

## BUSINESS UPDATE FOR THE FIRST QUARTER ENDED 31 DECEMBER 2024

### KEY FINANCIAL HIGHLIGHTS FOR GROUP

Summarised Statement of Comprehensive Income	1Q2025 S\$'000
Revenue	349,798
Gross profit	28,697
Profit after tax	19,522
Total comprehensive income for the period	19,413

Summarised Balance Sheet	31.12.2024 S\$'000
Non-current assets	138,120
Current assets	735,868
Total assets	873,988
Current liabilities	350,619
Non-current liabilities	28,672
Total liabilities	379,291
Net assets	494,697

Loans and Borrowings	31.12.2024 S\$'000
Current	261,355
Non-current	-
Total loans and borrowings	261,355
Cash and cash equivalents	171,739
Net loans and borrowings	89,616

Summarised Statement of Cash Flows	1Q2025 S\$'000
Net cash flows used in operating activities	(43,169)
Net cash flows generated from investing activities	557
Net cash flows generated from financing activities	20,911
Net decrease in cash and cash equivalents	(21,701)
Cash and cash equivalents at beginning of period	191,374
Effects of exchange rate changes on cash and cash equivalents	2,066
Cash and cash equivalents at end of financial period	171,739

## COMMENTARY

Based on advance estimates provided by the Ministry of Trade and Industry (MTI), the Singapore economy experienced a year-on-year growth of 4.3% in the fourth quarter of 2024 (4Q2024), which is a deceleration from the 5.4% growth recorded in the previous quarter. The construction sector expanded by 5.9% year-on-year in 4Q2024, driven by an increase in public sector construction output. Overall, the Singapore economy grew by 4.0% in 2024, significantly outpacing the 1.1% expansion observed in 2023.<sup>1</sup>

During a briefing on 23 January 2025, the Building and Construction Authority (BCA) disclosed that preliminary data indicated construction demand for 2024 reached S\$44.2 billion in nominal terms, surpassing BCA's mid-2024 forecast of S\$35 billion to S\$41 billion. This increase was primarily attributed to the initiation of more public institutional projects, a steady supply of HDB public housing projects, expedited private residential construction awards, and higher-than-expected awarded contract costs.<sup>2</sup>

BCA also projected that total construction demand<sup>3</sup> for 2025 would range between S\$47 billion and S\$53 billion in nominal terms, or between S\$35 billion to S\$39 billion in real terms, representing an increase of 0.3% to 11.7% compared to pre-COVID levels in 2019.

BCA emphasized that the robust demand in 2025 is supported by the anticipated award of contracts for several large-scale developments, including Changi Airport Terminal 5 (T5) and the expansion of the Marina Bay Sands Integrated Resort. Additional contributors include public housing development and upgrading works, high-specification industrial buildings, educational developments, healthcare facilities, Mechanical and Engineering contracts for the Thomson-East Coast Line Extension (TEL) and Cross Island Line (CRL), and infrastructure works for the Woodlands Checkpoint extension and the Tuas Port.

A breakdown of the total construction demand for 2024 (preliminary) and 2025 (forecast) is shown in the following figures:



Source: BCA-REDAS Built Environment and Property Prospects Seminar 2025

BCA anticipates that the strong demand for construction will extend over the medium term, projecting total construction demand to average between S\$39 billion and S\$46 billion per year from 2026 to 2029. This demand is expected to be driven by significant developments such as the ongoing T5 project, continuous public housing developments, MRT projects including the Cross Island Line (Phase 3) and Downtown Line Extension to Sungei Kadut, the Integrated Waste Management Facility (Phase 2), Tengah General and Community Hospital, Siglap South Integrated Development, Woodlands North Coast industrial estate, redevelopment of various Junior Colleges, commercial building redevelopments in the Shenton Way area, and other urban rejuvenation projects.

<sup>1</sup> <https://www.mti.gov.sg/Newsroom/Press-Releases/2025/01/Singapore-GDP-Grew-by-4.3-Per-Cent-in-the-Fourth-Quarter-of-2024-and-by-4.0-Per-Cent-in-2024>

<sup>2</sup> <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025>

<sup>3</sup> Total construction demand refers to the value of construction contracts to be awarded.

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## **COMMENTARY (cont'd)**

However, BCA cautioned that while medium-term construction demand appears robust, the schedules and phases of key projects may still undergo significant changes due to potential unforeseen risks arising from an uncertain global economic climate. Additionally, as the T5 development is an exceptional project during the medium term, industry demand could eventually moderate after this period, reverting to levels similar to those in the pre-COVID era.

The strong forecasts for construction demand in Singapore bode well for the local reinforcing steel industry in the short-to-medium term. As of 31 December 2024, our sales order book stood at approximately S\$1.5 billion. The duration of projects in our sales order book range up to 5 years and may be subject to further changes.

On behalf of the Board of Directors

Seah Kiin Peng  
Director and Chief Executive Officer

6 February 2025