Hock Lian Seng Holdings Limited

Company Registration Number 200908903E

Unaudited condensed interim financial statements

For the six months ended 30 June 2026 (1H 2026)

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Consolidated statement of profit or loss

	Group Half year ended 30.6.26	30.6.25	Change
	$'000	$'000	%
Revenue	50,697	103,304	-50.9%
Cost of sales	(103,080)	(95,451)	8.0%
Gross profit/(loss)	(52,383)	7,853	nm
Other income	2,951	5,412	-45.5%
Distribution and selling costs	(105)	(451)	-76.7%
Administrative costs	(2,804)	(2,336)	20.0%
Other operating costs	(563)	(509)	10.6%
Finance costs	(29)	-	nm
Share of results of joint ventures, net of tax	60	37	62.2%
Profit/(Loss) before taxation	(52,873)	10,006	nm
Income tax expenses	(1,126)	(1,324)	nm
Profit /(Loss) after taxation	(53,999)	8,682	nm
Attributable to:			
Equity holders of the Company	(53,716)	8,581	nm
Non-controlling interests	(283)	101	nm
	Cents	Cents	
Earnings/(Loss) per shares attributable to the owners of the Company :			
-Basic	(10.53)	1.68	
-Dilluted	(10.53)	1.68	

The calculation of basic earnings/(loss) per share at 30 June was based on profit/(loss) attributing to owners of the Company and the weighted average number of ordinary shares outstanding.

Consolidated statement of other comprehensive income

	Group Half year ended 30.06.2026	Group Half year ended 30.06.2025
	$'000	$'000
Profit/(Loss) after taxation	(53,999)	8,682
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Financial instruments at FVOCI		
- Net change in fair value	208	166
Other comprehensive income	208	166
Total comprehensive income /(loss)	(53,791)	8,848
Attributable to:		
Equity holders of the Company	(53,508)	8,747
Non-controlling interests	(283)	101

Statements of financial position

		Group		Company	
		30.6.2026	31.12.2025	30.6.2026	31.12.2025
	Note	$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	15	20,150	21,012	-	-
Subsidiary companies		-	-	39,294	39,294
Investment in joint ventures	13	2,159	2,098	-	-
Investment properties	11	3,340	3,340	-	-
Investment securities	10	20,900	20,442	-	-
Deferred tax assets		-	918	-	-
		46,549	**47,810**	**39,294**	**39,294**
Current assets					
Development properties	12	129,490	130,894	-	-
Contract assets		70,027	88,701	-	-
Trade receivables		11,455	10,564	-	-
Other receivables		1,132	8,859	50,524	59,143
Prepayments and deposits		811	1,119	-	-
Investment securities	10	22,457	23,349	-	-
Cash and short term deposits		81,845	88,013	18,808	16,327
		317,217	351,499	69,332	75,470
Current liabilities					
Trade and other payables		52,417	49,977	278	361
Lease liabilities	16	467	368	-	-
Provisions	14	30,811	7,449	-	-
Provision for taxation		1,493	2,154	119	187
		85,188	59,948	397	548
Net current assets		**232,029**	**291,551**	**68,935**	**74,922**
Non-current liabilities					
Deferred income		21	34	-	-
Borrowing	16	44,013	44,095	-	-
Other payables		420	450	-	-
Lease liabilites	16	687	992	-	-
Deferred tax liabilities		751	884	-	-
		45,892	**46,455**	**-**	**-**
Net assets		**232,686**	**292,906**	**108,229**	**114,216**
Equity					
Share capital	17	59,954	59,954	59,954	59,954
Treasury shares	17	(885)	(193)	(885)	(193)
Capital reserve		1,000	1,000	-	-
Fair value adjustment reserve		1,567	1,359	-	-
Accumulated profits		186,848	246,301	49,160	54,455
Merger deficit		(16,239)	(16,239)	-	-
Equity attributable to owners of the Company		**232,245**	**292,182**	**108,229**	**114,216**
Non-Controlling interests		441	724	-	-
Total Equity		**232,686**	**292,906**	**108,229**	**114,216**

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Statements of changes in equity -Group

	Share capital	Treasury shares	Capital reserve	Accumulated profits	Fair value adjustment reserve	Merger deficit	Non-controlling interest	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2026	59,954	(193)	1,000	246,301	1,359	(16,239)	724	292,906
Net loss	-	-	-	(53,716)	-	-	(283)	(53,999)
Other comprehensive income	-	-	-	-	208	-	-	208
Total comprehensive income/(loss)	**-**	**-**	**-**	**(53,716)**	**208**	**-**	**(283)**	**(53,791)**
Purchase of treasury shares	**-**	(692)	**-**	**-**	**-**	**-**	**-**	(692)
Dividend on ordinary shares	-	-	-	(5,737)	-	-	-	(5.737)
At 30 June 2026	**59,954**	**(885)**	**1,000**	**186,848**	**1,567**	**(16,239)**	**441**	**232,686**
At 1 January 2025	59,954	-	1,000	238,500	777	(16,239)	471	284,463
Net profit	-	-	-	8,581	-	-	101	8,682
Other comprehensive income	-	-	-	-	166	-	-	166
Total comprehensive income	**-**	**-**	**-**	**8,581**	**166**	**-**	**101**	**8,848**
Purchase of treasury shares	-	(193)	-	-	-	-	-	(193)
Dividend on ordinary shares	-	-	-	(9,209)	-	-	-	(9,209)
At 30 June 2025	**59,954**	**(193)**	**1,000**	**237,872**	**943**	**(16,239)**	**572**	**283,909**

Company

	Share capital	Treasury shares	Accumulated profits	Total Equity
	$'000	$'000	$'000	$'000
At 1 January 2026	**59,954**	**(193)**	**54,455**	**114,216**
Profit, representing total comprehensive income	-		442	442
Purchase of treasury shares	-	(692)	-	(692)
Dividend on ordinary shares	-	-	(5,737)	(5,737)
At 30 June 2026	**59,954**	**(885)**	**49,160**	**108,229**
At 1 January 2025	59,954	-	58,491	118,445
Profit, representing total comprehensive income	-	-	2,130	2,130
Purchase of treasury shares	-	(193)	-	(193)
Dividend on ordinary shares	-	-	(9,209)	(9,209)
At 30 June 2025	**59,954**	**(193)**	**51,412**	**111,173**

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Consolidated statement of cash flows

	< ------------Group----------- >	
	Financial period ended	
	30.6.2026	30.6.2025
Cash flows from operating activities	$'000	$'000
Profit/(Loss) before taxation	(52,873)	10,006
Adjustments :		
Depreciation of property, plant and equipment	1,276	1,240
(Gain)/loss on disposal of property, plant and equipment	-	(271)
(Gain)/loss on disposal of investment securities	(50)	-
Fair value changes on investment securities	260	(677)
Share of results of joint venture	(60)	(37)
Interest income	(851)	(2,048)
Interest expense on lease	29	18
Unrealised foreign exchange (gain)/loss	(7)	100
Dividend income from investment securities	(62)	(80)
Operating cash flows before working capital changes	(52,338)	8,251
(Increase)/decrease in:		
Contract assets	18,674	(19,902)
Development properties	1,404	7,274
Trade receivables	(891)	(935)
Other receivables	7,269	257
Prepayments and deposits	308	(23)
Increase/(decrease) in:		
Trade and other payables and provisions	25,715	6,470
Contract liabilities	-	3,381
Deferred income	(13)	(14)
Cash flows generated from / (used in) operations	128	4,759
Interest received	474	1,982
Income tax paid	(1,003)	(2,138)
Net cash flows generated from / (used in) operating activities	(401)	4,603
Cash flows from investing activities		
Purchases of property, plant and equipment	(414)	(2,301)
Dividend income received from joint venture	62	-
Purchases of investment securities	(2,252)	(3,251)
Proceeds from disposal of property, plant and equipment	-	374
Proceeds from maturity/redemption of investment securities	2,500	2,838
Proceeds from disposal of investment securities	184	-
Interest received from investment securities	832	810
Dividend income received from investment securities	-	80
Net cash flows (used in) / generated from investing activities	912	(1,450)
Cash flows from financing activities		
Dividend paid	(5,737)	(9,209)
Purchase of treasury shares	(692)	(193)
Repayment of lease liabilities	(257)	(199)
Net cash flows used in financing activities	(6,686)	(9,601)
Net increase/(decrease) in cash and cash equivalents	(6,175)	(6,448)
Effect of exchange differences on cash and cash equivalents	7	(100)
Cash and cash equivalents, Beginning balance	88,013	159,303
Cash and cash equivalents, Ending balance	81,845	152,755

Selected Notes to the consolidated financial statements

1. Corporate information

Hock Lian Seng Holdings Limited (the "Company") is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Group are provision of civil engineering works; and property development and investments.

2. Basis of Preparation

The interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to standards have become effective for financial year beginning 1 January 2026. The application of these standards did not have a material effect on the interim consolidated financial statements.

2.2 Use of judgements and estimates

The preparation of the Group's condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at end of year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into three main business segments – civil engineering, properties development, properties investment. No other operating segment constitutes a separate reportable segment. The segment information for the reportable segments is as follows:

	Civil Engineering	*Properties Development*	*Properties Investment*	*Adjustments*	*Total*
	$'000	$'000	$'000	$'000	$'000
1H 2026					
Sales to external customers	47,058	3,538	101	-	50,697
	47,058	3,538	101	-	50,697
Results					
Depreciation	1,276	-	-	-	1,276
Dividend income from investment securities	-	-	-	62	62
Interest income	-	-	-	851	851
Share of results of joint venture	-	60	-	-	60
Segment profit	(53,344)	2,457	23	(2,009)	(52,873)
Assets					
Investment in joint ventures	-	2,159	-	-	2,159
Additions to non-current assets	414	-	-	-	414
Segment assets	180,764	136,027	3,619	43,356	363,766
Segment liabilities	82,776	47,864	43	397	131,080
1H 2025					
Sales to external customers	90,085	13,128	91	-	103,304
	90,085	13,128	91	-	103,304
Results					
Depreciation	1,240	-	-	-	1,240
Dividend income from investment securities	-	-	-	80	80
Interest income	-	-	-	2,049	2,049
Share of results of joint venture	-	(37)	-	-	(37)
Segment profit	1,886	7,254	30	836	10,006
Assets					
Investment in joint ventures	-	3,789	-	-	3,789
Additions to non-current assets	2,943	-	-	-	2,943
Segment assets	265,427	50,493	3,758	41,416	361,094
Segment liabilities	70,739	3,386	32	3,028	77,185

The Group's revenue from external customers was principally generated from Singapore. Accordingly, no geographical segment assets and revenue from customers' information are presented.

4.2 Disaggregation of revenue

	Half year ended	
	30.6.2026	30.6.2025
	$'000	$'000
Revenue from contracts with customer		
Contract revenue from construction projects - recognised over time	46,780	89,867
Supply of labour and services provided - recognised over time	-	77
Sales of development properties - recognised at a point of time	3,538	13,128
Other revenue		
Rental Income	379	232
Total revenue	50,697	103,304

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2026 and 31 December 2025 :

	Group		Company	
	30.06.2026	31.12.2025	30.06.2026	31.12.2025
	$'000	$'000	$'000	$'000
Financial Assets at fair value				
Financial Assets at fair value through other comprehensive income (FVOCI)	20,900	20,442	-	-
Financial Assets at fair value through Profit or loss (FVTPL)	15,468	16,361	-	-
	36,368	36,803	-	-
Financial Assets at amortised cost				
Cash and bank balances and trade and other receivables	95,025	-	69,332	75,470
Credit linked note	6,989	6,988	-	-
	102,014	6,988	69,332	75,470
Financial Liabilities at amortised cost				
Trade and other payables	52,331	50,427	278	361
Bank loan	44,013	44,095	-	-
Lease liabilities	1,154	1,360	-	-
	97,498	95,882	278	361

Fair value measurement

The Group applied the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

– Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
– Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
– Level 3: inputs for the asset or liability that are not based on observable market data unobservable inputs)

5. Financial asset and financial liabilities (cont'd)

	Group as at 30 June 2026			
	Level 1	Level 2	Level 3	Total
	S$'000	S$'000	S$'000	S$'000
Financial assets				
Financial assets at fair value through profit or loss				
- Debt instruments (quoted)	14,908	-	-	14,908
- Equity instruments (quoted)	560	-	-	560
Financial assets at fair value through comperehensive income				
- Equity instruments (quoted)	20,900	-	-	20,900
	36,368	-	-	36,368

	Group as at 31 December 2025			
	Level 1	Level 2	Level 3	Total
	S$'000	S$'000	S$'000	S$'000
Financial assets				
Financial assets at fair value through profit or loss				
- Debt instruments (quoted)	15,518	-	-	15,518
- Equity instruments (quoted)	843	-	-	843
Financial assets at fair value through comperehensive income				
- Equity instruments (quoted)	20,442	-	-	20,442
	36,803	-	-	36,803

6. Profit / (Loss) before tax

6.1 Following items have been included in arriving at profit/(loss) before taxation:

	Half year ended	
	30.6.2026	30.6.2025
	$'000	$'000
Income		
Dividend income	62	80
Gain on sales of investment securities	50	-
Foreign exchange gain	7	-
Interest income	851	2,049
Fair value gain on investment securities	-	677
Gain on disposal of property, plant and equipment	-	271
Government grants	36	53
Rental income from property development projects	1,888	2,263
Expenses		
Depreciation of property, plant and equipment	1,276	1,240
Foreign exchange loss	-	100
Fair value loss on investment securities	260	-
Interest expense	29	18

6.2 Related parties transactions

Other than the remuneration paid to the key management personnel, there are no related party transactions apart from those disclosed elsewhere in the interim financial statement

7. Taxation

	Half year ended	
	30.6.2026	30.6.2025
	$'000	$'000
Current income tax expense		
- current income taxation	520	803
- under /(over) provision in respect of previous year	(170)	(129)
Deferred income tax expenses relating to origination and reversal of temporary differences	776	650
	1,126	1,324

8. Dividends

	Half year ended	
	30.6.2026	30.6.2025
	$'000	$'000
Ordinary dividends paid		
Final dividend approved for payment in annual general meeting 1.125 cents (2025:1.8 cents) per ordinary share for previous financial year	5,737	9,209

No interim dividend for the half year ended 30 June 2026 (30/6/2025: Nil) is declared. It is the Group's practice to recommend dividend payment annually with its full-year results.

9. Net Asset Value

	Group		Company	
	As at		As at	
	30.6.2026	31.12.2025	30.6.2026	31.12.2025
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	45.5	57.1	21.2	22.3

10. Investment securities

	Group	
	30.6.2026	31.12.2025
	$'000	$'000
Non-current		
At fair value through other comprehensive income		
- Equity instruments (quoted)	20,900	20,442
	20,900	20,442
Current		
At fair value through profit or loss		
- Debt instruments (quoted)	14,908	15,518
- Equity instruments (quoted)	560	843
At amortised cost		
- Credit linked note and treasury bill	6,989	6,988
	22,457	23,349

Investments in debt instrument at fair value through profit or loss

Debt investment in quoted corporate bonds were made for varying coupon rates ranging from 3.0% to 7.5% per annum (2025: 3.75% to 7.5%), with maturity dates ranging from 2026 to 2039.

Investments in equity instruments designated at fair value through other comprehensive income

The fair value of investments in quoted equity instruments designated at fair value through other comprehensive income at the end of the reporting period is as follows:

	Group	
	30.6.2026	31.12.2025
	$'000	$'000
At fair value through other comprehensive income		
- Equity instuments (quoted) breakdown by industry		
Bank and financial instituitions	8,556	8,021
Real Estate	10,556	10,876
Telecommunications, transport and infrastructure	1,289	1,047
Commodities	499	498
	20,900	20,442

No disposal of investment securities held at fair value through other comprehensive income (FVOCI) for the half year ended 30 June 2026.

The fair value of the Group's investment securities is based on the quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date and is categorised under Level 1 of the fair value measurement hierarchy.

11. Investment properties

The investment properties held by the Group consist of a leasehold office unit and a leasehold industry workshop.

	Group	
	30.6.2026	31.12.2025
	$'000	$'000
Balance as at 1 January	3,340	3,300
Fair value gain	-	40
Balance as at end of period	3,340	3,340

No addition or fair value adjustments for the half year ended 30 June 2026.

Fair value measurement of investment properties

The leasehold office premises and light industry workshop in Singapore are stated at fair value, which has been determined annually by independent valuer at the end of every financial year based on the properties' highest and best use.

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. The fair value has been derived based on the Direct Comparison Method that makes reference to market evidence of transaction prices for similar properties in the open market.

For interim reporting, the management will determine any changes in fair value depending on market conditions.

12. Development properties

	Group	
	30.6.2026	31.12.2025
	$'000	$'000
Completed properties, at cost	35,452	38,065
Land, at cost	88,190	88,190
Development costs and overhead expenditure capitalised	5,848	4,639
	129,490	130,894
At 1 January	130,894	51,002
Addition	1,209	92,829
Construction costs written-back	-	(153)
Disposals (recognised in cost of sales)	(2,613)	(12,784)
At end of reporting	129,490	130,894

The development properties comprised of two completed industrial property projects at Tuas and Gambas, and an industrial land parcel acquired in FY2025. The new industrial site will be developed to strata titled units, multi-user B2 industrial development

13. Investment in joint venture

The Group's investment in joint venture is summarized below:

	Group	
	30.6.26	31.12.25
	$'000	$'000
FSKH Development Pte Ltd		
- Equity interest	1,350	1,350
- Amount due from joint venture	-	-
- Share of profit	809	749
- Deferred interest	-	(1)
	2,159	2,098

14. Provisions

	Group	
	30.6.2026	31.12.2025
	$'000	$'000
At 1 January	7,449	9,131
Utillised	(1,232)	(4,004)
Current period provision	24,594	3,168
Write-back	-	(846)
At end of reporting	30,811	7,449

The additional provision recognised during the period relates to onerous contract provisions in respect of active constructi projects. The opening provision balance mainly relates to maintenance and warranty obligations for the completed project

15. Property, plant and equipment

During the six months ended 30 June 2026, the Group acquired assets amounting to $414,000 (30 June 2025: $2,943,000) and the net book value of disposed of assets amounting to $ - (30 June 2025: $103,000).

16. Lease liabilities

	Group		Company	
	30.6.2026	31.12.2025	30.6.2026	31.12.2025
	$'000	$'000	$'000	$'000
<u>Amount repayable within one year</u>				
Bank term loan -secured	-	-	-	-
Bank term loan -unsecured	-	-	-	-
Lease liabilities- secured	467	368	-	-
<u>Amount repayable after one year</u>				
Bank term loan -secured	44,013	44,095	-	-
Bank term loan -unsecured	-	-	-	-
Lease liabilities- secured	687	992	-	-

17. Share capital and treasury shares

	Group and Company		
	No. of shares	Percentage	Share Capital
	'000	%	$'000
Ordinary shares			
As at 1 January 2026 and end of period	512,104	100%	59,954
Treasury shares			
As at 1 January 2026	(509)	(0.1%)	(193)
Purchased during the period	(1,660)	(0.3%)	(692)
At end of the period	(2,169)	(0.4%)	(885)
Issued ordinary shares net of treasury shares	**509,935**	**99.6%**	**59,069**

There was no movement in the issued and paid-up capital of the Company since 31 December 2025.

During the six months ended 30 June 2026, the Group acquired 1,660,000 treasury shares from the open market (six months ended 30 June 2025: 509,000).

There were no sales, transfer, cancellation and/or use of subsidiary holdings or treasury shares during the reporting period ended 30 June 2026 (31 December 2025: Nil).

There were no outstanding convertibles as at 30 June 2026 (31 December 2025: Nil).

Other information Required by Listing Rule Appendix 7.2

I. Aggregate amount of group's borrowings and debt securities.

Refer to note 16 of interim financial statement.

II. Audit or review

The consolidated statement of financial position as at 30 June 2026 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and selected explanatory notes have not been audited or reviewed by the Company's auditors.

III. Review of performance

Revenue

In $' million	1H 2026	%	1H 2025	%
Civil Engineering	47.1	92.9	90.1	87.2
Property Development	3.5	6.9	13.1	12.7
Investment Properties	0.1	0.2	0.1	0.1
	50.7	100.0	103.3	100.0

For the first half ended 30 Jun 2026(1H2026), the Group recorded total revenue of $50.7 million, a drop of 51% compare to $103.3 million in the corresponding period last year (1H2025).

Revenue recognised from the Civil Engineering segment was significantly lower due to revisions in the estimated total costs of the long-term infrastructure projects, which resulted in a lower percentage of completion being recognised. The revisions primarily relate to the Serangoon North Station project (CR113) and the Aviation Park Station project (CR103).

Revenue from Property Development segment declined to $3.5 million in 1H2026 from $13.1 million in 1H2025, as less units were sold at Shine@TuasSouth.

Gross Profit

In $' million	1H 2026	1H 2025
Civil Engineering	(53.3)	2.0
Property Development	0.9	5.8
	(52.4)	7.8

The Group recorded a gross loss of $52.4 million for 1H2026.

The gross loss of $53.3 million was reported for Civil Engineering segment following the updated assessment of the estimated costs to complete for the on-going contracts, management determined that the contracts had become onerous. Accordingly, onerous contract provision has been recognised to provide for the estimated total losses expected to be incurred over the remaining contract period. The finalised engineering design, additional scope and technical specification were the key factors for the much higher project cost. The impact was further compounded by the sustained global inflation in raw material and logistics costs.
The Property Development segment also saw a decline in gross profit, primarily due to reduced sales during the period.

Other Income
Other income was $3.0 million, decrease of $2.4 million (-45.5%). Mainly due to lower rental income from unsold development units and lower interest income.

$ in million	1H 2026	1H 2025
Interest income from bank	0.4	1.5
Interest income from investment securites	0.5	0.5
Dividend	0.1	0.1
Rental - Development properties	1.9	2.3
Gain on disposal of fixed assets	-	0.3
Gain on fair value changes of investment securities (FVTPL)	-	0.7
Miscelleneous	0.1	-
	3.0	5.4

Distribution and selling costs
Lower distribution cost was related to the sales of development properties.

Administration costs
Higher administration costs recorded for 1H 2026 was due to higher staff cost.

Profit before tax and tax expenses

In summary, the loss for 1H2026 was due to the loss of the ongoing construction projects and lower other income. Income tax expenses was mainly due to reversal of previously recognised deferred tax asset which is not probable to be recoverable in short term.

Financial position and cash flow review

Non-current assets was $47.6 million, decreased by $1.2 million as compared to end of 2025, mainly due to the lower property, plant and equipment, and long term investment securities investment.

Net current asset decreased by $59.6 million, mainly due to the higher provision of $23.3 million relating to the provision of onerous contracts, lower cash balance of $6.2 million, lower other receivable /deposit of $8.0 million due to refund of GST on the land acquisition, cost recognisation for development property of $1.4 million(net of additional cost incurred for new development project) and lower investment securities of $0.9 million and reduction in working capital of $20.2 million (contract asset , liabilities , trade receivable and payable).

Lower cash balance of $6.2 million was mainly due to dividend payment of $5.7 million , purchase of plant and equipment at $0.4 million, shares buy back at $0.7 million and cash used in operating activities of $0.4 million offset by the net inflow on the redemption and interest income of $1.3 million. Although the Group recorded a net loss before tax of $52.8 million, net cash used in operating activities was $0.4 million. This was mainly because a significant portion of the loss arose from non-cash accounting adjustments, including the recognition of provisions, together with a reduction in contract assets, which generated positive working capital movements during the period. As a result, the operating cash outflow was substantially lower than the accounting loss.

Investment securities (current and non-current) amount to $43.4 million , decreased by $0.2 million. This is mainly due to the redemption of bond at $2.5 million offset by the addition of bonds and credit linked note of $2.2 million and net loss in fair value adjustment of $0.1 mil

Equity attributable to owners of the Company was $232.2 million, about $60.0 million lower than 31 December 2025. This is mainly due to the current period net loss after tax of $53.8 million, dividend payment of $5.7 million and purchase of treasury shares of $0.7 million offset by the fair value gain for investment securities recognised in comprehensive income of $0.2 million.

The credit facilities provided by financial institutions include certain financial covenants, all of which the Company continues to comply with.

IV. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The current announced results are in line with the profit guidance announcement on 8 July 2026.

V. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The order book for civil engineering segment stands at approximately $323 million as at 30 June 2026 which include mainly the Aviation park station project and Serangoon North Station project.

The Group's industrial building project, Shine@TuasSouth, has sold 68% and leased 30% of the total units to date.

The Company expects the operating environment for the civil engineering segment to remain challenging. In addition to cost increases from inflationary pressures and labour shortages, the intense competition is adding downward pressure on profit margins. In response, the Company will be more selective when bidding for projects and will factor inflationary and labour-related pressures into its costing process.

The Group will focus on developing the land parcel acquired at Pioneer Road, which is currently at the design stage. Construction is expected to begin in Q3 2026, with the launch targeted for 1H 2027.

VI. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on ?

Nil.

(b) Any dividend declared for the corresponding period of the immediately preceding financial year ?

Nil.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable

VII. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There is no IPT to be report for the current financial period. There is no general mandate from shareholders for IPTs.

VIII. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Listing Manual.

The Company has procured undertakings in the format set out in Appendix 7.7 from all its directors and the executive officers under Rule 720(1) of the Listing Manual.

IX. Confirmation By The Board Pursuant To Rule 705(5) Of The Listing Manual

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the period ended 30 June 2026 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

CHUA LEONG HAI

Executive Chairman

5 August 2026