluted (loss)/earnings (cents)	(2.11)	1.72	(2.86)
Gearing	0.47	0.25	0.31
Interest coverage	N.M	12.75	N.M
Current ratio	1.25	1.26	1.36

N.M – not meaningful

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

ES Group (Holdings) Limited (the "**Company**" and together with its subsidiaries, the "**Group**") believes that it is important to establish good corporate governance within the Group as this provides the foundation for a well-managed and efficient organisation that can in turn focus on sustaining good business performance and safeguarding the interests of the shareholders of the Company ("**Shareholders**"). The board of directors of the Company (the "**Board**" or the "**Directors**") is committed to continually develop and uphold high standards of corporate governance, guided by the principles and provisions of the Singapore Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore.

This report sets out the Group's corporate governance practices with specific reference to each of the principles and provisions in the Code. The Board confirms that, for the financial year ended 31 December ("**FY**") 2025, the Group has complied with the principles of the Code and generally adhered as closely as possible to the provisions of the Code (except where otherwise explained). Where the Group's practices vary from any provisions of the Code, this is stated with an explanation of the reason for the variation and an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. The Group will continue to assess its needs and implement appropriate practices accordingly.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board is responsible for the overall management of the Group and is collectively responsible for the Group's long-term success. All Directors are tasked to objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company. The Directors recuse themselves and refrain from participating in discussions and decisions in which the Director has an interest or is conflicted. Apart from its statutory responsibilities, the role of the Board is to, among other things:-

- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- review the Group's investments and divestments and the performance of the business;
- review the performance of the Group's management ("**Management**");
- hold Management accountable for performance;
- review and approve the release of the Group's half year and full year financial results;
- identify the key stakeholder groups and recognize that their perceptions affect the Group's reputation;
- consider corporate governance matters;
- review internal policies and procedures and establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding Shareholders' interests and the Group's assets;
- put in place a code of conduct and ethics, which sets an appropriate tone-from-the-top and desired organisational culture and ensures proper accountability within the Company;
- ensure that obligations to Shareholders and other stakeholders are understood and met;

CORPORATE GOVERNANCE REPORT

- consider sustainability issues, for example, environmental and social factors, as part of its strategic formulation; and
- deliberate on other transactions and matters that require its direction or approval.

The Board holds meetings at least twice annually to coincide with the announcement of the Group's half year and full year financial results and for the Management to update the Board on the significant business activities and overall business environment of the Group. Ad-hoc meetings will be held as and when warranted by particular circumstances and as deemed appropriate by the Board. The Directors are continually updated on the Group's affairs by the Management via e-mails. The Company's constitution ("**Constitution**") is sufficiently flexible and allows meetings of the Board and Board Committees (as defined herein) to be conducted by way of telephone or video conference.

The Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Upon the appointment of a new Director, the Company will provide a formal letter to the Director, setting out his or her duties and obligations. The Board will ensure that all incoming Directors receive relevant induction on joining the Board, including briefing on their duties as Directors and how to discharge those duties, and a comprehensive orientation programme to ensure that they are familiar with the business activities of the Group, its strategic plans and direction and corporate governance practices. The orientation programme will also allow the new Directors to get acquainted with the Management which aims to facilitate interaction and ensures that all Directors have independent access to the Management. The Company will also arrange for any new first-time Director to attend the relevant training in relation to roles and responsibilities of a director of a listed company, organised by the Singapore Institute of Directors as required under Rule 406(3)(a) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), as well as other courses relating to areas such as accounting, legal and industry-specific knowledge as appropriate, organised by other training institutions. The training of Directors will be arranged and funded by the Company. Directors may request to visit the Group's operating facilities and meet with the Management to gain a better understanding of the Group's business operations and corporate governance practices. No new Director was appointed during FY2025.

Trainings will be arranged and funded by the Company for all Directors as and when required to keep them up to date on relevant new laws, regulations and changing commercial risks, as well as to provide Directors with opportunities to develop and maintain their skills and knowledge. During FY2025, the Directors were briefed and updated in areas such as their duties and responsibilities and particularly on risk management (taking into account, the changing commercial risks), corporate governance and key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Directors. The Directors also received updates on regulatory announcements, guidance and/or amendments to the Catalist Rules and the Code, where relevant, by the continuing sponsor of the Company.

The Directors have separate and independent access to, and are provided with the names and contact details of, the key Management and the Company Secretary at all times. The Board has established a procedure for Directors, either individually or as a group, in the furtherance of their duties, to obtain professional advice and assistance from the Company Secretary or independent professionals, if necessary, and the cost of such advice and assistance will be borne by the Company.

The Board has adopted internal guidelines setting out the matters which are specifically reserved for its approval and clear directions have also been given to the Management that the following matters must be approved by the Board:-

- material acquisitions and disposals of assets;
- corporate or financial restructuring;
- corporate strategies;

- share issuances (including stock options or other equity awards), dividends and other capital transactions and returns to Shareholders;
- approval of annual audited financial statements for the Group and the Directors' Statement thereto;
- any public report or press release reporting the results of operations and all other announcements to be made on the SGXNet; and
- matters involving a conflict or potential conflict of interest involving a substantial Shareholder or a Director or any interested person transaction.

The Board has, without abdicating its responsibility, delegated the authority to the Audit and Risk Committee, the Nominating Committee and the Remuneration and Compensation Committee (collectively, the "**Board Committees**") to assist the Board in discharging its responsibilities and to enhance the Group's corporate governance framework. Each Board Committee is regulated by a set of written terms of reference endorsed by the Board setting out their compositions, authorities and duties, including reporting back to the Board. The Board Committees have explicit authority to investigate any matter within their terms of reference, have full access to and co-operation by the Management, have resources to enable them to discharge their functions properly and full discretion to invite any Director or executive to attend their meetings. The Board Committees report their activities regularly to the Board and minutes of the Board Committees are also regularly provided to the Board. The Board Committees will also review their terms of reference on a regular basis to ensure their continued relevance. The composition and description of each Board Committee are set out in this corporate governance report. The Board accepts that while these Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board. The names of the Board Committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities are disclosed in this corporate governance report.

During FY2025, the number of Board and Board Committee meetings held and the attendance of each Board member at the meetings are as follows:-

Board / Board Committees	**Board**	**Audit and Risk Committee**	**Nominating Committee**	**Remuneration and Compensation Committee**
Number of meetings held	2	2	1	2
Name of Director				
Mr. Ong Beng Chye	2	2	1	2
Mr. Low Chee Wee	2	2*	1*	2*
Mr. Eddy Neo Chiang Swee	2	2*	1*	2*
Ms. Joanne Khoo Su Nee	2	2	1	2
Mr. Jens Rasmussen	2	2	1	2

* Attendance by invitation.

Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company. The Nominating Committee is satisfied that all Directors gave sufficient time and attention to the affairs of the Company and were able to and have adequately carried out their duties as a Director of the Company for FY2025.

The Company Secretary provides secretarial support to the Board and Board Committees and his/her role includes:-

(a) assisting the respective chairman of the Board and Board Committees and the Management in the preparation of the agendas for the Board and Board Committee meetings;

(b) attending all Board and Board Committee meetings and preparing minutes of the meetings;

(c) ensuring that all meetings are properly convened and Board procedures are followed;

(d) advising the Board and the Management on the Company's compliance with the requirements of the Companies Act 1967 of Singapore ("**Companies Act**"), the Catalist Rules and all other rules, regulations and governance matters which are applicable to the Group;

(e) under the direction of the Chairman of the Board (the "**Chairman**"), ensuring good information flows within the Board and Board Committees and between Management and the Non-Executive Directors; and

(f) facilitating the orientation of incoming Directors and assisting with professional development as required.

The appointment and the removal of the Company Secretary is a decision of the Board as a whole.

To enable the Directors to make informed decisions and discharge their duties and responsibilities, the Management provides all Directors with the appropriate financial accounts and complete, adequate and timely information detailing the Group's performance, financial position and prospects prior to meetings and on an ongoing basis.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board currently consists of five (5) members, as set out below:-

Directors[1]	Board Membership	Date of First Appointment	Date of Last Re-Appointment	Audit and Risk Committee[2]	Nominating Committee[2]	Remuneration and Compensation Committee[2]
Mr. Ong Beng Chye	Non-Executive Chairman and Independent Director	23 November 2018	29 April 2025	Chairman	Chairman	Member
Mr. Low Chee Wee	Executive Director, Chief Executive Officer ("**CEO**") and Chief Operating Officer ("**COO**")	25 November 2009	30 April 2024 (to be re-elected at the forthcoming AGM)	-	-	-
Mr. Eddy Neo Chiang Swee	Executive Director (Development)	25 November 2009	29 April 2025	-	-	-
Ms. Joanne Khoo Su Nee	Independent Non-Executive Director	6 June 2020	26 April 2023 (to be re-elected at the forthcoming AGM)	Member	Member	Chairman
Mr. Jens Rasmussen	Non-Independent Non-Executive Director	1 January 2010	30 April 2024	Member	Member	Member

Notes:-

(1) Please refer to pages 8 to 10 of this annual report for information regarding the Directors' profiles, present directorships or chairmanships in other listed companies and other principal commitments. Please refer to page 46 of this annual report for information regarding the Directors' shareholdings in the Company and its related corporations.

(2) Please refer to Principles 4, 6 and 10 on pages 24, 27 and 32 respectively of this corporate governance report for information regarding the composition of the Board Committees, names of the respective Board Committee chairman and members and their primary responsibilities.

All Directors have exercised due diligence and independent judgement and demonstrated objectivity in their deliberations in the interests of the Company.

The respective chairman of the Board Committees are Independent Directors and are considered by the Board to be well qualified to chair the Board Committees with their many years of relevant experience and expertise. The independence of each Independent Director is reviewed annually, and as and when circumstances require, by the Nominating Committee based on the definition of independence as set out in the Code, the guidelines and examples of relationships as set out in the accompanying Practice Guidance 2 to the Code, and taking into consideration whether the Director falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. Under Rule 406(3)(d) of the Catalist Rules, a director will not be independent under any of the following circumstances: (i) if he is employed by the company or any of its related corporations for the current or any of the past three financial years; or (ii) if he has an immediate family member who is employed or has been employed by the company or any of its related corporations for the past three financial years, and whose remuneration is determined by the remuneration committee of the company; or (iii) [deleted]; or (iv) if he has been a director of the company for an aggregate period of more than nine years (whether before or after listing), and such director may continue to be considered independent until the conclusion of the next annual general meeting of the company.

The Independent Directors, who are members of the Nominating Committee, have abstained from voting on any resolution and making any recommendation and/or participating in any deliberation of the Nominating Committee in respect of the evaluation of his or her independence. There is no policy to prohibit or require the Non-Executive and Independent Directors to hold shares in the Company. Mr. Ong Beng Chye holds 1,925,000 shares in the Company amounting to 1.4% of the total issued shares in the Company. The Nominating Committee and the Board are of the view that the holding of shares by Non-Executive and Independent Directors of less than 5.0% of the total issued shares in the Company encourages the alignment of their interests with the interests of Shareholders without compromising their independence.

Taking into account the views of the Nominating Committee, the Board is satisfied as to the independence of Ms. Joanne Khoo Su Nee and Mr. Ong Beng Chye. Ms. Joanne Khoo Su Nee and Mr. Ong Beng Chye are independent in conduct, character and judgment, and do not have any relationship with the Company, its related corporations, its Shareholders who have an interest of at least 5% of the Company's voting shares or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company, and do not fall under any of the relationships as set out in the accompanying Practice Guidance 2 to the Code and circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. None of the Independent Directors has served on the Board beyond nine years from the date of his or her first appointment.

During FY2025, out of the five (5) Directors, three were Non-Executive Directors, including the Chairman who is independent and non-executive. As such, the Non-Executive Directors make up a majority of the Board.

The Nominating Committee and the Board have considered and are of the view that the current size and composition of the Board and the Board Committees are appropriate for effective debate and decision-making, based on the Group's present circumstances and taking into account the scope and nature of the Group's operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

The Company has in place a Board Diversity Policy, which endorses the principle that its Board should have a balance of skill, knowledge, experience and diversity of perspectives appropriate to the Group's business to promote the inclusion of different perspectives and ideas, mitigate against bias and foster constructive debate. Diversity enhances the Board's decision-making capability and ensures that the Group has the opportunity to benefit from all available talent and perspectives. The Board Diversity Policy provides for the Board to comprise directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds who as a group provide an appropriate balance, and have diversity from a number of aspects, including but not limited to diversity in gender, age, business or professional experience, skills and knowledge.

The Nominating Committee, in carrying out its duties of reviewing the size and composition of the Board, reviewing succession planning, identifying possible candidates and making recommendations of board appointments to the Board, considers a combination of diversity factors such as skills, core competencies, knowledge, business and professional experience, educational background, gender, age, and length of service. Core competencies, which are taken into account, include but not limited to accounting, finance, business and management experience, industry knowledge, and knowledge of risk management, audit and internal controls.

The Nominating Committee and the Board have reviewed and are satisfied that the current Board comprises five Directors, who as a group provide an appropriate balance and mix of skills, experience, knowledge of the Group and its business operations and other aspects of diversity such as gender and age, so as to avoid bias and foster constructive debate, and thus the current Board composition reflects the Company's commitment to Board diversity. The Directors as a group provide a wide spectrum of core competencies such as accounting, finance, business and management experience, industry knowledge, strategic planning experience and customer-based experience, and knowledge to lead and govern the Group effectively. In recognition of the importance and value of gender diversity in the composition of the Board, the Board has one female Director currently, representing 20% of the total Board membership. Ms. Joanne Khoo Su Nee has been a member of the Board since June 2020 and she is the Chairman of the Remuneration and Compensation Committee as well as a member of the Audit and Risk Committee and the Nominating Committee. In addition, the Board consists of Directors with ages ranging from mid-40s to mid-60s, who have served on the Board for different tenures.

The Nominating Committee and the Board believe that there being an appropriate balance of industry knowledge, skills, background, experience, professional qualifications, age and gender on the Board, allows for diverse and objective perspectives on the Group's business and direction to support the long-term success of the Group, and are satisfied that the objectives of the Board Diversity Policy are met. The Nominating Committee will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. The Nominating Committee will also continue its identification and evaluation of suitable candidates to ensure there is diversity (including gender diversity) on the Board.

An effective and robust board is fundamental to good corporate governance. All Directors are continually encouraged to engage actively in open and constructive debate and challenge the Management on its assumptions and proposals. The Board comprises at least one-third Independent Directors who provide different perspectives on the Group's business and corporate activities. This ensures that no individual or small group of individuals dominates the Board's decision-making. To facilitate a more effective check on the Executive Directors and the Management, the Non-Executive Directors, who constitute a majority of the Board, meet at least once annually without the presence of the Management to discuss matters that they wish to raise privately. The Non-Executive Directors also constructively challenge the Executive Directors and the Management and help develop proposals on strategy and review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Chairman and the CEO are separate persons in order to ensure an appropriate balance of power and authority, increase accountability and greater capacity of the Board for independent decision-making. There is a clear division of responsibilities, as set out in writing and agreed by the Board, between the Chairman and the CEO. The Chairman, Mr. Ong Beng Chye, an Independent Director, and the CEO, Mr. Low Chee Wee, are not related to each other.

The responsibilities of the Chairman include:-

- assuming the formal role of an independent leader and chairing all Board meetings;
- leading the Board to ensure its effectiveness on all aspects of its role, in particular its oversight of the Management;
- in consultation with the CEO, approving meeting schedules of the Board, setting the agenda for Board and Board Committee meetings and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting a culture of openness and debate at the Board;
- ensuring that the Directors receive complete, adequate and timely information;
- ensuring effective communication by the Board and the Management with Shareholders;
- encouraging constructive relations within the Board and between the Board and the Management and between the Executive Directors and the Non-Executive Directors;
- facilitating the effective contribution of the Non-Executive Directors in particular; and
- promoting high standards of corporate governance for the Group.

The CEO has full executive responsibilities in the business directions and operational efficiency of the Group. He oversees the execution of the Group's corporate and business strategies and is responsible for the day-to-day running of the business.

No Lead Independent Director has been appointed as the Chairman is independent and not related to the CEO and there is no business relationship between them. In respect of Provision 3.3 of the Code, the Chairman, who is an Independent Director, functions as a Lead Independent Director and provides a channel of communication through which Shareholders may raise any concerns in situations where the normal channels of communication with the CEO or Management are inappropriate or inadequate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

In accordance with the terms of reference of the Nominating Committee, the duties and responsibilities of the Nominating Committee include, among others:-

(a) making recommendations to the Board on relevant matters relating to:-

   (i) the review of succession plans for Directors, in particular, the appointment and/or replacement of the Chairman, the CEO and key Management personnel;

   (ii) the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;

   (iii) the review of training and professional development programmes for the Board and its Directors; and

   (iv) the appointment and re-appointment of Directors (including alternate directors, if any);

(b) determining annually, and as and when circumstances require, if a Director is independent, having regard to the circumstances set forth in Provision 2.1 of the Code and any other salient factor;

(c) ensuring that new Directors are aware of their duties and obligations;

(d) deciding whether a Director is able to and has been adequately carrying out his or her duties as a Director of the Company, and where a Director holds a significant number of listed company directorships and principal commitments[1], assessing the ability of such a Director to diligently discharge his or her duties; and

(e) without limiting the effect of sub-paragraph (a)(ii) above, recommending for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board, in order for the Board to undertake a formal annual assessment of the performance of the Board as a whole, each Board Committee and each individual Director.

The Nominating Committee comprises three Non-Executive Directors, namely, Mr. Ong Beng Chye ("**NC Chairman**"), Ms. Joanne Khoo Su Nee and Mr. Jens Rasmussen, the majority of whom, including the NC Chairman, are independent.

The Nominating Committee ensures that new Directors are aware of their duties and obligations. Newly appointed Directors will receive appropriate training and orientation programmes to familiarise themselves with the operations of the Group and its major business processes. On the appointment of a new Director, the Company will provide a formal letter to the Director, setting out the Director's duties and obligations.

The Nominating Committee also determines if a Director is able to and has been adequately carrying out his or her duties as a Director of the Company and whether each Director has adequate time and attention to devote to the Company, in the case of Directors with multiple listed board representations and other principal commitments.

[1] The term "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

The listed company directorships and principal commitments of each Director are disclosed in this annual report. In the event a Director holds a significant number of such directorships and commitments, the Company provides the Nominating Committee and the Board an assessment of the ability of the Director to diligently discharge his or her duties. Although some of the Directors have other listed company directorships and other principal commitments, the Nominating Committee is satisfied that all Directors are able to devote adequate time and attention to the affairs of the Company to fulfil his or her duties effectively as a Director. The Nominating Committee monitors and determines annually whether Directors who have multiple listed company directorships and other principal commitments are able to devote sufficient time and attention to the affairs of the Company and adequately carry out his or her duties as a Director. The Nominating Committee assesses the contribution by each Director to the effectiveness of the Board and takes into account his or her actual conduct on the Board in making this determination. There is no alternate Director on the Board.

The Nominating Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole as well as its individual members based on attributes of the existing Board and the requirements of the Group. The Board is of the view that the Directors as a group should provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Company. The Board takes steps to achieve the diversity necessary with the aim of maximizing its effectiveness. The Directors are respectively experienced in business management, human capital development, strategies planning and possess industry experience that the Company operates in.

The Nominating Committee also considers the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, a Director's independence as part of the process for selection, appointment and re-appointment of Directors. The search for new Directors, if any, will be via contacts and recommendations so as to cast its net as wide as possible for the right candidate. Executive recruitment agencies will also be engaged to assist in the search process where necessary. The Nominating Committee will arrange for interviews with the shortlisted candidates for its assessment before arriving at a decision. During the interviews, the Nominating Committee will take into consideration whether the candidate has sufficient time available to devote himself or herself to the position, the skill sets of the candidate and how he or she will complement the current Board. In addition, the Nominating Committee will take into consideration whether a candidate had previously served on the board of a company with an adverse track record or a history of irregularities, or whether the candidate is or was under investigation by professional associations or regulatory authorities. The Nominating Committee will also assess whether a candidate's resignation from the board of any such company would cast any doubt on the candidate's qualification and ability to act as a Director of the Company. Upon the Nominating Committee's review and recommendation to the Board, the new Directors will be appointed by way of a board resolution.

In accordance with Rule 720(4) of the Catalist Rules, all Directors need to submit themselves for re-nomination and re-appointment at least once every three years. In addition, in accordance with the Constitution, all Directors, including the CEO, are subject to re-nomination and re-appointment at regular intervals of at least once every three years. At each annual general meeting of the Company ("**AGM**"), at least one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, are required to retire and to submit themselves for re-election. The Constitution also provides that a newly appointed Director must retire and submit himself or herself for re-election at the AGM following his or her appointment. In making the recommendation for re-nomination of Directors, the Nominating Committee will consider each of the said Directors' qualifications, experiences, skills and expertise, as well as overall contributions and performances. Each member of the Nominating Committee shall abstain from voting on any resolution and making any recommendation and/or participating in any deliberation of the Nominating Committee in respect of the assessment of his or her performance or re-nomination as a Director.

Pursuant to Regulation 98 of the Constitution on the one-third rotation rule, Mr. Low Chee Wee and Ms. Joanne Khoo Su Nee shall retire at the forthcoming AGM and shall be eligible for re-election. Mr. Low Chee Wee and Ms. Joanne Khoo Su Nee will be offering themselves for re-election at the forthcoming AGM.

The Nominating Committee has recommended to the Board that Mr. Low Chee Wee and Ms. Joanne Khoo Su Nee be nominated for re-election at the forthcoming AGM. The Board has accepted the Nominating Committee's recommendation. As Ms. Joanne Khoo Su Nee is a member of the Nominating Committee, she has abstained from voting on the resolution relating to his retirement and re-election, including making any recommendation and participating in any deliberation of the Nominating Committee in respect of the assessment of her re-nomination as Director.

Mr. Low Chee Wee will, upon re-election as a Director at the forthcoming AGM, remain as Executive Director, Chief Executive Officer and Chief Operating Officer of the Company.

Ms. Joanne Khoo Su Nee will, upon re-election as a Director at the forthcoming AGM, remain as an Independent Non-Executive Director, and continue to serve as Chairman of the Remuneration and Compensation Committee as well as a member of the Audit and Risk Committee and the Nominating Committee. Ms. Joanne Khoo Su Nee is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Please refer to pages 40 to 44 of this annual report for the additional information regarding Mr. Low Chee Wee and Ms. Joanne Khoo Su Nee, pursuant to Rule 720(5) of the Catalist Rules.

The Board recognises the importance of good succession planning to facilitate better corporate governance processes and practices. The Nominating Committee is tasked to review the succession plans for Directors progressively and identify the potential successors to key positions. Succession and leadership development plans for the key Management personnel will be implemented to ensure a smooth transition. The review, if any, will be presented to the Board for its approval.

The Nominating Committee is also tasked to review annually the independence of a Director bearing in mind the Code's definition of an 'independent' Director, as well as the accompanying Practice Guidance 2 to the Code and the Catalist Rules as to relationships the existence of which would deem a Director not to be independent. The Nominating Committee will consider in its review, the confirmation on the independence of each Director which each Independent Director provides to the Board annually.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

The Board has approved the objective performance criteria and process recommended by the Nominating Committee for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board. Each member of the Nominating Committee shall abstain from voting on any resolution and making any recommendation and/or participating in any deliberation of the Nominating Committee in respect of the assessment of his or her performance as a Director.

For FY2025, an annual evaluation of the performance of the Board as a whole, and of each Board Committee was conducted to assess and identify areas for continuous improvement to the Board's and the Board Committees' performance and effectiveness. The evaluation of the Board was carried out by way of a Board assessment checklist through which each Director was required to complete and assess individually the Board as a whole on several parameters including, among others, the Board's conduct of affairs, Board composition and guidance as well as performance, remuneration matters, risk management and internal controls, measuring and monitoring performance, recruitment and evaluation, succession planning, financial reporting and communication with Shareholders. Contribution by the Chairman to the effectiveness of the Board was also evaluated in the Board assessment checklist. The evaluation of each Board Committee was carried out by way of an evaluation form for each Board Committee through which each Director was required to complete and evaluate individually each Board Committee as a whole on several parameters, namely committee composition, information to the committee and committee procedures. For FY2025, an annual evaluation of each individual Director on whether each individual Director continues to contribute effectively and demonstrate commitment to the role, was carried out by way of a self-assessment checklist through which each Director was required to complete and evaluate their own performance and contribution to the effectiveness to the Board on several parameters, namely attendance at the meetings of the Board and Board Committees, discharge of the Director's duties at the meetings of the Board and Board Committees, know-how of the Director and the Director's interactions with fellow Directors, key Management personnel, Shareholders and auditors.

The consolidated findings from such assessment checklists and evaluation forms were then reported and recommendations were made to the Board for consideration for further improvements to assist the Board, each Board Committee and each individual Director in discharging their duties more effectively. The performance criteria, which allows for comparison with industry peers, are approved by the Board and they address how the Board has enhanced long-term Shareholders' value by allowing the Board and the Directors to further improve on discharging their duties more effectively. The performance criteria are not changed from year to year, and where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such decision. The performance criteria has been amended since FY2019 to reflect the amendments made to the Code.

Based on the aforementioned assessment conducted, the Nominating Committee is of the view that, for FY2025, the performance and effectiveness of the Board as a whole, and of each Board Committee as well as the contribution by the Chairman and each individual Director to the effectiveness of the Board were satisfactory.

The Board has not engaged any external consultant to conduct an assessment of the performance and effectiveness of the Board as a whole, and of each Board Committee as well as the contribution by the Chairman and each individual Director to the effectiveness of the Board. Where relevant, the Nominating Committee will consider such an engagement.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key Management personnel. No director is involved in deciding his or her own remuneration.

In accordance with the terms of reference of the Remuneration and Compensation Committee, the duties and responsibilities of the Remuneration and Compensation Committee include, among others:-

(a) reviewing and recommending to the Board:-

  (i) a framework of remuneration for the Board and key Management personnel; and

  (ii) the specific remuneration packages for each Director as well as for the key Management personnel,

  and in doing so, the Remuneration and Compensation Committee considers all aspects of remuneration, including termination terms, to ensure they are fair;

(b) reviewing the Company's obligations arising in the event of termination of the Executive Directors' and key Management personnel's contracts of service to ensure that such contracts of service, if any, contain fair and reasonable termination clauses which are not overly generous;

(c) reviewing working environments and succession planning for the key Management personnel;

(d) reviewing the terms of the employment arrangements with the key Management personnel so as to develop consistent group-wide employment practices subject to regional differences; and

(e) reviewing whether the Executive Directors and key Management personnel should be eligible for benefits under long-term incentive schemes, including share schemes.

The Remuneration and Compensation Committee comprises three Non-Executive Directors, namely, Ms. Joanne Khoo Su Nee ("**RC Chairman**"), Mr. Jens Rasmussen and Mr. Ong Beng Chye, the majority of whom, including the RC Chairman, are independent.

The Remuneration and Compensation Committee aims to motivate and retain Directors and key Management personnel without making excessive payments to them, and to ensure that the Company is able to attract and retain the best talent in the market to drive the Group's businesses forward in order to maximise long-term Shareholders' value. The Remuneration and Compensation Committee aims to be fair and to avoid rewarding poor performance.

The Remuneration and Compensation Committee's recommendations are submitted for endorsement by the entire Board. The recommendations include all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind.

The Remuneration and Compensation Committee will, from time to time, and where necessary, seek advice from external remuneration consultant(s) in structuring the remuneration policy and determine the level and mix of remuneration for the Directors and key Management personnel. No external remuneration consultant has been engaged for FY2025.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key Management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

An appropriate proportion of the Executive Directors' and key Management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with Shareholders' interests and other stakeholders and promotes the long-term success of the Company. The Remuneration and Compensation Committee also takes into account the risk policies of the Company, and ensures that remuneration is symmetric with risk outcomes and is sensitive to the time horizon of risks and the industry practices and norms in compensation. These measures are appropriate and meaningful for the purpose of assessing the Executive Directors' and key Management personnel's performance.

The Company adopts and uses contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key Management personnel in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company.

The Remuneration and Compensation Committee ensures that both the total remuneration and individual pay components, in particular, the annual fixed cash, annual performance incentives and long-term incentives, are market competitive and performance-driven. The annual fixed cash component consists of the annual basic salary and fixed allowances which the Company benchmarks with the relevant industry market data, where available. The annual performance incentive component refers to variable bonus that is tied to the performance of the Group, business unit and individual employee. Performance conditions to which entitlement to such annual and short-term incentives include benchmarking performance to industry business operation expectations and performance that exceeds such expectations, as well as measuring performance based on the Group's financial performance vis-à-vis industry performance and individual performance.

The Company had entered into a fixed-period service agreement with each of Mr. Low Chee Wee and Mr. Eddy Neo Chiang Swee, being the Executive Directors, on 1 January 2025, governing the terms and conditions of their employment with the Company. The service agreement with each of Mr. Low Chee Wee and Mr. Eddy Neo Chiang Swee is renewable on an annual basis. Their service agreements have been updated with the latest corporate governance requirements as and when required. The remuneration packages for the Executive Directors are based on terms stipulated in their respective service agreement. The remuneration package of Mr. Low Chee Wee includes a profit sharing scheme that is performance-related to align his interests with those of Shareholders.

The Non-Executive Directors do not have service agreements with the Company. They are paid fixed Directors' fees appropriate to their level of contribution, taking into account factors such as effort, time spent, and their responsibilities on the Board and Board Committees. The Non-Executive Directors, who are also independent, have not been over-compensated to the extent that their independence is compromised.

In setting remuneration packages, the Remuneration and Compensation Committee aligns the level and structure of remuneration with the long-term interest and risk policies of the Company and considers what is appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the Company; and (b) the key Management personnel to successfully manage the Company for the long term.

No Director is involved in deciding his or her own remuneration. The recommendations made by the Remuneration and Compensation Committee in respect of the Non-Executive Directors' fees are subject to Shareholders' approval at the AGM. Executive Directors do not receive any Directors' fee. At the last AGM held on 29 April 2025, Shareholders had approved the payment of the Non-Executive Directors' fees of up to S$128,500 for FY2025. At the forthcoming AGM, Shareholders' approval will be sought for the payment of the Non-Executive Directors' fees of up to S$128,500 for the financial year ending 31 December 2026.

Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

In accordance with Rule 1204(10D) of the Catalist Rules, the remuneration of each Director for FY2025 received from the Company during FY2025 are set out below:-

	Directors' Fees (S$)	Fixed Salary[1] (S$)	Bonus (S$)	Benefits (S$)	Total (S$)
Mr. Low Chee Wee	-	178,671	12,950	17,661	209,282
Mr. Eddy Neo Chiang Swee	-	130,396	9,150	17,281	156,827
Mr. Ong Beng Chye	50,000	-	-	-	50,000
Ms. Joanne Khoo Su Nee	40,000	-	-	-	40,000
Mr. Jens Rasmussen	38,500	-	-	-	38,500

Note:-

(1) Includes employers' contributions to the Central Provident Fund and allowances.

Details of remuneration paid to our top five (5) management personnel of the Group (who are not Directors or the CEO and substantial shareholders) for FY2025 are set out below:

	Fixed Salary[1] (%)	Bonus (%)	Benefits (%)	Total (%)
Name of Key Management Personnel Below S$250,000				
Mr. Christopher Low Chee Leng	91	7	2	100
Ms. Tan Sook Teng	93	7	-	100
Mr. Koay Swee Heng	100	-	-	100
Mr. Lou Tin Boang	100	-	-	100
Mr. Chum Hong Wai	100	-	-	100

(1) Includes employers' contributions to the Central Provident Fund and allowances.

The total remuneration, in aggregate, paid to the above top five key Management personnel (who are not Directors or the CEO) for FY2025 was approximately S$528,115.

Mr. Christopher Low Chee Leng is a substantial Shareholder (with a total of 38.09% shareholding interest (both direct and deemed) of the Company as at 17 March 2026) and the brother of Mr. Low Chee Wee (Executive Director, CEO and COO, as well as a substantial Shareholder) and Ms. Yvonne Low-Triomphe (a substantial Shareholder), son of Mdm Neo Peck Keow @ Ng Siang Keng (a substantial Shareholder) as well as cousin of Mr. Eddy Neo Chiang Swee (Executive Director and a substantial Shareholder). The remuneration paid to Mr. Christopher Low Chee Leng for FY2025 was between S$150,000 and S$250,000.

Save as disclosed above and other than the Executive Directors, no employee of the Company and its subsidiaries, whose remuneration exceeded S$100,000 during FY2025, was a substantial Shareholder, an immediate family member of a Director, the CEO or a substantial Shareholder.

After careful deliberation, the Board is of the view that full disclosure of the aggregate remuneration of the key management personnel is not in the best interests of the Company in view of the confidential nature of remuneration matters. After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein in this corporate governance report is sufficient to provide Shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code.

There were no termination, retirement and post-employment benefits granted to the Directors, the CEO and key Management personnel pursuant to the terms of their employment agreements.

The Company does not have any share schemes, such as an employee share option scheme or performance share plan, in place in FY2025.

The Board will evaluate as and when there is a need for a long-term incentive and reward scheme to ensure employees focus on generating Shareholders' value over a longer term. Entitlement to such long-term incentives will include assessment and recognition of potential progressive performance and enhancement to asset value and Shareholders' value over time, taking into consideration current and future plans of the Company.

A separate annual remuneration report has not been included in this annual report as the Board is of the view that the matters which are required to be disclosed in such annual remuneration report have already been sufficiently disclosed in this annual report and in the financial statements of the Company.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its Shareholders.

The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Company has put in place risk management framework and internal control systems to manage different risk aspects of the Group including financial, operational, compliance and information technology risks, which are detailed in formal instructions, standard operating procedures and financial authority limits policies. Some examples of the internal controls in place are policies and procedures that are established in relation to the safeguarding of assets, maintenance of proper accounting records, maintenance of reliable financial information, compliance with appropriate legislation, regulation and best practice and the identification and management of business risks.

The Board, who is responsible for the governance of risk, ensures that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives. The Board determines the Group's levels of risk tolerance and risk policies, and oversees the Management in the design, implementation and monitoring of the risk management and internal control systems.

The Board monitors the Group's risks through the Audit and Risk Committee as well as the external and internal auditors. The Audit and Risk Committee reviews the audit plans of the external and internal auditors at least once annually, including the results of the external and internal auditors' review and evaluation of the system of internal controls. During FY2025, the Group's external and internal auditors have conducted their annual review respectively on the adequacy and effectiveness of the Group's material internal controls procedures, including financial, operational, compliance and information technology controls as well as risk management system and these were reported to the Audit and Risk Committee. On behalf of the Board, the Audit and Risk Committee has also reviewed the adequacy and effectiveness of the Group's system of risk management and internal controls in light of the key business and financial risks affecting its business.

The Board has received assurance from:-

(a) the CEO (who is also the COO) and the Finance Manager ("**FM**") that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the CEO (who is also the COO), the FM and other key Management personnel who are responsible, regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

Commentaries are provided to Shareholders in the Company's annual reports to enable them to make an informed assessment of the Group's risk management framework and internal control systems.

The Group has established its enterprise risk management framework to manage its exposure to risks that it is exposed to in the conduct of its business. The Group has engaged an external risk management consultant, NLA Risk Consulting Pte. Ltd. ("**NLA**"), to undertake the enterprise strategy and risk assessment exercise. In accordance with the internal audit plan approved and adopted by the Audit and Risk Committee, internal audit reports have been prepared for review by the Audit and Risk Committee. The objectives of the audit were to review the adequacy and appropriateness of the internal policies and procedures in deriving a sound system of risk management and internal controls, including financial, operational, compliance and information technology controls, within the subsidiaries under review and the Group, in deriving the Group's strategies. From the internal audit review exercise conducted by NLA, there was no material control weakness that would hamper the operations or control breakdowns that would lead to major financial impact to the subsidiaries under review and the Group. In conclusion, the systems of internal controls in place on major processes covered under audits are adequate and effective in meeting the needs of the subsidiaries under review and the Group to address the financial, operational, compliance and information technology control risks. Nonetheless, NLA has recommended certain actions and additional controls to further enhance the operational and control efficiencies for the subsidiaries under review and the Group, which have been/ will be implemented by the Group.

Based on the work carried out by the internal auditors, the review undertaken by the external auditors, the existing management controls in place and the assurance received from the CEO (who is also the COO), the FM and other key Management personnel, the Audit and Risk Committee and the Board are of the opinion that, for the financial year under review, the internal controls (including financial, operational, compliance and information technology controls) in place in the Group, and the Group's risk management systems are effective and adequate.

The likelihood of achieving the internal control objectives is affected by limitations inherent in all internal control and risk management systems. While no system can provide absolute assurance against the occurrence of material errors, financial misstatement, poor judgement in decision-making, human error, losses, fraud and other irregularities, the Group's internal financial controls are designed to provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained, and that financial information used within the business and for publication is reliable. In designing these controls, the Company has had regard to the risks to which the business is exposed to, the likelihood of such risks occurring and the costs of protecting against them. The Board, together with the Audit and Risk Committee and the Management, will continue to enhance and improve the existing risk management framework and internal control systems to identify and mitigate these risks.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

In line with the recommendation of the Code, the Audit and Risk Committee assists the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies.

In accordance with the terms of reference of the Audit and Risk Committee, the duties and responsibilities of the Audit and Risk Committee include, among others:-

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(b) reviewing the half year and full year financial statements of the Company before submission to the Board for approval, focusing in particular, on:-

  (i) changes in accounting policies and practices;

  (ii) major risk areas;

  (iii) significant adjustments resulting from the audit;

  (iv) going concern statement;

  (v) compliance with accounting standards; and

  (vi) compliance with stock exchange and statutory / regulatory / requirements;

(c) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

(d) reviewing the assurance from the CEO and the FM on the financial records and financial statements;

(e) making recommendations to the Board on: (i) the proposals to Shareholders on the appointment and removal of the external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(f) reviewing the adequacy, effectiveness, independence, scope and results of the external audit;

(g) reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;

(h) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;

(i) reviewing and advising the Board on any interested person transaction;

(j) reviewing with the external auditors:-

    (i) the audit plan, including the nature and scope of the audit before the audit commences;

    (ii) their evaluation of the system of internal accounting controls;

    (iii) their audit report; and

    (iv) their management letter and the Management's response;

(k) reviewing the assistance given by the Management to the external and internal auditors; and

(l) reviewing and discussing with the external auditors, any suspected fraud or irregularity, or suspected infringement of any Singapore law, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the Management's response.

The Audit and Risk Committee comprises three Non-Executive Directors, namely Mr. Ong Beng Chye ("**AC Chairman**"), Mr. Jens Rasmussen and Ms. Joanne Khoo Su Nee, the majority of whom, including the AC Chairman, are independent. Members of the Audit and Risk Committee are appropriately qualified and have recent and relevant accounting or related financial management expertise or experience to discharge their responsibilities.

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the Audit and Risk Committee:-

(a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and

(b) in any case, for as long as they have any financial interest in the auditing firm or auditing corporation.

As the size of the operations of the Group does not warrant the Group having an in-house internal audit function, the Group has therefore appointed a professional internal audit firm to undertake the functions of its internal audit. For the financial year under review, the Group's internal auditor is NLA. The internal auditors' primary line of reporting is to the Audit and Risk Committee. The Audit and Risk Committee also decides on the appointment, termination and remuneration of the professional firm to which the internal audit function is outsourced. On a yearly basis, the Audit and Risk Committee reviews whether the internal audit function is independent, objective and free from undue influence, effective and demonstrates competence and due professional care, and is adequately resourced and has appropriate standing within the Group.

For FY2025, the Audit and Risk Committee has reviewed and ensured that the internal auditors are adequately resourced with persons with the relevant qualifications and experience and have appropriate standing within the Group, and the internal audit function is independent, objective, free from undue influence and effective. The internal auditors have carried out their function taking guidance from the standards set by nationally or internationally recognised professional bodies including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Group's internal audits are conducted with the following objectives:-

- to review the effectiveness of the Group's system of internal controls to address key business and operational risks;
- to review compliance to the Group's system of internal controls; and
- to assess whether the Group's operations are conducted in an effective and efficient manner.

The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including the Audit and Risk Committee. The internal auditors discuss and agree on the annual internal audit plan with the Audit and Risk Committee at the beginning of each financial year. Subsequent internal audit findings and corresponding Management's responses to address these findings are reported at the meetings of the Audit and Risk Committee. The Audit and Risk Committee is continually working with the internal auditors to improve on the existing internal controls and risk management systems of the Group.

The Audit and Risk Committee's primary role includes investigating any matter within its terms of reference. It has full access to, and the co-operation of, the Management and full discretion to invite any Director or executive to attend its meetings. The Audit and Risk Committee has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly. In performing its functions, the Audit and Risk Committee and the Management meet with the external and internal auditors to discuss and evaluate the internal controls of the Group and review the overall scope of both external and internal audit. The Audit and Risk Committee also meets regularly with the Management, the FM and external auditors to keep abreast of any change to the accounting standards and issues which could have an impact on the Group's financial statements. At least once a year and as and when required, the Audit and Risk Committee meets with the external and internal auditors without the presence of the Management, to review any matter that might be raised privately.

The external auditors are responsible for performing an independent audit of the Group's financial statements in accordance with the financial reporting standards, and for issuing a report thereon. The Audit and Risk Committee's responsibility is to monitor these processes, as well as to review the audit plan and scope of examination of the external auditors and the assistance given by the Group's officers to the external auditors. In relation to the key audit matters raised in the Independent Auditors' Report, the Audit and Risk Committee noted the external auditors' independent opinion on the Management's accounting, treatment and estimates and concluded that they are appropriate and the Audit and Risk Committee is satisfied that the key audit matters, after taking into consideration, *inter alia*, the approach and methodology used, have been properly dealt with.

The Audit and Risk Committee has also conducted an annual review of the independence of the external auditors of the Company, and has satisfied itself on the independence and objectivity of the external auditors of the Company. The total amount of audit fees paid to the external auditors of the Company for audit services rendered for FY2025 was S$119,500. No non-audit services were rendered by the external auditors of the Company for FY2025, and accordingly no non-audit fees were paid to the external auditors of the Company for FY2025.

In proposing to Shareholders on the re-appointment of Forvis Mazars LLP as the Company's external auditors and in line with Rule 712 of the Catalist Rules, the Board and the Audit and Risk Committee have considered and are satisfied with the adequacy of the resources and experience of Forvis Mazars LLP and the audit partner-in-charge assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit. Forvis Mazars LLP has also confirmed its independence and that it is registered with the Accounting and Corporate Regulatory Authority and approved under the Accountants Act 2004 of Singapore. The audit partner-in-charge assigned to the audit is a registered public accountant under the Accountants Act 2004 of Singapore.

The Board and the Audit and Risk Committee are satisfied that the Company is in compliance with Rule 715 of the Catalist Rules. The external auditors appointed for the Company's significant subsidiaries for FY2025 are set out in the notes to financial statements at pages 101 to 104 of this annual report. For FY2025, the Company is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of auditing firms for the Group.

To achieve a high standard of corporate governance for the operations of the Group, the Group has put in place a whistle-blowing policy which encourages and provides a channel to employees to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters to the AC Chairman. The objective of such policy is to provide for procedures to validate concerns on misconduct or wrongdoing relating to the Company and its officers and to ensure independent investigation of such matters and for appropriate follow-up action. The Company has designated an independent function to investigate whistle-blowing reports made in good faith. The Audit and Risk Committee is responsible for oversighting and monitoring of whistleblowing. The Audit and Risk Committee will treat all information received confidentially and protect the identity and the interest of all whistle-blowers against detrimental or unfair treatment. Anonymous disclosures will be accepted and anonymity honoured. The whistle-blowing policy is published in the Company's corporate website and has been circulated to all employees. No whistle-blowing reports were received in FY2025.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The Company treats all Shareholders fairly and equitably in order to enable them to exercise Shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects.

In recognition of the importance of treating all Shareholders fairly and equitably, the Company aims to protect and facilitate the exercise of ownership rights by all Shareholders, and continually review and update such governance arrangements. The Company also notes that Shareholders have the right to be sufficiently informed of changes in the Group or its business which would be likely to materially affect the price or value of the Company's shares. The Company will ensure that Shareholders have equal opportunity to participate effectively in and vote at general meetings of Shareholders, and will brief Shareholders on the rules, including voting procedures, that govern the general meetings.

Information on general meetings is disseminated through notices in the annual report or circulars sent to all Shareholders. The notices are also released via the SGXNet and published in local newspapers.

The Constitution allows Shareholders to appoint proxies to attend, speak and vote in their stead at general meetings. Pursuant to Regulation 77 of the Constitution, Shareholders may appoint not more than two proxies to attend, speak and vote at the same general meeting. However, the Company allows Shareholders who are relevant intermediaries (as defined under Section 181(6) of the Companies Act) to appoint more than two proxies to attend, speak and vote at general meetings.

The Company tables separate resolutions at general meetings of Shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting. The Company will put all resolutions to vote by poll and make an announcement on the detailed results showing the number of votes cast for and against each resolution and the respective percentages for general meetings.

General meetings of the Company represent the principal forum for dialogue and interaction with all Shareholders. Resolutions at general meetings of the Company are on each substantially separate issue. All Directors endeavour to attend the general meetings of Shareholders to address any questions that the Shareholders may have. At each AGM, the Board presents the progress and performance of the Group's businesses and invites all Shareholders to participate in the questions and answers session. The Directors, including the respective chairman of the Board Committees, and the Management are in attendance at the AGMs to allow Shareholders the opportunity to air their views and ask the Directors or the Management questions regarding the Group. The external auditors of the Company are also present at the AGMs to address Shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The Directors' attendance at the last AGM held on 29 April 2025 is as follows:-

Name of Director	AGM held on 29 April 2025
Mr. Ong Beng Chye	Present
Mr. Low Chee Wee	Present
Mr. Eddy Neo Chiang Swee	Present
Ms. Joanne Khoo Su Nee	Present
Mr. Jens Rasmussen	Present

Save for the last AGM in respect of FY2024 held on 29 April 2025, there were no other general meetings of the Company held during FY2025.

The Company has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of Shareholders' identities through the web are not compromised.

The Company publishes minutes of general meetings of Shareholders on the SGXNet and its corporate website, and such minutes are also readily provided to Shareholders upon request. The minutes of general meetings record substantial and relevant comments or queries from Shareholders relating to the agenda of the general meetings, and responses from the Board and the Management.

The Company's last AGM in respect of FY2024 held on 29 April 2025 ("**2025 AGM**") was convened in a wholly physical format and there was no option for Shareholders to participate virtually. The notice of AGM was published in the newspaper, on the SGXNet and the Company's corporate website. Shareholders participated in the 2025 AGM by: (a) attending the 2025 AGM in person; (b) submitting questions in advance of the 2025 AGM or raising questions at the 2025 AGM; and/or (c) voting at the 2025 AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies), details as set out in the notice of AGM. The Company's responses to substantial and relevant questions received from Shareholders were to be provided via an announcement on the SGXNet and the Company's corporate website. The Company did not receive any question from Shareholders before the 2025 AGM. In respect of the 2025 AGM, the Company published the minutes of the 2025 AGM on the SGXNet and the Company's corporate website within one month from the date of the 2025 AGM.

For the forthcoming AGM in respect of FY2025 which will be convened in a wholly physical format, please refer to the notice of AGM dated 14 April 2026 as set out in this annual report for more information on how Shareholders may participate.

The Company currently does not have a formal policy on payment of dividends. The Company may declare dividends by way of an ordinary resolution of Shareholders at a general meeting, but may not pay dividends in excess of the amount recommended by the Directors. The declaration and payment of dividends will be determined at the sole discretion of the Directors, subject to the approval of Shareholders. The Directors may also declare an interim dividend without the approval of Shareholders. No dividend was declared/recommended for FY2025 in order to conserve cash for the Group's operations.

Engagement with Shareholders

Principle 12: The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company.

The Company facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company. The Company provides avenues for communication between the Board and all Shareholders. To allow the Board to solicit and understand the views of Shareholders, Shareholders are encouraged to attend the AGMs and extraordinary general meetings of the Company to ensure high level of accountability and to stay appraised of the Group. Shareholders are given an opportunity to air their views and ask questions regarding the Company and the Group.

In line with continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Companies Act, the Board's policy is for Shareholders to be informed promptly of all major developments that would, or are likely to, impact the Group. The Company does not practice selective disclosure of material information. Information is communicated to Shareholders on a timely basis through the SGXNet. Communication is also made through the half year and full year financial statements, sustainability reports and annual reports issued to all Shareholders, within the mandatory period. The Company maintains a corporate website at http://www.esgroup.com.sg/ through which Shareholders are able to access up-to-date information on the Group. The corporate website provides corporate announcements, annual reports, sustainability reports and profiles of the Group, the Board and the Board Committees.

To actively engage and promote regular, effective and fair communication with Shareholders, the Company actively engages Shareholders and has put in place an effective investor relations policy which allows for an ongoing exchange of views. The investor relations policy sets out a mechanism through which Shareholders may contact the Company with questions and through which the Company may respond to such questions.

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Group regularly engages its stakeholders through various medium and channels to ensure that the Group's business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. The Group has also undertaken a process to determine the economic, environmental, social and governance issues, which are important to these stakeholders.

Detailed approach to the stakeholder engagement and materiality assessment has been disclosed in the Group's sustainability report for FY2025. Please refer to the section entitled "Sustainability Report" as set out in this annual report for more information in respect of how the Group keeps stakeholders informed on its business and operations.

To promote regular, effective and fair communication with stakeholders, the Company maintains a corporate website at http://www.esgroup.com.sg/ which provides corporate announcements, annual reports, sustainability reports, press releases and other information pertaining to the Group, through which stakeholders are able to access up-to-date information on the Group.

MATERIAL CONTRACTS

Save for the service agreements entered into between each of the Executive Directors of the Company (namely, Mr. Low Chee Wee and Mr. Eddy Neo Chiang Swee) and the Company, and as disclosed below in the section entitled "Interested Person Transactions", there were no material contracts or loans entered into by or taken up by the Group involving the interests of the CEO or any Director or controlling Shareholder either still subsisting at the end of FY2025 or if not then subsisting, entered into since the end of FY2024.

NON-SPONSOR FEES

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees payable or paid to ZICO Capital Pte. Ltd. for FY2025.

DEALINGS IN SECURITIES

The Company has adopted policies in line with the requirements of Rule 1204(19) of the Catalist Rules on dealings in the Company's securities. The Company has devised and adopted its own internal compliance code to provide guidance to the Directors and all employees with regard to dealing in the Company's securities. The Company prohibits the Directors and all employees from dealing in the Company's securities on short-term considerations or when they are in possession of unpublished price-sensitive information. They are not allowed to deal in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year financial results and ending on the date of announcement of the results. The Board is kept informed when a Director trades in the Company's securities. The Directors and all employees are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit and Risk Committee and that the transactions are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. All interested person transactions are subject to review by the Audit and Risk Committee to ensure compliance with established procedures.

The Company does not have a general mandate from Shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules. The aggregate value of interested person transactions entered into during FY2025 as required for disclosure pursuant to Rule 1204(17) of the Catalist Rules is as follows:-

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transaction during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
Mr. Low Chye Hin - Professional fee	Mr. Low Chye Hin, the Group's consultant, is the father of Mr. Low Chee Wee (Executive Director, CEO and COO of the Company, and a controlling Shareholder), Mr. Christopher Low Chee Leng (a controlling Shareholder) and Ms. Yvonne Low-Triomphe (a controlling Shareholder), as well as the spouse of Mdm Neo Peck Keow @ Ng Siang Keng (a controlling Shareholder).	156	-
Total		**156**	**-**

The Board confirms that the above interested person transaction was entered into on an arm's length basis and on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

APPENDIX

Additional Information on Directors nominated for re-election – Appendix 7F to the Catalist Rules

The following table sets out the additional information on Mr. Low Chee Wee and Ms. Joanne Khoo Su Nee, being the Directors who are retiring in accordance with the Constitution and are seeking for re-appointment at the forthcoming AGM, pursuant to Rule 720(5) of the Catalist Rules.

Name of Director	Low Chee Wee	Joanne Khoo Su Nee
Date of first appointment	25 November 2009	6 June 2020
Date of last re-appointment (if applicable)	30 April 2024	26 April 2023
Age	55	51
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-elections of Mr. Low Chee Wee ("**Mr. Low**") and Ms. Joanne Khoo Su Nee ("**Ms. Khoo**") as Directors of the Company were recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration their respective qualifications, experiences, skills and expertise, as well as overall contributions and performances since their respective appointment as a Director of the Company, and the diversity of the Board with regards to the objectives of the Board Diversity Policy of the Company.	
Whether appointment is executive, and if so, the area of responsibility	Executive Mr. Low is responsible for formulating and overseeing the operations and strategic development of the Group	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director, Chief Executive Officer and Chief Operating Officer	Independent Non-Executive Director, Chairman of the Remuneration and Compensation Committee, member of the Nominating Committee and the Audit and Risk Committee
Professional qualifications	Bachelor of Accountancy, Nanyang Technological University, Singapore Non-practising member of the Institute of Singapore Chartered Accountants	Bachelor of Business in Accountancy, Royal Melbourne Institute of Technology University Fellow Certified Practising Accountant by the CPA Australia Chartered Accountant under the Malaysian Institute of Accountants
Working experience and occupation(s) during the past 10 years	November 2009 to Present: Executive Director of the Company April 2016 to Present: Chief Operating Officer of the Company	As set out in Ms. Khoo's profile write up on page 10 of this annual report

Name of Director	Low Chee Wee	Joanne Khoo Su Nee
	August 2015 to Present: Chief Executive Officer of the Company May 2014 to February 2015: Chief Financial Officer of the Company 2001 to 2009: Chief Financial Officer of the Company	
Shareholding interest in the listed issuer and its subsidiaries	As at 17 March 2026, Mr. Low holds a direct interest in 33,935,600 shares of the Company ("**Shares**") (representing 24.10% of the issued share capital of the Company) held under his own name. In addition, as at 17 March 2026, Mr. Low is deemed interested in 53,540,000 Shares (representing 37.92% of the issued share capital of the Company) held by his mother, Mdm Neo Peck Keow @ Ng Siang Keng, by virtue of Section 7 of the Companies Act. As such, as at 17 March 2026, Mr. Low has an aggregate interest, direct and deemed, in 62.02% of the issued share capital of the Company.	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr. Low is a substantial shareholder of the Company, details as set out above. Mr. Low is also related to the other substantial shareholders of the Company, namely Mr. Low Chee Leng Christopher, Ms. Yvonne Low-Triomphe, Mdm Neo Peck Keow @ Ng Siang Keng and Mr. Mr. Eddy Neo Chiang Swee (Executive Director). Mr. Low, Mr. Low Chee Leng Christopher and Ms. Yvonne Low-Triomphe are siblings and they are cousins of Mr. Eddy Neo Chiang Swee. Their mother is Mdm Neo Peck Keow @ Ng Siang Keng.	Nil

APPENDIX

Name of Director	Low Chee Wee	Joanne Khoo Su Nee
	As at the date of this annual report, Mr. Low is a director on each of the boards of all the subsidiaries of the Company, details as set out below.	
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 702(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships		
Past (for the last 5 years)	Directorship: Group of Companies • ESW Automation Pte. Ltd. Other Principal Commitment: Nil	Directorships: • Excelpoint Technology Ltd. • Teho International Inc Ltd. Other Principal Commitment: Nil
Present	Directorships: Group of Companies • Eng Soon Investment Pte Ltd • Eng Soon Engineering (1999) Pte Ltd • ES Offshore Engineering Pte. Ltd. • ES Shipping Pte. Ltd. • Eng Soon Marine Pte Ltd • ES Oil & Gas Pte. Ltd. • Wang Fatt Oil & Gas Construction Pte Ltd • ES Aspire Pte. Ltd. • ES Chartering Pte. Ltd. • ES Offshore and Marine Engineering (Thailand) Co., Ltd • ES Offshore and Engineering (Myanmar) Company Limited • Dalian ES Marine & Offshore Engineering Co., Ltd • ES Nautilus (M) Sdn. Bhd. • ES Jewel Pte. Ltd. • Proxess Engineering Pte. Ltd. Other Principal Commitment: Nil	Directorships: • Bowmen Capital Private Limited • Xamble Group Limited • JE Cleantech Holdings Ltd. • Ryde Group Ltd. • shopper360 Limited Other Principal Commitment: Nil

Name of Director	Low Chee Wee	Joanne Khoo Su Nee
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

APPENDIX

Name of Director	Low Chee Wee	Joanne Khoo Su Nee
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of ES Group (Holdings) Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025.

1. Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Executive directors
Low Chee Wee
Eddy Neo Ching Swee

Independent non-executive directors
Ong Beng Chye
Joanne Khoo Su Nee

Non-independent non-executive director
Jens Rasmussen

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. **Directors' interests in shares or debentures**

The directors of the Company holding office at the end of the financial year had no interest in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as disclosed below:

	Direct interest		Deemed interest	
	As at 1 January 2025	**As at 31 December 2025**	**As at 1 January 2025**	**As at 31 December 2025**
The Company				
Ordinary shares				
Low Chee Wee	33,780,000	33,935,600	53,540,000	53,540,000
Eddy Neo Chiang Swee	6,000,000	6,000,000	3,600,000	3,600,000
Ong Beng Chye	1,925,000	1,925,000	-	-

By virtue of Section 7 of the Act, Mr Low Chee Wee is deemed to have an interest in all wholly owned subsidiaries of the Company.

The directors' interests in the shares and options of the Company on 21 January 2026 were the same as at 31 December 2025.

5. **Share options**

No options were granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

6. Audit and Risk Committee

The Audit Committee of the Company comprises three non-executive directors and at the date of this report, they are:

Ong Beng Chye	Non-Executive Chairman and Independent Director
Jens Rasmussen	Non-Independent Non-Executive Director
Joanne Khoo Su Nee	Independent Non-Executive Director

The Audit and Risk Committee has convened two meetings during the year with key management and the internal and external auditors of the Company.

The Audit and Risk Committee carried out its functions in accordance with Section 201B (5) of the Act, the SGX Catalist Rules and the Code of Corporate Governance. In performing those functions, the Audit Committee:

(i) reviewed the audit plan and results of the external audit, the independence and objectivity of the external auditors, including, where applicable, the review of the nature and extent of non-audit services provided by the external auditors to the Group;

(ii) reviewed the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;

(iii) reviewed the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;

(iv) reviewed the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;

(v) reviewed and assessed the adequacy of the Group's risk management processes;

(vi) reviewed and checked the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(vii) reviewed interested person transactions in accordance with SGX Catalist Rules;

(viii) reviewed the nomination of external auditors and gave approval of their compensation; and

(ix) submitted of report of actions and minutes of the audit committee to the board of directors with any recommendations as the audit committee deems appropriate.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Forvis Mazars LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

DIRECTORS' STATEMENT

7. Auditors

The auditors, Forvis Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors

Low Chee Wee	**Eddy Neo Chiang Swee**
Director	Director

Singapore
27 March 2026

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of ES Group (Holdings) Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and the statements of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Report on the Audit of Financial Statements (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition arising from new building and repair operating segment
Refer to Note 4 to the financial statements

Key audit matter	Our audit response
The Group's revenue streams are mainly from new building and repair of vessels, which accounted for 63% of the Group's total revenue. It involves contracts and revenue is recognised over time by reference to engineers' estimates of project recovery rates and the Group's progress towards complete satisfaction of each performance obligation. The stage of completion is measured using the input method by actual costs incurred to-date. Significant management judgements and estimation are required in determining the estimated project recovery rates which take into account various factors, including the historical project recovery rates of other projects. We focused on this area as a key audit matter due to the significant judgements and estimation involved.	Our audit procedures include, and are not limited to, the following: • Obtained an understanding of the Group's consideration of SFRS(I) 15 in their application of the corresponding requirements of the standard and assessed the appropriateness thereof; • Understood and evaluated the Group's design and implementation of its system of internal controls relating to revenue recognition, with focus on key controls; • Tested the operating effectiveness of the key controls relevant to our audit over revenue recognition; • Evaluated the accuracy and existence of the revenue recognised by checking against customer acknowledged documents and final billings; • Performed test of details and substantive cut-off procedures; and • Reviewed the completeness and appropriateness of corresponding disclosures made in the financial statements.

Report on the Audit of Financial Statements (Continued)

Key Audit Matters (Continued)

<table>
<tr><td colspan="2">Impairment assessment of vessels
Refer to Notes 3.2 and 17 to the financial statements</td></tr>
<tr><td>Key audit matter</td><td>Our audit response</td></tr>
<tr><td>As at 31 December 2025, property, plant and equipment ("PPE") represented a significant portion of the statement of financial position and PPE mainly consist of vessels amounting to $9,693,313 (2024: $9,510,583).

The Group assesses whether there is any indication of impairment for the vessels or reversal of impairment losses at the end of each reporting period. If an indication of impairment is identified, the need for recognising an impairment loss is assessed by comparing the carrying amount of the vessels to their recoverable amount. The recoverable amount is based on the higher of the fair value less costs of disposal and the value-in-use of the vessels. The determination of recoverable value of vessels involves significant estimation uncertainty and management judgement.

The Group has appointed independent professional valuers to perform valuation on the vessels.

In preparing the valuation reports, some of the factors need to be considered by the professional valuers include the current market conditions in which the vessels operate, review of recent market sales of similar vessels and consideration of the specification of vessels. The valuation reports will also include the key assumptions used in assessing the recoverable amount include consideration of whether the vessel is operational or laid up, the current reported market sales and known offers for comparative vessels.</td><td>Our audit procedures include, and are not limited to, the following:

● Obtained the Certificate of Ownership for each vessel from The Maritime and Port Authority ("MPA") and checked physical existence of the vessels by reviewing on independent website (http://www.marinetraffic.com), which is an online service showing the actual location of the vessel at sea;

● Evaluated the competence, capabilities and objectivity of the external valuers engaged by management;

● Assessed the appropriateness of the methodologies and the reasonableness of the key inputs and assumptions used by the valuers in the valuation;

● Evaluated the reliability and relevance of source of data used by the valuers in the valuation; and

● Assessed the adequacy of the disclosures on the impairment and write down of vessels, if any in the financial statements.</td></tr>
</table>

Report on the Audit of Financial Statements (Continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, 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 Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the 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' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 financial statements.

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the 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 the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditors' 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary entities incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Ooi Chee Keong.

FORVIS MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group 2025 $	Group 2024 $
Revenue	4	27,966,531	36,064,569
Cost of services	5	(24,939,492)	(27,940,632)
Gross profit		3,027,039	8,123,937
Other operating income	6	1,669,999	2,620,946
Provision of loss allowance for trade and other receivables, net		(31,544)	(147,070)
Administrative expenses		(5,304,158)	(5,360,318)
Other operating expenses	7	(1,910,035)	(2,435,370)
Finance costs	8	(488,181)	(280,586)
(Loss)/Profit before share of results of a joint venture		(3,036,880)	2,521,539
Share of results of joint ventures, net of tax	19	(91,316)	(120,067)
(Loss)/Profit before income tax	9	(3,128,196)	2,401,472
Income tax credit/(expense)	10	65,442	(142,233)
(Loss)/Profit for the year		(3,062,754)	2,259,239
Other comprehensive (loss)/income:			
Components of other comprehensive loss that will be reclassified to profit or loss, net of taxation			
Exchange differences on translating foreign operations		(33,319)	(50,920)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(3,096,073)	2,208,319
(Loss)/Profit for the financial year attributable to:			
Owners of the Company		(2,977,417)	2,423,524
Non-controlling interests		(85,337)	(164,285)
(Loss)/Profit for the financial year		(3,062,754)	2,259,239
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(2,982,167)	2,405,325
Non-controlling interests		(113,906)	(197,006)
Total comprehensive (loss)/income for the financial year		(3,096,073)	2,208,319
(Loss)/Profit per share attributable to owners of the Company (cents per share)			
Basic and diluted	11	(2.11)	1.72

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		Group		Company	
	Note	2025	2024	2025	2024
		$	$	$	$
ASSETS					
Current assets					
Cash and bank balances	12	2,411,698	3,114,087	14,348	24,065
Trade receivables	13	4,368,316	4,535,932	111	109
Other receivables	14	734,026	729,466	13,097,679	14,561,762
Contract assets	15	4,665,891	4,142,814	-	-
Inventories	16	364,791	336,738	-	-
Total current assets		12,544,722	12,859,037	13,112,138	14,585,936
Non-current assets					
Deposits	14	450,339	285,741	-	-
Property, plant and equipment	17	19,447,534	20,200,157	-	-
Club membership	18	30,900	30,900	-	-
Investment in joint venture	19	37,217	128,533	-	-
Investments in subsidiaries	20	-	-	12,546,120	14,628,330
Total non-current assets		19,965,990	20,645,331	12,546,120	14,628,330
Total assets		32,510,712	33,504,368	25,658,258	29,214,266

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	Group 2025 $	Group 2024 $	Company 2025 $	Company 2024 $
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	21	4,715,069	3,614,072	-	-
Trade payables	22	1,686,672	1,765,342	3,198	2,883
Other payables	23	3,506,572	4,208,929	16,485,073	16,043,007
Lease liabilities	24	132,369	140,028	-	-
Contract liabilities	15	-	329,608	-	-
Income tax liabilities		-	171,125	-	-
Total current liabilities		10,040,682	10,229,104	16,488,271	16,045,890
Non-current liabilities					
Bank borrowings	21	3,864,643	1,444,434	-	-
Deposits		45,000	42,000	-	-
Lease liabilities	24	218,721	351,091	-	-
Total non-current liabilities		4,128,364	1,837,525	-	-
Total liabilities		14,169,046	12,066,629	16,488,271	16,045,890
Capital and reserves attributable to owners of the Company					
Share capital	25	23,698,348	23,698,348	23,698,348	23,698,348
Accumulated profits/(losses)		13,708,027	16,685,444	(14,528,361)	(10,529,972)
Merger reserve	26	(18,570,468)	(18,570,468)	-	-
Statutory surplus reserve	26	441,710	441,710	-	-
Currency translation reserve	26	(232,327)	(227,577)	-	-
Total equity attributable to owners of the Company		19,045,290	22,027,457	9,169,987	13,168,376
Non-controlling interests		(703,624)	(589,718)	-	-
Total equity		18,341,666	21,437,739	9,169,987	13,168,376
Total liabilities and equity		32,510,712	33,504,368	25,658,258	29,214,266

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company							
Group	**Share capital** $	**Accumulated profits** $	**Merger reserve** $	**Statutory surplus reserve** $	**Currency translation reserve** $	**Equity attributable to owners of the Company** $	**Non-controlling interests** $	**Total** $
Balance at 1 January 2024	23,698,348	14,261,920	(18,570,468)	441,710	(209,378)	19,622,132	(392,712)	19,229,420
Profit for the year	-	2,423,524	-	-	-	2,423,524	(164,285)	2,259,239
Other comprehensive loss for the year	-	-	-	-	(18,199)	(18,199)	(32,721)	(50,920)
Total comprehensive income for the year	-	2,423,524	-	-	(18,199)	2,405,325	(197,006)	2,208,319
Balance at 31 December 2024	23,698,348	16,685,444	(18,570,468)	441,710	(227,577)	22,027,457	(589,718)	21,437,739
Loss for the year	-	(2,977,417)	-	-	-	(2,977,417)	(85,337)	(3,062,754)
Other comprehensive loss for the year	-	-	-	-	(4,750)	(4,750)	(28,569)	(33,319)
Total comprehensive loss for the year	-	(2,977,417)	-	-	(4,750)	(2,982,167)	(113,906)	(3,096,073)
Balance at 31 December 2025	23,698,348	13,708,027	(18,570,468)	441,710	(232,327)	19,045,290	(703,624)	18,341,666

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group 2025 $	Group 2024 $
Operating activities			
(Loss)/Profit before income tax		(3,128,196)	2,401,472
Adjustments for:			
Interest income	6	(49,860)	(24,044)
Interest expense	8	552,375	404,817
Share of results of a joint venture	19	91,316	120,067
Bad debts written off		12,017	-
Provision of loss allowance for trade receivables, net	13	26,144	147,070
Provision of loss allowance for other receivables, net	14	5,400	-
Depreciation of property, plant and equipment	17	2,478,600	2,356,400
Property, plant and equipment written off		535	-
Gain on disposal of property, plant and equipment	6	(46,567)	(159,963)
Operating cash flows before movements in working capital		(58,236)	5,245,819
Changes in working capital:			
Trade receivables		126,225	(213,370)
Other receivables		(153,171)	(189,690)
Contract assets		(516,897)	(1,758,084)
Inventories		(26,770)	98,361
Trade payables		(82,335)	(30,853)
Other payables		(915,789)	203,344
Contract liabilities		(329,608)	293,069
Deposit received		3,000	-
Cash (used in)/generated from operations		(1,953,581)	3,648,596
Interest received		49,860	24,044
Income tax (paid)/refunded		(107,149)	3,860
Net cash (used in)/generated from operating activities		(2,010,870)	3,676,500
Investing activities			
Proceeds from disposal of property, plant and equipment		54,687	164,070
Purchases of property, plant and equipment	17	(1,628,371)	(3,346,162)
Net cash used in investing activities		(1,573,684)	(3,182,092)

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group 2025 $	Group 2024 $
Financing activities			
Interest paid		(530,986)	(382,670)
Proceeds from term loans		6,918,000	1,100,000
Proceeds from director of subsidiary		211,411	150,000
Repayments of director of subsidiary		(160,000)	(150,000)
Repayments of:			
- Terms loans		(3,396,794)	(1,607,740)
- Principal portion of lease liabilities		(140,029)	(158,279)
Net cash generated from/(used in) financing activities		2,901,602	(1,048,689)
Net decrease in cash and bank balances		(682,952)	(554,281)
Cash and bank balances at beginning of financial year		3,114,087	3,651,011
Effect of exchange rate changes on the balance of cash held in foreign currencies		(19,437)	17,357
Cash and bank balances at end of financial year	12	2,411,698	3,114,087

Reconciliation of liabilities arising from financing activities:

			Non-cash movements			
	At beginning of financial year $	Net cashflows $	Interest expense $	Acquisition $	Foreign exchange differences $	At end of financial year $
2025						
Liabilities						
Bank borrowings (Note 21)	5,058,506	3,068,811	452,395	-	-	8,579,712
Lease liabilities (Note 24)	491,119	(162,022)	21,993	-	-	351,090
Loan from a director of a subsidiary (Note 23)	1,865,336	51,411	-	-	52,358	1,969,105

			Non-cash movements			
	At beginning of financial year $	Net cashflows $	Interest expense $	Acquisition $	Foreign exchange differences $	At end of financial year $
2024						
Liabilities						
Bank borrowings (Note 21)	5,566,246	(740,876)	233,136	-	-	5,058,506
Lease liabilities (Note 24)	462,598	(182,583)	24,304	186,800	-	491,119
Loan from a director of a subsidiary (Note 23)	1,805,693	-	-	-	59,643	1,865,336

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

ES Group (Holdings) Limited (the "Company") (Registration Number 200410497Z) is listed on the Catalist of the Singapore Exchange Securities Trading Limited and incorporated and domiciled in Singapore with its principal place of business and registered office at 8 Ubi Road 2, #06-26 Zervex, Singapore 408538.

The principal activities of the Company are those of an investment holding company and provider of management and technical services.

The principal activities of the subsidiaries are disclosed in Note 20 to the financial statements.

The Company's ultimate controlling parties are Ms Neo Peck Keow @ Ng Siang Keng and close family members.

The financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2025 were authorised for issue by the Board of Directors on 27 March 2026.

2. Summary of material accounting policies

2.1 Basis of preparation

The financial statements of the Group and the statement of financial position of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I)s ("SFRS(I) INTs") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("$") which is also the functional currency of the Company, unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2025. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

2. Summary of material accounting policies (Continued)

2.1 Basis of preparation (Continued)

SFRS(I)s and SFRS(I)s INT issued but not yet effective

At the date of authorisation of these statements, the following SFRS(I)s and SFRS(I)s INT that are relevant to the Group were issued but not yet effective:

SFRS (I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 9, SFRS(I) 7	Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Various	Annual improvements to SFRS(I)s – Volume 11	1 January 2026
SFRS(I) 18	Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19	Subsidiaries without public accountability: Disclosures	1 January 2027
SFRS(I) 9, SFRS(I) 7	Amendments to SFRS(I) 9 and SFRS(I) 7: *Contracts Referencing Nature-dependent Electricity*	1 January 2026
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards, with the exception of SFRS(I) 18 *Presentation and Disclosure in Financial Statements*, will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

SFRS(I) 18, effective for annual periods beginning on or after 1 January 2027, replaces SFRS(I) 1- 1 *Presentation of Financial Statements* and introduces new requirements for presentation and disclosure in financial statements. SFRS(I) 18 mandates a new structure for the statement of profit or loss and 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. As a consequential result of SFRS(I) 18 requirements, all entities are required to use the operating profit subtotal, instead of profit or loss, as the starting point for presenting operating cash flows under the indirect method. The classification of cash flows from dividends and interests in either operating, investing and financing cash flows is also fixed.

SFRS(I) 18 will apply retrospectively. The Group is still in the process of assessing the corresponding impact on the primary financial statements and notes to the financial statements.

2. Summary of material accounting policies (Continued)

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstances indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2. Summary of material accounting policies (Continued)

2.3 Business combinations

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

2. Summary of material accounting policies (Continued)

2.3 Business combinations (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

2. Summary of material accounting policies (Continued)

2.4 Merger reserve

Merger reserve represents the difference between the nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the Group and the nominal amount of the share capital issued as consideration for the acquisition under common control.

2.5 Revenue recognition

The Group is principally in the business of ship repairing services, shipbuilding, charter hiring and sales of goods. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service. A performance obligation may be satisfied at a point in time or over time.

<u>Rendering of services</u>

Rendering of services relates to services on new building, conversion and repair of offshore and marine structures and vessels and provision of labour supply income. Each promise to deliver services to the customer relates to a single performance obligation, and therefore each transaction price negotiated relates to the performance obligation's standalone price.

Revenue from rendering of services is recognised over time by reference to engineers' estimates of project recovery rates, using the input method to measure progress towards complete satisfaction of each performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group. The measure of progress is determined based on percentage of completion, which is measured by reference to the proportion of costs incurred to date to the estimated total costs for the contract. Contract costs are mainly driven by labour costs. Costs that relate directly to a specific contract comprise the site labour costs and costs of materials used. Costs incurred that are not related to the contract or that do not contribute towards satisfying the performance obligation are excluded from the measure of progress and instead are expensed as incurred. Accordingly, in view of the nature of the services, management considers that this input method is most appropriate in measuring the progress towards complete satisfaction of these performance obligations under SFRS(I)15 *Revenue from Contracts with Customers* ("SFRS(I) 15").

Consideration with customers from services on new building, conversion and repair of offshore and marine structures and vessels is subject to negotiation as and when performance obligation is satisfied. The Group estimates the amount of variable consideration using the expected value method based on the historical profit margin earned in similar contracts and cumulative revenue is recognised to the extent that it is highly probable a significant reversal will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group progressively invoices the customer on progress claims, where the Group has right over payment over the value of services transferred to the customer. In the event where the value of services exceeds the rights of payments from the customer, a contract asset is recognised. Advance consideration received from customers for services not yet provided is recognised as a contract liability.

2. Summary of material accounting policies (Continued)

2.5 Revenue recognition (Continued)

Charter income

Revenue from charter income relates to the provision of ship charter services to customer. Revenue generated from short term time charter is recognised over time on a straight-line basis over the period of the charter based on the transaction price stated in the contract.

Revenue generated from spot charter is recognised at a point in time upon completion of shipment at discharge port based on the transaction price stated in the contract, as the single performance obligation is fulfilled upon the completion of the charter. Variable consideration may arise in the event that the customer has exceeded an agreed period, where the variable consideration is based on a demurrage rate agreed in the contract.

Marine supplies income

Revenue from marine supplies relates to the supply of goods delivered to the customer, where revenue is recognised at a point in time when the performance obligation to deliver goods to the customer is fulfilled, based on the transaction price stated in the contract, net of any discounts given. Each batch of goods delivered to the customer is a single performance obligation.

Rental income

Revenue is recognised over time on a straight-line basis over the lease term.

Interest income

Interest income is recognised using the effective interest rate method.

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.7 Retirement benefit costs

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund and Malaysia Employees Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2. Summary of material accounting policies (Continued)

2.8 Employee leave entitlements

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

2.9 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities that at the time of the transaction affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities 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.

2. Summary of material accounting policies (Continued)

2.9 Income tax (Continued)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of 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 sales tax included.

2.10 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

2.11 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. When a gain or loss on non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. y during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognised in other comprehensive income under the translation reserve as exchange differences on translating foreign operations. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

2. Summary of material accounting policies (Continued)

2.11 Foreign currency transactions and translation (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.12 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs 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. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of 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. Costs incurred on subsequent dry-docking of vessels are capitalised and depreciated over the shorter of period to next estimated dry-docking. When significant dry-docking costs are incurred prior to the expiry of the depreciation period, the remaining costs of the previous dry-docking are written off in the month of the next dry-docking.

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land and property (over the lease term)	2% to 5%
Freehold property	5% to 10%
Land improvement	10%
Plant, machinery and equipment	10% to 33%
Motor vehicles	20%
Vessels	4% to 5%
Dry dock	20% to 40%
Other assets	20% to 33%

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 24.

Freehold land is stated at cost, except in the case where an impairment is deemed to have occurred. Loss on the impairment is recognised in profit or loss.

Other assets consist of office equipment, furniture and fittings, air conditioner, renovations, computer software and container.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. Summary of material accounting policies (Continued)

2.12 Property, plant and equipment (Continued)

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to accumulated profits directly.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

2.13 Investment in joint ventures

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. 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.

A joint arrangement is classified either as a joint operation or a joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

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

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

The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held-for-sale, in which case it is accounted for under SFRS(I) 5, from the date on which the investees become classified as held-for-sale. Under the equity method, investments in joint ventures are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any accumulated losses of individual investments. The profit or loss reflects the share of results of the operations of the joint venture. Distributions received from the joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

2. Summary of material accounting policies (Continued)

2.13 Investment in joint ventures (Continued)

The Group's share of losses in a joint venture in excess of the Group's interest in that joint venture (which includes any long term interests that, in substance, form part of the Group's net investment in the joint venture) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the joint ventures. Distributions received from the joint venture reduce the carrying amount of the investment. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Any goodwill arising on the acquisition of the Group's interest in a joint venture is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions.

The investment in joint ventures has been accounted at cost less any accumulated impairment in the subsidiary's separate financial statements.

2.14 Intangible assets

Acquired intangible assets are measured initially at cost. Subsequent to initial recognition, the intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Acquired intangible assets have indefinite useful life.

Intangible assets comprise club membership.

Club membership

The club membership was acquired separately. This is a lifetime club membership with indefinite useful life.

Intangible assets with indefinite useful life are not amortised, but tested for impairment annually, and whenever there is an indication that the intangible asset may be impaired. The infinite useful life of an intangible asset is reviewed at the end of each financial year and where events and circumstances do not continue to support the indefinite useful life assessment for that asset, a change from indefinite to finite useful life is accounted for as a change in accounting estimate and adjusted prospectively.

The intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal, with any gain or loss arising from the derecognition of an intangible asset, being the difference between the net disposal proceeds and the carrying amount of the asset, recognised in profit or loss.

2.15 Impairment of non-financial assets

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2. Summary of material accounting policies (Continued)

2.15 Impairment of non-financial assets (Continued)

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating units is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.16 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* in Note 2.5.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL") depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

2. Summary of material accounting policies (Continued)

2.16 Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost include trade and other receivables, cash and cash equivalents.

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

2. Summary of material accounting policies (Continued)

2.16 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 30.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

2. **Summary of material accounting policies (Continued)**

2.16 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Initial recognition and measurement

All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.6). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Financial guarantee contracts

The Company has issued corporate guarantees to financial institutions for credit facilities granted by them to certain subsidiaries and these guarantees qualifies as financial guarantee because the Company is required to reimburse the financial institution if the subsidiaries breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2. Summary of material accounting policies (Continued)

2.16 Financial instruments (Continued)

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statements of financial position when and only when, an entity:

(a) currently has a legally enforceable right to set-off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, demand deposits (excluding pledged deposits) and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2.19 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

A provision is recognised for onerous contracts when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it and is measured at the lower of the cost of fulfilling it and any expected cost of terminating it. In determining the cost of fulfilling the contract, the Group includes both the incremental costs and an allocation of others costs that relate directly to fulfilling contracts. Before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets used in fulfilling the contract.

2. Summary of material accounting policies (Continued)

2.20 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.21 Leases

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

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term or over its estimated useful life. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

2. Summary of material accounting policies (Continued)

2.21 Leases (Continued)

The right-of-use assets are depreciated over the lease term or useful life as follows:

	Useful life
Motor vehicles	3 to 7 years
Leasehold land	22 years
Other assets	5 years

Other assets consist of office equipment.

Right-of-use assets are presented within "property, plant and equipment".

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early.

The lease payments for an optional renewal period are included in the lease liability if the Group is reasonably certain to exercise an extension option. Similarly, when the Group is reasonably certain not to exercise the termination option, the lease payments for this cancellable period are also included in the lease liability.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset has been reduced to zero.

The Group as a lessor

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

2. Summary of material accounting policies (Continued)

2.21 Leases (Continued)

The Group as a lessor (Continued)

At the lease commencement date, the Group assesses and classifies each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

2.23 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Control over ES Offshore and Marine Engineering (Thailand) Co., Ltd

Note 20 to the financial statements describes that ES Offshore and Marine Engineering (Thailand) Co., Ltd. is a subsidiary of the Group although the Group only owns 50% ownership interest in ES Offshore and Marine Engineering (Thailand) Co., Ltd.. Based on the contractual arrangements between the Group and other investors, the Group holds 51% of voting power that give it the ability to direct the relevant activities of ES Offshore and Marine Engineering (Thailand) Co., Ltd. based on simple majority votes. Hence, the directors of the Company assessed and determined that the Group has control over ES Offshore and Marine Engineering (Thailand) Co., Ltd..

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.1 Critical judgements made in applying the Group's accounting policies (Continued)

Joint control over Proxess Engineering Pte Ltd

The Group and a third-party partner hold 51% and 49% of the equity interest in Proxess Engineering Pte. Ltd. ("Proxess") respectively. The management has carried out an assessment to determine whether the Group have control over Proxess. Based on the shareholders agreement entered with the third-party partner, unanimous consent is required for major decisions over the relevant activities of Proxess. Accordingly, the Group concluded that joint control exists and Proxess is classified as a joint venture of the Group (Note 19).

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of investments in subsidiaries and joint venture

At the end of each financial year, an assessment is made on whether there are indicators that the Group's and the Company's investments are impaired. Where applicable, the Group's and the Company's assessments are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries as at 31 December 2025 was $12,546,120 (2024: $14,628,330) (Note 20). The Group's carrying amount of investment in joint venture as at 31 December 2025 was $37,217 (2024: $128,533) (Note 19).

Impairment of property, plant and equipment

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets are determined by the management based on their highest and best use using its fair value less costs of disposal.

During the financial year, the Group has appointed independent professional valuers to perform valuation on the vessels. In preparing the valuation reports, some of the factors considered by the professional valuers include the current market conditions in which the vessels operate, review of recent market sales of similar vessels and consideration of the specification of vessels. Key assumptions used also include the consideration of whether the vessel is operational or laid up, the current reported market sales and known offers for comparative vessels.

The carrying amount of property, plant and equipment of the Group as at 31 December 2025 was $19,447,534 (2024: $20,200,157). There was no allowance made on property, plant and equipment for the year ended 31 December 2025 and 2024.

Further information was disclosed in Note 17 to the financial statements.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Revenue recognition

Revenue from rendering of services is recognised over time, using the input method to measure progress towards complete satisfaction of each performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group. The measure of progress is determined based on percentage of completion, which is measured by reference to the proportion of costs incurred to date to the estimated total costs for the contract. Consideration with customers is subject to negotiation when performance obligation is satisfied. The Group estimates the amount of variable consideration using the expected value method based on the historical profit margin earned in similar contracts and cumulative revenue is recognised to the extent that it is highly probable a significant reversal will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In deriving the expected value for each contract, management has performed the cost studies, the actual rates for other contracts and taking into account historical profit margin earned in similar contracts. The budget is regularly reviewed and revised, as appropriate.

Where the actual contract costs is different from the original budget, such difference will impact revenue, contract assets and contract liabilities in the period in which such budget has been changed.

Service revenue is disclosed in Note 4 to the financial statements.

Loss allowance for trade receivables and contract assets

The Group uses a provision matrix to measure expected credit losses (ECL) for trade receivables and contract assets. The ECL rates are based on the Group's historical loss experience of the customers that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables and contract assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (eg. Singapore) and the growth rates of the major industries in which its customers operate. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future.

The carrying amounts of trade receivables and contract assets at the end of the reporting period are disclosed in Note 13 and 15 to the financial statements.

Loss allowance for other receivables

The Group assesses the loss allowance of other receivables on a 12-month ECL basis consequent to their assessment and concludes that there is no significant increase in the credit risk since the initial recognition of the financial assets. The Group assesses the latest performance and financial position of the respective debtors, adjusts for the future outlook of the industry which the debtors operate in, by referring to expert publications on the industry, and for any market talks on the debtors' credit reputation.

The carrying amount of other receivables at the end of the reporting period are disclosed in Note 14 to the financial statements.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Loss allowance for amount due from subsidiaries

The Company is required to assess and recognise a loss allowance for expected credit losses on amount due from subsidiaries in accordance with a three-stage impairment model. Management has made the assessment based on whether there has been a significant increase in the credit risk of the amount due from subsidiaries since its initial recognition. Subsequently, determine the amount of allowance to be recognised either based on 12-months expected credit loss or lifetime expected credit loss as well as the amount of interest revenue, if any, to be recognised in future periods.

The assessment has led to the recognition of impairment loss of $2,074,990 (2024: reversal of impairment loss of $1,340,494) during the year. The carrying amounts of other receivables due from subsidiaries are disclosed in Note 14 to the financial statements.

Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items, that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 December 2025 was $364,791 (2024: $336,738). There was no allowance made on inventory for the year ended 31 December 2025 and 2024 (Note 16).

4. Revenue

The disaggregation of revenue from contracts with customers is as follows:

	Group							
			Shipping					
	New building and repair service revenue		Marine supplies		Ship charter		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	$	$	$	$	$	$	$	$
Geographical markets[a]								
Singapore	16,625,032	21,180,123	667,924	825,301	9,585,458	13,236,667	26,878,414	35,242,091
Malaysia	950,404	481,773	-	5,884	-	-	950,404	487,657
China	121,803	217,761	-	-	-	-	121,803	217,761
Thailand	9,403	117,060	-	-	-	-	9,403	117,060
Myanmar	6,507	-	-	-	-	-	6,507	-
Total	17,713,149	21,996,717	667,924	831,185	9,585,458	13,236,667	27,966,531	36,064,569
Timing of transfer of goods and services								
At a point in time	-	-	667,924	831,185	9,585,458	13,236,667	10,253,382	14,067,852
Over time	17,713,149	21,996,717	-	-	-	-	17,713,149	21,996,717
	17,713,149	21,996,717	667,924	831,185	9,585,458	13,236,667	27,966,531	36,064,569

[a] The disaggregation is based on the respective entities' country of operations.

The Group has applied the practical expedient permitted under SFRS(I) 15 for those performance obligations which are part of contracts that have an original expected duration of one year or less (i.e. mainly from service revenue due to the nature of the transactions). In addition, variable consideration that is constrained has not been included in the above financial information. Such variable consideration pertains to revenue generated from the service rendered.

5. Cost of services

	Group	
	2025	2024
	$	$
Labour costs	10,258,683	11,702,317
Other direct costs	10,010,414	10,721,395
Interest on bank borrowings (Note 8)	64,194	124,231
Depreciation of property, plant and equipment (Note 9)	2,129,535	2,107,853
Cost of inventories recognised as an expense	2,476,666	3,284,836
	24,939,492	27,940,632

6. Other operating income

	Group	
	2025	2024
	$	$
Reimbursement of expenses from foreign workers	425,215	516,831
Rental income	418,591	332,466
Interest income	49,860	24,044
Foreign exchange gain, net	42,931	109,967
Gain on disposal of property, plant and equipment	46,567	159,963
Income from scrap of material	87,659	70,818
Insurance claim	461,874	1,197,297
Government grants	62,376	124,502
Others	74,926	85,058
	1,669,999	2,620,946

The insurance claim income pertain to the successful claim from insurance company in relation to an unexpected breakdown of the Group's vessel. The claim was fully settled in cash and received in full.

Government grant income relates to income recognised under cash grants received from the Singapore Government such as Enterprise Singapore Grant, SkillsFuture Enterprise Credit, Special Employment Credit, Wage Credit and others.

7. Other operating expenses

	Group	
	2025	2024
	$	$
Short-term lease expense	138,508	152,690
Dormitory expenses	867,120	985,620
Repair and maintenance	187,574	256,093
Travelling expense	96,860	114,149
Staff training and welfare	118,941	166,962
Food and refreshment	26,144	41,069
Water and electricity	178,206	165,048
Transportation	11,851	171,622
Depreciation of property, plant and equipment (Note 9)	120,847	101,712
Recruitment fee	56,270	49,296
Security fee	13,824	12,049
Fine	463	63,986
Uniform	33,629	60,320
Others	59,798	94,754
	1,910,035	2,435,370

8. Finance costs

	Group	
	2025	2024
	$	$
Interest on bank borrowings	516,589	357,367
Interest on lease liabilities (Note 24)	21,993	24,304
Interest on bank overdraft	25	36
Interest on amount due to other creditor	13,768	22,685
Interest on others	-	425
	552,375	404,817
Classified as:		
Finance costs	488,181	280,586
Cost of services (Note 5)	64,194	124,231
	552,375	404,817

9. (Loss)/Profit before income tax

(Loss)/Profit before income tax is arrived at after charging:

	Group	
	2025	2024
	$	$
Depreciation of property, plant and equipment		
- cost of services (Note 5)	2,129,535	2,107,853
- administrative expenses	228,218	146,835
- other operating expenses (Note 7)	120,847	101,712
Directors' remuneration:		
- of the Company	320,121	323,685
- of the subsidiaries	229,610	225,822
Audit fees		
- paid/payable to auditors of the Company	119,500	118,943
- paid/payable to other auditors	9,795	8,321
Employee benefit expenses (including directors' remuneration)	11,629,654	13,015,198
Costs of defined contribution plans (included in employee benefits expense)	503,418	483,178
Provision of loss allowance for trade receivables, net (Note 13)	26,144	147,070
Provision of loss allowance for other receivables, net (Note 14)	5,400	-

10. Income tax (credit)/expense

	Group	
	2025	2024
	$	$
Current tax (credit)/expense		
- Current year	-	142,233
- Overprovision in respect of prior years	(65,442)	-
	(65,442)	142,233

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2024: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

10. Income tax (credit)/expense (Continued)

Reconciliation of effective interest rate is as follows:

	Group	
	2025	2024
	$	$
(Loss)/Profit before income tax	(3,128,196)	2,401,472
Share of results of a joint venture, net of tax	91,316	120,067
(Loss)/Profit before income tax and share of results of a joint venture, net of tax	(3,036,880)	2,521,539
Income tax calculated at applicable income tax rate of 17% (2024: 17%)	(516,270)	428,661
Effect of different tax rates of overseas operations	(97,626)	(231,883)
Tax effect of income that is exempt from taxation	(23,702)	(252,791)
Tax effect of expenses that are not deductible	2,570,993	2,949,357
Tax exemption	(1,980,008)	(2,791,470)
Deferred tax assets not recognised	45,351	41,537
Overprovision in respect of prior years	(65,442)	-
Others	1,262	(1,178)
	(65,442)	142,233

Deferred tax assets not recognised

The following deferred tax assets are not recognised in the statements of financial position as it is presently uncertain with respect to the extent of timing and quantum of future taxable profit that will be available against which the Group can utilise the benefits as follows:

	Group	
	2025	2024
	$	$
Unabsorbed tax losses	5,075,235	4,750,676
Unutilised capital allowances	230,665	230,665
Accelerated tax depreciation	(25,531)	32,257
	5,280,369	5,013,598

Tax losses do not expire under current legislation and are available for set-off against future taxable profits subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective country of incorporation. No deferred tax asset has been recognised due to the unpredictability of future profits streams of certain subsidiaries. These losses may be carried indefinitely subject to the conditions imposed by law.

10. Income tax (credit)/expense (Continued)

Deferred tax assets not recognised (Continued)

Tax losses can be carried forward up to:

	Group	
	2025	**2024**
	$	**$**
2025	-	606,000
2026	565,000	550,000
2027	335,000	326,000
2028	156,000	152,000
2029	281,000	101,000
No expiry date	4,285,000	3,016,000
	5,622,000	4,751,000

The Company's subsidiary in Thailand was granted investment promotion privileges as a promoted industry by virtue of the provision of the Investment Promotion Act B.E. 2520.

According to the promotional certificate no. 1279(2)/2550 dated 16 March 2007, the promotional certificate no.2000 (2)/2554 dated 16 August 2011 and the promotional certificate no. 1569(2)/2558 dated 7 May 2015, the Company's subsidiary is entitled to the following privileges:

- deduction of import duty on certain imported machinery as approved by the Board of Investment;

- deduction of import duty on the raw and essential materials imports in producing products for export for a period of 5 years from the date such materials are first imported;

- exemption of import duties on items which imports for re-export for a period of 5 years from the date such items are first imported;

- deduct an amount of 25 percent of the cost of installation of machines and facilities, in addition to normal depreciation;

- exemption of corporate income tax on the net profit derived from the promoted activity with the total amount not exceeding 100 percent of the investment capital, excluding cost of land and working capital for a period of not more than 8 years from the date income was derived from such activity; and utilisation of net loss incurred during the exemption period as a deduction from net income incurred subsequent to the expired date up to 5 years; and

- tax-exempt dividends derived from the Promoted Activity to the shareholders within the income tax exemption period.

The subsidiary has complied with certain terms and conditions contained in the promotion certificate.

11. (Loss)/Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2025 $	2024 $
(Loss)/Profit for the year attributable to owners of the Company	(2,977,417)	2,423,524
Weighted average number of ordinary shares for basic and diluted earnings per share computation	141,200,000	141,200,000
Basic (loss)/earnings per share (cents)	(2.11)	1.72
Diluted (loss)/earnings per share (cents)	(2.11)	1.72

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit for the year attributable to the owners of the parent by the weighted average number of ordinary shares in issue of 141,200,000 (2024: 141,200,000) during the financial year.

Basic and diluted (loss)/earnings per share are the same as the Group does not have dilutive potential ordinary shares.

12. Cash and bank balances

	Group		Company	
	2025 $	2024 $	2025 $	2024 $
Cash at bank	2,141,096	2,831,457	14,348	24,065
Fixed deposits	270,602	282,630	-	-
	2,411,698	3,114,087	14,348	24,065

Fixed deposits bear an effective interest rate from a range of 1.15% to 10.31% (2024: 1.15% to 10.25%) per annum and are for a tenure of approximately 30 to 365 days (2024: 30 to 365 days).

The currency profiles of the Group's and Company's cash and bank balances are as follows:

	Group		Company	
	2025 $	2024 $	2025 $	2024 $
Singapore dollar	1,664,676	2,289,581	14,348	24,065
Thai baht	92,238	5,844	-	-
United States dollar	233,694	372,573	-	-
Malaysia Ringgit	64,750	38,509	-	-
Myanmar Kyat	284,941	296,092	-	-
Others	71,399	111,488	-	-
	2,411,698	3,114,087	14,348	24,065

13. Trade receivables

	Group		Company	
	2025	2024	2025	2024
	$	$	$	$
Third parties	4,716,579	5,060,510	111	109
Less: loss allowance	(348,263)	(524,578)	-	-
	4,368,316	4,535,932	111	109
Cash and bank balances (Note 12)	2,411,698	3,114,087	14,348	24,065
Other receivables (Note 14)	1,184,365	1,015,207	13,097,679	14,561,762
Prepayments (Note 14)	(141,591)	(232,463)	(30,290)	(29,693)
Deferred cost	-	(96,926)	-	-
GST receivables	(3,923)	(489)	(111)	(109)
Financial assets carried at amortised cost	7,818,865	8,335,348	13,081,737	14,556,134

Trade receivables from third parties are unsecured and non-interest bearing. The average credit period granted to customers is 30 days (2024: 30 days).

Movements in the loss allowance for trade receivables are as follows:

	Group		Company	
	2025	2024	2025	2024
	$	$	$	$
At 1 January	524,578	814,591	-	-
Loss allowance	156,591	277,445	-	-
Amount written back	(130,447)	(130,375)	-	-
Amount written off	(203,837)	(440,031)	-	-
Exchange translation	1,378	2,948	-	-
At 31 December	348,263	524,578	-	-

The details of the impairment of trade receivables and credit exposures are disclosed in Note 30.

The currency profiles of the Group's and Company's trade receivables are as follows:

	Group		Company	
	2025	2024	2025	2024
	$	$	$	$
Singapore dollar	3,211,876	3,536,684	111	109
Thai baht	5,624	18,138	-	-
United States dollar	1,004,548	924,017	-	-
Malaysia Ringgit	139,574	14,247	-	-
Myanmar Kyat	6,694	347	-	-
Others	-	42,499	-	-
	4,368,316	4,535,932	111	109

14. Other receivables

	Group		Company	
	2025	2024	2025	2024
	$	$	$	$
Third parties	267,027	176,732	-	-
Subsidiaries	-	-	25,581,521	24,971,211
Less: loss allowance for amount due from third parties	(5,400)	-	-	-
Less: loss allowance for amount due from subsidiaries	-	-	(12,514,332)	(10,439,342)
	261,627	176,732	13,067,189	14,531,869
Prepayments	141,591	232,463	30,290	29,693
Deferred cost	-	96,926	-	-
Deposits	781,147	509,086	200	200
	1,184,365	1,015,207	13,097,679	14,561,762
Deposits (shown under non-current assets)	(450,339)	(285,741)	-	-
	734,026	729,466	13,097,679	14,561,762

The amount due from third parties and subsidiaries which are non-trade in nature are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

Included in deposits are an amount of $449,435 (2024: $136,030) which is pledged for bank borrowings (Note 21).

Non-current deposits comprise mainly amounts pledged for bank borrowings and rental deposits. These deposits are unsecured, non-interest-bearing, and not expected to be recoverable within the next twelve months. The carrying amount of the non-current deposits approximates their fair value.

The details of the impairment of other receivables and credit exposures are disclosed in Note 30.

Movements in the loss allowance for amount due from third parties are as follows:

	Group	
	2025	2024
	$	$
At 1 January	-	328,706
Loss allowance	5,400	-
Amount written off	-	(328,706)
At 31 December	5,400	-

Movements in the loss allowance for amount due from subsidiaries are as follows:

	Company	
	2025	2024
	$	$
At 1 January	10,439,342	11,779,836
Provision/(Reversal) of loss allowance during the financial year	2,074,990	(1,340,494)
At 31 December	12,514,332	10,439,342

14. Other receivables (Continued)

The currency profiles of the Group's and Company's other receivables are as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Singapore dollar	516,536	433,425	11,079,543	12,696,458
Thai baht	519	1,302	2,018,136	1,865,304
United States dollar	501,348	476,617	-	-
Malaysia Ringgit	112,317	70,573	-	-
Myanmar Kyat	20,716	30,192	-	-
Others	32,929	3,098	-	-
	1,184,365	1,015,207	13,097,679	14,561,762

15. Contract assets and contract liabilities

	Group		
	2025	**2024**	**1 Jan 2024**
	$	**$**	**$**
Contract assets	4,665,891	4,142,814	2,382,588
Contract liabilities	-	329,608	35,427

a) Significant changes in contract assets are explained as follows:

	Group	
	2025	**2024**
	$	**$**
At beginning of the year	4,142,814	2,382,588
Contract assets reclassified to trade receivables that was included in the contract asset balance at the beginning of the year	(4,142,814)	(2,382,588)
Increases due to revenue recognised to date but has not been invoiced to the customer as at financial year end	4,665,891	4,142,814
At end of year	4,665,891	4,142,814

The contract assets mainly relate to the Group's rights to consideration for work done to date but not yet billed at reporting date on the contracts for new building and repair operating segment. The contract assets are transferred to trade receivables when the rights become unconditional. The details of the impairment of contract assets and credit exposures are disclosed in Note 30.

15. Contract assets and contract liabilities (Continued)

b) Significant changes in contract liabilities

	Group	
	2025	**2024**
	$	**$**
At beginning of the year	(329,608)	(35,427)
Revenue recognised that was included in the contract liabilities balance at the beginning of the financial year	329,608	35,427
Increases due to cash received in advance of performance and not recognised as revenue	-	(329,608)
At end of year	-	(329,608)

Contract liabilities mainly relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customer for new building and repair operating segment. Contract liabilities are recognised as revenue as the Group fulfills its performance obligations under the contract.

16. Inventories

	Group	
	2025	**2024**
	$	**$**
Raw materials, at cost	49,090	75,600
Consumables, at cost	315,701	261,138
	364,791	336,738

The cost of inventories recognised as expense are included in "Cost of services" line item in the consolidated statement of comprehensive income for the financial year ended 31 December 2025 and amounted to $2,476,666 (2024: $3,284,836) (Note 5).

17. Property, plant and equipment

Group	Leasehold land and property $	Freehold land $	Freehold property $	Land improvement $	Plant, machinery and equipment $	Motor vehicles $	Vessels $	Work in progress $	Dry dock $	Right-of-use assets $	Other assets $	Total $
Cost												
At 1 January 2024	5,634,967	3,439,666	1,065,734	782,630	5,811,322	578,013	12,153,670	597,925	5,124,785	2,164,645	2,094,503	39,447,860
Exchange translation	-	113,614	35,202	25,851	128,960	4,135	-	-	-	-	4,059	311,821
Additions	-	-	-	-	340,450	85,061	77,063	-	2,760,060	229,939	40,389	3,532,962
Reclassification	-	-	-	-	-	-	-	(597,925)	597,925	-	-	-
Disposals	-	-	-	-	(551,737)	(164,800)	-	-	-	(125,172)	-	(841,709)
Write-off	-	-	-	-	-	(2,000)	-	-	(659,269)	(11,948)	(17,594)	(690,811)
Balance at 31 December 2024	5,634,967	3,553,280	1,100,936	808,481	5,728,995	500,409	12,230,733	-	7,823,501	2,257,464	2,121,357	41,760,123
Exchange translation	-	99,736	30,954	22,693	99,857	820	-	-	-	-	3,145	257,205
Additions	-	-	-	-	62,507	4,104	668,191	-	882,647	-	10,922	1,628,371
Disposals	-	-	(26,222)	-	(152,421)	(44,724)	-	-	-	-	(31,369)	(254,736)
Write-off	-	-	-	-	-	-	-	-	(2,064,636)	-	(17,216)	(2,081,852)
Balance at 31 December 2025	5,634,967	3,653,016	1,105,668	831,174	5,738,938	460,609	12,898,924	-	6,641,512	2,257,464	2,086,839	41,309,111
Accumulated depreciation												
At 1 January 2024	3,619,692	-	822,636	782,630	5,074,873	472,661	1,755,430	-	2,928,886	1,749,621	1,998,033	19,204,462
Exchange translation	-	-	27,329	25,851	104,574	3,012	-	-	-	-	1,907	162,673
Depreciation	231,606	-	37,603	-	62,632	51,497	429,427	-	1,351,797	165,405	26,433	2,356,400
Disposal	-	-	-	-	(551,733)	(164,800)	-	-	-	(121,069)	-	(837,602)
Write-off	-	-	-	-	-	(2,000)	-	-	(659,269)	(11,948)	(17,594)	(690,811)
Balance at 31 December 2024	3,851,298	-	887,568	808,481	4,690,346	360,370	2,184,857	-	3,621,414	1,782,009	2,008,779	20,195,122
Exchange translation	-	-	24,893	22,693	78,824	(126)	-	-	-	-	1,376	127,660
Depreciation	230,363	-	35,112	-	136,405	47,605	485,461	-	1,355,793	159,465	28,396	2,478,600
Disposal	-	-	(23,546)	-	(152,245)	(39,460)	-	-	-	-	(31,365)	(246,616)
Write-off	-	-	-	-	-	-	-	-	(2,064,636)	-	(16,681)	(2,081,317)
Balance at 31 December 2025	4,081,661	-	924,027	831,174	4,753,330	368,389	2,670,318	-	2,912,571	1,941,474	1,990,505	20,473,449

17. Property, plant and equipment (Continued)

Group	Leasehold land and property $	Freehold land $	Freehold property $	Land improvement $	Plant, machinery and equipment $	Motor vehicles $	Vessels $	Work in progress $	Dry dock $	Right-of-use assets $	Other assets $	Total $
Accumulated impairment losses												
At 1 January 2024	-	-	37,842	-	687,195	20,837	535,293	-	-	-	57,152	1,338,319
Exchange translation	-	-	1,250	-	22,699	688	-	-	-	-	1,888	26,525
Balance at 31 December 2024	-	-	39,092	-	709,894	21,525	535,293	-	-	-	59,040	1,364,844
Exchange translation	-	-	1,097	-	19,926	604	-	-	-	-	1,657	23,284
Balance at 31 December 2025	-	-	40,189	-	729,820	22,129	535,293	-	-	-	60,697	1,388,128
Net carrying amount												
At 31 December 2025	1,553,306	3,653,016	141,452	-	255,788	70,091	9,693,313	-	3,728,941	315,990	35,637	19,447,534
At 31 December 2024	1,783,669	3,553,280	174,276	-	328,755	118,514	9,510,583	-	4,202,087	475,455	53,538	20,200,157

17. Property, plant and equipment (Continued)

Impairment assessment

In the current financial year, the Group carried out a review of the recoverable amounts of the vessels in shipping segment owned by subsidiaries, as management had determined that indicators of impairment existed at the end of the reporting year due to the deteriorating operating results of the subsidiaries. The recoverable amounts of the vessels (including dry docking component) respectively have been determined on the vessels' highest and best use using their fair values less costs of disposal. Management has obtained third-party vessel valuation reports from ALC Consulting Services Pte Ltd (2024: ALC Consulting Services Pte Ltd), an independent professional valuation firm.

In preparing the valuation reports, some of the factors considered by the professional valuers include the current market conditions in which the vessels operate, review of recent market sales of similar vessels and consideration of the specification of vessels. Key assumptions used also include the consideration of whether the vessel is operational or laid up, the current reported market sales and known offers for comparative vessels. The recoverable amount of the vessels are determined based on the market approach. Accordingly, the fair value hierarchy of these assets are classified as Level 2.

In the current financial year, the Group has assessed the recoverable amounts of its vessels and determined that no impairment loss is required.

Other assets consist of office equipment, furniture and fittings, air conditioner, renovations, computer software and container.

Freehold land and property comprise:

- a shipyard and branch office at 161/2 Moo 7 Tambon Nahukwang, Amphur Thapsakae, Prachupkirikhan 77130, Thailand; and

- a worker dormitory at 136/76 Moo 5, Tambon Thapsakae, Amphur Thapsakae, Prachupkirikhan 77130, Thailand.

Leasehold land and property comprise:

- 4 office units at 8 Ubi Road 2, #06-23 to #06-26 Zervex Singapore 408538, leased for 57 years from 29 June 2011; and

- a workshop, repair facilities and worker dormitory at 10 Kwong Min Road, Singapore 628712, leased for 22 years from April 2006.

Assets pledged as security:

As at the end of the reporting period, the Group's leasehold land and property with a carrying amount of $1,553,303 (2024: $1,783,669) have been pledged with a bank for banking facilities (Note 21).

As at 31 December 2025, the Group's vessels (including dry dock) with carrying amount of $13,422,254 (2024: $13,712,670) have been pledged with a bank for bank facilities (Note 21).

Restrictions:

Motor vehicles with carrying amounts of $164,688 (2024: $254,323) are secured over the lease liabilities of $138,340 (2024: $186,945) as at 31 December 2025. Motor vehicles will be seized and returned to lessor in the event of default by the Group.

17. Property, plant and equipment (Continued)

Reconciliation to the consolidated statement of cash flows

For the purpose of the consolidated statement of cash flows, the Group's additions to property, plant and equipment during the financial year comprised:

	2025	2024
	$	$
Purchases of property, plant and equipment	1,628,371	3,532,962
Less: Property, plant and equipment acquired under lease arrangements	-	(186,800)
Net cash payments made	1,628,371	3,346,162

18. Club membership

	Group	
	2025	2024
	$	$
Club membership, at cost	65,000	65,000
Allowance for impairment loss	(34,100)	(34,100)
	30,900	30,900

Impairment assessment

During the financial year, the Group carried out a review on the recoverable amount of the club membership. No impairment loss was recognised during the financial year ended 31 December 2025 and 2024. The recoverable amount of the club memberships has been determined on the club membership's highest and best use using the fair value less cost of disposal. Accordingly, the fair value hierarchy is classified as Level 2.

19. Investment in joint venture

	Group	
	2025	2024
	$	$
Unquoted equity investment, at cost	250,000	250,000
Impairment loss	(12,031)	(12,031)
Dividend received	(81,600)	(81,600)
Share of post-acquisition results	(119,152)	(27,836)
	37,217	128,533

On 1 October 2020, the Group acquired a 51% interest in the ownership and voting rights in a joint venture business, Proxess Engineering Pte. Ltd. ("Proxess") that is held through a subsidiary, Wang Fatt Oil & Gas Construction Pte. Ltd. The joint venture is a strategic business venture to diversify its operating scope to offer actuator and valves related solutions of Proxess to the Company's clientele, both in Singapore and ASEAN region. The Group jointly controls the venture with another joint venture partner under a contractual agreement which requires unanimous consent for major decisions over the relevant activities.

The details of the joint venture is as follows:

Name of company/Country of incorporation and principal place of business	Principal activities	Proportion of equity interest	
		2025	2024
		%	%
Proxess Engineering Pte. Ltd./Singapore [1]	Provides wholesale trade of variety of goods and manufacture and repair of valves	51	51

[1] Audited by Lo Hock Ling & Co.

There are no commitments to provide funding or contingent liabilities relating to the Group's interest in the joint venture.

19. Investment in joint venture (Continued)

Summarised financial information

Summarised financial information in relation to the joint venture based on its financial statements prepared in accordance with Financial Reporting Standards in Singapore ("FRS"), and reconciliation with the carrying amount of the investment in the financial statements are as follows:

a) Summarised statement of financial position

	2025	**2024**
	$	**$**
Plant and equipment	12,740	14,394
Cash and cash equivalents	12,707	182,782
Other current assets	377,989	215,603
	403,436	412,779
Trade and other payables and provisions	(321,382)	(50,410)
Other current liabilities	(9,079)	(110,344)
	(330,461)	(160,754)
Net assets	72,975	252,025

b) Summarised statement of profit or loss and other comprehensive income

	2025	**2024**
	$	**$**
Revenue	77,155	98,418
Operating expenses	(260,720)	(334,394)
Depreciation	(5,506)	(5,191)
Other operating income	10,021	3,842
Loss before tax	(179,050)	(237,325)
Income tax credit	-	1,899
Loss after tax, representing total comprehensive loss	(179,050)	(235,426)
Share of results of a joint venture	(91,316)	(120,067)

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint venture.

19. Investment in joint venture (Continued)

Summarised financial information (Continued)

c) Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in joint venture, is as follows:

	2025 $	2024 $
Proportion of Group ownership	51%	51%
Net assets	72,975	252,025
Group's share of net assets	37,217	128,533
Carrying amount of the investment	37,217	128,533

Impairment assessment

As at 31 December 2025, the Group carried out a review on the recoverable amount of its investment in joint venture having regards for indicators of impairment on investment in joint venture based on the existing performance of the joint venture.

There was no allowance made on investment in joint venture for the year ended 31 December 2025 and 2024. The recoverable amounts had been determined based on the joint venture's fair value less cost of disposal (Level 3 hierarchy).

20. Investments in subsidiaries

	Company	
	2025 $	2024 $
Unquoted equity share, at cost		
At 1 January	22,991,243	22,991,243
Allowance for impairment loss	(10,445,123)	(8,362,913)
At 31 December	12,546,120	14,628,330

Movements in the allowance for impairment loss are as follows:

	Company	
	2025 $	2024 $
At 1 January	8,362,913	5,752,459
Allowance made during the financial year	2,082,210	2,610,454
At 31 December	10,445,123	8,362,913

20. Investments in subsidiaries (Continued)

Impairment assessment in investments in subsidiaries

As at 31 December 2025, the Company carried out a review on the recoverable amount of its investments in certain subsidiaries having regards for indicators of impairment on investment in subsidiaries based on the existing performance of the subsidiaries.

The Group has measured the recoverable amount of the CGU based on a value in use calculation using 5-years cash flows projections approved by the Board of Directors. Key assumptions on which management has based its cash flow projections for the respective periods are as follows:

Discount rate: The discount rate of 6.86% (2024: 10.34%) is based on the weighted average cost of the Group's capital (the "WACC"), adjusted for the specific circumstances of the CGU and based on management's experience, and re-grossed to arrive at the pre-tax rate.

Growth rates: The projected revenue growth rates used are based on the historical financial data for the past 3 years, adjusted for the specific circumstances of the CGU and based on management's experience, and do not exceed the long-term average growth rate for the corresponding industry of the CGU. The growth rates used during the projection periods range from 0% to 5% (2024: 0% to 5%).

At 31 December 2025, the recoverable amounts of the subsidiaries were $17,509,104. The assessment resulted in a recognition of impairment loss of $2,082,210 (2024: $2,610,454) recognised in the Company's profit or loss in the current financial year.

20. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows:

Name of company/ Country of incorporation and principal place of business	Principal activities	Cost of investment		Proportion of ownership interest		Proportion of voting power held		Proportion of ownership interest held by non-controlling interest	
		2025	2024	2025	2024	2025	2024	2025	2024
		$	$	%	%	%	%	%	%
Held by the Company									
Eng Soon Investment Pte Ltd/ Singapore [(1)]	Repair of vessel and related engineering services	5,275,859	5,275,859	100	100	100	100	-	-
Wang Fatt Oil & Gas Construction Pte. Ltd./Singapore [(1)]	Repair of vessel and related engineering services and building construction	10,400,088	10,400,088	100	100	100	100	-	-
Eng Soon Marine Pte Ltd/ Singapore [(1)]	Sale of consumables	782,272	782,272	100	100	100	100	-	-
ES Offshore Engineering Pte. Ltd./ Singapore [(1)]	Repair of vessel and related engineering services	1,073,517	1,073,517	100	100	100	100	-	-
Eng Soon Engineering (1999) Pte Ltd/ Singapore [(1)]	Repair of vessel and related engineering services	1,401,732	1,401,732	100	100	100	100	-	-
ES Shipping Pte. Ltd./ Singapore [(1)]	Building of ships, tankers and other ocean- going vessels and chartering of ships barges and boats without crew	100,000	100,000	100	100	100	100	-	-

20. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows (Continued):

Name of company/ Country of incorporation and principal place of business	Principal activities	Cost of investment		Proportion of ownership interest		Proportion of voting power held		Proportion of ownership interest held by non-controlling interest	
		2025	2024	2025	2024	2025	2024	2025	2024
		$	$	%	%	%	%	%	%
Held by the Company (Continued)									
ES Oil & Gas Pte. Ltd./ Singapore [1]	Repair of vessel and related engineering services	1	1	100	100	100	100	-	-
ES Chartering Pte. Ltd./ Singapore [1]	Freight water transport	50,000	50,000	100	100	100	100	-	-
Dalian ES Marine & Offshore Engineering Co., Ltd/ The People's Republic of China [6]	Technical development, design and consultancy service for ship and offshore project	449,158	449,158	100	100	100	100	-	-
ES Offshore and Marine Engineering (Thailand) Co., Ltd/ Thailand [2] [4] [5]	Vessel building and repair and steel construction	3,458,616	3,458,616	50	50	51	51	50	50
		22,991,243	22,991,243						
Held by ES Oil & Gas Pte. Ltd.									
ES Offshore and Engineering (Myanmar) Company Limited/ Myanmar [6] [7]	Provide consultancy and engineering services	134,505	134,505	50	50	50	50	-	-
		134,505	134,505						

20. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows (Continued):

Name of company/ Country of incorporation and principal place of business	Principal activities	Cost of investment		Proportion of ownership interest		Proportion of voting power held		Proportion of ownership interest held by non-controlling interest	
		2025	2024	2025	2024	2025	2024	2025	2024
		$	$	%	%	%	%	%	%
Held by ES Offshore Engineering Pte. Ltd.									
ES Offshore and Engineering (Myanmar) Company Limited/Myanmar [6] [7]	Provide consultancy and engineering services	134,505	134,505	50	50	50	50	-	-
		134,505	134,505						
Held by ES Chartering Pte. Ltd.									
ES Aspire Pte. Ltd./ Singapore [1]	Freight water transport	50,000	50,000	100	100	100	100	-	-
ES Jewel Pte. Ltd./ Singapore [1]	Freight water transport	50,000	50,000	100	100	100	100	-	-
		100,000	100,000						
Held by Eng Soon Marine Pte Ltd									
ES Nautilus (M) Sdn. Bhd./ Malaysia [3][8]	Building and construction of ships, floating structures as well as other engineering projects	5,243	5,243	30	30	51	51	70	70
		5,243	5,243						

20. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows (Continued):

Notes:

(1) Audited by Forvis Mazars LLP, Singapore.

(2) Audited by HLB Limited, Thailand.

(3) Audited by YYC & Co., Malaysia.

(4) The Group own 50% equity shares of ES Offshore and Marine Engineering (Thailand) Co., Ltd. However, based on the contractual arrangements between the Group and other investors, the Group holds 51% of the voting power that gives it the ability to direct the relevant activities of ES Offshore and Marine Engineering (Thailand) Co., Ltd. based on simple majority votes. The non-controlling interests own 50% equity shares and holds 49% of the voting power of ES Offshore and Marine Engineering (Thailand) Co., Ltd.. Therefore, the directors of the Group determined that the Group have control over ES Offshore and Marine Engineering (Thailand) Co., Ltd. and accordingly ES Offshore and Marine Engineering (Thailand) Co., Ltd. is consolidated in these financial statements.

(5) The Group have not presented the summarised financial information about the assets, liabilities, profit or loss and cash flows of the non-wholly owned subsidiary, ES Offshore and Marine Engineering (Thailand) Co., Ltd. that has material non-controlling interests due to confidentiality of such information for commercial reasons.

(6) Not audited as deemed not material to the Group and exempted from statutory audit.

(7) ES Oil & Gas Pte. Ltd. and ES Offshore Engineering Pte. Ltd. each owns 50% equity shares of ES Offshore and Engineering (Myanmar) Company Limited ("ESOM"), where the Group ultimately own 100% equity shares of ESOM.

(8) The Group own 30% equity shares of ES Nautilus (M) Sdn. Bhd. However, based on contractual agreements between the Group and other investors, the Group hold 51% of the voting power that gives it the ability to direct the relevant activities of ES Nautilus (M) Sdn. Bhd. based on simple majority votes. The non-controlling interest owns 70% equity shares and holds 49% of the voting power of ES Nautilus (M) Sdn. Bhd..Therefore, the directors of the Group determined that the Group have control over ES Nautilus (M) Sdn. Bhd. and accordingly ES Nautilus (M) Sdn. Bhd. is consolidated in these financial statements.

21. Bank borrowings

	Group	
	2025	**2024**
	$	**$**
- Term loan 1[(a)(ii)(iii)(iv)]	470,858	1,042,913
- Term loan 2[(b)(iii)]	-	873,274
- Term loan 3[(c)(i)(iii)]	936,786	1,042,319
- Term loan 4[(d)(ii)(iii)(iv)]	5,172,068	-
- Money Market Loan[(e)(iii)]	2,000,000	2,100,000
	8,579,712	5,058,506
Less: Amount due for settlement within 12 months (shown under current liabilities)	(4,715,069)	(3,614,072)
Amount due for settlement after 12 months	3,864,643	1,444,434

Notes:

a) Term loan 1

The term loan is repayable in 60 monthly instalments commencing from December 2021. The loan is arranged at a floating interest rate at SORA plus 4%. The term loan has an average effective interest rate of 8.49% (2024: 9.43%) per annum. Interest is repriced monthly. The term loan will be fully repaid by November 2026.

b) Term loan 2

The term loans are repayable in 60 monthly instalments commencing from October 2020. The term loans carry a fixed interest rate at 3.0% (2024: 3.0%) per annum and have been fully repaid in October 2025.

c) Term loan 3

The term loan is repayable in 120 monthly instalments commencing from April 2023. The loan is arranged at 2.50% per annum over the prevailing 3-month SORA. The term loan has an average effective interest rate of 4.84% (2024: 6.41%) per annum. Interest is repriced monthly. The term loan will be fully repaid by March 2033.

d) Term loan 4

The term loan is repayable in 36 monthly instalments commencing from June 2025. The loan is arranged at a floating interest rate at SOFR plus 4.35%. The term loan has an average effective interest rate of 8.62% (2024: Nil%) per annum. Interest is repriced monthly. The term loan will be fully repaid by May 2028.

e) Money Market Loan

The term loan is repayable in 3 months from October. The loan is arranged at 2% per annum over the prevailing 3-month SORA. The term loan has an average effective interest rate of 4.86% (2024: 5.61%) per annum and will be fully repaid by January of next financial year. During the financial year ended 31 December 2025, Group had not met a covenant requirement by the bank but obtained a waiver of this requirement.

21. Bank borrowings (Continued)

At the end of the financial year, the Group's bank borrowings are secured by:

(i) legal mortgage over the Group's leasehold land and property (Note 17);

(ii) a pledge over the Group's vessels (Note 17);

(iii) corporate guarantees by the Company for all the monies owing (Note 27); and

(iv) pledge over deposits amounting to $449,435 (2024: $136,030) (Note 14).

At the end of the financial year, the Group has available $3,394,937 (2024: $3,307,270) of undrawn committed borrowing facilities in respect of which all conditions precedent have been met.

At the end of the financial year, the carrying amounts of non-current bank borrowings are reasonable approximation of their fair value due to the interest rates on the bank borrowings approximate the prevailing market interest rates which the directors expect to be available to the Group at an average of 6.23% (2024: 5.5%) per annum.

The currency profiles of the Group's bank borrowings are as follows:

	Group	
	2025	2024
	$	$
Singapore dollar	2,936,786	4,015,593
United States dollar	5,642,926	1,042,913
	8,579,712	5,058,506

22. Trade payables

	Group		Company	
	2025	2024	2025	2024
	$	$	$	$
Trade payables-third parties	1,686,672	1,765,342	-	-
Trade payables-subsidiaries	-	-	3,198	2,883
Less: Goods and service tax payable	(212,417)	(147,080)	-	-
Bank borrowings (Note 21)	8,579,712	5,058,506	-	-
Other payables (Notes 23)	3,506,572	4,208,929	16,485,073	16,043,007
Lease liabilities (Note 24)	351,090	491,119	-	-
Withholding tax (Notes 23)	(109,864)	(105,863)	-	-
Deposits (Classified as non-current liability)	45,000	42,000	-	-
Financial liabilities carried as amortised cost	13,846,765	11,312,953	16,488,271	16,045,890

The average credit period of trade payables is 30 days (2024: 30 days). No interest is charged on the outstanding balances.

22. Trade payables (Continued)

The currency profiles of the Group's and Company's trade payables are as follows:

	Group		Company	
	2025	2024	2025	2024
	$	$	$	$
Singapore dollar	969,731	1,198,202	3,198	2,883
Thai baht	939	4,159	-	-
United States dollar	600,664	470,774	-	-
Malaysian ringgit	73,523	14,361	-	-
Others	41,815	77,846	-	-
	1,686,672	1,765,342	3,198	2,883

23. Other payables

	Group		Company	
	2025	2024	2025	2024
	$	$	$	$
Director of a subsidiary (a)	1,969,105	1,865,336	-	-
Amount due to subsidiaries (b)	-	-	16,376,101	15,932,271
Third parties (b)	134,200	678,469	11,156	27,084
Accruals (c)	1,293,403	1,559,261	97,816	83,652
Withholding tax	109,864	105,863	-	-
	3,506,572	4,208,929	16,485,073	16,043,007

(a) Advances from director of a subsidiary is non-trade in nature, unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

(b) The amount due to third parties and subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand except for an amount of $Nil (2024: $400,000) due to a third party which bear an interest at Nil (2024: 6%) per annum and is repayable in 3 months from 3 December 2024.

(c) Accruals principally comprise operation costs, salary and wages and other accrued expenses.

23. Other payables (Continued)

The currency profiles of the Group's and Company's other payables are as follows:

	Group		Company	
	2025	2024	2025	2024
	$	$	$	$
Singapore dollar	1,290,434	2,067,028	16,485,073	16,043,007
Thai baht	2,082,414	1,973,293	-	-
United States dollar	12,619	-	-	-
Malaysian ringgit	55,826	98,466	-	-
Myanmar Kyat	2,821	1,174	-	-
Others	62,458	68,968	-	-
	3,506,572	4,208,929	16,485,073	16,043,007

24. The Group as a lessee

The Group leases certain property, plant and equipment. The average lease terms ranged from 2 to 22 years (2024: 2 to 22 years). The incremental borrowing rate applied to the leases were from 4.5% to 7.1% (2024: 4.5% to 7.1%) per annum.

The Group leases motor vehicles and certain office equipment for two to seven years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The Group's obligations under such leases are secured by the lessors' title to the leased assets, which will revert to the lessors in the event of default by the Group.

The lease of the leasehold land which is located at 10 Kwong Min Road, Singapore 628712 has been negotiated for a term of 22 years from April 2006 and the lease payment is subject to periodic revision by JTC Corporation. The incremental borrowing rate applied to the lease liability on inception date of the lease for land was 4.5% per annum.

Recognition exemptions

The Group has certain site leases and office equipment with lease terms of 12 months. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

24. The Group as a lessee (Continued)

24 (a) Right-of-use assets

	Right-of-use assets			
	Motor vehicles	Leasehold land	Other assets	Total
	$	$	$	$
Group				
Cost				
Balance at 1 January 2024	834,767	1,293,670	36,208	2,164,645
Addition	229,939	-	-	229,939
Disposal	(125,172)	-	-	(125,172)
Write-off	-	-	(11,948)	(11,948)
Balance at 31 December 2024 and 31 December 2025	939,534	1,293,670	24,260	2,257,464
Accumulated depreciation				
Balance at 1 January 2024	710,706	1,002,707	36,208	1,749,621
Charge for the year	95,574	69,831	-	165,405
Disposal	(121,069)	-	-	(121,069)
Write-off	-		(11,948)	(11,948)
Balance at 31 December 2024	685,211	1,072,538	24,260	1,782,009
Charge for the year	89,634	69,831	-	159,465
Balance at 31 December 2025	774,845	1,142,369	24,260	1,941,474
Net carrying amount				
At 31 December 2025	164,689	151,301	-	315,990
At 31 December 2024	254,323	221,132	-	475,455

Total cash outflow for all leases in 2025 was $162,022 (2024: $182,583).

For the purpose of consolidated statement cash flows, the Group's additions to right-of-use assets during the financial year were financed as follows:

	Group	
	2025	2024
	$	$
Purchases of right-of-use assets	-	229,939
Less: Deposit paid by cash	-	(43,139)
Purchases of right-of-use assets via lease arrangements	-	186,800

24. The Group as a lessee (Continued)

24 (b) Lease liabilities

	Group	
	2025	2024
	$	$
Lease liabilities - non-current	218,721	351,091
Lease liabilities - current	132,369	140,028
	351,090	491,119

The maturity analysis of lease liabilities of the Group at each reporting date are as follows:

	Minimum lease payments		Present value of minimum lease payments	
Group	2025	2024	2025	2024
	$	$	$	$
Contractual undiscounted cash flows:				
- Within one year	147,456	162,021	132,369	140,028
- In the second to fifth years inclusive	227,273	348,377	210,070	317,441
- After fifth years	8,760	35,112	8,651	33,650
	383,489	545,510	351,090	491,119
Future interest expense	(32,399)	(54,391)	-	-
Present value of lease liabilities	351,090	491,119	351,090	491,119

24 (c) Amount recognised in profit & loss

	Group	
	2025	2024
	$	$
Interest expenses on lease liabilities (Note 8)	21,993	24,304
Expense relating to short-term leases	138,508	152,690

Lease liabilities are denominated in Singapore dollar.

25. Share capital

	2025	2024	2025	2024
	Number of ordinary shares		$	$
Issued and fully paid, with no par value				
At beginning and end of financial year	141,200,000	141,200,000	23,698,348	23,698,348

The Company has one class of ordinary shares which carry one vote per share, has no par value and carries a right to dividend as and when declared by the Company.

26. Other reserves

Merger reserve

Merger reserve arose as a result of a Group restructuring exercise in 2009 prior to its Initial Public Offering and it represented the difference between the nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the Group and the nominal amount of the share capital issued as consideration for the acquisition under common control. The merger reserve is not available for dividend distribution.

Statutory surplus reserve

In accordance with the relevant provisions of the Civil and Commercial Code in Thailand, the subsidiary in Thailand, ES Offshore and Marine Engineering (Thailand) Co., Ltd. is required to set aside a statutory surplus reserve of at least 5% of its net income before each dividend distribution until the reserve reached 10% of the authorised capital. The statutory surplus reserve is not available for dividend distribution.

Currency translation reserve

The currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group, as well as from the translation of foreign currency loans which form part of the Group's net investments in foreign operations.

27. Contingent liabilities

The Company has given corporate guarantees to certain banks and insurers in respect of banking facilities and foreign worker bonds granted to certain subsidiaries. The maximum amount the Company could be forced to settle under the financial guarantee contract, if the full guaranteed amount is claimed by the counterparty to the guarantee is $8,579,712 (2024: $5,067,609). The earliest period that the guarantee could be called is within 1 year (2024: 1 year) from the end of the reporting period.

The Company has evaluated the fair value of the corporate guarantee. Consequently, the Company is of the view that the fair value of the guarantee to the financial institution with regard to the subsidiaries is not significant. The Company has not recognised any liability in respect of the guarantee given to the financial institution for credit facilities granted to the subsidiary as the Company's directors have assessed that the likelihood of the subsidiary defaulting on repayment is remote.

28. Significant related party transactions

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the Group and 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 Company or of a parent of the Company.

28. Significant related party transactions (Continued)

(ii) An entity is related to the Group and the Company if any of the following conditions applies:

(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 entity and the other entity is an associate of the third entity.

(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).

(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).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, in addition to the information disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following transactions with related parties at rates and terms agreed between the parties:

	Group	
	2025	**2024**
	$	**$**
Professional fee paid to immediate family member of directors/shareholders	156,012	156,012
Loan from directors of subsidiaries	211,411	150,000
Rental paid to a director	-	7,417
Consultancy service fee paid to a related party	-	9,000

There are no outstanding balances with related parties and key management personnel or their immediate family members.

28. Significant related party transactions (Continued)

Key management personnel remuneration

The remuneration of directors and other members of key management are as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Short-term employee benefits	1,283,306	1,370,507	616,476	626,730
Post-employment benefits	143,466	143,050	43,773	41,745
	1,426,772	1,513,557	660,249	668,475

The remuneration of directors and key management is determined by the Remuneration and Compensation Committee having regard to the performance of individuals and market trends.

29. Segment information

For the purpose of resource allocation and assessment of segments performance, the Group's chief operating decision maker has focused on the business operating units which in turn, are segregated based on their services. This forms the basis of identifying the operating segments of the Group under SFRS(I) 8 *Operating Segment*.

Operating segments are aggregated into a single reportable operating segment if they have similar economic characteristic, such as long-term average gross margins, and are similar in respect of nature of services and process, type of customers, method of distribution, and if applicable, the nature of the regulatory environment.

The Group's reportable operating segments under SFRS(I) 8 are as follows:

Segments	Principal activities
New building and repair	New building, conversion and repair of offshore and marine structures and vessels and labour supply
Shipping	Ship chartering, marine supplies and related activities

The accounting policies of the reportable segments are described in Note 2.22. Segment revenue represents revenue generated from external customers. Segment results consist of costs directly attributable to a segment as well as those that can be allocated on a reasonable basis. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

The segment assets comprise trade receivables, contract assets, certain inventories, and property, plant and equipment. The remaining assets are not allocated to reportable segments because they are of general use and they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

The segment liabilities comprise trade payables and bank loans drawdown by subsidiaries for the purpose to finance the vessels. The remaining liabilities are not allocated to reportable segments because they are of general use and they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

29. Segment information (Continued)

Information about reportable segments

	New building and repair $	Shipping $	Total $
2025			
Revenue			
Segment revenue	17,713,149	10,253,382	27,966,531
Results			
Gross profit/(loss)	4,691,163	(1,664,124)	3,027,039
Other operating income			1,669,999
Provision of loss allowance for trade receivables, net			(31,544)
Administrative expenses			(5,304,158)
Other operating expenses			(1,910,035)
Finance costs			(488,181)
Share of results of a joint venture			(91,316)
Loss before income tax			(3,128,196)
Income tax credit			65,442
Loss for the year			(3,062,754)
Other information:			
Additions to property, plant and equipment			1,628,371
Depreciation of property, plant and equipment		1,841,254	2,478,600
Assets and liabilities			
Segment assets	12,009,333	14,307,649	26,316,982
Unallocated corporate assets			6,193,730
			32,510,712
Segment liabilities	1,380,882	6,750,506	8,131,388
Unallocated corporate liabilities			6,037,658
			14,169,046

29. Segment information (Continued)

Information about reportable segments (Continued)

	New building and repair $	Shipping $	Total $
2024			
Revenue			
Segment revenue	21,996,717	14,067,852	36,064,569
Results			
Gross profit	6,421,104	1,702,833	8,123,937
Other operating income			2,620,946
Provision of loss allowance for trade receivables, net			(147,070)
Administrative expenses			(5,360,318)
Other operating expenses			(2,435,370)
Finance costs			(280,586)
Share of results of a joint venture			(120,067)
Profit before income tax			2,401,472
Income tax expense			(142,233)
Profit for the year			2,259,239
Other information:			
Additions to property, plant and equipment			3,532,962
Depreciation of property, plant and equipment		[a] 1,781,224	2,356,400
Assets and liabilities			
Segment assets	11,480,055	14,708,929	26,188,984
Unallocated corporate assets			7,315,384
			33,504,368
Segment liabilities	2,069,649	1,692,371	3,762,020
Unallocated corporate liabilities			8,304,609
			12,066,629

[a] The difference between the depreciation of shipping segment and the total depreciation of property, plant and equipment is attributable to property, plant and equipment for general purpose that is used for all segments.

29. Segment information (Continued)

Geographical information

The Group operates in five principal geographical areas – Singapore (country of domicile), Thailand and The People's Republic of China ("The PRC"), Malaysia and Myanmar.

The Group's revenue from external customers and information about its segment assets (non-current assets) by geographical location are detailed below:

	Revenue		Non-current assets#	
	2025	2024	2025	2024
	$	$	$	$
Geographical segments				
Singapore	26,878,414	35,242,091	15,652,795	16,578,590
Thailand	9,403	117,060	3,811,429	3,749,600
China	121,803	217,761	5,262	6,972
Malaysia	950,404	487,657	46,165	-
Myanmar	6,507	-	-	24,428
	27,966,531	36,064,569	19,515,651	20,359,590

\# Non-current assets other than financial instruments

The Group's revenue and non-current assets by geographical segments are based on the respective entities' country of operations.

Information about major customers

Major customers with revenue more than 10% of the Group's total revenue are as follows:

	New building and repair		Shipping	
	2025	2024	2025	2024
	$	$	$	$
Customer A	9,861,214	7,775,394	-	-

30. Financial instruments and financial risks

The Group's activities expose it to credit risk, market risks (including foreign currency risk and interest rate risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises from cash and bank balances, trade and other receivables, other debt instruments carried at amortised cost as well as contract assets. Cash and bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, and/or where contractual payments are 90 days past due as per SFRS(I) 9's presumption.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognizing ECL
1	Low credit risk [Note 1]	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition [Note 2] or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired [Note 3]	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount [Note 4]	Written off

30. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial asset has a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information.

Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are > 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial asset is credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

30. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics other than the geographical location of their operations.

Concentration of credit risk exists when changes in economic, industry or geographic factors similarly affect group of counterparties whose aggregate credit exposure is significant in relation to the Group's and Company's total credit exposure.

With reference to Note 27, the Company provides financial guarantees to certain banks in respect of bank facilities granted to certain subsidiaries. The date when the Group becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Group considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantees is insignificant to the Company.

As at the end of the reporting period, the Group has 1 (2024: 2) major customer which accounted for 57% (2024: 48%) of the net trade receivable balances, and 2 (2024: 2) major customers which accounted for 88% (2024: 75%) of the contract assets balances.

The Company has no concentration of credit risk other than the amount due from subsidiaries as disclosed in Note 14.

<u>Trade receivables (Note 13) and contract assets (Note 15)</u>

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables and contract assets, where the loss allowance is equal to lifetime ECL.

The contract assets relate mainly to unbilled revenue and have substantially the same risk characteristics as trade receivables for the same type of contracts. Therefore, the Group concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the credit loss rates of the contract assets.

The ECL for trade receivables and contract assets are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (eg. Singapore, China, Malaysia) and the growth rates of the major industries which its customers operate in.

30. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Trade receivables (Note 13) and contract assets (Note 15) (Continued)

Trade receivables and contract assets are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there is no reasonable expectations for recovering the outstanding balances.

The loss allowance for trade receivables and contract assets are determined as follows:

		Trade receivables					
	Contract assets	**Current**	**Past due more than 1 to 90 days**	**Past due more than 91 to 120 days**	**Past due more than 121 to 365 days**	**Past due more than 365 days**	**Total**
31 December 2025							
Expected credit loss rates	-	-	2.5%	3.1%	3.6%	98.2%	
Gross carrying amount ($)	4,665,891	1,033,724	2,998,075	217,440	204,308	263,032	9,382,470
Loss allowance ($) [(a)]	-	-	(76,035)	(6,676)	(7,324)	(258,228)	(348,263)
31 December 2024							
Expected credit loss rates	-	-	2.1%	12.4%	3.6%	76.8%	
Gross carrying amount ($)	4,142,814	1,436,512	2,474,748	469,598	148,574	531,078	9,203,324
Loss allowance ($) [(a)]	-	-	(53,173)	(58,192)	(5,321)	(407,892)	(524,578)

[(a)] This amount includes $250,909 (2024: $444,910) which are credit-impaired balances from several customers who are unlikely to repay the outstanding balances mainly due to economic circumstances or who have defaulted in payment terms.

Other receivables (Note 14)

As of 31 December 2025, the Company recorded non-trade amounts due from subsidiaries of $25,581,521 (2024: $24,971,211). The Company assessed the impairment loss allowance of these amounts on a lifetime ECL basis consequent to their assessment on available internally about these subsidiaries' past, current and expected operating performance and cash flow position. Management monitors and assesses at each reporting date on any indicator of significant increase in credit risk on the amount due from the respective subsidiaries, by considering their performance ratio and any default in external debts. As at 31 December 2025, the Company has assessed its subsidiaries' financial performance to meet the contractual cash flow obligations and concluded that there has been significant increase in the credit risk since the initial recognition of the financial asset. Accordingly, the management determined that the expected credit loss allowance is $12,514,332 (2024: $10,439,342) for non-trade amounts due from subsidiaries.

30. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Other receivables (Note 14) (Continued)

As of 31 December 2025, the Group recorded non-trade amounts due from third parties of $267,027 (2024: $176,732). The Group assessed the loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets, except for non-trade amount due from a third party, amounting to $5,400 (2024: $ Nil). The Group assessed the latest performance and financial position of the respective debtors, adjusted for the future outlook of the industry which the debtors operate in, by referring to expert publications on the industry, and for any market talks on the debtors' credit reputation.

The expected credit loss allowance for the Group's non-trade amount due from third parties is $5,400 (2024: $ Nil) based on the management's determination that the debtor is credit-impaired. The debtor is unlikely to repay the outstanding balances mainly due to significant financial difficulty of the debtor.

As of 31 December 2025, the Group and Company recorded deposits of $781,147 (2024: $509,086) and $200 (2024: $200) respectively. The Group has not identified any indications of adverse changes in business, financial or economic conditions that are expected to cause a significant change in the counterparty's ability to meet its repayment obligations. Accordingly, the Group measured the loss allowance using 12-months ECL and determined that the ECL is insignificant.

Cash and bank balances (Note 12)

The cash and bank balances are held with banks and financial institution counterparties, which are rated A3 to Aa1, based on Moody's rating. The Board of Directors monitors the credit ratings of counterparties regularly. Impairment on cash and bank balances has been measured on the 12-months expected loss model. As at 31 December 2025, the Group and the Company did not expect any credit losses from non-performance by the counterparties.

30. Financial instruments and financial risks (Continued)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Group's and Company's exposure to credit risk in respect of the trade receivables, contract assets and other receivables is as follows:

Group	**Trade receivables**				**Contract assets**	**Other receivables**			
Internal credit risk grading	**Note (i)**	**Category 4**	**Category 5**	**Total**	**Note (i)**	**Category 2**	**Category 4**	**Category 5**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Loss allowance									
Balance at 1 January 2024	99,469	715,122	-	814,591	-	-	328,706	-	328,706
Loss allowance	16,318	261,127	-	277,445	-	-	-	-	-
Reversal	(36,119)	(94,256)	-	(130,375)	-	-	-	-	-
Reclassification between categories		(440,031)	440,031	-	-	-	(328,706)	328,706	-
Write off	-	-	(440,031)	(440,031)	-	-	-	(328,706)	(328,706)
Currency realignment	-	2,948	-	2,948	-	-	-	-	-
Balance at 31 December 2024	79,668	444,910	-	524,578	-	-	-	-	-
Loss allowance	17,686	138,905	-	156,591	-	-	5,400	-	5,400
Reversal	-	(130,447)	-	(130,447)	-	-	-	-	-
Reclassification between categories	-	(203,837)	203,837	-	-	-	-	-	-
Write off	-	-	(203,837)	(203,837)	-	-	-	-	-
Currency realignment	-	1,378	-	1,378	-	-	-	-	-
Balance at 31 December 2025	97,354	250,909	-	348,263	-	-	5,400	-	5,400
Gross carrying amount									
At 31 December 2024	4,615,600	444,910	-	5,060,510	4,142,814	685,818	-	-	685,818
At 31 December 2025	4,465,670	250,909	-	4,716,579	4,665,891	1,042,774	5,400	-	1,048,174
Net carrying amount									
At 31 December 2024	4,535,932	-	-	4,535,932	4,142,814	685,818	-	-	685,818
At 31 December 2025	4,368,316	-	-	4,368,316	4,665,891	1,042,774	-	-	1,042,774

Note (i): For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL. No loss allowance was recognised with respect to these trade receivables.

30. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Company Internal credit risk grading	Other receivables Category 4 $	 Category 5 $	Amounts due from subsidiaries Category 3 $	 Total $
Loss allowance				
Balance at 1 January 2024	328,706	-	11,779,836	12,108,542
Reversal	-	-	(1,340,494)	(1,340,494)
Reclassification between categories	(328,706)	328,706	-	-
Write off	-	(328,706)	-	(328,706)
Balance at 31 December 2024	-	-	10,439,342	10,439,342
Loss allowance	-	-	2,074,990	2,074,990
Balance at 31 December 2025	-	-	12,514,332	12,514,332
Gross carrying amount				
At 31 December 2024	200	-	24,971,211	24,971,411
At 31 December 2025	200	-	25,581,521	25,581,721
Net carrying amount				
At 31 December 2024	200	-	14,531,869	14,532,069
At 31 December 2025	200	-	13,067,189	13,067,389

Market risk

Foreign currency risk

The Group is exposed to foreign currency risk on certain income, expenses, monetary assets, mainly cash and bank balances and monetary liabilities that are denominated in currencies other than the functional currencies of the respective entities in the Group. As at the reporting date, the Group and Company do not have significant foreign currency risk exposure except for the monetary assets and monetary liabilities denominated in Thai baht, United Stated dollars, Malaysian Ringgit and Myanmar Kyat.

30. Financial instruments and financial risks (Continued)

Market risk (Continued)

Foreign exchange risk (Continued)

The carrying amounts of the Group's and Company's foreign currency denominated monetary assets and monetary liabilities as at the end of the financial year are as follows:

	Thai baht	United States dollars	Malaysia ringgit	Myanmar Kyat	Total
	$	$	$	$	$
2025					
Group					
Monetary assets	98,214	1,739,590	302,486	303,310	2,443,600
Monetary liabilities	(1,978,301)	(6,256,209)	(129,349)	(2,821)	(8,366,680)
Net monetary (liabilities)/ assets	(1,880,087)	(4,516,619)	173,137	300,489	(5,923,080)
Company					
Monetary assets	2,018,136	-	-	-	2,018,136
2024					
Group					
Monetary assets	24,735	1,773,207	112,777	316,718	2,227,437
Monetary liabilities	(1,876,401)	(1,513,687)	(112,827)	(1,174)	(3,504,089)
Net monetary (liabilities)/assets	(1,851,666)	259,520	(50)	315,544	(1,276,652)
Company					
Monetary assets	1,865,304	-	-	-	1,865,304

Foreign currency sensitivity

The following table details the sensitivity to a 5% (2024: 5%) increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 5% (2024: 5%) is the sensitivity rate representing management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% (2024: 5%) change in foreign currency rates.

If the relevant foreign currency strengthens by 5% (2024: 5%) against the functional currency of each Group entity, profit or loss will increase or (decrease) by:

	2025	2024
	$	$
Group		
Thai baht	(94,004)	(92,583)
United States dollars	(225,831)	12,976
Malaysia ringgit	8,657	(3)
Myanmar Kyat	15,024	15,777
Company		
Thai baht	100,907	93,265

30. Financial instruments and financial risks (Continued)

Market risk (Continued)

Interest rate risk

The Group's exposures to market risk for changes in interest rate relates to the Group's long term and short term debt obligations. The Group does not use derivative financial instruments to hedge its exposure to interest rate fluctuation.

However, it is the Group's policy to obtain the most favourable interest rates available whenever the Group obtains additional financing through bank borrowings.

The Group's interest rate risk arises primarily from the floating rate borrowings with financial institutions.

The interest rates, terms of maturity and repayment of borrowings of the Group are disclosed in Note 21.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of financial instruments that have floating rates.

If interest rates had been 200 basis points higher or lower and all other variables were held constant, the Group's loss for the year ended 31 December 2025 would increase/decrease by approximately $171,594 (2024: $83,705). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

There is no direct impact to the Group's equity arising from changes in interest rates.

Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

As at 31 December 2025, the Group had available $3,394,937 (2024: $3,307,270) of undrawn committed borrowing facilities in respect of which all conditions precedent has been met.

In addition, the Company enters into financial guaranteed contracts on behalf of its subsidiaries as disclosed in Note 27.

The Company funds its operations through internal funds and bank loans. The Company closely monitors the working capital requirements and minimises its liquidity risk by ensuring sufficient available funds and credits lines.

30. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

The following tables detail the remaining contractual maturity for non-derivative financial liabilities of the Group. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Total
	%	$	$	$	$
Group					
Undiscounted Financial Assets					
Cash and bank balances	-	2,411,698	-	-	2,411,698
Trade receivables (excluding GST receivables)	-	4,364,393	-	-	4,364,393
Other receivables (excluding prepayments, deferred cost and value-added tax receivables)	-	592,435	450,339	-	1,042,774
As at 31 December 2025		7,368,526	450,339	-	7,818,865
Cash and bank balances	-	3,114,087	-	-	3,114,087
Trade receivables (excluding GST receivables)	-	4,535,443	-	-	4,535,443
Other receivables (excluding prepayments, deferred cost and value-added tax receivables)	-	400,077	285,741	-	685,818
As at 31 December 2024		8,049,607	285,741	-	8,335,348
Undiscounted Financial Liabilities					
Variable interest rate borrowings	4.84 - 8.62	5,156,993	4,050,016	216,106	9,423,115
Trade payables (excluding GST payables)	-	1,474,255	-	-	1,474,255
Other payables (excluding withholding tax payables)	-	3,396,708	-	-	3,396,708
Lease liabilities	4.50 - 7.13	147,456	227,273	8,760	383,489
Deposits	-	-	45,000	-	45,000
As at 31 December 2025		10,175,412	4,322,289	224,866	14,722,567
Fixed interest rate borrowings	3.00	884,655	-	-	884,655
Variable interest rate borrowings	5.61 - 9.43	2,934,606	1,236,091	697,685	4,868,382
Trade payables (excluding GST payables)	-	1,618,262	-	-	1,618,262
Other payables (excluding withholding tax payables)	-	4,103,066	-	-	4,103,066
Lease liabilities	4.50 - 7.13	162,021	348,377	35,112	545,510
Deposits	-	-	42,000	-	42,000
As at 31 December 2024		9,702,610	1,626,468	732,797	12,061,875
Total undiscounted net financial liabilities					
- at 31 December 2025		(2,806,886)	(3,871,950)	(224,866)	(6,903,702)
- at 31 December 2024		(1,653,003)	(1,340,727)	(732,797)	(3,726,527)

30. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Total
	%	$	$	$	$
Company					
Undiscounted Financial Assets					
Cash and bank balances	-	14,348	-	-	14,348
Other receivables (excluding prepayments)	-	13,067,389	-	-	13,067,389
As at 31 December 2025		13,081,737	-	-	13,081,737
Cash and bank balances	-	24,065	-	-	24,065
Other receivables (excluding prepayments)	-	14,532,069	-	-	14,532,069
As at 31 December 2024		14,556,134	-	-	14,556,134
Undiscounted Financial Liabilities					
Trade payables	-	3,198	-	-	3,198
Other payables	-	16,485,073	-	-	16,485,073
Maximum amount of financial guarantee	-	8,579,712	-	-	8,579,712
As at 31 December 2025		25,067,983	-	-	25,067,983
Trade payables	-	2,883	-	-	2,883
Other payables (excluding withholding tax)	-	16,043,007	-	-	16,043,007
Maximum amount of financial guarantee	-	5,067,609	-	-	5,067,609
As at 31 December 2024		21,113,499	-	-	21,113,499
Total undiscounted net financial liabilities					
- at 31 December 2025		(11,986,246)	-	-	(11,986,246)
- at 31 December 2024		(6,557,365)	-	-	(6,557,365)

30. Financial instruments and financial risks (Continued)

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Group		Company	
	2025	2024	2025	2024
	$	$	$	$
Financial assets				
Financial assets carried at amortised cost (Note 13)	7,818,865	8,335,348	13,081,737	14,556,134
Financial liabilities				
Financial liabilities carried at amortised cost (Note 22)	13,846,765	11,312,953	16,488,271	16,045,890

Offsetting financial assets and financial liabilities

There are no offsetting arrangements on financial assets and financial liabilities at the Group level. The following table details the Company's financial assets and financial liabilities which are subject to offsetting, enforceable master netting arrangements and similar agreements.

The Company has the following financial instruments subject to enforceable master netting arrangements or similar agreements as follows:

Financial assets

	Related amount set off in the statement of financial position		
	Gross amounts of financial assets	Gross amounts of financial liabilities	Net amount
	$	$	$
Company			
31 December 2025			
Amount due from subsidiaries	30,966,774	(5,385,253)	25,581,521
31 December 2024			
Amount due from subsidiaries	27,009,088	(2,037,877)	24,971,211

30. Financial instruments and financial risks (Continued)

Financial liabilities

	Related amount set off in the statement of financial position		
	Gross amounts of financial liabilities	Gross amounts of financial assets	Net amount
	$	$	$
Company			
31 December 2025			
Amount due to subsidiaries	(16,746,675)	370,574	(16,376,101)
31 December 2024			
Amount due to subsidiaries	(20,016,888)	4,084,617	(15,932,271)

31. Capital management policies and objectives

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as going concerns and maintain an optimal capital structure so as to maximise shareholders' values.

The management monitors capital based on gearing ratio. The gearing ratio is calculated as total borrowings divided by equity attributable to owners of the Company. Total borrowings are calculated as borrowings plus lease liabilities.

Management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayment and interests) based on its operating cash flows. The Group's overall strategy remains unchanged from the previous financial year

	Group	
	2025	2024
	$	$
Total borrowings	8,930,802	5,549,625
Equity attributable to owners of the Company	19,045,290	22,027,457
Gearing ratio	47%	25%

Externally imposed capital requirements

A subsidiary in Thailand is subject to externally imposed capital requirements, the details of which are disclosed in Note 26. The subsidiary has complied with the externally imposed capital requirements for financial years ended 31 December 2025 and 2024.

32. Fair value of financial assets and financial liabilities

The fair values of applicable assets and liabilities, are determined and categorised using a fair value hierarchy as follows:

Level 1 - the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).

Level 2 - in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/ liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.

Level 3 - in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

The carrying amounts of financial assets and financial liabilities, classified as current assets and current liabilities on the statements of financial position, approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of non-current financial assets and liabilities are disclosed in the respective notes to financial statements.

Level 2

Vessels

For vessels, the valuation technique has been described in Note 17.

There has been no change in the valuation techniques from the last financial year.

Club membership

For club membership, the valuation technique has been described in Note 18.

33. Operating lease commitments

The Company as a lessor

As at the end of the financial year, future minimum rental fee receivables for worker dormitory under a non-cancellable operating lease is as follows:

	Group	
	2025	2024
	$	$
Receivables:		
Within one year	180,000	179,000
After one year within five years	15,000	195,000
	195,000	374,000

Operating lease income commitments represent rental fee receivable from third party in respect of the lease of its worker dormitory. As at 31 December 2025, lease term is negotiated on a minimum duration of 12 months. The operating lease has a remaining lease term of 13 months (2024: 25 months) from the end of reporting period and rental fee is fixed for the lease period with no provisions for contingent rental fee or upward revision of rental fee based on market price indices.

SUSTAINABILITY REPORT 2025

CONTENTS

REPORTING FRAMEWORK

This Report is approved by the Board and is prepared in accordance with the sustainability reporting requirements set out in Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") and the guidance set out in SGX-ST's sustainability reporting guide under Practice Note 7F of the Catalist Rules.

This Report is prepared in accordance with the Global Reporting Index ("GRI") Standards for the Reporting Period. The GRI Standards were selected as our reporting framework because it provides guiding principles on report content and quality as well as suggests specific performance disclosures relevant to our material ESG topics. The content of this Report is defined by the four reporting principles established by the GRI Standards as follows:

1. **1. Stakeholders' Inclusiveness:** The contents of this Report was determined following various stakeholders' engagements and internal discussions.
2. Sustainability Context: This Report covers the Group's performance in various ESG aspects.
3. Materiality: Material topics in this Report were determined through stakeholders' engagements and internal discussions. All relevant factors were then weighted according to their respective importance to stakeholders, as well as their impact on ES Group's business.
4. **Completeness:** This Report covers the impact that the group contributes to the material topics during the Reporting Period using relevant data and information collected.

This Report was prepared in accordance with recommendations from the Task Force on Climate-related Financial Disclosures ("**TCFD**") framework. Our TCFD report included in this Report outlines our approach to assessing and managing climate-related risks and identifying opportunities within our operations.

Climate and decarbonisation

We recognise that failing to address the impact of climate change on the Group's business model and strategy will have a profound effect on the viability of our business. Conversely, confronting it head-on presents us with opportunities to gain a competitive advantage in the market. Given polarising outcomes, we have identified climate change as a key focus of our strategy and risk management processes. To better understand the impact of transition and physical risks to its business, the Group conducted its climate-related scenario analysis to continuously refine and build upon its existing climate disclosures. At the same time, it has started to monitor certain of its Scope 3 data and have reported certain categories of Scope 3. This brings the Group closer to its aim of disclosing a comprehensive Scope 1, 2 and 3 inventory for the Group within the next few years. The Group will also play its part to help Singapore reach its national climate target of net-zero by 2050. This involves develop medium- and long-term greenhouse gas (GHG) reduction targets, which will be part of a larger decarbonisation roadmap to set out the practical steps that it needs to take in the immediate future and beyond.

Report Content and Quality

This Report aims to provide an integrated overview of the Group's initiatives and strategies relating to sustainability and responsible business development, as well as the key concerns and issues that ES Group's stakeholders face. To ensure content quality, we have applied GRI, TCFD and SGX Core ESG metrics' principles of accuracy, balance, clarity, comparability, reliability, and timeliness.

Feedback

As part of our continuous efforts to improve our sustainability performance, we value any questions, comments, or feedback on any aspect of this Report. Please write to: jocelyn.tan@esgroup.com.sg

OUR LETTER TO STAKEHOLDERS

Dear Stakeholders,

The global landscape for sustainability is evolving rapidly, with climate change now recognized as one of the most pressing challenges facing businesses and society. The increasing emphasis on managing climate-related risks and opportunities has placed greater responsibility on companies to act with foresight and resilience. In particular, the recent issuance of the International Sustainability Standards Board (ISSB) standards underscores the importance of consistent, transparent, and comparable disclosures to guide investors and stakeholders in assessing long-term value creation.

At ES Group (Holdings) Limited, we recognize that addressing climate change is not only a responsibility but also an opportunity to transform our business for the future. We remain dedicated to integrating environmental, social, and governance (ESG) principles into our strategy, ensuring that sustainability remains central to our decision-making and operations. Our Board of Directors continues to oversee the identification, management, and monitoring of material ESG factors, reflecting our commitment to accountability and long-term resilience.

In line with the global transition towards clean energy, our Group has taken significant steps to participate in renewable energy projects. These initiatives represent a strategic extension of our core expertise in the marine and offshore sector and demonstrate our determination to support the international effort to reduce carbon emissions. By contributing to renewable energy solutions, we not only diversify our business but also reinforce our role in enabling a more sustainable future for the communities and industries we serve.

Our core segments in shipbuilding, repair, and shipping remain vital to our operations, and we continue to embed sustainable practices across these businesses. We recognize the importance of reducing emissions in the shipping industry and are committed to adopting cleaner fuels, more efficient technologies, and innovative approaches that align with the International Maritime Organization's decarbonization goals. At the same time, we remain deeply committed to our workforce, ensuring their health, safety, and development remain top priorities. Our "Zero Accident" goal and continued investments in training reflect our dedication to protecting and growing the capabilities of our people.

As we publish our Sustainability Report for the financial year ended 31 December 2025 ("**FY2025**"), now in its ninth edition, we are proud of the progress made but also recognize that the journey toward sustainability is ongoing. We will continue to refine our practices in alignment with international standards such as the ISSB, while striving to create long-term value for all stakeholders.

Sustainability is not just a matter of compliance—it is central to the enduring success of our Group. With the support of our stakeholders, we will continue building a resilient, innovative, and responsible business that contributes positively to the global shift toward a low-carbon future.

Thank you for your continued trust and support.

Join us in our
Voyage into Sustainability

On Behalf of the Board of Directors
LOW CHEE WEE
EXECUTIVE DIRECTOR,
CHIEF EXECUTIVE OFFICER AND
CHIEF OPERATING OFFICER
27th March 2026

OUR COMMITMENT TO A SUSTAINABLE OPERATION

For the past 50 years, we have been a quality driven service provider in the offshore and marine industry committed to uphold a high level of customers' satisfaction. Along the journey, we have recognised that the Group's activities have a broad impact on the social, environmental, and financial aspects within the Group and outside the Group. Hence, we are committed to work with the Stakeholders to address all sustainability concerns – minimising the unfavourable impact and taking advantage of the favourable opportunities – with our vision and mission governing our operation.

Voyaging into Sustainability

We have published our first Sustainability Report (for the financial year ended 31 December 2017) in November 2018, driven by the requirement of SGX Catalist Rules, which marks our first embarkation to the road of sustainability.

In 2026, the ninth publication of our Sustainability Report for FY2025 was updated, aiming at improving the quality of the report in terms of compliance (refer to the section "**Our Reporting Basis**" of this report for more information), depth, relevance, and understandability.

We believe that the driver for sustainability must first start from a sound and effective Corporate Governance that propagates across each function of our Group, which we will detail further below.

Our Vision

We endeavour to be a world leader in the offshore and marine industry, providing innovative products and solutions that surpass our clients' expectations and align with their future growth.

Our Mission

- To provide world-class services without compromising on safety.
- To continuously improve and enhance our technologies, work processes as well as the knowledge and skills of our workforce to cater to evolving customer demands.
- To be committed in working with all stakeholders in achieving common goals and results.

Group's Corporate Governance Structure

- Board of Directors
  - Chairman
  - Chief Executive Officer
- Company Secretary
- Audit and Risk Committee
  - External Auditors
  - Internal Auditors
  - Compliance Committee
- Nominating Committee
- Remuneration and Compensation Committee

OUR COMMITMENT TO A SUSTAINABLE OPERATION

ABOUT THIS REPORT

Scope of Report

This Report focuses on the sustainability strategy, practices, priorities, targets and performance of the Group's operations for FY2025 ("**Reporting Period**"). The contents of this Report have been disclosed in good faith and to the best of our knowledge, provide a comprehensive and transparent report to our stakeholders.

This Report covers the following entities of the Group during the Reporting Period:

ES GROUP (HOLDINGS) LIMITED			
Subsidiaries / Joint Venture Segment	%	Segment	
		New Building and Repair	Shipping
Singapore			
Eng Soon Investment Pte Ltd	100	●	
Wang Fatt Oil & Gas Construction Pte Ltd	100	●	
ES Offshore Engineering Pte. Ltd.	100	●	●
Eng Soon Engineering (1999) Pte Ltd	100	●	
Eng Soon Marine Pte Ltd	100		●
ES Shipping Pte. Ltd.	100		●
ES Oil & Gas Pte. Ltd.	100	●	
ES Chartering Pte. Ltd.	100		●
ES Aspire Pte. Ltd.[1]	100		●
ES Jewel Pte. Ltd. [1]	100		●
ProXess Engineering Pte. Ltd. (Joint Venture)[2]	51	●	
Thailand			
ES Offshore and Marine Engineering (Thailand) Co., Ltd.	50	●	
China			
Dalian ES Marine & Offshore Engineering Co., Ltd	100	●	●
Myanmar			
ES Offshore and Engineering (Myanmar) Company Limited[3]	100	●	●
Malaysia			
ES Nautilus (M) Sdn. Bhd.[4]	30	●	●

Notes:

1. ES Aspire Pte. Ltd. and ES Jewel Pte. Ltd. are wholly-owned subsidiaries of ES Chartering Pte. Ltd..
2. ProXess Engineering Pte. Ltd. is jointly owned by Wang Fatt Oil & Gas Construction Pte. Ltd. (51%) and a third-party company incorporated in Singapore (49%).
3 ES Offshore and Engineering (Myanmar) Company Limited is owned by ES Offshore Engineering Pte. Ltd. (50%) and ES Oil & Gas Pte. Ltd. (50%).
4 The Group owns 30% equity shares of ES Nautilus Sdn. Bhd. ("ESN"). However, based on contractual agreements between the Group and other investors, the Group holds 51% of voting power that gives it the ability to direct the relevant activities of ESN based on simple majority votes. The non-controlling interests own 70% equity shares and 49% of voting power of ESN. Therefore, the directors of the Group determined that the Group has control over ESN and accordingly ESN is consolidated in the financial statements of the Group.
% Percentage indicated beside each subsidiary / joint venture refers to the effective interest of the corresponding subsidiary / joint venture held by the Company.

Information accurate as at date of publication.

OUR COMMITMENT TO A SUSTAINABLE OPERATION

STAKEHOLDERS' ENGAGEMENT

We are cognisant of the importance of forging trusted relationships with our stakeholders, understanding their needs, and the potential impact they can have on our business, which is crucial for long-term sustainable growth. We identify our stakeholders based on the extent to which they are affected by our business activities or their ability to influence our business goals. Both internal and external stakeholders are crucial to us, and we engage them through various platforms and feedback mechanisms.

The following table summarises our stakeholder groups, current platforms, frequency of engagement as well as the stakeholders' key concerns to sustainability.

Stakeholder	Current Engagement Platforms	Frequency	Key Concerns
Employees	➢ Performance reviews	Annual	• Remuneration and fair compensation • Employee health and safety • Training and career development opportunity • Recognition and appreciation
	➢ Training programmes and courses	Subject to annual review	
	➢ Regular meetings	Weekly	
	➢ Recognition Programs	Annual	
Customers	➢ Customers' service and feedback emails	As promptly as possible	• Service quality • timely delivery of project • Reliability and consistency • Social and environmental responsibility
	➢ Customers' satisfaction survey	Upon completion of project	
	➢ Verbal communications	Perpetual	
Suppliers	➢ Correspondences through emails, phone calls and meetings	As promptly as possible	• Timely payment • Fair contract term • Occupational health and safety Practices • Clear and Consistent Communication
	➢ Annual performance evaluation	Annual	
Shareholders	➢ Annual/ extraordinary general meetings	Annual	• Financial performance • Dividend policy and stock price appreciation • Strategic direction • Corporate governance • Commitment to ESG practices • Risk management
	➢ Financial results announcements	Half-yearly	
	➢ SGX-ST announcements	As promptly as possible	
	➢ Annual reports and sustainability reports	Annual	
Government	➢ Meetings, briefings, and reporting	As promptly as possible	• Tax and regulatory compliance • Economic contribution • Environmental responsibility
	➢ Correspondences through emails and letters	As promptly as possible	

MATERIALITY ASSESTMENT

At ES Group, we regularly review and assess the importance of ESG issues to our stakeholders through various channels and feedback and to identify key ESG topics most relevant and significant to our business and stakeholders. The materiality review was conducted according to the GRI guidelines and topics are prioritised based on the materiality matrix. The Group adopts the following four-step process to define material ESG topics (**"Material Topics"**):

IDENTIFICATION
Background research including stakeholders' interest and sector-specific concerns

RATE AND ASSESS
Cluster similar concerns to assess what issues are the most common across the Company

PRIOTISATION
Prioritise salient sustainability issues based on significance on their impact and stakeholders' expectations

REVIEW
Review of the relevance of previously identified material factors and update accordingly

Subsequently, these topics were placed on a materiality matrix and their relative position is dependent on their respective impact to the Group's business and importance to stakeholders. We have identified 13 key ESG topics of varying degrees of impact to the Group and importance to stakeholders as follows:

Highly Critical Material Topics	Critical Material Topics	Moderate Material Topics
1. GHG Emissions 2. Economic Performance 3. Environmental Regulatory Compliance 4. Occupational Health and Safety	5. Business Conduct and Ethics 6. Anti-corruption Practices 7. Regulatory Compliance 8. Climate Change 9. Energy Consumption	10. Diversity and Equal Opportunity 11. Training and Development 12. Labour Standards 13. Waste Management

OUR COMMITMENT TO A SUSTAINABLE OPERATION

TCFD REPORT

Governance Structure

At ES Group, the Board has overall responsibility for the Group's sustainability strategy, including climate related risks and opportunities. The Board regularly evaluates potential climate-related risks and opportunities as part of the comprehensive risk assessment and maintains strategic risk management oversight. The Board also determines material ESG factors, including climate-related metrics and targets.

The Board is supported by the Compliance Committee, which supervises the adoption and implementation of climate strategies and policies and provides regular updates to the Board. The Compliance Committee evaluates potential climate related risks and opportunities annually as part of the comprehensive risk assessment. The Compliance Committee is chaired by the Chief Executive Officer, with the Group's Finance Manager as the deputy chair, and comprises senior business leaders from various business functions.

Roles and Responsibilities

Titles	Roles	Responsibilities
Board of Directors	Overall responsibility to oversee and lead Compliance Committee and ongoing communication	• Provide strategic guidance and formulate sustainability strategies • Identify climate-related risks and opportunities • Review climate-related metrics and targets
Chief Executive Officer	Chair of Compliance Committee	• Providing leadership for the committee, setting the tone for accountability, and ensuring compliance with laws, regulations, and internal policies • Reporting to the Board of Directors on the committee's activities, decisions, and any critical risks or violations
Finance Manager	Deputy Chair of Compliance Committee to foster a culture of sustainability	• Provide regular updates to the Board • Coordinate reporting and disclosures
Project Managers	Member of Compliance Committee to support sustainability practices	• Manage contracts and tender specification relating to environmental- related laws and regulations • Manage client expectations and project quality • Incorporation of smart and green designs, sustainable materials and efficient engineering practices

Strategy

Our strategy is to transform ES Group into a climate-resilient and future-ready business. Our overarching climate strategy is to identify, assess, prioritise, mitigate, and monitor climate-related physical and transition risks in our business. We also seek to capitalise on climate-related opportunities with the global shift to a lower-carbon economy by 2030 and a net-zero standard by 2050. We expect our strategies to further develop and become more refined as we develop a deeper understanding of evolving risks and opportunities over the coming years.

Scenario Analysis

To assess the impact of climate change on our business, we have performed scenario analysis to review the risks and opportunities under two specific climate scenarios. In the first scenario aligned to the Paris Agreement, we assessed transition risks in a scenario where the rise in global temperatures is limited to an average of well below 2°C above pre-industrial levels by the end of the century. In the second no mitigation scenario, we assessed physical risks by selecting a stressed physical scenario which assumes limited policy changes are implemented to curb the current volume of emissions, resulting in an increase of 4°C in average global temperatures within the same time frame.

Scenario	Paris Agreement-aligned scenario (below 2°C)	No mitigation scenario (4°C)
Rationale	We selected this scenario to assess the transition impacts in an economy shifting to a low carbon world. It reflects actions required to limit global warming within the century to under 2°C.	We selected this scenario to assess our physical risk under a high-emission scenario, consistent with a future with limited policy changes to reduce emissions.
Underlying model	International Energy Agency's Sustainable Development Scenario	Intergovernmental Panel on Climate Change (**"IPCC"**)Representative Concentration Pathway 8.5
Used to analyse	Transition impacts	Physical impacts
Assumptions	Transition features: • Carbon tax introduced • Fossil fuel subsidies phased out by 2050 in net-importers and by 2035 in net-exporters • Increased generation from renewable energy	Physical features: • Global emissions continue to rise because of high carbon intensity • Global mean sea level rise of 0.63 metres by year 2100 • High frequency and intensity of heat waves and extreme precipitation events

Climate-related Risks and Opportunities

Taking into consideration the above scenarios, we have identified the following risks / opportunities and their impact on our business should the above scenarios materialise:

Climate-related Risks	
Risk Type	**Impact**
Physical Risks	
Acute: Increased severity of extreme weather events such as frequent flooding	Prolonged project timeline
	Increased insurance premiums
	Reduced revenue from lower sales output
Chronic: Rising mean temperatures	Longer dry spells leading to higher water costs
	Increased thermal stress and a health risk for our employees working on projects which require prolonged outdoor working
	Lower work productivity
Transition Risks	
Policy and Legal	Increased compliance costs and the operation costs
	Increased insurance premiums
Technology	Capital investments into technology development
	Cost of adoption
	Increased write-offs and early retirement of existing assets
	Reduced demand for services

OUR COMMITMENT TO A SUSTAINABLE OPERATION

Climate-related Risks	
Risk Type	**Impact**
Market	Shifts in energy and water costs
	Changing client preferences such as demand for smart building facilities and green real estate could affect the yield of projects
	Inability to meet customers' sustainability expectations could make our services less attractive
Reputation	Reduced revenue from negative image
	Reduction in capital availability
Climate-Related Opportunities	
Resource Efficiency	Enhancing energy efficiency and water conservation in our operations and business properties can reduce costs
Energy Sources	Reduced exposure to fossil fuel price increase
	Returns on investment in low-emission technology
	Increased energy resilience
Products and Services	Enhanced competitiveness
	Offerings with sustainable designs can attract clients looking for smart building and facility services

Risk Management

To safeguard the interest of the Company and its shareholders, ES Group understands and recognises the importance of having a robust and all-encompassing risk management system by staying abreast of changes in regulatory requirements and to practise good corporate governance. This is achieved by having in place an Enterprise Risk Management (**"ERM"**) Framework which serves as a guideline for the Group's approach and mitigative actions on sustainability-related risks. As part of our annual ERM exercise, ESG risks are identified, assessed, and managed as regular business risks to ensure that these risk levels remain within our appetite.

The table below illustrates our key mitigation strategies for material risks:

Climate-related Risks	
Risk Type	**Mitigating Measures**
Physical Risks	
Acute: Increased severity of extreme weather events such as frequent flooding	Business continuity plan and crisis management plan
	Develop climate-resilient policies and procedures as well as integrate them as a part of ERM efforts
	Conduct stress-test total exposure against projected climate hazards
Chronic: Rising mean temperatures	Adopt more water efficient fittings and products
	Shorten exposure time and use frequent rest breaks for onsite workers
	Provide a better indoor environmental quality for our employees
Transition Risks	
Policy and Legal	Use of sustainable materials and technologies that are compliant with laws and regulations
	Adoption of renewable energy such as electric vehicles
Technology	Switch to low-emission technologies
Market	Prioritise the reduction of emissions and pollutions in our value chain
	Leverage on opportunities to develop new markets
Reputation	Work closely with stakeholders to promote environmental-friendly practices in value chain

OUR COMMITMENT TO A SUSTAINABLE OPERATION

Metrics and Targets

In addition to our existing metrics and targets, we will continue to enhance our disclosures on the implementation of our Net Zero Roadmap by 2050. This includes improving our ability to identify and measure emissions, working with our suppliers and customers to ensure compliance with environmental and safety standards, and exploring new ways in which we can use analytics, automation, and artificial intelligence to enhance decision making and transparency. We track, measure, and disclose our environmental performance including energy consumption, GHG emissions and water consumption in this Report. Please refer to the section "Environmental" for details of metrics and targets of the Group's climate-related disclosures.

MATERIAL TOPICS	SHORT-TERM TARGET (1-2 YEARS)	MEDIUM - TERM TARGET (2030)	LONG-TERM TARGET (2050)
Climate Change	• Commencement of the assessment of Scope 3 emission and progressive data collection for relevant categories • To train and prepare staff to implement IFRS S1 General Requirements for Sustainability related disclosures and IFRS S2 Climate related disclosures	• Include disclosures of the quantitative impact of identified climate-related risks • Include disclosure of Scope 3 emissions	Aim to achieve net zero GHG emissions.
Greenhouse Gas Emissions	Encourage employees to use public transportation, carpooling to reduce their commuting emissions	• Reduce CO2e emission intensities from Scope 1 and 2 in absolute figures by 10% (*raise from 5% as set in year 2024, as the target has been achieved) • Disclose more categories under Scope 3 emissions	Provide more quantitative information such as transition to a lower-carbon economy
Energy Consumption and Efficiency	• Monitoring energy usage in our premises • Promote more energy-saving habits and initiatives • Assess energy usage in the operation and identify areas of improvement	• Adopt the use of higher energy-efficient features and fittings • Reduce electricity intensities by 20% (*raise from 15% as set in year 2024, as the target has been achieved) • Consider solar panels on our workshop's roof tops to reduce reliance on electricity	same as medium targets
Waste Management	Reduce waste generation and waste intensities by 5%	Reduce waste generation and waste intensities by 15%	Reduce waste generation and waste intensities by 25%
Environmental Policy Compliance		Reduce waste generation and waste intensities by 15%	Reduce waste generation and waste intensities by 25%
Diversity and Equal Opportunity	• Improve employee recruitment and retention • Increase ratio of local workers	Maintain gender equality and racial diversity as well as maintain low employee (non-foreign labour) turnover (<20%)	Same as short term targets

OUR COMMITMENT TO A SUSTAINABLE OPERATION

MATERIAL TOPICS	SHORT-TERM TARGET (1-2 YEARS)	MEDIUM - TERM TARGET (2030)	LONG-TERM TARGET (2050)
Training and Development	Offer internal and external training that are beneficial to the development and career progression of our employees (including government supported programs such as SkillsFuture enterprise credit)	• Continue providing internal and external training courses and programmes • Increase the average training man-hours by 10%	• Continue providing internal and external training courses and programmes • Increase the average training man-hours by 30%
Labour Standards	Maintain zero incidents of non-compliance with discrimination, child labour, forced or compulsory labour involved in our business practices	Same as short term targets	Same as short term targets
Occupational Health and Safety	• Maintain zero incidents of non-compliance with health and safety laws, as well as regulations concerning the health and safety of our operations • Maintain zero incidents of reportable work-related injuries, i.e. zero Lost Time Accident (“**LTA**”) cases	Same as short term targets	Same as short term targets
Bribery and Corruption	Maintain zero incidents of non-compliance with anti-bribery and anti-corruption laws and regulations	Same as short term targets	Same as short term targets
Business Ethics and Conduct	Maintain zero incidents of non-compliance with business ethics laws and regulations	Same as short term targets	Same as short term targets
Regulatory Compliance	Maintain zero incidents of non-compliance, and no violation of any applicable regulations in the jurisdiction, including laws and regulations in the social and economic areas	Same as short term targets	Same as short term targets
Economic Performance	Maintain a healthy and positive financial position.	• Ongoing strengthening of our service and performance • Continual integration of ESG performance with financial results	Same as short term targets

OUR COMMITMENT TO A SUSTAINABLE OPERATION

ENVIRONMENTAL

Climate change such as rising global temperatures can lead to extreme weather conditions such as floods, heatwaves, and rising sea levels which can both directly and indirectly affect business supply chains, environmental ecosystems, as well as social well-being.

The Group seeks to contribute to the global efforts to combat climate change by reducing our GHG emissions and developing strategies to enhance our climate resilience across our business division. To achieve this, we have performed a comprehensive assessment to understand the potential climate related risks and opportunities, and their impacts on our business.

GHG Emissions

The majority of GHG emissions within the Group's operations arise from the use of electricity and fuel (diesel). Activities from our projects are the key drivers of GHG emissions.

We monitor our GHG emissions regularly and report Scope 1 direct emissions and Scope 2 indirect emissions in line with the GHG Protocol and the GRI Standards. The Group contributes to air pollution through combustion of fossil fuels from the use of motor vehicles (Scope 1 Emissions) and consumption of purchased energy (Scope 2 Emissions).

Scope 1 Emissions

The burning of fossil fuels within motor vehicles gives rise to the emission of GHG. Key GHG emissions include carbon dioxide ("**CO2**"), methane (**"CH4"**) and nitrous oxide (**"N2O"**). The introduction of these GHG to the atmosphere has deleterious impacts including global warming, the formation of acid rain, lower visibility, and the development of respiratory issues.

To further curtail our emissions, we ensured that our vehicles from medium to heavy goods vehicles weighing 5 to 15.5 tonnes are fuel efficient, equipped with eco-friendly technology, and comply with the Euro VI Emission standards. Regular maintenance is performed to ensure optimal engine performance and fuel consumption.

OUR COMMITMENT TO A SUSTAINABLE OPERATION

	FY2024	FY2025
Fuel Consumption and Scope 1 Emissions		
Diesel Consumed (l)	86,828	68,633
CO_2 Emissions (tCO_2e)	277	219
CH_4 Emissions (tCO_2e)	0.0010	0.0008
N_2O Emissions (tCO_2e)	0.0000	0.0000
Petrol Consumed (l)	8,005	6,107
CO_2 Emissions (tCO_2e)	24	18
CH_4 Emissions (tCO_2e)	0.0001	0.0001
N_2O Emissions (tCO_2e)	0.0000	0.0000
Low Sulphur Marine Gas Oil (l)	3,294,480	3,065,228
CO2 Emissions (tCO2e)	10,384	9,661
CH4 Emissions (tCO2e)	0.0362	0.0337
N2O Emissions (tCO2e)	0.0000	0.0000
Total GHG Emissions (tCO_2e) [2]	10,684	9,898
Number of employees	550	530
GHG Intensity (tCO_2e/employee)	19.43	18.68

Scope 2 Emissions

Our GHG emissions are generated from the consumption of purchased energy in the form of electricity, which is a by-product of the burning of fossil fuels. Electricity is an indispensable part of our business operations to operate various electrical appliances.

The Group takes continuous effort and commitment to minimise our electricity consumption by adopting the following sustainable measures:

- Turning off any electrical appliance when not in use;
- Performing regular maintenance of equipment to optimise energy efficiency; and
- Purchasing only energy-efficient electrical appliances, such as LED lights, air-conditioning systems and refrigerators with an NEA Tick Rating System of 4 and above.

	FY2024	FY2025
Electricity Consumption and Scope 2 Emissions		
Electricity Consumed (kWh)	471,199	442,171
GHG Emissions (tCO_2e)	194	182
Number of Employees[6]	550	530
GHG Emissions Intensity (tCO_2e/employee)	0.35	0.34

Scope 3 Emissions

ES Group has also started tracking for first time in FY2024 on scope 3 emissions for business travelling. Scope 3 emissions extend beyond the group's direct operational activities and item from external factors that indirectly influence its carbon footprint. Managing scope 3 emissions present unique challenges due to their diverse and extensive nature.

	FY2024	FY2025
Business travelling (tCo2e)	3,007	3,260
Number of Employees	550	530
GHG Emission intensity (tCo2e/ total number of employees)	5.47	61.5

Water Conservation

At ES Group, we recognise the importance of managing our water consumption efficiently and prevent the depletion of the Earth's valuable water resources. We rely on water for cleaning purposes and washroom facilities, as well as alteration and addition works carried out at one of our project sites. Water consumption statistics during the Reporting Period were as follows:

	FY2024	FY2025
Water consumption (Cu M)	35,267	36,430
Number of Employees	550	530
Water consumption intensity (Cu M/ total number of employees)	64	69

We adopt the following measures to control the use of water in our operations:

- Monitor water consumption and promote sustainable practices;
- Remind our employees to practice water saving measures wherever possible.

Environmental Regulatory Policy Compliance

Complying with applicable laws is of utmost priority to the Group as it is vital for upholding our stakeholders' trust and avoiding any non-compliance penalties, stop-work orders, and reputation damage. We consider the environmental impact of our business activities by regularly reviewing environmental and public health regulations to update and implement the necessary policies and practices. In FY2025, there were no reported non-compliances with Singapore's environmental and public health regulations (FY2024: none).

OUR COMMITMENT TO A SUSTAINABLE OPERATION

Targets and Performance

Moving forward, to further demonstrate ES Group's efforts in being an environmental steward, we seek to take bolder climate actions and have established the following targets.

<table>
<tr><th>Material Topics</th><th>Short-Term/ Perpetual Target</th><th>Performance in FY2025</th></tr>
<tr><td rowspan="2">GHG Emissions</td><td>Adopt use of renewable energy sources and equipment/ vehicles with lower emissions.</td><td>We are in the midst of adopting and transitioning towards more sustainable energy sources.</td></tr>
<tr><td colspan="2"><u>Medium-Term Targets (by 2030):</u>
• Reduce GHG emission levels and emission intensities by 5% (from base year 2023)
• Track Scope 3 emissions

<u>Long-Term Targets (by 2050):</u>
• Provide more quantitative information such as transition to lower carbon economy</td></tr>
<tr><td rowspan="2">Water Conservation</td><td>To monitor consumption trends and establish quantitative targets for medium and long-term.</td><td>Water consumption intensity was at 64 Cu M/ total number of employees in FY2024.</td></tr>
<tr><td colspan="2">Medium and long-term targets: To be established in subsequent years after consumption trends in the short-term have been monitored.</td></tr>
<tr><td>Environmental Regulatory Compliance</td><td>Maintain zero incident of environmental related fines.</td><td>Achieved zero incident of environmental-related fines.</td></tr>
</table>

Management Approach

The board of directors of the Company (the "**Board**" or the "**Directors**") and management of the Company (the "Management") believe that it is important to establish good corporate governance within the Group as this provides the foundation for a well-managed, sustainable and efficient organisation. This can in turn sustain good business performance and safeguard the interests of the Stakeholders. The Board is committed to continually develop and uphold high standards of corporate governance, guided by the principles and guidelines of the Singapore Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore. A full detailed Corporate Governance Report can be found in pages 17 to 43 of this Annual Report.

Whistle-Blowing

Whistle-blowing policy has been in place since 2010. The Group encourages employees to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters to the chairman of the Audit and Risk Committee. Reportable conducts include, but are not limited to, fraud, corruption, illegality, safety violations, and serious misconduct that contravene the procedures set by the Group that may lead to legal action and/or losses for the Group. Losses can include financial losses, non-financial losses, and tarnish of reputation of the Group.

The objective of such policy is to provide for procedures to validate concerns on misconduct or wrongdoing relating to the Company and its officers and to ensure independent investigation of such matters and for appropriate follow-up action. The Company has designated an independent function to investigate whistle-blowing reports made in good faith. The Audit and Risk Committee is responsible for oversighting and monitoring of whistle-blowing. Whistle-blowing policy and whistle-blowing reports received (if any), will be assessed by the Audit and Risk Committee for appropriate action. The Audit and Risk Committee will treat all information received confidentially and protect the identity and the interest of all whistle-blowers against detrimental or unfair treatment. Anonymous disclosures will be accepted and anonymity honoured.

OUR COMMITMENT TO A SUSTAINABLE OPERATION

The Group's whistle-blowing policy is accessible through the Company's website at www.esgroup.com.sg.

No incident of reportable misconducts occurred during FY2025 (FY2024: none).

Sustainability Management

Sustainability matters are managed by the Compliance Committee ("**Committee**"). The Committee, was first set up in 2010 to implement and review the effectiveness of the compliance framework of the Group with the SGX Catalist Rules, compliance with legislation and regulations imposed by the relevant authorities, as well as the liaison with professional advisors on all corporate actions and related documents (e.g. announcements, circulars, etc.).

The Committee also spearheads and manages all sustainability management matters, aligned with the requirements imposed by the SGX Catalist Rules, which includes:

- Setting the direction of the Group's sustainability efforts.
- Identifying and reviewing the sustainability factors.
- Reporting the identified factors to the Board at least once annually.
- Reporting identified factors as relevant to Stakeholders via the published sustainability report.

The Committee reports to the Audit and Risk Committee.

Above: Our shipyard in Thapsakae, Thailand, with 70,000 sqm of land space to undertake EPC projects and provide new building services such as offshore modules and oil rigs structures. We have successfully completed two EPC projects in this shipyard, and have successfully launched and delivered them to our customers.

OUR SAFETY AND HEALTH

In a glance		
What was said in 2024 (target for 2025)	**What happened in 2025**	**What we plan to do next (target for 2026)**
• LTA Cases: Capped at 2 • IFR: Capped at 5 • ISR: Capped at 50	• LTA Cases: 2 • IFR: at 8 • ISR: at 32	• LTA Cases: Capped at 1 • IFR: Capped at 5 • ISR: Capped at 50

Management approach

Our core business is a manpower-centric operation, and this reflects the importance in maintaining a healthy workforce and a safe working environment. High accident rate in the shipyard will reflect a risky work environment with unacceptable human costs and may impact morale and the confidence of the workers. It will also expose the Group to potential litigation as well as fines from authorities.

We are devoted in maintaining a healthy workforce and a safe working environment through the efforts detailed below, and further testified and audited with the attainment of ISO 45001:2018 and BizSAFE Star.

Health and Safety of Workers

Accidents are unforeseeable events and may not be entirely avoidable. Nonetheless the Group aims to achieve a 'Zero Accident' goal with adopted measures such as educating workers and implementing accident preventive procedures. Further initiatives include inculcating a 'Safety First' mindset to all workers on the ground as well as having an adequate number of safety officers on board vessels to supervise and ensure safety regulations are followed by workers.

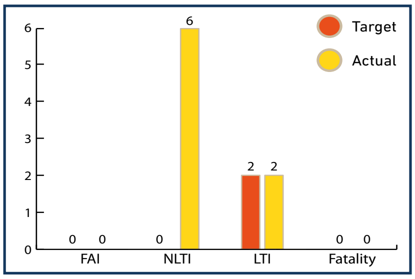
Safety starts from every individual, and that is where inculcating a 'Safety First' mindset is the utmost importance in achieving a 'Zero Accident' goal. This is done by emphasising safety matters during daily and weekly site briefings, putting up safety information posters around the site as well as implementing punitive system to penalise workers who knowingly breach safety regulations. During lunch time, workers are allowed to take a nap to recharge and remain alert for the remaining of the day.

To further encourage individuals to be responsible for their own safety and people around them, the Group awards top performers during our annual Safety Award Presentation to recognise the efforts put in by individuals. All workers are appraised individually by the Department Manager based on their safety knowledge, number of safety infringements, number of accidents and incidents, proficiency in material handling, and so on. Top performing workers are then selected and awarded a Certificate of Recognition for the outstanding performance in Workplace Safety and Health for the year.

Another level of safeguard over safety is by stationing safety officers on board vessels to supervise and ensure safety regulations are followed by crew and workers. Supervisors working on board will provide an additional pair of eyes on safety. The Group ensures both the safety officers and supervisors are adequately trained and updated by sending them to courses (e.g. Shipyard safety induction course).

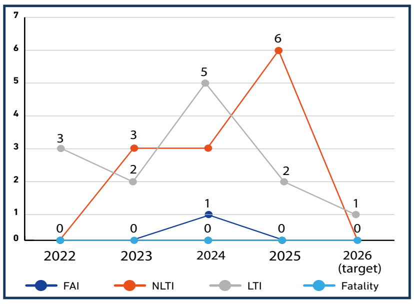
Our commitment to achieve a 'Zero Accident' goal is further demonstrated with the achievement of safety certification ISO 45001:2018 and BizSafe Star. Annual audit is required to ensure that safety procedures are intact and followed before certifications can be renewed.

Table 1: Number of cases of injury by injury categories for 2025, actual versus target



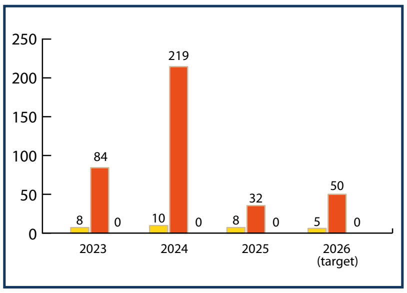
FAI: First Aid Injury **NLTI**: Non-lost Time Injury
LTI: Lost Time Injury

Table 2: Number of cases of injury-by-injury categories



FAI: First Aid Injury **NLTI**: Non-lost Time Injury
LTI: Lost Time Injury **LTA:** Lost Time Accident

Table 3: Injury statistics for past 3 years vs target (per million man-hours)



IFR: Incident Frequency Rate[1]
ISR: Incident Severity Rate[2]
ODR: Occupational Decease Rate[3]

1. Incident Frequency Rate ("**IFR**"), also known as Injury Rate in the GRI Standards, is expressed in number of injury cases (all cases) against total man-hours (in millions) for the calendar year.
2. Incident Severity Rate ("**ISR**"), also known as Lost Day Rate in the GRI Standards, is expressed in number of man-days lost (LTA and Fatality) against total man-hours (in millions) for the calendar year.
3. Occupational Disease Rate ("**ODR**") is expressed in number of occupational disease case against total man-hours (in millions) for the calendar year.

Safe Working Environment

Injury statistics as seen in **Tables 1 to 3** are data tabulated from the new building and repair segment in the shipyard in Singapore for the Group, and consists wholly of our own male employees (females non-executive holds administrative roles in the offices – refer to the section "**Employment Practices – Diversification of Workforce**" in this report for more information) in the shipyard. No third parties' workers are engaged.

The categories of injury are defined below:

- **First Aid Injury (FAI): Incidents** that require first aid treatment and are considered minor. The worker will be able to work as per normal.
- **Non-lost Time Injury (NLTI) Restricted Work Days Case (RWDC):** Injury that are moderately light but require more medical attention as compared to FAI. According to doctor's instructions / recommendations, the worker will still be able to work on the day of incident, but on work that are deemed to be light duty and will not aggravate his injury further.
- **Lost Time Injury (LTI):** Any work-related injury or illness which prevents an employee from doing any work after an incident and / or being hospitalised, but is not within the scope of Lost Time Accident below.

The Group has seen a decrease in the Incident Frequency Rate from 10 cases per million man-hours in 2024 to 8 cases per million man-hours in 2025. This was mainly due to the decrease in number of cases of LTI. Incident Severity Rate decreased from 219 man-days lost per million man-hours in 2024 to 32 man-days lost per million man-hours in 2025 in line with decrease in LTI as lesser rest day was required.

Above: Safety harnesses is a must for workers when working in height on-board vessels.

Above: A worker welding, with a team of supervisor and safety officers doing their safety inspection rounds. All of them had donned their safety equipment.

The Group continues to strive towards 'Zero Accident' goal and targets to cap the number of injury cases in 2025 at zero case and the IFR, ISR and ODR to be capped at 5 cases per million man-hours, 50 man-days lost per million man-hours and zero case per million man-hours, respectively.

All safety accidents must be reported to the safety officer. In an event of a workplace injury, the worker is required to report directly to the immediate supervisor on the incident or accident. The supervisor will then immediately report to the safety officer with details on how the incident or accident occurred, the exact time and location, and the injury sustained by the worker during the incident or accident.

For prompt medical attention, workers are directed to nearby general practising medical clinics and private hospitals, in addition to government hospitals. In compliance to the local foreign worker legislation, workers are covered with the necessary insurance policies.

OUR SAFETY AND HEALTH

Safe Living and Working Environment

Majority of our workers in the shipyard stays in the dormitory, which includes rented dormitory (approved by Ministry of Manpower) as well as our own dormitory. For rented dormitory, rules and regulations are imposed by the landlord to ensure that the dormitory is kept in healthy and liveable conditions. The onus of the creation and maintenance of a healthy and safe living environment for our own dormitory lies in our hand.

We have imposed rules and regulations on all workers living in our dormitory and ensure that all workers abide by them to maintain a healthy and safe living environment. Serious offences such as display of violence, indecent behaviour, gambling, shoplifting, drug abuse and money lending activity shall result in eviction of the workers from the dormitory. Other offences, such as smoking at undesignated area, indiscriminate parking of bicycles, failure to hang clothes on assigned racks, failure to tidy personal area and improper disposal of rubbish, attract fines. Spot checks by supervisors and human resource staff are conducted at random so as to ensure that rules and regulations are adhered to, where punitive measures are imposed against workers in breach of the rules and regulations.

We have also, in line with Building and Construction Authority's rules and regulations, Ministry of Manpower Occupational Safety and Health ("**OSH**") regulations as well as ISO 45001:2018, implemented an Operational Control Procedure ("**OCP**"). The OCP detailed the following:

- Responsibility to the relevant parties in the Emergency Response Team ("**ERT**").
- Identification, assessment, and prevention of OSH Emergencies Risks.
- Emergency response protocol in the event of an emergency.
- Site clean-up and follow-up protocol.

The OCP is applicable to the workshop, office and dormitory (all situated at the same location at 10 Kwong Min Road) owned by the Group, in which it is extended to all personnel working at the workshop and office, a tenant renting partial of the workshop space, and workers staying in the dormitory. The effectiveness of the emergency response protocol is assessed every year by carrying out Emergency Evacuation Drill (the "**Drill**"). The Drill conducted for FY2025 was done on 4 September 2025, and it was conducted efficiently and successfully in accordance to the OCP, where all company personnel and tenants were accounted for at the muster point within 7 minutes from the start of the Drill and the entire evacuation was completed within 20 minutes.

Global warming and safety

Global warming has been affecting the whole world where extreme changes to the weather can be observed around the globe.

In Singapore, we are observing higher temperatures and intense heat, accompanied by erratic thunderstorms. These expose our workers in our core business working in shipyards on board vessels to higher risk of heat injury and lightning risks arising from erratic thunderstorms.

Safety officers are tasked to ensure that the workers, including themselves, are protected against such weathers. Workers exposed to intense heat are given frequent breaks to properly hydrate and cool themselves to prevent heat injury, and in the case of wet weather, workers on board will be evacuated from open space to sheltered areas.

OUR LABOUR PRACTICES

In a glance		
What was said in 2024 (target for 2025)	**What happened in 2025**	**What we plan to do next (target for 2026)**
Continue to assess the validity of the Sustainability Factors and the information contained therein.	• Assessed and confirmed that the Sustainability Factors identified in earlier year remain valid. • Presented and updated information for the Sustainability Factors comprising (i) Employment practices; (ii) Diversification information based on employment categories, nationality, age group and gender; (iii) Labour policies, law and regulations; and (iv) Career development efforts.	Continue to assess the validity of the Sustainability Factors and the information contained therein.

Management approach

As our core business function relies heavily on manpower, labour practices in managing both employees' welfare and development, labour supply and costs affected by macro-factors such as inter-country relationship, and fair and equal employment practices have a direct impact on the sustainability of our operation, in terms of the costs of our operations and the employees' job fulfilment. The Group aims to create a working culture that is fair, equal, inclusive, diverse, and free from any form of discrimination.

Employment Practices

The first step to achieving the ideal work culture is to have a sound system of employment policy. Such policy includes care of the responsible hiring and fair compensation commensurate with non-bias and commonly accepted indicators and rights of employees.

Work-life balance

The Group understands the importance for our employees to strike a balance between their work commitment and their personal life. We provide a certain degree of flexibility by supporting their need to apply urgent leave to take care of their personal matters, particularly to family related matters, or pre-approved tweak in their work schedule to enable them to pick their children or go for night classes for skills upgrading courses.

The Group also adheres to the applicable employment legislation to provide paternal, maternal and childcare leave for employees to take care of their children as and when required.

Fair compensation and benefits

The Group commits to compensating our employees fairly and commensurate with employees' position and experience, free from any discrimination. Employee's compensation in Singapore is not subject to minimum wages. Employees are also given benefits and compensation for overtime work prescribed by the applicable employment law and regulations.

Rights of employees

The Group does not currently have any policy to either advocate or restrict rights of our employees to associate freely, engage in collective bargaining, participate in trade / labour union, as well as seek representation as long as it is permitted by the governing law and regulations. There is no collective bargaining agreement for employees in the Group.

In any event of significant operational changes that affects an employee, the employee will be notified at least one month in advance for them to have the necessary preparation.

Ethical and responsible hiring

The Group practises ethical and responsible hiring. We do not practice nor accept any hiring of any persons that are either below the prescribed legal working age by the governing employment law and regulation of the country our operations are present (known subsequently as "child labour") and the hiring of persons that are unwilling, forced, bonded, or other forms of compulsory forced labour that goes against the will and the natural course of the accepted norm of an employment process.

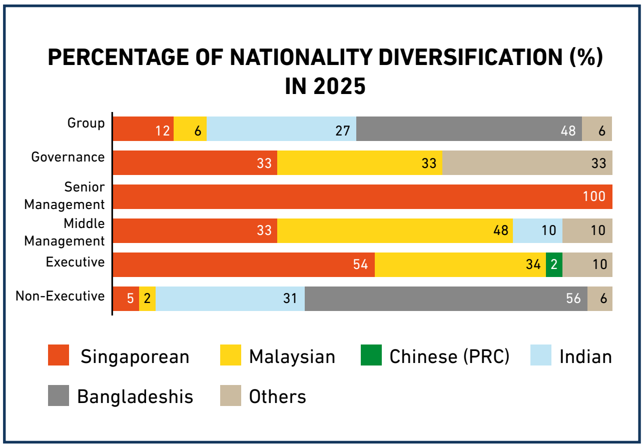
In Singapore, employments, where applicable, are approved and/or submitted to the respective Government authorities overlooking labour matters. This ensure that employees are of legal age and protected by the employment legislation which forbids child, forced and compulsory labour.

We aim to ensure that our suppliers do their part in respect to their employees' rights and practice ethical and responsible hiring through efforts detailed in **Supply Chain Management**.

The Group has not been subject to human rights review or human rights impact assessment at any geographical location of which we operate in.

OUR LABOUR PRACTICES

Table 4: Diversification of nationality for each employment category for 2025 & 2024 (%)
("Others" comprises Thai, Burmese and Danish nationals)



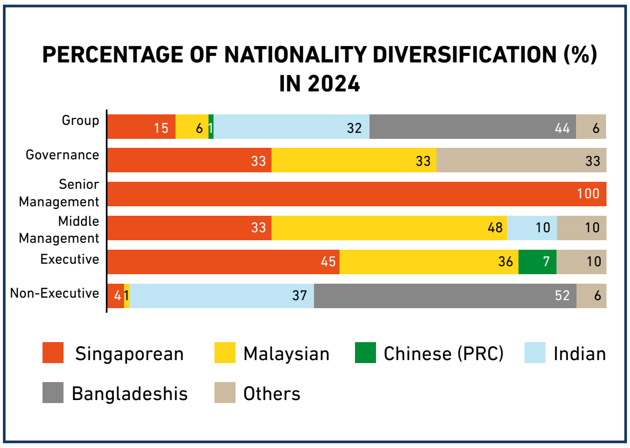
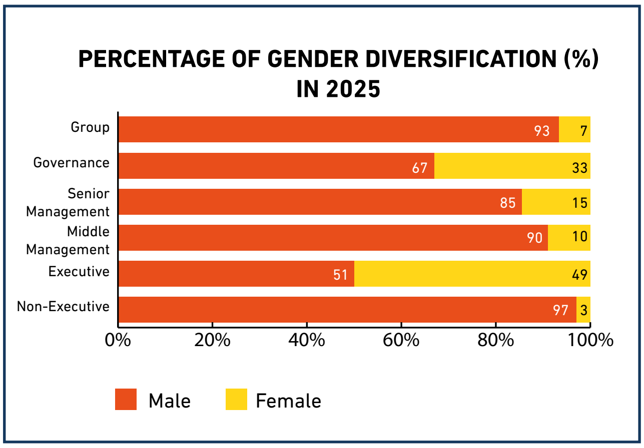


Table 5: Diversification of gender for each employment category
for 2025 & 2024 (%)



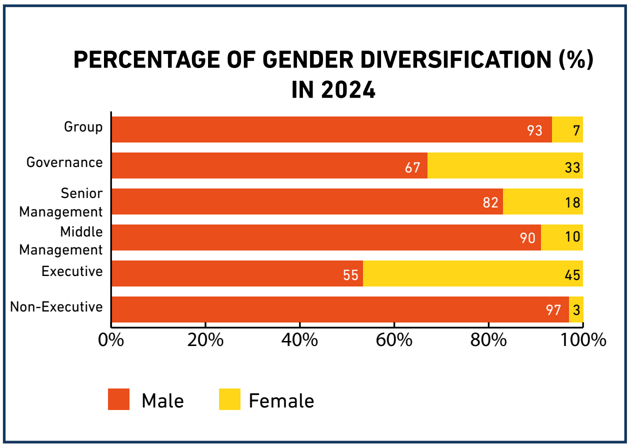
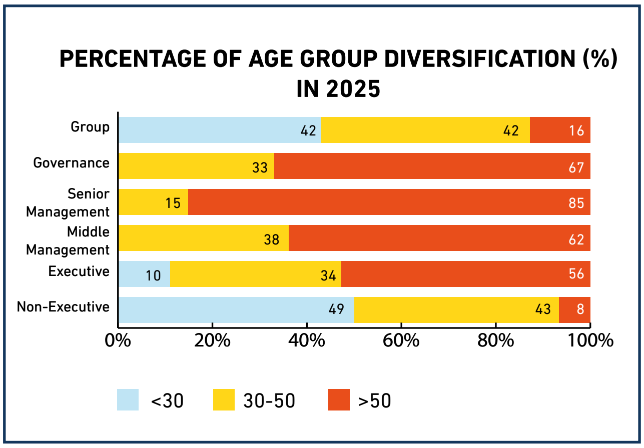


Table 6: Diversification of age group for each employment category
for 2025 & 2024 (%)



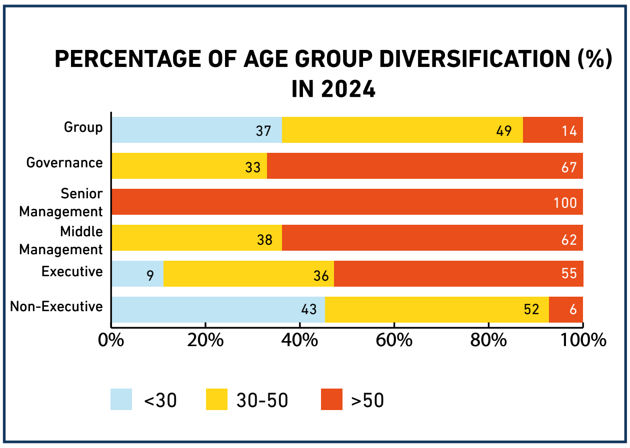


Table 7: Composition of workforce in the Group for 2025 (%)

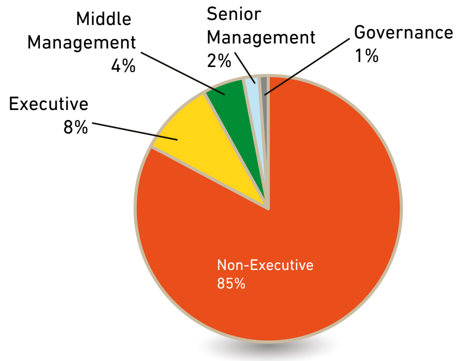
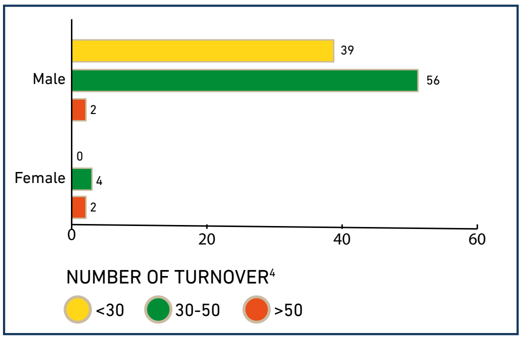


Table 8: Number of employees' turnover and employee turnover rate (%) for 2025



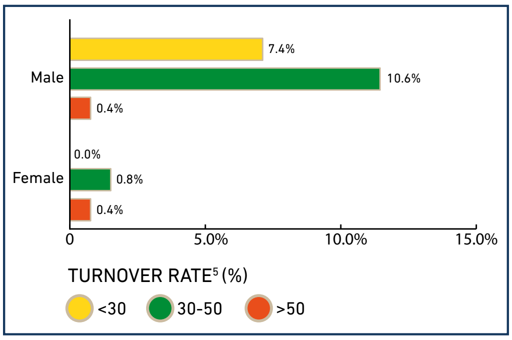
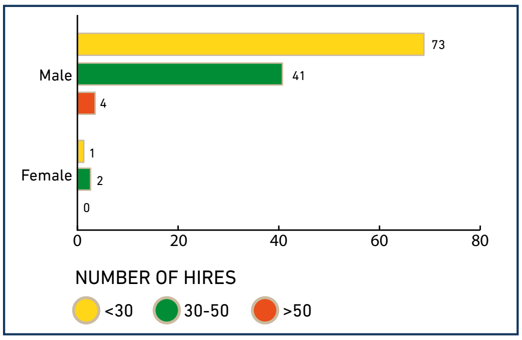


Table 9: Number of employees' hired and employee hiring rate (%) for 2024



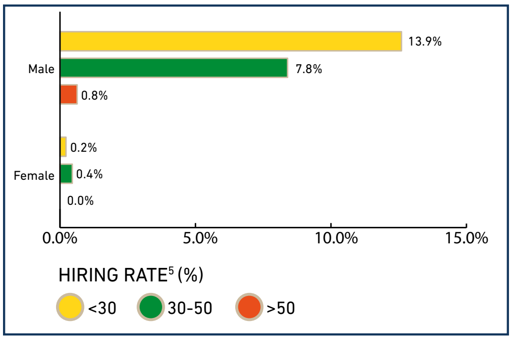
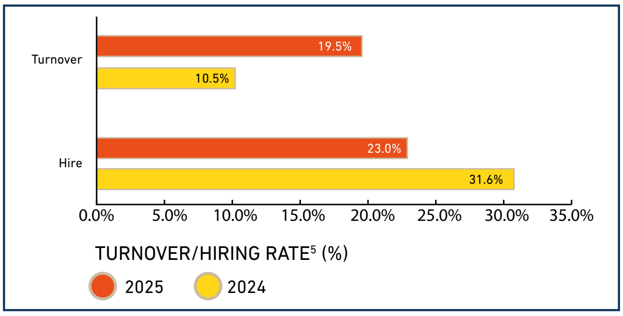


Table 10: Employee turnover and hire rate for 2025 and 2024 (%)



4. Turnover refers to the total number of employees that left the Group.
5. Rate is expressed as turnover/hire against total employees as at year end excluding people from governance category.

OUR LABOUR PRACTICES

Diversification of Workforce

An inclusive and diverse working culture requires an employment policy that accepts people of all backgrounds and not based on prejudicial selection.

The Group understands the importance and benefits of having a diversified workforce, which includes:

- Macro-factors relating to labour policy and relationship between Singapore and other countries, affecting supply of labour and the associated cost. By recruiting workers of different nationality, this prevents over-reliance on one or two nationality group(s) and mitigate the impact on unfavourable labour changes resulting from changes to labour policies and relationships between Singapore and the said countries.
- Socio-factor where workers learn how to interact, work and live with people of different ethnic groups and nationalities while working, and also adapting to the society outside work. This enable workers to be able to adapt and live in a cosmopolitan nation, where people from different locations, can propagate different positive work habits and provide creative solutions to tackle challenges.
- Reduce the chance of possible powering of one particular nationality, ethic or religious group.

For safety and work efficiency, the Management recognises that language and especially language barriers is an individuals from diverse backgrounds (e.g. gender, nationality, age and so on) for all positions (including office positions).

Our challenges in diversification of workers lies on the gender diversification, where the bulk of our workforce in the core business is nature of work in the shipyard demanding physical strength and exposure to the hot sun as well as the already male-dominated environment that female from applying.

The Group has a total of 527 employees in FY2025 (FY2024: 561). All employees are permanent and full-time staff during FY2025 and FY2024. Please refer to **Tables 4 to 7** for the information on the diversity of our workforce.

Career Development

Attracting and retaining talents is an important step in achieving the ideal work culture.

Furthermore, our reliance on skilled personnel (such as heavy equipment operators, draughtsmen, welders, grinders, etc) is unavoidable. Skilled personnel with the appropriate experiences and/or requisite certifications in our industry are limited and competition for such personnel is intense. Hence, there is a need to continue to retain the skilled personnel that we have trained.

Therefore, we believe in the development of our workers and this is in line with our mission. We send our employees for training not just for single trade but multiple trades so that workers can be re-deployed whenever reshuffling of workforce is required.

This gives them a sense of job satisfaction, personal development and enhance job security and employability of each employee, which we hope will inspire greater intrinsic value within themselves.

This policy also enables us to be less reliant on the external labour market, improve efficiency and quality in the work produced by the workers, as well as give workers the opportunity to develop and excel within the Group.

Furthermore, all employees are subject to performance review, regardless of employment category or gender and without prejudice. These performance reviews are conducted on an annual basis where employees' performance during the year are assessed. Through these appraisals, Management can identify areas for development of each employee's skill set.

New hire and turnover of employees

Despite the efforts stated above to retain our skilled workers, the Group practices lean cost management (since 2015) by managing and restructuring our headcount to align with the demand in the marine, oil and gas industries. The employee turnover and hire rates are expected to stabilise as the market stabilises. Please refer to **Tables 8 to 9** for the data on new hire and turnover of employees.

Our turnover rate has increased from 10.5% in 2024 to 19.5% in 2025, while the hire rate has decreased from 31.6% in 2024 to 23.0% in 2025 (refer to Table 10). This was mainly due to reduction in number of workers as a result of quota control and drop in order.

Training

We have not presented training for other employment categories as those are cyclical in nature and immaterial (15% of the Group's workforce). Training provided to non-executives are only to all male non-executives due to the circumstances that all female non-executives holds administrative office roles.

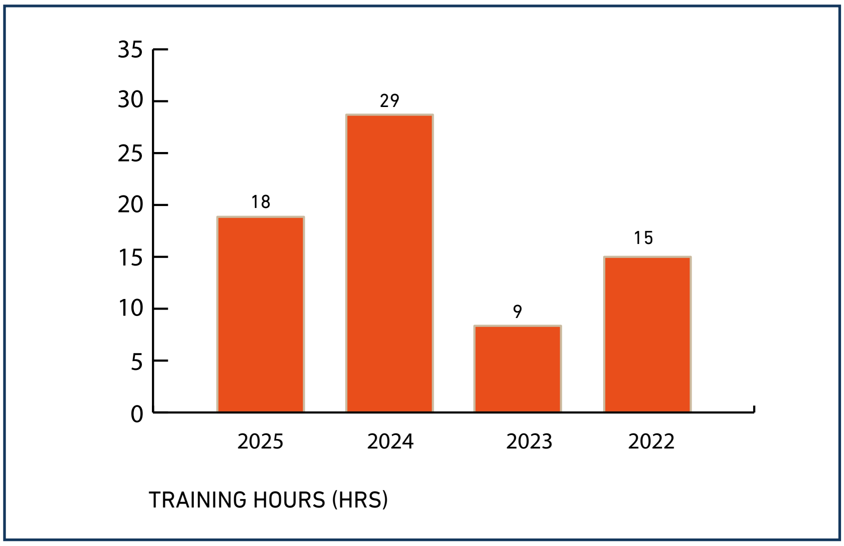
Training hours per employee per year has decreased from 29 hours per employee in FY2024 to 18 hours per employee in FY2025. The decrease in training hours was driven by a reduction in mandatory onboarding training, resulting from lower hiring levels.

In compliance with enhanced SGX sustainability reporting rules issued by Singapore Exchange Regulation (SGX RegCo) on 17 March 2022 entitled "SGX RegCo announces start of sustainability training for company directors", all Directors of the Company have undergone a one-time training on sustainability to equip themselves with basic knowledge on sustainability matters.

LABOUR POLICY AND RELATIONSHIP BETWEEN SINGAPORE AND OTHER COUNTRIES AND ITS RELEVANT LAWS AND REGULATIONS

A clear understanding of the applicable labour laws and regulations, as well as the labour policy and relationship between Singapore and other countries are required given that our shipyard business relies largely on foreign workers (including skilled workers) from Thailand, Bangladesh, China, India, Malaysia and Myanmar to meet our staffing needs.

Table 11: Average training hours spend per employee per year for Non-Executive employees (in hours)



Our labour supply and its associated costs are correlated to developments of labour policies of the abovementioned countries as well as the relationship between them and Singapore. In addition to the above, we are subject by local employment legislation, in terms of hiring quota, levies and security bonds. Any unfavourable changes to either of the above will definitely affect our operations.

We stay constantly updated to the labour policies between Singapore and other countries, and to the local legislation (largely in particular to the Singapore Budget), so as to react and tweak, at the earliest possible, our employment practices accordingly to minimise and mitigate any unfavourable impact.

OUR LABOUR PRACTICES

Enhancing Wellbeing And Inclusivity: Csr Initiatives For Migrant Workers

At ES Group, we believe that every individual contributing to our success deserves recognition, respect, and care, regardless of background or nationality. Migrant workers form an integral part of our workforce and play a significant role in supporting our operations and the broader community.

As part of our ongoing Corporate Social Responsibility (CSR) commitment, we continuously strive to enhance the wellbeing, inclusion, and personal development of our migrant workforce. Through festive celebrations, community partnerships, and social engagement initiatives, we aim to create a supportive environment where workers feel valued, connected, and empowered during their time in Singapore.

Festive Celebrations: Bringing Joy and Community Together

During the year, ES Group collaborated with community partners to organize festive celebrations, enabling our migrant workers to experience the warmth and joy of major holiday seasons away from their families.

In celebration of Christmas and the New Year, Bible Church Singapore hosted a joyful gathering for ES Group migrant workers at the dormitory located at 10 Kwong Min Road. The event fostered fellowship and cultural exchange, allowing workers to unwind and enjoy the festive atmosphere. A hearty meal of chicken biryani was shared among participants, creating a meaningful and memorable celebration for all involved.

Similarly, Victory Family Centre Singapore organized another Christmas and New Year celebration at 623 Lorong 4 Toa Payoh. The event brought together workers in a cheerful and welcoming setting filled with fellowship and festive cheer. A diverse spread of cultural dishes was served, reflecting the multicultural environment in which our workers live and work. These gatherings provided an opportunity for workers to relax, connect with peers, and enjoy a sense of belonging during the holiday season.

Community and Social Engagement Initiatives

Beyond festive celebrations, ES Group also supports initiatives aimed at improving workers' practical skills and awareness, contributing to their overall wellbeing and safety.

On 5 and 12 October 2025, our workers participated in a "Learn to Speak English" program organized by Glow Community Services, a non-governmental organization dedicated to community support. The sessions were designed to strengthen English communication skills through interactive learning activities, helping workers better navigate daily interactions and workplace communication.

In addition, the program included a scam awareness segment, educating participants on how to recognize and avoid fraudulent calls or messages requesting personal or banking information. To ensure accessibility and comfort for attendees, Glow Community Services provided round-trip transportation, served dinner, and distributed care packs to all participants, making the sessions both educational and enjoyable.

To further strengthen our community engagement, GIC Private Limited hosted a dialogue session with ES Group workers on 2 October 2025. The session offered a valuable platform for workers to share their experiences and perspectives while acknowledging their contributions to Singapore's development. GIC facilitated transportation and provided refreshments, creating a welcoming environment that encouraged open discussion and mutual understanding.

Building an Inclusive and Supportive Environment

Through these initiatives, ES Group seeks not only to commemorate festive occasions but also to cultivate an inclusive environment where migrant workers feel respected, appreciated, and connected to the wider community. Feedback from participants consistently highlights the positive impact of these programs, particularly the opportunities they provide for relaxation, social interaction, and personal development beyond daily work responsibilities.

By investing in initiatives that support the wellbeing and inclusion of our migrant workforce, ES Group reaffirms its commitment to responsible corporate citizenship. We remain dedicated to fostering a workplace and community environment where every individual is respected and given the opportunity to thrive, contributing to a more sustainable and inclusive future for all stakeholders.

Above: Christmas celebration at Lorong 4, Toa Payoh

OUR ECONOMIC SUSTAINABILITY

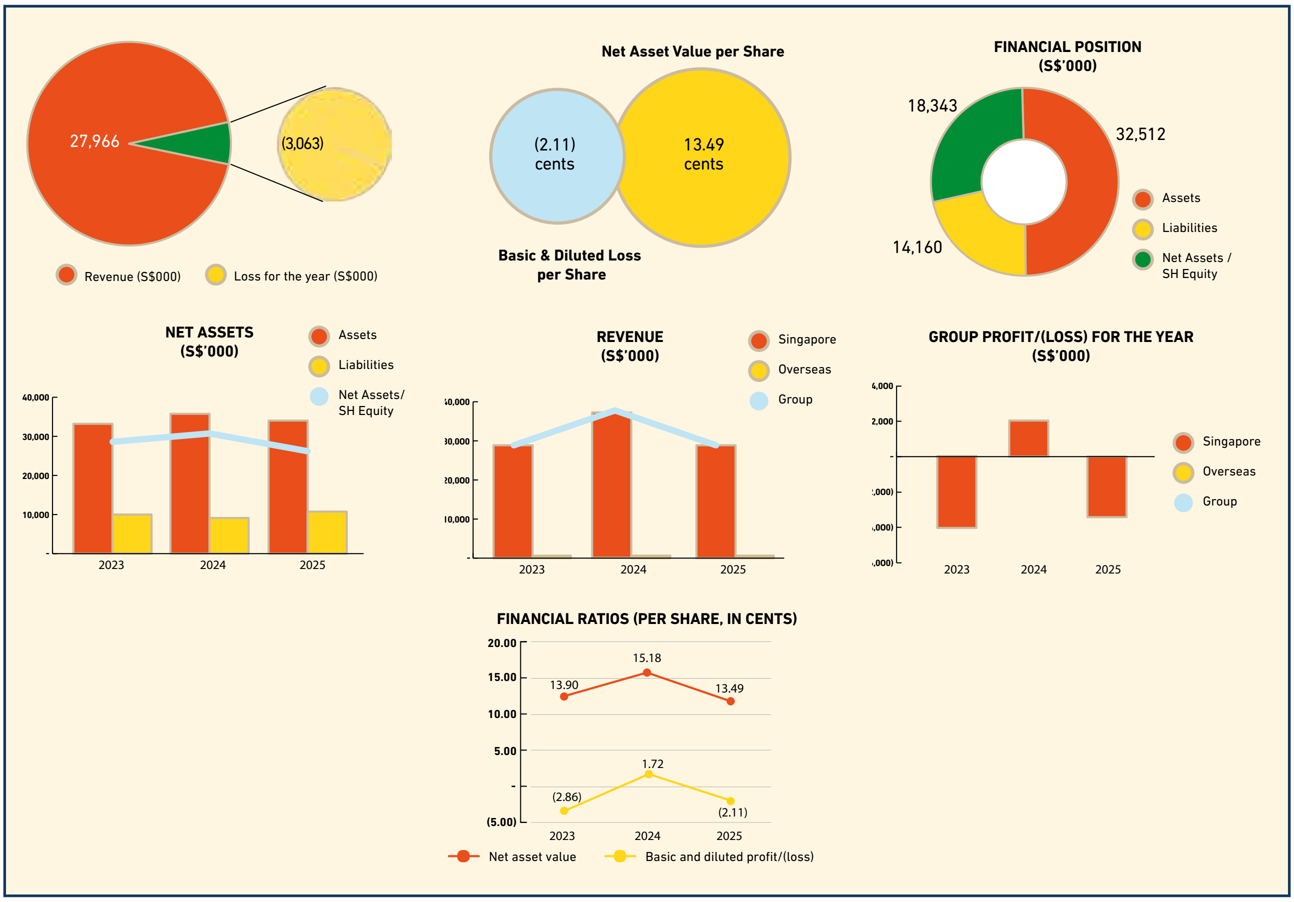
Management Approach

The going concern and profitability of the Company are important for the Stakeholders. Financially sound strategy and operational method for the present and the future determine the profitability and sustainability of the Group. The accurate and transparent presentation of financial information in the financial statements will provide transparency of the performance and position of the Group for Stakeholders.

We regularly review our operation and strategy risks affecting the sustainability of our businesses. The Group is on constant lookout for changes in business trends and opportunities to shift our business directions accordingly. This is accompanied by consultation with professionals, to ensure that the Group's directions are on the right track.

We also seriously consider and assess any weakness and lapse in controls made known during audits and strive to enhance the internal controls to ensure the effectiveness of our controls, as well as to ensure the true and fair view of the financial statements.

Table 12: Financial highlights and trends for FY2025



OUR ECONOMIC SUSTAINABILITY

Table 13: Economic value generated and distributed by the Group for FY2025

Economic Value Generated by the Group	**S$29.6 million**
This includes revenue generated from the Group's operating activities, and other operating income (excluding government assisted grants).	
Economic Value Distributed to Others	**S$25.9 million**
Operating Costs: S$22.5 million This refers to purchases and services received from suppliers for the generation of economic value. **Employee Wages and Benefits: S$2.8 million** Employee costs, which comprises salaries, wages, pension funds, and other staff benefits provided by the Group. **Capital Providers: S$0.5 million** This refers to interest paid on bank borrowings and finance leases, as well as dividends declared (if any). **Government: S$0.1 million** This includes taxes paid, net of any government grants received.	
Economic Value Retained by the Group	**S$3.7 million**

Economic Value Delivered to the Society

In FY2025, the Group generated S$29.6 million of economic value for our Stakeholders, which was distributed to them through our business operations. The Group has generated employment opportunities, business opportunities to our suppliers, and tax revenues for the governments.

The Group has generated S$3.7 million of economic value in FY2025, mainly from operating revenue generated during the year.

Reportable Fines and Sanctions

There is no reportable significant fine paid to and sanction (including non-monetary form) imposed by laws and regulations in the countries where our operations exist, international declarations, conventions, and treaties relevant to our operations, and through cases brought against the organisation through the use of dispute mechanisms (both national and international) supervised by government authorities.

Above: Mobilisation of full Remotely Operated Vehicle (ROV) System.

True and Fair View of the Financial Statements

Financial information presented in the Annual Report is a medium of communication to the Stakeholders in informing how the Group is performing. We understand the importance of our Stakeholders and management in making informed decisions based on the Annual Report that presents a true and fair view of the Group's financial performance and position.

We ensure that the information contained in our Annual Reports are both adequate and free from misstatement (which can arise from an error, or from a fraudulent activity that remains undiscovered). Efforts made to ensure the true and fair view of the financial statements include:

- Implementation of procedures;
- Sending the finance team for training and updates;
- Implementation of whistle-blowing procedures; and
- Introduction of contractual provisions to allow the Company to reclaim incentive components linked to the performance of the Company.

Implementation of procedures

The Group has implemented procedures manual to govern the Group on how operational procedures should be carried out, and how employees should behave and perform in the interest of the Group.

Training and Updates

We periodically send our finance team for training and updates on the relevant reporting standards, such as those required by the Financial Reporting Standards of Singapore, the Code, SGX Catalist Rules, and so on. This is to ensure that the Annual Report is prepared in accordance to the required standards and rules so as to give a true and fair view of the financial position and performance of the Group.

Whistle-blowing

Whistle-blowing procedures have been implemented to ensure that everyone within the Group acts legally and in the interest of the Stakeholders. All this information is reported as required under the Code and can be found in page 36 of this Annual Report. Whistle-blowing policy and whistle-blowing reports received (if any), will be assessed by the Audit and Risk Committee from time to time and the Audit and Risk Committee is responsible for oversighting and monitoring of whistle-blowing.

Incentive-linked remuneration

The remuneration of the Executive Directors and the key Management is linked to the performance of the Company (please refer to page 28 of this Annual Report). With effect from 2018, the Company has adopted contractual provisions to safeguard against material misstatement of financial statements to deter and recover from the unlikely event of deliberate manipulation of the performance of the Company. Such contractual provisions allow the Company to reclaim incentive components of the remuneration from the Executive Directors and the key Management in the exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company.

Currently, the remuneration of the Executive Directors and the key Management is not linked to the Group's sustainability performance, which we may consider going forward.

Project and Quality Management

New building and repair segment

It is known that ineffective, poor planning and slow execution of a project plan can result in costly avoidable losses (such as wastages, disputable damages, overrun in project costs, liquidated damage claims and terminations from customers). At such, we have invested heavily on effective project management system to ensure effective and safe project execution with high quality deliverables.

We have testified the above with the attainment of ISO, OHSAS and BizSafe Star certifications since 2009, which is a testament to our effective implementation of the processes across the Group. The certifications require us to be audited on an annual basis, which ensure that the above mention processes stay effective on a continuing basis.

Shipping segment

Similarly, we have high confidence on the operational processes in the ship chartering and marine supplies divisions to deliver high quality and timely charter services as well as efficient and timely supply of marine consumables and spare parts.

The ship chartering division constantly monitors the performances and co-ordination between the relevant agents and brokers to ensure that the vessels are competently crewed and well maintained at all times so as to ensure high utilisation with repeated customers at profitable rates, as well as avoid any downtime arising from poor co-ordination and planning which will result in demurrages and loss of charter opportunities.

In the context of marine supplies, the division will ensure that the supply chain is properly managed, by fulfilling pre-requisites that may be imposed by suppliers so as to receive the supplies in good time shortly before fulfilling the promised delivery date to the customers. This mitigate risk arising from poor coordination with vendors, ship owners and ship managers that will result in poor customers' satisfaction and loss of business opportunities.

OUR ECONOMIC SUSTAINABILITY

Diversification of Trades

The Group understands the importance of diversification as the marine and offshore oil and gas industries are cyclical in nature. Any downturn in global or trade specific economic conditions such as the financial crisis in 2008 and 2009, the downturn in marine and offshore oil and gas industries due to the drastic fall in oil prices since 2015 as well as recent surge in oil price in March 2026 driven by severe supply disruption, will adversely affect us. There is no assurance that future economic downturns will not occur and hence steps to diversify are constantly being evaluated and implemented.

Furthermore, diversification creates synergy, and allows sharing of technical resources, reduction of operational costs, higher market penetration and expansion of customer and supplier base.

Besides expanding to undertake EPC, we are also constantly looking into possibilities of acquisition or establishment of complementary businesses or joint ventures with sustainable parties as and when opportunities arise.

In 2012, we launched our first bareboat charter vessel after assessing the performance of this segment and noted its potential. In 2016, we officially placed more resources to further develop the shipping segment, with the acquisition of an additional vessel and started spot chartering services in December 2016. In mid-2017, we started the marine supplies division.

In 2020, we completed the acquisition of 51% in a joint venture business, ProXess Engineering Pte Ltd, which is part of the Group's efforts to diversify into components sales, supplying valve, actuator and related solutions. Nonetheless, our focus of expanding the shipping segment continued from 2018, where revenue from the shipping segment stood at 36.7% of the Group's revenue in FY2025 (FY2024: 39.0%). The Group had also completed the acquisition of another vessel, ES Jewel, in 2021.

With the diversification into the shipping segment, the Group's revenue contribution concentration on new building and repair of offshore and marine structures and vessels has reduced.

Mitigation of Impact from Climate Change

The burning of fossil fuels such as oil and gas is likely to change structurally in the coming years, with the **Paris Climate Agreement** first passed in 12 December 2015 and with the **COP30** held in Brazil in November 2025 (also known as the 27th United Nations Climate Change conference).

At COP28, in the United Arab Emirates (UAE) in 2023, countries agreed for the first time about the need to "transition away from fossil fuels in energy systems". Brazil wanted the talks to secure clearer steps for how countries would achieve this in COP30. The idea of such a "roadmap" had been backed by dozens of countries. Brazil also announced its own plan to launch a fossil fuel "roadmap" which countries could sign up to[6].

Carbon emissions are directly correlated to the demand in the marine, offshore, oil and gas, where demand is likely to reduce over time with renewable energy sources sought for. This may drive oil prices downward which may affect us in the following manner:

New building and repair segment

Business activities in shipyards are expected to be continuously impacted, and thus our core business will take a hit financially. As the market demand changes in the marine, offshore, oil and gas industries alongside with global trend, we will have to adapt and grow with the new changes. For instance, we have since 2016 shifted our focus from the new building and conversion projects to the repair projects and components sales as we expected the demand for the new building and conversion to weaken over time.

Shipping segment

Our vessels are oil tank bunkers designed for the transportation of marine and gas oil for oil and gas companies. The impact of global warming will result in a change in market condition, either due to a change in the terrain throughout the region or the change in demand for chartering services.

The Group has recently proposed to dispose both vessels owned by the Group. Following the reorganisation of the shipyard sector in Singapore, the Group's core business in the new build and repair segment requires greater management focus. The Proposed Disposal of both vessels will result in the discontinuation of the Company's shipping segment, allowing management to concentrate its resources on the Group's core business activities.

6. What was agreed on climate change at COP30 in Brazil. Retrieve from https://www.bbc.com/news/articles/c04gqez4lkyo on 28 January 2026

OUR SUPPLY CHAIN

In a glance		
What was said in 2024 (target for 2025)	**What happened in 2025**	**What we plan to do next (target for 2026)**
• Continue to evaluate the impact at each point of supply chain in relation to sustainability and report on them.	• Impact at each point of supply chain in relation to sustainability is evaluated and reported.	• Continue to evaluate the impact at each point of supply chain in relation to sustainability and report on them.

Management Approach

The effectiveness of our sustainability efforts can only be optimised with the proper management of each major point of our supply chain, which ranges from the beginning of the supply chain (i.e. suppliers and subcontractors) to the final end-user (charterers, contractors and end-user). Their sustainable efforts affect the performance of ours indirectly.

The boundary of this topic can be wide, extending to a customer or supplier that we might not have direct contact, but may affect our sustainability efforts. We will however restrict our boundary to only active efforts that are applicable to our immediate suppliers, subcontractors, charterer, contractors, or end-user due to the practicality constraint.

Supply Chain Management

New building and repair segment

In our core business, we primarily contract with and supply skilled labour and services to a shipyard (i.e. the contractor), acting as a resident subcontractor. The contractor is primarily responsible with the procurement of the required equipment and materials for the building, conversion and repairs work on the vessels. The contractor imposes regulations to regulate us, such as on areas of safety, material handling, and so on. We are responsible for the procurement of safety equipment, components and small equipment in the course of the supply of skilled labour and services. The completed job is first handed over to our contractor who will in turn handover the vessel once it is completed and ready for voyage.

Shipping segment

The shipping segment comprises of ship chartering, and the trading of marine supplies to vessels. The execution of a complete ship charter starts by charterer engaging us to transport liquid oil from a predetermined departure port to a Southeast Asia destination as determined by the charter agreement. We then engage port agents (both local and the Southeast Asia region), commercial managers, ship managers, and suppliers supplying marine gas oil and other marine supplies for the operation of our vessels.

As required by the Marine and Port Authority of Singapore ("**MPA**") and in line with International Maritime Organisation ("**IMO**"), we will periodically conduct surveys on the vessels to ensure that it is optimal for voyages. We engage professional surveyors, equipment manufacturers, and subcontractors to survey, supply equipment, and service the vessels.

In our marine supplies division, we engage suppliers and subcontractors for the bespoke fabrication of vessel's components as well as the trading of consumables and other liquid goods on board vessels that are required by the customer. Goods, components and services are acquired from suppliers, and the requested goods are subsequently delivered to the customers.

Management

We have finalised our first Supplier Code of Conduct and circulated it to all our suppliers on 21 November 2019. This Supplier Code of Conduct is expected to be abided by all suppliers and subcontractors to ensure sustainability of their operations in all areas of economic, environment, social and governance, which comprises topics on business conduct, labour practices, health and safety, and environmental management. We believe that this will positively value-add to our sustainability efforts throughout our supply chain and even benefit our suppliers themselves.

New suppliers are assessed for any bad reputation and records, together with any presence of applicable certifications and licenses. These are credentials towards key sustainability factors relevant to us. Continuing assessments, such as mandated reporting, inspection visits or enquiry of information, shall be made accordingly to ensure acceptable standards of safety and health, quality, and environment are maintained. We will make the necessary changes upon observation of unsatisfactory standard.

As for customers, we aim to ensure that the provision of the sales or services are not directly associated to matters on breach of safety, financial and environmental misconducts, or any other unethical practices.

For those parties who are other than our immediate suppliers, subcontractors, charterer, contractors, or end-user, we will make effort to disassociate in the event that it is made known to us through credible sources (such as professional consultants, public news, and etc) that there is breach of safety, financial and environmental recognised standards, or any other unethical practices.

The Group is committed to make continuous efforts to work closely with parties in our supply chain to ensure best practices and alignment of policies. We are committed to cooperate with all parties for effective and safe operation.

Commitment

We practice fair competition in compliance of applicable competition laws and regulations in our businesses. In 2025, there are no legal actions taken against the Group for anti-competitive behaviour, anti-trust, and monopoly practices.

OTHER ENVIRONMENTAL MATTERS

Effluents and Waste

New building and repair segment

The core business involves heavy usage of materials. However, as a resident subcontractor based in our contractor's shipyard, we are bounded by the regulations imposed by the shipyard on how materials are used and disposed. The onus is on us to abide to the regulations set out by the contractor. All materials for the purpose of new building and repair works, are issued by the shipyard. Excess materials unutilised are returned to the shipyard for reuse. Any minor remnants of material are disposed in locations designated by the shipyard, and subsequently collected by waste collector. This ensure that wastage contributed by our workers are minimised and properly handled.

On the part of the Group's effort, we educate our employees on the importance of efficient usage to reduce material wastage. Trainings are provided to improve the skillset of the workers, which will also translate to lesser wastage arising from inefficient use of materials. The materials purchased directly by us are safety equipment and small materials and they are disposed according to the shipyard regulation.

Shipping segment

Our vessels are registered under MPA's Ship Registry of Ships, and the pre-requisites relating to the vessels are fulfilled through the classification awarded by Bureau Veritas and Nippon Kaiji Kyokai, which covers the compliance to various key convention and regulations set by the IMO and the International Labour Organization. Included in the classification is the various certifications covering key environmental conventions as seen in **Table 18**.

Table 18: Certificates covering the IMO's Key Environmental Conventions

Our Certificates covering the Key Environmental Conventions

- *International Oil Pollution Prevention Certificate for International Convention for the Prevention of Pollution from Ships, 1973 ("***MARPOL 1973***") Annex I*
- *International Air Pollution Prevention Certificate for MARPOL 1973 Annex VI*
- *International Sewage Pollution Prevention Certificate for MARPOL 1973 Annex IV*
- *International Anti-Fouling System Certificate for International Convention on the Control of Harmful Anti-Fouling Systems on Ships, 2001 ("***AFS 2001***")*
- *International Ballast Water Management Certificate for International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004 ("***BWM 2004***")*

The certifications are credentials of efforts taken to ensure that the structure, equipment systems, fittings and material used for the vessels fully comply with the requirements to prevent environmental pollution, be it through improper, unintentional, and/or accidental discharge of oil, spill of oil, disposal of garbage waste, and discharge of ozone depleting substances.

Currently, we do not present yearly performance data on waste management, which we may consider presenting progressively as and when necessary.

Our Efforts

We continue to commit in reducing the use of carbon-emitting transportation to transport our workers. We are still using dormitory to house workers and we ensure that the distance from the dormitory is not very far from the shipyard, so as to minimize carbon emission while transporting workers by lorry. Out of our total workforce of 422, 121 workers are currently staying in dormitory near the shipyard, within 5km distance. For other workers staying at our own dormitory which is located further from the shipyard, we transport them to the shipyard using commercial buses and we ensure that the buses are fully occupied to maximise efficiency of each bus-trip.

To further reduce the indirect emission of GHG via the use of public transport, we have and are still providing worker with bicycles, mainly for them to use in shipyard. This is in line with the nation's effort of a "Car-lite" city.

Our Group has also switched from using heavy marine fuel oil to low sulphur fuel oil since November 2019 for our vessels, ES Aspire and ES Jewel. This is in compliance with IMO 2020, and is also part of our Group's efforts to move towards a lower emission future.

Other Compliance Matters

The Group has no operations that are on or near any habitat that are protected or have high biodiversity value as identified by international bodies such as the International Union for Conservation of Nature.

As of the date of this report, the Group has not been penalised for any non-compliance of environmental laws and regulations imposed by Singapore and we will continue to work with the relevant authorities to stay updated so as to continue to comply with the laws and regulations.

OUR REPORTING BASIS

This report is published annually and covers the same period as the financial year of the Company (from January to December 2025). A copy of this report can be found at our corporate website or the SGXNet at https://www.sgx.com/securities/company-announcements.

There is no reportable significant change to the organisation and its supply chain.

This report uses the Global Reporting Initiative ("**GRI**") Sustainability Reporting Standards ("**GRI Standards**"), Task Force on Climate Related Financial Disclosure ("**TCFD**") and Practice Note 7F on Sustainability Reporting Guide of the SGX Catalist Rules.

While internal review on this report was conducted by the internal auditors of the Company, we have not sought any independent party's assurance for this report.

As a continuous effort to improve the quality and relevance of the sustainability information addressed to our Stakeholders, we welcome feedback from all Stakeholders on how we can better address our sustainability information by writing to us via email at eng_soon@esgroup.com.sg or via mail at 8 Ubi Road 2 #06-26 Zervex, Singapore 408538.

GRI Content Index

This report has been prepared in accordance with the GRI Standards: Core Option.

Statement of Use	ES Group (Holdings) Limited has reported in accordance with the GRI standards for the period 1 January 2025 to 31 December 2025
GRI 1 Used	GRI: Foundation 2021
Applicable GRI Sector Standard(s)	None

DISCLOSURES		REFERENCE / REASON FOR OMISSION
GRI 2: GENERAL DISCLOSURE 2021		
The Organisation and its Reporting Practices		
2-1	Organisation details	Our Commitment to a Sustainable Operation - Page 139
2-2	Entities included in the organisation's sustainability reporting	Our Commitment to a Sustainable Operation - Page 139
2-3	Reporting period, frequency and contact point	Our Reporting Basis - Page 167
2-4	Restatements of information	Our Reporting Basis - Page 167
2-5	External assurance	Our Reporting Basis - Page 167
Activities and Workers		
2-6	Activities, value chain and other business relationships	Our Commitment to a Sustainable Operation - Page 139
2-7	Employees	Our Labour Practices - Page 155
2-8	Workers who are not employees	Our Labour Practices - Page 155
Governance		
2-9	Governance structure and composition	Our Commitment to a Sustainable Operation - Page 138
2-10	Nomination and selection of the highest governance body	Our Commitment to a Sustainable Operation - Page 138
2-11	Chair of the highest governance body	Our Commitment to a Sustainable Operation - Page 138
2-12	Role of the highest governance body in overseeing the management of impacts	Our Commitment to a Sustainable Operation - Page 142
2-13	Delegation of responsibility for managing impacts	Our Commitment to a Sustainable Operation - Page 142

OUR REPORTING BASIS

DISCLOSURES		REFERENCE / REASON FOR OMISSION
2-14	Role of the highest governance body in sustainability reporting	Our Commitment to a Sustainable Operation - Page 142
2-15	Conflict of interest	Our Commitment to a Sustainable Operation - Page 138
2-16	Communication of critical concerns	Our Commitment to a Sustainable Operation - Page 138
2-17	Collective knowledge of the highest governance body	CG report – Page 20
2-18	Evaluation of the performance of the highest governance body	CG report – Page 26
2-19	Remuneration policies	CG report – Page 28
2-20	Process to determine remuneration	CG report – Page 28
2-21	Annual total compensation ratio	Not disclose due to confidentiality
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	Our Commitment to a Sustainable Operation - Page 138
2-23	Policy commitments	Our Labour Practices – Page 155 to 160
2-24	Embedding policy commitments	Our Labour Practices – Page 155 to 160
2-25	Processes to remediate negative impacts	Our Commitment to a Sustainable Operation - Page 138, 150, 151
2-26	Mechanisms for seeking advice and raising concerns	Our Commitment to a Sustainable Operation - Page 150, 151
2-27	Compliance with laws and regulations	Our Labour Practices - Page 155 Our Economic Sustainability – Page 163 Our Supply Chain – Page 165 Our Environmental Matters – Page 166
2-28	Membership associations	Singapore Chinese Chamber of Commerce & Industry; Association of Singapore Marine Industries
2-29	Approach to stakeholder engagement	Stakeholders Engagement - Page 140
2-30	Collective bargaining agreements	Our Labour Practices - Page 155
OUR SAFETY AND HEALTH		
GRI 3: Material Topics		
3-1	Process to determine material topics	Our Safety and Health - Page 152
3-2	List of material topics	Our Safety and Health - Page 152
3-3	Management of material topics	Our Safety and Health - Page 152
GRI 403: Occupational Health and Safety 2018		
403-9	Work-related injuries	Our Safety and Health - Pages 152 to 154
OUR LABOUR PRACTICES		
GRI 3: Material Topics		
3-1	Process to determine material topics	Our Labour Practices - Page 155
3-2	List of material topics	Our Labour Practices - Page 155
3-3	Management of material topics	Our Labour Practices - Page 155

OUR REPORTING BASIS

DISCLOSURES		REFERENCE / REASON FOR OMISSION
GRI 202: Market Presence 2016		
202-2	Proportion of senior management hired from the local community	Our Labour Practices - Page 156
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Our Labour Practices - Page 157
401-3	Parental leave	Our Labour Practices - Page 155
GRI 402: Labour/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Our Labour Practices - Page 155
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Our Labour Practices - Page 159
404-3	Percentage of employees receiving regular performance and career development reviews	Our Labour Practices - Page 158
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Our Labour Practices - Pages 156 to 158
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our Labour Practices - Page 155 and Our Supply Chain – Page 165
GRI 409: Forced or Compulsory Labour 2016		
408-1	Operations and suppliers at significant risk for incidents of child labour	Our Labour Practices - Page 155 and Our Supply Chain – Page 165
GRI 409: Forced or Compulsory Labour 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Our Labour Practices - Page 155 and Our Supply Chain – Page 165
OUR ECONOMIC SUSTAINABILITY		
GRI 3: Material Topics		
3-1	Process to determine material topics	Our Commitment to a Sustainable Operation - Page 141
3-2	List of material topics	Our Commitment to a Sustainable Operation - Page 141
3-3	Management of material topics	Our Commitment to a Sustainable Operation - Page 141
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Our Economic Sustainability - Pages 161 to 163
201-2	Financial implications and other risks and opportunities due to climate change	Our Commitment to a Sustainable Operation – Pages 143 to 144
201-3	Defined benefit plan obligations and other retirement plans	Our Economic Sustainability - Page 163
201-4	Financial assistance received from government	Our Economic Sustainability - Page 162
OUR SUPPLY CHAIN		
GRI 3: Material Topics		
103-1	Explanation of the material topic and its Boundary	Our Economic Sustainability - Page 165
103-2	The management approach and its components	Our Economic Sustainability - Page 165
103-3	Evaluation of the management approach	Our Economic Sustainability - Page 165

OUR REPORTING BASIS

DISCLOSURES		REFERENCE / REASON FOR OMISSION
GRI 206: Anti-competitive Behaviour 2016		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Our Supply Chain - Page 165
OUR ENVIRONMENTAL PERFORMANCE		
GRI 3: Material Topics		
103-1	Explanation of the material topic and its Boundary	TCFD Report – Pages 142 to 144
103-2	The management approach and its components	TCFD Report – Pages 142 to 144
103-3	Evaluation of the management approach	TCFD Report – Pages 142 to 144
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	TCFD Report – Pages 147 to 149
GRI 303: Water and Effluent 2018		
303-3	Water withdrawal	TCFD Report – Page 149
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Other Environmental Matters - Page 166
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	TCFD Report – Pages 147 to 148
305-2	Energy indirect (Scope 2) GHG emissions	TCFD Report – Pages 147 to 148
GRI 306: Effluents and Waste 2016		
306-3	Significant spills	Other Environmental Matters - Page 166
OUR CORPORATE GOVERNANCE		
GRI 3: Material Topics		
3-1	Process to determine material topics	Materiality Assessment – Page 141
3-2	List of material topics	Materiality Assessment – Page 141
3-3	Management of material topics	Materiality Assessment – Page 141
GRI 205: Anti-corruption 2016		
205-3	Confirmed incidents of corruption and actions taken	Our Economic Sustainability – Page 162 Our Supply Chain - Page 165

OUR REPORTING BASIS

TCFD Disclosures

Code	TCFD Recommendations	Page Reference
Governance		
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities.	TCFD Report – Page 142
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	TCFD Report – Page 142
Strategy		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	TCFD Report – Page 145 to 146
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	TCFD Report – Page 143 to 144
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	TCFD Report – Page 142 to 143
Risk Management		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	TCFD Report – Pages 144 to 146
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	TCFD Report – Pages 144 to 146
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	TCFD Report – Pages 144 to 146
Metrics and Targets		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	TCFD Report – Pages 145 to 146
TCFD 4(b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	TCFD Report – Pages 147 to 149
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	TCFD Report – Page 150-151

OUR REPORTING BASIS

SGX 27 Core ESG Metrics

PILLAR	TOPIC	METRIC	UNIT	FRAMEWORK ALIGNMENT	PAGE NUMBER
Environment	Greenhouse Gas Emissions ("**GHG**")	Absolute emissions by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tCO_2e	GRI 305-1, GRI 305-2, GRI 305-3, TCFD	TCFD Report – Page 147 to 149
		Emission intensities by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tCO_2e / organisation specific metrics	GRI 305-4, TCFD	TCFD Report – Page 147 to 149
	Energy Consumption	Total energy consumption	MWhs or GJ	GRI 302-1, TCFD	TCFD Report – Page 147 to 149
		Energy consumption intensity	MWhs or GJ/ organisation specific metrics	GRI 302-3, TCFD	TCFD Report – Page 147 to 149
	Water Consumption	Total water consumption	ML or m^3	GRI 303-5, TCFD	TCFD Report – Page 149
		Water consumption intensity	ML or m^3/ organisation specific metrics	TCFD	TCFD Report – Page 149
	Waste Generation	Total waste generated	KG	GRI 306-3, TCFD	Not disclosed as data is not available
Social	Gender Diversity	Current employees by gender	Percentage (%)	GRI 405-1	Our Labour Practices – Page 156
		New hires and turnover by gender	Percentage (%)	GRI 401-1	Our Labour Practices – Page 157
	Age-Based Diversity	Current employees by age Groups	Percentage (%)	GRI 405-1	Our Labour Practices – Page 156
		New hires and turnover by age Groups	Percentage (%)	GRI 401-1	Our Labour Practices – Page 157
	Employment	Total turnover	Number and Percentage (%)	GRI 401-1	Our Labour Practices – Page 157
		Total number of employees	Number	GRI 2-7	Our Labour Practices – Page 158
	Development & Training	Average training hours per employee	Hours/No. of employees	GRI 404-1	Our Labour Practices – Page 159
		Average training hours per employee by gender metrics	Hours/No. of employees	GRI 404-1	Our Labour Practices – Page 159

OUR REPORTING BASIS

PILLAR	TOPIC	METRIC	UNIT	FRAMEWORK ALIGNMENT	PAGE NUMBER
Social	Occupational Health & Safety	Fatalities (Singapore), SASB 320	Number of cases	GRI 403-9	Our Safety and Health – Pages 152 to 153
		High-consequence injuries	Number of cases	GRI 403-9	Our Safety and Health – Pages 152 to 153
		Recordable injuries	Number of cases	GRI 403-9	Our Safety and Health – Pages 152 to 153
		Recordable work- related ill health cases	Number of cases	GRI 403-10	Our Safety and Health – Pages 152 to 153
Governance	Board Composition	Board independence	Number	GRI 2-9	CG Report - Page 21
		Women on the Board	Percentage (%)	GRI 2-9, GRI 405- 1	Our Labour Practices – Pages 156
	Management Diversity	Women in the management team	Percentage (%)	GRI 2-9, GRI 405- 1	Our Labour Practices – Pages 156
	Ethical Behaviour	Anti-corruption disclosures	Discussion and number of standards	GRI 205-1, GRI 205-2 and GRI 205-3	Our Economic Sustainability – Page 163 Our Supply Chain – Page 165
		Anti-corruption training for employees	Number and Percentage (%)	GRI 205-2	Not disclosed as data is not available
	Certifications	List of relevant certifications	List		Our Economic Sustainability – Page 163 Other Environmental Matters – Page 166
	Alignment with Frameworks	Alignment with frameworks and disclosure practices	GRI/ TCFD/ SASB/ SDGs/ others	SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F	Reporting Framework – Page 136
	Assurance	Assurance of sustainability report	Internal/External/ None	GRI 2-5, SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F	Our Reporting Basis – Page 167

STATISTICS OF SHAREHOLDINGS
AS AT 17 MARCH 2026

SHARE CAPITAL

Issued and fully paid-up capital	:	23,698,348
Total number of issued shares	:	141,200,000
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share (excluding treasury shares and subsidiary holdings)

DISTRIBUTION OF SHAREHOLDINGS
(As recorded in the Register of Members and Depository Register)

SIZE OF SHAREHOLDINGS			NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1	-	99	0	0.00	0	0.00
100	-	1,000	11	5.58	7,800	0.01
1,001	-	10,000	39	19.80	310,700	0.22
10,001	-	1,000,000	135	68.53	18,881,500	13.37
1,000,001	AND ABOVE		12	6.09	122,000,000	86.40
TOTAL			**197**	**100.00**	**141,200,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS
(As recorded in the Register of Members and Depository Register)

NO.	NAME	NO. OF SHARES	%
1.	NEO PECK KEOW @ NG SIANG KENG	53,540,000	37.92
2.	LOW CHEE WEE	33,935,600	24.03
3.	YVONNE LOW-TRIOMPHE	7,540,000	5.34
4.	EDDY NEO CHIANG SWEE (EDDY LIANG JIANGSHUI)	6,000,000	4.25
5.	LEOW MEI LEE	3,600,000	2.55
6.	TING SEE PING (CHEN SHIPING)	3,500,000	2.48
7.	UOB KAY HIAN PRIVATE LIMITED	2,948,000	2.09
8.	DBS NOMINEES (PRIVATE) LIMITED	2,719,900	1.93
9.	ALBERT SUSILO	2,505,000	1.77
10.	NEO CHIANG YEE ERIC (LIANG JIANGYI ERIC)	2,400,000	1.70
11.	PHILLIP SECURITIES PTE LTD	1,721,500	1.22
12.	KUAH HONG SIM	1,590,000	1.13
13.	SIAH CHYE HOCK(XIE CAIFU)	1,000,000	0.71
14.	LOH WING WAH	977,000	0.69
15.	TOH ONG TIAM	900,000	0.64
16.	SERM TANTASATIEN	835,000	0.59
17.	TAN SZE HONG	800,000	0.57
18.	KOK SIP CHON	693,000	0.49
19.	NG SOON HOCK (HUANG SHUNFU)	671,800	0.48
20.	OCBC SECURITIES PRIVATE LIMITED	619,000	0.44
	TOTAL	**128,495,800**	**91.02**

STATISTICS OF SHAREHOLDINGS
AS AT 17 MARCH 2026

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders)

	DIRECT INTEREST		DEEMED INTEREST		TOTAL INTEREST	
NAME	NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%
Low Chee Wee [1]	33,935,600	24.03	53,540,000	37.92	87,475,600	61.95
Low Chee Leng Christopher [1]	239,000	0.17	53,540,000	37.92	53,779,000	38.09
Yvonne Low-Triomphe [1]	7,540,000	5.34	53,540,000	37.92	61,080,000	43.26
Neo Peck Keow @ Ng Siang Keng [1]	53,540,000	37.92	-	-	53,540,000	37.92
Eddy Neo Chiang Swee (Eddy Liang Jiang Shui) [2]	6,000,000	4.25	3,600,000	2.55	9,600,000	6.80

Notes:

(1) Low Chee Wee, Low Chee Leng Christopher and Yvonne Low-Triomphe are siblings. Their mother is Neo Peck Keow @ Ng Siang Keng. Each of Low Chee Wee, Low Chee Leng Christopher and Yvonne Low-Triomphe is deemed interested in the 53,540,000 Shares held by their mother, Neo Peck Keow @ Ng Siang Keng, by virtue of Section 7 of the Companies Act.

(2) Eddy Neo Chiang Swee is deemed interested in the 3,600,000 Shares held by his mother, Leow Mei Lee, by virtue of Section 7 of the Companies Act.

SHAREHOLDINGS HELD BY THE PUBLIC

Based on the information available to the Company as at 17 March 2026 and to the best knowledge of the Directors of the Company, approximately 22.08% of the issued ordinary shares of the Company was held by the public as defined in the Rules of Catalist. Accordingly, Rule 723 of the Rules of Catalist which requires at least 10% of a listed issuer's equity securities to be held by the public is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of ES GROUP (HOLDINGS) LIMITED (the "**Company**") will be held at 10 Kwong Min Road, Singapore 628712 on Wednesday, 29 April 2026 at 2:00 p.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2025 ("**FY2025**") and the Independent Auditor's Report thereon.

Resolution 1

2. To re-elect Mr. Low Chee Wee, a Director of the Company retiring pursuant to Regulation 98 of the Constitution of the Company and who, being eligible, offers himself for re-election, as a Director of the Company.
(See Explanatory Notes)

Resolution 2

3. To re-elect Ms. Joanne Khoo Su Nee, a Director of the Company retiring pursuant to Regulation 98 of the Constitution of the Company and who, being eligible, offers herself for re-election, as a Director of the Company.
(See Explanatory Notes)

Resolution 3

4. To approve the payment of Directors' fees of up to S$128,500 for the financial year ending 31 December 2026, payable quarterly in arrears (FY2025: up to S$128,500).

Resolution 4

5. To re-appoint Messrs Forvis Mazars LLP as auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

Resolution 5

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

ORDINARY RESOLUTION: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

7. That:

   (a) for the purposes of the Companies Act 1967 of Singapore (the "**Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

      (i) on-market purchases (each a "**Market Purchase**"), transacted on the Catalist through the Singapore Exchange Securities Trading Limited's (the "**SGX-ST**") trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") (if effected otherwise than on the Catalist) in accordance with an equal access scheme(s) as defined in Section 76C of the Act as may be determined or formulated by the Directors of the Company as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act and the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"),

(the "**Share Buy-back Mandate**"), be and is hereby authorised and approved generally and unconditionally;

(b) unless varied or revoked by an ordinary resolution of shareholders of the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held; or

(ii) the date on which the purchases or acquisitions of the Shares are carried out to the full extent mandated by the Share Buy-back Mandate; or

(iii) the date on which the authority conferred by the Share Buy-back Mandate is revoked or varied by an ordinary resolution of shareholders of the Company in a general meeting,

(the "**Relevant Period**");

(c) in this Resolution 6:

"**Prescribed Limit**" means the number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) as at the date passing this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding treasury shares and subsidiary holdings (if any) that may be held by the Company from time to time);

"**Maximum Price**" in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, the price per Share which is not more than 5% above the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, the price per Share which is not more than 20% above the Average Closing Price of the Shares; and

For the purposes above:

"**Average Closing Price**" means the average of the closing market prices of the Shares for the last 5 Market Days on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company, or as the case may be, the Offer Date pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action occurring during the relevant 5 Market Days period and the day on which the purchases or acquisitions of Shares are made;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

"Offer Date" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company, stating therein the purchase price (which shall not be more than the Maximum Price determined on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

(d) the Directors of the Company and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they may consider desirable, expedient or necessary in the interest of the Company in connection with or for the purposes of giving full effect to the Share Buy-back Mandate.
(See Explanatory Notes)

Resolution 6

ORDINARY RESOLUTION: AUTHORITY TO ALLOT AND ISSUE SHARES

8. That, pursuant to Section 161 of the Act and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:

(A) (i) allot and issue Shares whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other Instruments convertible into Shares; and/or

(iii) notwithstanding that such authority conferred by this Resolution may have ceased to be in force at the time the Instruments are to be issued, issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues,

at any time and upon such terms and conditions and for such purposes and to such person as the Directors of the Company may in their absolute discretion deem fit; and

(B) issue Shares in pursuance of any Instrument made or granted by our Directors pursuant to (A)(ii) and/or (A)(iii) above, notwithstanding that such authority may have ceased to be in force at the time the Shares are to be issued, as per A(iii) provided that:

(i) the aggregate number of Shares to be issued pursuant to such authority (including Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below);

(ii) the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) (where applicable) new Shares arising from the exercise of share options or vesting of share awards, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

and provided also that adjustments under (a) and (b) are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and are outstanding or subsisting at the time this Resolution is passed;

(iii) in exercising such authority, the Company shall comply with any or all the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the Act and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company in a general meeting by ordinary resolution, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act, and every other legislation for the time being in force concerning companies and affecting the Company, whichever is the earlier.

(See Explanatory Notes)

Resolution 7

By Order of the Board

Hon Wei Ling
Company Secretary

Singapore
14 April 2026

Explanatory Notes:

(i) Resolutions 2 and 3

Mr. Low Chee Wee, if re-elected as a Director of the Company, will remain as the Executive Director, Chief Executive Officer and Chief Operating Officer of the Company. Detailed information (including information as required pursuant to Rule 720(5) of the Catalist Rules) on Mr. Low Chee Wee can be found under the sections entitled "Board of Directors", "Corporate Governance Report", "Appendix" and "Directors' Statement" of the Company's Annual Report 2025. Save as disclosed therein, there are no material relationships (including immediate family relationship) between Mr. Low Chee Wee and the other Directors of the Company, the Company or its substantial shareholders.

Ms. Joanne Khoo Su Nee, if re-elected as a Director of the Company, will remain as an Independent Non-Executive Director of the Company and will continue to serve as the Chairman of the Remuneration and Compensation Committee as well as a member of the Audit and Risk Committee and the Nominating Committee of the Company. Ms. Joanne Khoo Su Nee is considered by the Board of Directors of the Company to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information (including information as required pursuant to Rule 720(5) of the Catalist Rules) on Ms. Joanne Khoo Su Nee can be found under the sections entitled "Board of Directors", "Corporate Governance Report", "Appendix" and "Directors' Statement" of the Company's Annual Report 2025. Save as disclosed therein, there are no material relationships (including immediate family relationship) between Ms. Joanne Khoo Su Nee and the other Directors of the Company, the Company or its substantial shareholders.

(ii) Resolution 6

The Ordinary Resolution 6 proposed above, if passed, will empower the Directors of the Company, (i) from the date of the above Annual General Meeting of the Company until the date of the next Annual General Meeting of the Company to be held or is required by law to be held; or (ii) the date on which the purchases or acquisitions of Shares are carried out to the full extent mandated by the Share Buy-back Mandate; or (iii) such authority is revoked or varied by shareholders of the Company in a general meeting, whichever is the earlier, to make purchases or acquisitions (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at prices up to but not exceeding the Maximum Price. The rationale for the Share Buy-back Mandate, the authority and limitation on the purchases or acquisitions of Shares under the Share Buy-back Mandate, the source of funds to be used for the purchases or acquisitions of Shares including the amount of financing, and the financial effects of the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-back Mandate are set out in greater detail in Section 2 of the Addendum.

(iii) Resolution 7

The Ordinary Resolution 7 proposed above, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting of the Company until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is revoked or varied by the Company in a general meeting, whichever is the earlier, to allot and issue Shares and to make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), of which the number of Shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any).

For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time this Ordinary Resolution is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or the exercise of share options or the vesting of share awards which were issued and are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

Notes:

1. The Annual General Meeting of the Company ("**AGM**" or "**Meeting**") will be held, in a wholly physical format, at 10 Kwong Min Road, Singapore 628712 on Wednesday, 29 April 2026 at 2:00 p.m.. **There will be no option for shareholders to participate virtually.**

2. A CD which contains a soft copy of the Company's Annual Report 2025 and the Addendum, as well as printed copies of this Notice of AGM and the accompanying instrument appointing a proxy or proxies ("**Proxy Form**"), will be sent to members of the Company by post. These documents have also been published and may be accessed on the SGXNet at the URL https://www.sgx.com/securities/company-announcements and the Company's corporate website at the URL https://www.esgroup.com.sg/htm/ir_overview.php.

3. Members of the Company (including Supplementary Retirement Scheme investors ("**SRS Investors**") may participate in the AGM by:

   (a) attending the AGM in person;

   (b) submitting questions in advance of the AGM or raising questions at the AGM; and/or

   (c) voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies),

   details as set out in the paragraphs below.

4. A member of the Company entitled to attend, speak and vote at the AGM of the Company (otherwise than a relevant intermediary) is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her/its stead at the AGM. Where such member's Proxy Form appoints two (2) proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

5. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's Proxy Form appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

6. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under common seal or under the hand of its duly authorised officer or attorney.

7. A proxy need not be a member of the Company.

8. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory. The Chairman of the Meeting, as proxy, need not be a member of the Company.

If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the Proxy Form appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the Proxy Form, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

9. The Proxy Form, together with the power of attorney or other authority (if any) under which it is signed, or a notarial certified copy thereof, must be submitted to the Company in the following manner:

   (a) if submitted personally or by post, be lodged at the Company's registered office at ES Group (Holdings) Limited, 8 Ubi Road 2, #06-26 Zervex, Singapore 408538; or

   (b) if submitted electronically, be submitted via email and received by the Company at general@esgroup.com.sg,

   in either case, by 2:00 p.m. on 27 April 2026 (being not less than forty-eight (48) hours before the time appointed for holding the AGM) (or any adjournment thereof) and in default the Proxy Form for the AGM shall not be treated as valid.

10. The Proxy Form must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the Proxy Form may be treated as invalid. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or other authority, or a duly certified copy thereof must (failing previous registration with the Company), if the Proxy Form is submitted personally or by post, be lodged with the Proxy Form or, if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.

11. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.

12. SRS Investors who wish to appoint the Chairman of the Meeting to act as their proxy should approach their respective agents, such as SRS Operators, to submit their votes to the Company by 5:00 p.m. on 17 April 2026, being at least seven (7) working days before the date of the AGM.

13. Members can raise substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

14. Members can also submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM by 9:00 a.m. on 22 April 2026 (the "**Cut-Off Time**"), in the following manner:

   (a) if submitted electronically, be submitted via email and received by the Company at general@esgroup.com.sg; or

   (b) if submitted by post, be deposited at the Company's registered office at ES Group (Holdings) Limited, 8 Ubi Road 2, #06-26 Zervex, Singapore 408538,

   and provide their personal particulars as follows: a) Full name (for individuals) / company name (for corporate) as per CDP/SRS Account records; b) the last 4 alphanumeric characters of your NRIC or Passport Number (for individuals) / Company Registration Number (for corporate entities); c) Number of Shares held; d) Contact Number; e) Email Address; and f) Shareholding Type (e.g. CDP, SRS, Depository Agent or Corporate Shareholder).

15. The Company will provide its responses to all substantial and relevant questions related to the resolutions to be tabled for approval at the AGM received from shareholders by the Cut-Off Time by publishing the responses to these questions on (i) the SGXNet at the URL https://www.sgx.com/securities/company-announcements; and (ii) the Company's corporate website at the URL https://www.esgroup.com.sg/htm/ir_overview.php by 2:00 p.m. on 25 April 2026, being not less than forty-eight (48) hours before the closing date and time for the lodgement of the Proxy Form. The Company will also address any subsequent clarifications sought, or follow-up questions in respect of such substantial and relevant questions during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

16. Persons who hold shares of the Company through relevant intermediaries (pursuant to Section 181(1C) read with Section 181(6) of the Companies Act 1967 of Singapore), such as SRS Investors, should approach their respective agents, such as SRS Operators, sufficiently in advance so that their respective agents may submit their substantial and relevant questions related to the resolutions to be tabled for approval at the AGM by the Cut-Off Time and have their substantial and relevant questions addressed.

17. The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company's corporate website, and the minutes will include the responses to substantial and relevant questions received from shareholders which are addressed during the AGM.

18. A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his/her/its name appears on the Depository Register maintained by The Central Depository (Pte) Limited seventy-two (72) hours before the time appointed for holding the AGM.

19. This notice has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**Sponsor**").

    This notice has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.

    The contact person for the Sponsor is Ms. Yang Zhenni, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

PERSONAL DATA PRIVACY:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

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ES Group (Holdings) Limited

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200410497Z)

IMPORTANT:

1. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") may attend, speak and cast his or her vote(s) at the annual general meeting of the Company ("**AGM**") in person. SRS Investors who are unable to attend the AGM but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the SRS Investors shall be precluded from attending the AGM.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Proxy Form - Annual General Meeting

*I/We ______________________________ (Name) ____________________ (NRIC/ Passport No./ Company Registration No.) of ____ (Address)

being a *member/members of **ES GROUP (HOLDINGS) LIMITED** (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

*and/or

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing the person, or either or both of the persons referred to above, the Chairman of the AGM of the Company, as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf and, if necessary, to demand a poll at the AGM to be held at 10 Kwong Min Road, Singapore 628712 on Wednesday, 29 April 2026 at 2:00 p.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against, or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

Voting would be conducted by poll.

(With reference to the agenda set out in the Notice of AGM dated 14 April 2026, please indicate your vote "For" or "Against" or "Abstain" from voting a resolution with a tick [√] within the box provided in respect of that resolution. Alternatively, please indicate the number of votes as appropriate in the relevant box provided in respect of that resolution.)

No.	Resolution	For	Against	Abstain
	Ordinary Business			
1	Adoption of the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2025, together with the Independent Auditor's Report thereon			
2	Re-election of Mr. Low Chee Wee as a Director of the Company			
3	Re-election of Ms. Joanne Khoo Su Nee as a Director of the Company			
4	Approval of the payment of Directors' fees of up to S$128,500 for the financial year ending 31 December 2026, to be paid quarterly in arrears			
5	Re-appointment of Messrs Forvis Mazars LLP as the auditors the Company and authorise the Directors of the Company to fix their remuneration			
	Special Business			
6	Proposed renewal of the Share Buy-back Mandate			
7	Authority to allot and issue shares in the capital of the Company			

Signed this ______ day of __________ 2026

Total Number of Shares Held	Number of Shares
In CDP Register	
In Register of Members	

____
Signature(s) of member(s) or common seal

*delete as appropriate

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Notes to the Proxy Form:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares registered in your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend, speak and vote at the AGM (otherwise than a relevant intermediary) is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her/its stead at the AGM. Where such member's form of proxy appoints two (2) proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

3. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

4. A proxy need not be a member of the Company.

5. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

6. An instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or a notarial certified copy thereof, must be submitted to the Company in the following manner:

   (a) if submitted personally or by post, be lodged at the Company's registered office at ES Group (Holdings) Limited, 8 Ubi Road 2, #06-26 Zervex, Singapore 408538; or

   (b) if submitted electronically, be submitted via email and received by the Company at general@esgroup.com.sg,

   in either case, by 2:00 p.m. on 27 April 2026 (being not less than forty-eight (48) hours before the time appointed for holding the AGM).

7. An instrument appointing a proxy or proxies shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointer.

8. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.

9. The Company shall be entitled to reject the appointing of proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument appointing a proxy or proxies.

10. In the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

11. A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his/her/its name appears on the Depository Register maintained by The Central Depository (Pte) Limited seventy-two (72) hours before the time appointed for holding the AGM.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy:

By submitting an instrument appointing a proxy(ies), the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2026.

Designed
& Produced by
+65 6880 2828 Xpress®

ES Group (Holdings) Limited

Company Registration No.: 200410497Z

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