

**KOH BROTHERS GROUP LIMITED**  
*(Incorporated in Singapore. Registration Number: 199400775D)*  
**AND ITS SUBSIDIARIES**

**ANNUAL REPORT**  
*For the financial year ended 31 December 2025*

**KOH BROTHERS GROUP LIMITED**  
*(Incorporated in Singapore)*  
**AND ITS SUBSIDIARIES**

**ANNUAL REPORT**

*For the financial year ended 31 December 2025*

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## **KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

### **DIRECTORS' STATEMENT**

*For the financial year ended 31 December 2025*

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The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2025 and the balance sheet of the Company as at 31 December 2025.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 9 to 87 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; 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.

### **Directors**

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

Koh Keng Siang  
Koh Teak Huat  
Koh Keng Hiong  
Quek Chee Nee  
Goh Mou Lih  
Low Yee Khim  
Ong Seet Joon  
Ow Yong Thian Soo  
Sharon Tay Lee Teng (appointed on 5 August 2025)

### **Arrangements to enable directors to acquire shares and debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object 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.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

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#### Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At <u>31.12.2025</u>	At 1.1.2025 or date of appointment, if later	At <u>31.12.2025</u>	At 1.1.2025 or date of appointment, if later
<b>Koh Brothers Group Limited</b>				
<u>Ordinary shares</u>				
Koh Keng Siang	39,181,189	39,181,189	60,020,000	60,020,000
Koh Teak Huat	20,713,088	35,713,088	325,000	325,000
Koh Keng Hiong	55,260,100	55,260,100	10,000	10,000
Quek Chee Nee	25,896,814	25,896,814	-	-
Sharon Tay Lee Teng	-	-	6,000	6,000
\$22.75 million 6.5% fixed <u>rate notes due 2026</u>				
Koh Keng Siang	\$750,000	\$750,000	\$500,000	\$500,000
Koh Teak Huat	\$1,000,000	\$1,000,000	-	-
Ong Seet Joon	\$250,000	\$250,000	-	-
<b>Koh Brothers Eco Engineering Limited</b>				
<u>Ordinary shares</u>				
Koh Keng Siang	15,254,800	15,254,800	1,544,629,607	1,544,629,607
Koh Teak Huat	6,764,746	6,764,746	32,500	32,500
Koh Keng Hiong	3,026,010	3,026,010	1,000	1,211,000
Quek Chee Nee	2,589,681	2,589,681	-	-
Sharon Tay Lee Teng	-	-	600	600
<b>Oiltek International Limited</b>				
<u>Ordinary shares</u>				
Koh Keng Siang	-	-	292,337,415	97,445,805
Ong Seet Joon	150,000	50,000	-	-

Koh Keng Siang, who by virtue of his interest of not less than 20% of the issued capital of the Company, is deemed to have an interest in the whole of the share capital of the Company's subsidiaries.

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

#### Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

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

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## **KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

### **DIRECTORS' STATEMENT**

*For the financial year ended 31 December 2025*

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#### **Audit and Risk Committee**

The members of the Audit and Risk Committee at the end of the financial year are as follows:

Ong Seet Joon (Chairman)  
Low Yee Khim  
Ow Yong Thian Soo

All members of the Audit and Risk Committee are independent and non-executive directors.

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2025 before their submission to the Board of Directors.

The Audit and Risk Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

#### **Independent Auditor**

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

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Koh Keng Siang  
Director

23 March 2026

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Koh Keng Hiong  
Director

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOH BROTHERS GROUP LIMITED**

## **Report on the Audit of the Financial Statements**

### **Our opinion**

In our opinion, the accompanying consolidated financial statements of Koh Brothers Group Limited (the "Company") and its subsidiaries (the "Group") and the balance sheet 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 consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

### *What we have audited*

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2025;
- the balance sheets of the Group and the Company as at 31 December 2025;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

### **Basis for Opinion**

We have conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Independence*

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("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.

### **Our Audit Approach**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### *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 for the financial year ended 31 December 2025. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
KOH BROTHERS GROUP LIMITED (continued)**

**Our Audit Approach (continued)**

*Key Audit Matters (continued)*

<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p><b>Accounting for engineering and construction contracts</b> <i>Refer to Note 3(a) and Note 4</i></p> <p>During the financial year ended 31 December 2025, revenue from engineering and construction contracts amounted to \$240.2 million, representing 73% of the total revenue of the Group of \$329.4 million. Contract assets and contract liabilities relating to engineering and construction contracts amounted to \$143.9 million and \$33.6 million respectively.</p> <p>The Group measures project progress based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method") and recognise contract revenue in accordance with SFRS(I) 15 Revenue from Contracts with Customers. Management applies significant judgements in estimating the following:</p> <p>a) Uncertified variation orders ("VOs") included in the estimated total contract sum</p> <p>Uncertified VOs are included in the contract sum when there is sufficient contractual rights to claim and it is highly probable that the Group will recover these VOs from customers. For VOs which are unpriced and un-rated, judgment is also applied in estimating the value of these VOs and management takes into consideration the terms and conditions in the contract, variation orders agreed with or quoted by subcontractors (where applicable) and work of specialists.</p> <p>b) Estimated total contract costs</p> <p>Judgment is applied in the estimation of the total contract costs, which affects the accuracy of revenue recognition based on percentage-of-completion ("POC").</p> <p>We focused on the accuracy of revenue recognition due to the significant management judgement required in determining the total contract sums and the total contract costs.</p>	<p>We obtained an understanding of the engineering and construction projects through discussions with management and project teams, assessed the appropriateness of the method selected for individual projects to measure project progress and recognise the contract revenue, and examined project documentation (including contracts, correspondences with customers on delays or extension of time, subsequent billings/collections and other relevant documentations).</p> <p>In relation to total contract sums, our audit procedures include the following on a sampling basis:</p> <ul style="list-style-type: none"> <li>• agreed total contract sums to contracts entered into by the Group and its customers;</li> <li>• inspected correspondences with customers and supporting documents prepared by specialists used by the Group relating to variation orders included in total contract sums;</li> <li>• obtained and reviewed legal opinion, where appropriate, from the Group's external legal counsels in relation to its contractual rights to claim for variation orders for certain projects;</li> <li>• agreed variation orders with agreed prices included in total contract sums to surveyor/architect's certification;</li> <li>• inspected progress billings to customers subsequent to year end and compare amounts to contract asset balances at year end; and</li> <li>• assessed the adequacy of the amount of liquidated damages if any, to be net off against contract sums, based on the progress of the projects and estimated completion dates.</li> </ul> <p>In relation to total contracts costs, our audit procedures include the following on a sampling basis:</p> <ul style="list-style-type: none"> <li>• discussed with the project teams to understand the progress of each project;</li> <li>• reviewed the appropriateness of the estimated cost to complete for materials, labour and other work with reference to the progress of each project; and</li> <li>• traced the cost incurred and costs to complete for each project by substantiating costs to the supporting documents including supplier quotations and contracts entered with subcontractors.</li> </ul> <p>Based on the audit procedures performed above, we have assessed management's estimates to be reasonable.</p> <p>We recomputed the POC based on actual cumulative cost incurred as a portion of estimated total contract costs.</p> <p>Following which, we recomputed contract revenue for the current financial year based on POC for each project, and checked to the accounting records.</p> <p>We have also assessed the adequacy of the disclosures of the key accounting estimates including the sensitivity analysis of key variables and found the disclosures in the financial statements to be appropriate.</p>

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
KOH BROTHERS GROUP LIMITED (continued)**

**Our Audit Approach (continued)**

*Key Audit Matters (continued)*

<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<b>Valuation of investment properties</b> <i>Refer to Note 3(b) and Note 21</i>	
<p>The Group's investment properties carried at fair value amount to \$102.3 million at 31 December 2025 and accounted for 15% of the Group's total assets.</p> <p>Management uses external valuers to support its determination of the individual fair value of the investment properties annually.</p> <p>The valuation of investment properties is significant to our audit due to the complexity involved in the valuation techniques. The judgement relating to the assumptions used in the valuation techniques, including the market value per square metre and replacement cost per square metre, impact the valuation. Uncertainty arises as a result of having to consider long-term trends and market conditions in the assumptions.</p>	<p>We performed the following:</p> <ul style="list-style-type: none"><li>• assessed the competency, capabilities and objectivity of the external valuers engaged by the Group;</li><li>• obtained an understanding of the techniques used by the external valuers in determining the valuation of individual investment properties;</li><li>• discussed the critical assumptions made by the external valuers for the key inputs used in the valuation techniques;</li><li>• tested the integrity of information, including underlying lease and financial information provided to the external valuers; and</li><li>• assessed the reasonableness of the inputs to the valuation model including market value per square metre of comparable properties and replacement cost per square metre by benchmarking these against those of comparable properties, market research reports and prior year inputs.</li></ul> <p>We found that the external valuers are members of recognised professional bodies for external valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the critical assumptions used for the key inputs were within the range of market data.</p> <p>We have also assessed the adequacy of the disclosures relating to the valuation as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations.</p>

**Other Information**

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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 auditor's 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.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOH BROTHERS GROUP LIMITED (continued)**

### **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 a 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.

### **Auditor's 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 auditor's 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.

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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 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, actions taken to eliminate threats or safeguards applied.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
KOH BROTHERS GROUP LIMITED (continued)**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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

**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 those subsidiary corporations 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 auditor's report is Koh Hongzhuang.

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 23 March 2026

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*As at 31 December 2025*

	Note	2025 \$'000	2024 \$'000
Sales	4(a)	329,393	238,394
Cost of sales	7	(290,290)	(219,129)
Gross profit		39,103	19,265
Other income	5	2,237	2,096
Other gains - net	6	14,038	3,419
Expenses			
- Distribution and marketing			
- Allowance for impairment of trade receivables and contract assets	7	(843)	(1,614)
- Others	7	(1,476)	(1,706)
- Administrative	7	(21,113)	(21,591)
- Finance	9	(6,329)	(12,254)
- Other			
- (Allowance for)/write-back of allowance for impairment of loans to joint ventures	7	(7)	111
- Write-back of allowance for impairment of sundry debtors	7	68	19
- Write-back of allowance for impairment of investment securities	7	992	-
- Others	7	(50)	(60)
Share of loss of associated companies	18	(16)	(116)
Share of profit of joint ventures	19	2,999	5,346
Profit/(loss) before income tax		29,603	(7,085)
Income tax expense	10(a)	(4,108)	(3,336)
<b>Profit/(loss) after income tax</b>		<b>25,495</b>	<b>(10,421)</b>
<b>Profit/(loss) attributable to:</b>			
Equity holders of the Company		18,575	(5,451)
Non-controlling interests		6,920	(4,970)
		<b>25,495</b>	<b>(10,421)</b>
<b>Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company:</b>			
- Basic earnings/(loss) per share (in cents)	11(a)	4.50	(1.32)
- Diluted earnings/(loss) per share (in cents)	11(b)	4.50	(1.32)
<b>Profit/(loss) after income tax</b>		<b>25,495</b>	<b>(10,421)</b>
<b>Other comprehensive income/(loss):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation difference arising from consolidation	30(c)	772	(395)
Fair value gain on debt financial assets, at FVOCI	30(b)	490	147
		1,262	(248)
<i>Items that may not be reclassified subsequently to profit or loss:</i>			
Currency translation difference arising from consolidation attributable to non-controlling interests	30(c)	536	533
Fair value gain on equity financial assets, at FVOCI	30(b)	3,885	702
<b>Other comprehensive income, net of tax</b>		<b>5,683</b>	<b>987</b>
<b>Total comprehensive income/(loss)</b>		<b>31,178</b>	<b>(9,434)</b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Equity holders of the Company		23,492	(5,000)
Non-controlling interests		7,686	(4,434)
		<b>31,178</b>	<b>(9,434)</b>

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### BALANCE SHEETS

As at 31 December 2025

	Note	GROUP		COMPANY	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	12	114,345	71,149	11,025	109
Investment securities	13	11,063	347	-	-
Trade and other receivables	14	76,839	102,405	-	-
Contract assets	4(b)	82,552	93,040	-	-
Amounts due from subsidiaries	20	-	-	23,438	24,266
Amounts due from joint ventures	15	6,573	5,971	-	-
Inventories	16	5,977	1,146	-	-
Income tax receivables	10(b)	-	730	-	-
Other current assets	17	4,940	4,440	-	-
		<b>302,289</b>	<b>279,228</b>	<b>34,463</b>	<b>24,375</b>
<b>Non-current assets</b>					
Trade and other receivables	14	23,458	5,900	-	-
Contract assets	4(b)	62,815	38,898	-	-
Investment securities	13	-	7,198	-	-
Investments in subsidiaries	20	-	-	156,865	156,865
Investments in associated companies	18	-	168	-	-
Investments in joint ventures	19	93,764	94,265	-	-
Investment properties	21	102,286	102,562	-	-
Property, plant and equipment	22	92,473	94,228	-	-
Goodwill	25	5,078	5,078	-	-
		<b>379,874</b>	<b>348,297</b>	<b>156,865</b>	<b>156,865</b>
<b>Total assets</b>		<b>682,163</b>	<b>627,525</b>	<b>191,328</b>	<b>181,240</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	26	117,549	80,903	1,922	1,215
Contract liabilities	4(b)	36,572	23,141	-	-
Amounts due to subsidiaries	20	-	-	42,508	39,678
Amounts due to joint ventures	15	33,643	32,065	-	-
Current income tax liabilities	10(b)	1,599	1,213	89	-
Bank borrowings and lease liabilities	27	81,145	85,932	-	-
Note payables	29	22,698	-	22,698	-
		<b>293,206</b>	<b>223,254</b>	<b>67,217</b>	<b>40,893</b>
<b>Non-current liabilities</b>					
Trade and other payables	26	9,681	7,374	-	-
Amount due to a subsidiary	20	-	-	19,011	19,011
Bank borrowings and lease liabilities	27	36,144	59,810	-	-
Notes payables	29	-	22,522	-	22,522
Deferred income tax liabilities	10(c)	5,645	6,343	-	-
		<b>51,470</b>	<b>96,049</b>	<b>19,011</b>	<b>41,533</b>
<b>Total liabilities</b>		<b>344,676</b>	<b>319,303</b>	<b>86,228</b>	<b>82,426</b>
<b>NET ASSETS</b>		<b>337,487</b>	<b>308,222</b>	<b>105,100</b>	<b>98,814</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	30(a)	36,981	36,981	36,981	36,981
Treasury shares	30(a)	(7,983)	(7,983)	(7,983)	(7,983)
Other reserves	30(b)	(1,347)	(5,915)	-	-
Retained profits		265,937	248,199	76,102	69,816
Currency translation reserve	30(c)	(10,625)	(11,397)	-	-
		<b>282,963</b>	<b>259,885</b>	<b>105,100</b>	<b>98,814</b>
<b>Non-controlling interests</b>		<b>54,524</b>	<b>48,337</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>337,487</b>	<b>308,222</b>	<b>105,100</b>	<b>98,814</b>

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*For the financial year ended 31 December 2025*

Group (\$'000)	Note	← Attributable to equity holders of the Company →					Total	Non-controlling interests	Total equity
		Share capital	Treasury shares	Other reserves	Retained profits	Currency translation reserve			
<b>Balance at 1 January 2025</b>		<b>36,981</b>	<b>(7,983)</b>	<b>(5,915)</b>	<b>248,199</b>	<b>(11,397)</b>	<b>259,885</b>	<b>48,337</b>	<b>308,222</b>
Profit for the financial year		-	-	-	18,575	-	18,575	6,920	25,495
Other comprehensive income for the financial year		-	-	4,145	-	772	4,917	766	5,683
Total comprehensive income for the financial year		-	-	4,145	18,575	772	23,492	7,686	31,178
Share based payment pursuant to performance share plan of a listed subsidiary	30(b)(iii)	-	-	(2)	-	-	(2)	4	2
Dividends paid	31	-	-	-	(412)	-	(412)	(1,503)	(1,915)
Total transactions with owners, recognised directly in equity		-	-	(2)	(412)	-	(414)	(1,499)	(1,913)
Transfer upon realisation of fair value loss in financial assets, at FVOCI	30(b)(i)	-	-	425	(425)	-	-	-	-
<b>Balance at 31 December 2025</b>		<b>36,981</b>	<b>(7,983)</b>	<b>(1,347)</b>	<b>265,937</b>	<b>(10,625)</b>	<b>282,963</b>	<b>54,524</b>	<b>337,487</b>

*The accompanying notes form an integral part of these financial statements.*

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*For the financial year ended 31 December 2025*

Group (\$'000)	Note	← Attributable to equity holders of the Company →					Total	Non-controlling interests	Total equity
		Share capital	Treasury shares	Other reserves	Retained profits	Currency translation reserve			
<b>Balance at 1 January 2024</b>		36,981	(7,983)	(6,761)	253,650	(11,002)	264,885	53,910	318,795
Loss for the financial year		-	-	-	(5,451)	-	(5,451)	(4,970)	(10,421)
Other comprehensive income/(loss) for the financial year		-	-	849	-	(395)	454	533	987
Total comprehensive income/(loss) for the financial year		-	-	849	(5,451)	(395)	(4,997)	(4,437)	(9,434)
Share based payment pursuant to performance share plan of a listed subsidiary	30(b)(iii)	-	-	(3)	-	-	(3)	3	-
Dividends paid	31	-	-	-	-	-	-	(1,139)	(1,139)
Total transactions with owners, recognised directly in equity		-	-	(3)	-	-	(3)	(1,136)	(1,139)
<b>Balance at 31 December 2024</b>		<b>36,981</b>	<b>(7,983)</b>	<b>(5,915)</b>	<b>248,199</b>	<b>(11,397)</b>	<b>259,885</b>	<b>48,337</b>	<b>308,222</b>

*The accompanying notes form an integral part of these financial statements.*

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

*For the financial year ended 31 December 2025*

	Note	2025 \$'000	Group 2024 \$'000
<b>Cash flows from operating activities</b>			
Profit/(loss) after income tax		25,495	(10,421)
Adjustments for:			
- Income tax expense	10(a)	4,108	3,336
- Allowance for/(write-back of allowance for) impairment of loans to joint ventures	7	7	(111)
- Write-back of allowance for investment securities	7	(992)	-
- Depreciation of property, plant and equipment	7	9,665	8,513
- Property, plant and equipment written off		1	2
- Fair value loss/(gain) on investment properties	6	200	(1,787)
- Gain on disposal of property, plant and equipment	6	(15,854)	(318)
- Gain on disposal of an associated company	6	(579)	-
- Gain on liquidation of a joint venture	6	-	(26)
- Share of loss of associated companies	18	16	116
- Share of profit of joint ventures	19	(2,999)	(5,346)
- Finance expense	9	6,329	12,254
- Interest income	5	(1,937)	(1,565)
- Dividend income	5	(138)	(189)
- Unrealised translation loss/(gain)		952	(1,118)
		<u>24,274</u>	<u>3,340</u>
Change in working capital:			
- Trade and other receivables		7,977	(23,530)
- Inventories		(4,831)	4,885
- Contract assets and liabilities		3	60,418
- Development properties		-	1,048
- Other current assets		(501)	7
- Trade and other payables		39,249	(6,295)
- Amount due from/to joint ventures		2,127	24,121
Cash generated from operations		<u>68,298</u>	<u>63,994</u>
Income tax paid	10(b)	(3,722)	(2,871)
<b>Net cash provided by operating activities</b>		<u>64,576</u>	<u>61,123</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(4,940)	(2,300)
Net proceeds from disposal of investment securities		1,849	1,204
Proceeds from disposal of property, plant and equipment		21,183	354
Proceeds from disposal of an associated company		331	-
Proceeds from liquidation of a joint venture		-	26
Dividend received from investment securities		138	189
Dividend received from associated company and joint venture		2,400	-
Interest received		1,362	1,565
<b>Net cash provided by investing activities</b>		<u>22,323</u>	<u>1,038</u>
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings		55,310	29,000
Repayment of bank borrowings		(87,262)	(97,386)
Principal payment of lease liabilities		(4,590)	(4,951)
Dividends paid to equity holders of the Company		(412)	-
Dividends paid to non-controlling interests		(1,503)	(1,139)
Interest paid		(5,527)	(13,360)
<b>Net cash used in financing activities</b>		<u>(43,984)</u>	<u>(87,836)</u>
<b>Net change in cash and bank balances</b>			
		42,915	(25,675)
Beginning of financial year		71,149	95,832
Effects of currency translation on cash and bank balances		281	992
<b>End of financial year</b>	12	<u>114,345</u>	<u>71,149</u>

*The accompanying notes form an integral part of these financial statements.*

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

*For the financial year ended 31 December 2025*

**Reconciliation of liabilities arising from financing activities**

	←	Non-cash changes			→		
	Beginning of financial year \$'000	Net cash flows \$'000	Interest expense \$'000	Additions to property, plant and equipment \$'000	Foreign exchange movement \$'000	Amortisation of notes issuance expenses \$'000	End of financial year \$'000
<b>2025</b>							
Bank borrowings (Note 27 and 28)	140,137	(31,952)	-	-	5	-	108,190
Lease liabilities (Note 27)	5,605	(4,815)	225	8,083	1	-	9,099
Notes payables (Note 29)	22,522	(1,479)	1,479	-	-	176	22,698
Accrued interest expense within trade and other payables	438	(3,823)	3,705	-	-	-	320
<b>2024</b>							
Bank borrowings (Note 27 and 28)	208,500	(68,386)	-	-	23	-	140,137
Lease liabilities (Note 27)	9,246	(5,187)	237	1,309	-	-	5,605
Notes payables (Note 29)	22,345	(1,479)	1,479	-	-	177	22,522
Accrued interest expense within trade and other payables	1,544	(9,376)	8,270	-	-	-	438

*The accompanying notes form an integral part of these financial statements.*

# KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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

### 1. General information

Koh Brothers Group Limited (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 15 Genting Road, Singapore 349493.

The principal activities of the Company are investment holding and provision of management services.

The principal activities of its significant subsidiaries, joint ventures, joint operations and associated companies are set out in Note 37 of the financial statements.

### 2. Material accounting policy information

#### 2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

#### **Interpretations and amendments to published standards effective in 2025**

On 1 January 2025, the Group adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

#### 2.2 Revenue recognition

##### (a) *Contract revenue*

The Group provides engineering and construction services to customers through fixed-price contracts, which include (i) engineering and construction services at the customers’ premises and (ii) the engineering and supply of specialised equipment.

At contract inception, the Group transfers its control of the goods and services to its customer over time and recognises revenue over time, (i) when its performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date, or (ii) where the Group’s performance creates or enhance an asset that the customer controls as the asset is created or enhanced.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policy information (continued)

##### 2.2 Revenue recognition (continued)

###### (a) *Contract revenue* (continued)

The engineering and supply of specialised equipment which are customised to customers' specifications, has no alternative use to the Group due to contractual restrictions and practical limitations that prevent the Group from readily redirecting the completed equipment for another use or to other customers, and the Group also has enforceable rights to payment for performance completed to date established by the contractual terms. For engineering and construction projects performed at the customers' premises, the customer generally controls the work in progress throughout the Group's performance of the contract. Accordingly, the Group recognises revenue from these engineering and construction service contracts over time.

For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method"). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In some circumstances such as in the early stages of a contract where the Group may not be able to reasonably measure its progress but expects to recover the contract costs incurred, contract revenue is recognised only to the extent of the contract costs incurred until such time when the Group can reasonably measure its progress.

Contract modifications that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The period between the transfer of the promised services and customer payment may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the customers from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policy information (continued)

##### 2.2 Revenue recognition (continued)

###### (a) *Contract revenue* (continued)

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (eg. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (i) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (ii) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

###### (b) *Sale of goods*

Revenue from sale of goods is recognised at a point in time when the Group has delivered the products to the customer and the customer has accepted the products.

For sale of certain products from the Construction and Building Materials segment with no alternative use to the Group, the Group has assessed at contract inception that it does not have an enforceable right to payment for performance completed to date in relation to such goods.

For such goods, the customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

###### (c) *Rendering of services*

Revenue from services is recognised in the accounting period when services are rendered.

###### (d) *Revenue from property development sales*

Revenue from property development sales is recognised as disclosed in Note 2.8 "Development properties".

###### (e) *Rental income*

Rental income is recognised as disclosed in Note 2.12(b) "Leases - when the Group is the lessor".

###### (f) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policy information (continued)

##### 2.2 Revenue recognition (continued)

###### (g) *Interest income*

Interest income is recognised using the effective interest method.

##### 2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised in profit or loss over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

##### 2.4 Group accounting

###### (a) *Subsidiaries*

###### (i) *Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, intercompany transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses on transactions are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

###### (ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policies (continued)

##### 2.4 Group accounting (continued)

###### (a) *Subsidiaries* (continued)

###### (ii) *Acquisitions* (continued)

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to Note 2.6 "Goodwill" for the subsequent accounting policy on goodwill.

###### (iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.9 "Investments in subsidiaries, joint ventures and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

###### (b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policies (continued)

##### 2.4 Group accounting (continued)

###### (c) *Associated companies and joint ventures*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

###### (i) *Acquisitions*

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

###### (ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or 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. Interest in an associated company or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policies (continued)

##### 2.4 Group accounting (continued)

###### (c) *Associated companies and joint ventures* (continued)

###### (iii) *Disposals*

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to Note 2.9 “Investments in subsidiaries, joint ventures and associated companies” for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

###### (d) *Joint operations*

The Group’s joint operations are joint arrangements whereby the parties (the joint operators) that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises, in relation to its interest in the joint operation:

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) its expenses, including its share of any expenses incurred jointly.

When the Group sells or contributes assets to a joint operation, the Group recognises gains or losses on the sale or contribution of assets that is attributable to the interest of the other joint operators. The Group recognises the full amount of any loss when the sale or contribution of assets provides evidence of a reduction in the net realisable value, or an impairment loss, of those assets.

When the Group purchases assets from a joint operation, it does not recognise its share of the gains and losses until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of the assets to be purchased or an impairment loss.

The accounting policies of the assets, liabilities, revenue and expenses relating to the Group’s interest in a joint operation have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policy information (continued)

##### 2.5 Property, plant and equipment

###### (a) *Measurement*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses except for certain buildings and leasehold premises, which are subsequently carried at revalued amount less accumulated depreciation and accumulated impairment losses.

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

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increase is recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

The revaluation on certain freehold and leasehold properties was done in connection with the listing of the Company in 1993. The increase in carrying amount arising from the revaluation was taken to capital reserve.

###### (b) *Depreciation*

Freehold land and assets under construction are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Buildings on freehold land	99 years
Leasehold land and buildings	2 – 92 years
Plant and machinery	1 – 20 years
Motor vehicles	2 – 10 years
Furniture, fittings, office and hotel equipment	1 – 10 years

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

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policy information (continued)

##### 2.5 Property, plant and equipment (continued)

###### (c) *Subsequent expenditure*

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

###### (d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within Note 6 "Other gains – net". Any amount in capital reserve relating to that item is transferred to retained profits directly.

##### 2.6 Goodwill

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (a) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair values of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures are included in the carrying amounts of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

##### 2.7 Investment properties

Investment properties include those portions of commercial buildings that are held for long-term rental yields and/or for capital appreciation and right-of-use assets ("ROU assets") relating to leasehold land that is held for long term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policies (continued)

##### 2.7 Investment properties (continued)

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

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

##### 2.8 Development properties

Development properties refer to properties developed for sale. Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete the development and selling expenses.

Revenue from sale of development properties is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer at a point in time or over time.

For development properties where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset, such as when the property is accepted by the customer, or deemed as accepted according to the contract, or when title has passed to the customer.

For development properties where the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the stage of completion of the properties. The stage of completion is measured by reference to the professional quantity surveyor's certification of value of work done-to-date. Management has determined that a certification-based output method provides a faithful depiction of the Group's performance in transferring control of the development properties to the customers.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. Payment is typically due within two weeks. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (eg. SFRS(I) 1-2 *Inventories*), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policies (continued)

##### 2.8 Development properties (continued)

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

The period between the transfer of the promised goods and payment by the customer may exceed one year. For such contracts, the Group adjusts the promised amount of consideration for the effect of a financing component, if significant.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

##### 2.9 Investments in subsidiaries, joint ventures and associated companies

Investments in subsidiaries, joint ventures and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

##### 2.10 Impairment of non-financial assets

###### (a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policies (continued)

##### 2.10 Impairment of non-financial assets (continued)

- (b) *Property, plant and equipment*  
*ROU assets*  
*Investments in subsidiaries, joint ventures and associated companies*

Property, plant and equipment, ROU assets and investments in subsidiaries, joint ventures and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

The difference between the carrying amount and the recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to Note 2.5 “Property, plant and equipment” for the treatment of a revaluation decrease.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

##### 2.11 Financial assets

- (a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- (i) Amortised cost;
- (ii) Fair value through other comprehensive income (“FVOCI”); and
- (iii) Fair value through profit or loss (“FVPL”).

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policy information (continued)

##### 2.11 Financial assets (continued)

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

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

###### At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except for financial assets at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

###### At subsequent measurement

###### (i) *Debt instruments*

Debt instruments mainly comprise of cash and bank balances, trade and other receivables, amounts due from joint ventures, subsidiaries, and debt securities.

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

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

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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## 2. Material accounting policy information (continued)

### 2.11 Financial assets (continued)

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

##### At subsequent measurement (continued)

#### (i) *Debt instruments* (continued)

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "Other gains - net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "Other income".

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

#### (ii) *Equity investments*

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in Note 6 "Other gains – net", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments for enhancement of return on capital and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/(losses)" in OCI. Dividends from equity investments are recognised in profit or loss.

#### (b) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

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

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policy information (continued)

##### 2.11 Financial assets (continued)

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

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

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

On disposal of an equity investment, the difference between the carrying amount and sale proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

##### 2.12 Leases

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

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

###### (i) ROU assets

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

These ROU assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

ROU assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

ROU asset which meets the definition of an investment property is presented within "Investment properties" and accounted for in accordance with Note 2.7.

###### (ii) Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the

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## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policy information (continued)

##### 2.12 Leases (continued)

###### (a) When the Group is the lessee: (continued)

###### (i) Lease liabilities (continued)

rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

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

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

###### (ii) Lease liabilities (continued)

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the ROU asset or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

###### (iii) Short term and low value leases

The Group has elected to not recognise ROU assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value assets, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policy information (continued)

##### 2.12 Leases (continued)

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

###### Operating leases

Leases of investment properties and property, plant and equipment where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentive given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term. Income from leasing of equipment is recognised on its utilisation basis.

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

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

##### 2.13 Financial guarantees

The Company has issued corporate guarantees to banks for banking facilities granted to its certain subsidiaries and joint ventures. These guarantees are financial guarantees as they require the Company to reimburse the banks if these subsidiaries and joint ventures fail to make principal or interest payments when due.

Financial guarantees are initially measured at their fair values and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss allowance computed using the impairment methodology under Note 2.11(b).

##### 2.14 Borrowings

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

Covenants that the Group is required to comply with on or before the end of the reporting period are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

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

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policies (continued)

##### 2.15 Trade and other payables

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

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

##### 2.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using either the first-in, first-out basis or the weighted average basis. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

##### 2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associated companies, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences 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.

Deferred income tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policies (continued)

##### 2.17 Income taxes (continued)

- (b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

##### 2.18 Provisions

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

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

##### 2.19 Employee compensation

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

###### (a) *Defined contribution plans*

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

###### (b) *Share-based compensation*

A listed subsidiary of the Group operates an equity-settled, share-based performance share plan. The value of the employee services received in exchange for the grant of shares of the listed subsidiary is recognised as an expense with a corresponding increase in the share-based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the shares granted on grant date.

At each balance sheet date, the Group revises its estimates of the number of shares under the performance share plan that are expected to be awarded on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based payment reserve over the remaining vesting period.

When shares of the listed subsidiary are awarded, this is accounted for as a transaction with non-controlling interests [Note 2.4(b)]. Any difference between the change in the carrying amounts of non-controlling interests and the related balance previously recognised in the share-based payment reserve is recognised within equity attributable to the equity holders of the Company.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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## 2. Material accounting policy information (continued)

### 2.20 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the date when the qualifying asset is ready for its intended use or sale less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

### 2.21 Currency translation

#### (a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

#### (b) *Transactions and balances*

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operations is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses impacting profit or loss are presented in the income statement within Note 6 “Other gains - net”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rate at the date when the fair values are determined.

#### (c) *Translation of Group entities’ financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 2. Material accounting policy information (continued)

##### 2.21 Currency translation (continued)

###### (c) *Translation of Group entities' financial statements* (continued)

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

##### 2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

##### 2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and bank balances include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

##### 2.24 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

##### 2.25 Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Estimation of total contract sums and contract costs for engineering and construction contracts*

The Group has significant ongoing engineering and construction contracts as at 31 December 2025 which are non-cancellable and have remaining unsatisfied performance obligations amounting to approximately \$1,126 million [Note 4(b)(ii)]. Contract assets and contract liabilities relating to engineering and construction contracts amounted to \$143.9 million and \$33.6 million respectively. For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract sum and total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

Significant judgement and assumptions are applied when estimating (i) the total contract sum and (ii) the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion.

(i) *Uncertified variation orders included in the estimated contract sum*

The estimation of total contract sum includes variation orders where management has determined that there are sufficient contractual rights to claim from customers but pending final agreement with the customers. In making this assessment, management has relied on the term of the contracts with customers and instructions issued by customers to carry out the variation orders, along with the advice of external legal counsels where relevant.

Given these variation orders are unpriced and un-rated, estimates are applied to determine the valuation of these variation orders which are included into the total contract sum for revenue recognition. Management has applied the relevant rates, taking into consideration the terms and conditions of the contract, agreed with subcontractors or quotations from subcontractors (where applicable) and work of specialists, on the basis that it is highly probable to recover from customers the cost of performing these variation orders. The estimates are revised when an agreement has been reached with the customers. This includes variation orders subject to dispute with customers (Note 33), where management has re-assessed the validity of their contractual rights to claim from customers and re-estimated their valuation.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 3. Critical accounting estimates, assumptions and judgements (continued)

(a) *Estimation of total contract sum and contract costs for engineering and construction contracts (continued)*

(i) *Uncertified variation orders included in the estimated contract sum (continued)*

For every 5% of decrease in the estimated value of these variation orders that are recognised in contract assets (with total contract cost remaining unchanged) based on management estimates, the Group's profit before income tax will decrease by approximately \$3,236,000.

(ii) *Estimated total contract costs*

Total contract costs includes the estimation of remaining cost to complete. Management has estimated the remaining cost to complete based on its past experience, use of specialists, quotations from and contracts with suppliers and sub-contractors. Construction projects, in particular, are inherently complex and involve uncertainties that may not be apparent to management at the reporting date. These estimations are also made with due consideration of the circumstances and relevant events that were known to management at the date of these financial statements.

If the estimated remaining costs to complete increase by 1% from management estimates, the Group's profit before income tax will decrease by approximately \$2,149,000.

(b) *Valuation of investment properties*

Investment properties are stated at their fair values based on valuations performed by independent professional valuers, using valuation methods that involve certain estimates (Note 21).

Valuation methods used are sales comparison approach and cost method. Sales comparison approach involves the comparison of the sale price comparable properties in close proximity and adjusted for differences in key attributes such as property size. Cost method involves the estimation of the current cost required to replace the property.

The most significant inputs to the valuation methods would be market value per square metre, and replacement cost per square metre respectively. Management is of the view that the valuation methods and estimates are reflective of the current market conditions.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 3. Critical accounting estimates, assumptions and judgements (continued)

##### (c) Critical judgement over assessment of claims and litigations

The Group entered into various contracts with third parties in its ordinary course of business and is exposed to the risk of claims, litigations or latent defects from the contractual parties. These can arise for various reasons, including change in scope of work, delay and disputes, or defects etc. The scope, enforceability and validity of any claim or litigation may be highly uncertain. In making its judgment as to whether it is probable that any such claim or litigation will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of legal and technical expertise. See Note 33 for further disclosures relating to the Group's claims and counterclaims subject to arbitration. Also see Note 3(a)(i) for critical judgment and accounting estimates relating to the Group's claims subject to dispute.

#### 4. Revenue

##### (a) Disaggregation of revenue

	Construction and Building Materials		Real Estate		Leisure & Hospitality		Total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Group</b>								
Contract revenue – over time	240,196	143,086	-	-	-	-	240,196	143,086
Revenue from sale of products – point in time	80,774	81,171	-	-	-	-	80,774	81,171
Revenue from sale of development properties – over time	-	-	42	5,357	-	-	42	5,357
Revenue from services rendered – over time	-	-	2,012	2,012	3,249	3,617	5,261	5,629
Revenue from contracts with customers	320,970	224,257	2,054	7,369	3,249	3,617	326,273	235,243
Rental income from investment properties (Note 21)	-	-	3,120	3,151	-	-	3,120	3,151
Total revenue	320,970	224,257	5,174	10,520	3,249	3,617	329,393	238,394

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**4. Revenue** (continued)

(b) Contract assets and liabilities

	<b>Group</b>		
	31 December		1 January
	<b>2025</b>	2024	2024
	<b>\$'000</b>	\$'000	\$'000
<b>Contract assets</b>			
<i>Current</i>			
Engineering and construction contracts	<b>81,649</b>	63,524	74,870
Sale of products	<b>1,615</b>	1,817	4,761
Sale of development properties	-	28,255	77,092
Less: Allowance for impairment of contract assets [Note 34(b)]	<b>(712)</b>	(556)	-
	<b>82,552</b>	93,040	156,723
<i>Non-current</i>			
Engineering and construction contracts	<b>62,641</b>	38,331	36,274
Sale of products	<b>174</b>	567	1,993
	<b>62,815</b>	38,898	38,267
Total contract assets - net	<b>145,367</b>	131,938	194,990
<b>Contract liabilities</b>			
<i>Current</i>			
Engineering and construction contracts	<b>33,645</b>	22,906	23,408
Sale of products	<b>2,927</b>	235	2,367
	<b>36,572</b>	23,141	25,775

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date on construction contracts, sale of products, and sale of development properties. The change in contract assets was mainly due to timing difference between recognition of revenue upon satisfaction of performance obligation and timing of billing to customers. The contract assets balance includes significant variation orders being accounted for, that has been assessed by management to be recoverable and determined by them that there was sufficient contractual rights to claim from customers but pending final agreement with the customers.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for engineering and construction contracts. The increase in contract liabilities in current financial year for engineering and construction contracts and sale of products was mainly due to more advances received from customers.

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**4. Revenue** (continued)

(b) Contract assets and liabilities (continued)

(i) *Revenue recognised in relation to contract liabilities*

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Revenue recognised in current year that was included in the contract liability balance at the beginning of the year		
- Engineering and construction contracts	<b>18,761</b>	18,432
- Sale of products	<b>235</b>	2,367
	<b><u>18,996</u></b>	<u>20,799</u>

(ii) *Unsatisfied performance obligations*

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 December		
- Engineering and construction contracts	<b><u>1,125,830</u></b>	<u>828,499</u>

Management expects that the aggregate amount of the transaction price allocated to unsatisfied performance obligations as of 31 December 2025 will be recognised as revenue as the Group continue to perform to complete the construction, which is expected to occur over the next few years up to 2030 (2024: 2029). The amount disclosed above does not include variable consideration which is subject to significant risk of reversal.

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

(c) Trade receivables from contracts with customers

	<b>Group</b>		
	<b>31 December</b>		1 January
	<b>2025</b>	2024	2024
	<b>\$'000</b>	\$'000	\$'000
<b>Current assets</b>			
Trade receivables from contracts with customers	<b>63,158</b>	62,304	40,166
Less: Allowance for impairment	<b>(2,293)</b>	(1,521)	(463)
	<b><u>60,865</u></b>	<u>60,783</u>	<u>39,703</u>

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**5. Other income**

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Interest income		
- Investment securities measured at FVOCI	<b>89</b>	139
- Loan to a joint venture	<b>575</b>	-
- Bank deposits and others	<b>1,273</b>	1,426
	<b>1,937</b>	1,565
Dividend income	<b>138</b>	189
Other income	<b>162</b>	342
	<b>2,237</b>	2,096

**6. Other gains – net**

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Fair value (loss)/gain on investment properties (Note 21)	<b>(200)</b>	1,787
Gain on disposal of property, plant and equipment	<b>15,854</b>	318
Gain on disposal of an associated company	<b>579</b>	-
Gain on liquidation of a joint venture	-	26
Net foreign exchange (loss)/gain	<b>(2,195)</b>	1,288
	<b>14,038</b>	3,419

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**7. Expenses by nature**

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Allowance for impairment of trade receivables [Note 33(b)]	<b>724</b>	1,056
Allowance for impairment of contract assets [Note 33(b)]	<b>119</b>	556
Write-back of allowance for impairment of sundry debtors	<b>(68)</b>	(19)
Allowance for/(write-back of allowance for) impairment of loans to joint ventures [Note 15(ii)]	<b>7</b>	(111)
Write-back of allowance for impairment of investment securities [Note 13(b)]	<b>(992)</b>	-
Changes in inventories of raw materials and finished goods	<b>(4,831)</b>	4,885
Contractor and material costs	<b>178,782</b>	110,190
Depreciation of property, plant and equipment (Note 22)	<b>9,665</b>	8,513
Employee compensation (Note 8)	<b>49,750</b>	46,273
Freight, shipping, transport and travelling expenses	<b>3,405</b>	2,283
Purchases of raw material, finished goods and consumables	<b>59,117</b>	53,925
Rental expenses [Note 23(d)]	<b>777</b>	298
Repair and maintenance expenses	<b>3,965</b>	2,980
Sales commission expenses	<b>1,414</b>	1,805
Utilities	<b>1,531</b>	1,462
Other expenses	<b>9,354</b>	9,872
	<b>312,719</b>	243,968

**8. Employee compensation**

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Wages, salaries and other benefits	<b>46,754</b>	44,092
Share-based compensation expense [Note 30(b)(iii)]	<b>2</b>	#
Employer's contribution to defined contribution plans including Central Provident Fund	<b>2,994</b>	2,181
	<b>49,750</b>	46,273

# - less than \$1,000

The compensation to key management personnel, including directors' remuneration, is separately disclosed in Note 35(b).

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2025*

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**9. Finance expenses**

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Interest expenses		
- Bank borrowings	<b>3,705</b>	8,270
- Lease liabilities [Note 23(c)]	<b>225</b>	237
- Notes payables	<b>1,479</b>	1,479
- Non-trade amounts due to a joint venture	<b>920</b>	2,268
	<b>6,329</b>	12,254

**10. Income taxes****(a) Income tax expense**

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Tax expense/(credit) attributable to loss is made up of:		
- Current income tax [Note 10(b)]	<b>4,613</b>	3,599
- Deferred income tax [Note 10(c)]	<b>(665)</b>	(19)
	<b>3,948</b>	3,580
Under/(over) provision of income tax in prior financial years		
- Current income tax [Note 10(b)]	<b>169</b>	(96)
- Deferred income tax [Note 10(c)]	<b>(9)</b>	(148)
	<b>4,108</b>	3,336

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**10. Income taxes (continued)**

**(a) Income tax expense (continued)**

The tax on the Group's profit/(loss) before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) before income tax	<b>29,603</b>	(7,085)
Share of loss of associated companies	<b>16</b>	116
Share of profit of joint ventures	<b>(2,999)</b>	(5,346)
Profit/(loss) before income tax and share of profit/(loss) of associated companies and joint ventures	<b>26,620</b>	(12,315)
Tax calculated at a tax rate of 17% (2024: 17%)	<b>4,525</b>	(2,094)
Effects of:		
Expenses not deductible for tax purposes	<b>1,199</b>	1,134
Income not subject to tax	<b>(3,860)</b>	(426)
Unrecognised deferred tax benefits	<b>980</b>	4,028
Utilisation of previously unrecognised tax losses and capital allowances	<b>(786)</b>	(580)
Effect of different tax rates in other countries	<b>1,890</b>	838
Under/(over) provision of tax in prior financial years	<b>160</b>	(244)
Withholding tax	<b>-</b>	680
Tax charge	<b>4,108</b>	3,336

**(b) Movement in the net current income tax liabilities/(receivables)**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 January	<b>483</b>	(192)	-	-
Currency translation differences	<b>56</b>	43	-	-
Income tax paid	<b>(3,722)</b>	(2,871)	-	-
Tax credit [Note 10(a)]	<b>4,613</b>	3,599	-	-
Under/(over) provision of current income tax in prior financial years [Note 10(a)]	<b>169</b>	(96)	<b>89</b>	-
Balance at 31 December	<b>1,599</b>	483	<b>89</b>	-

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**10. Income taxes (continued)**

**(b) Movement in the net current income tax (receivables)/liabilities (continued)**

The amounts of current income tax (receivables)/liabilities are presented in the balance sheet as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Current assets</u>				
Income tax receivables	-	(730)	-	-
<u>Current liabilities</u>				
Current income tax liabilities	<b>1,599</b>	1,213	<b>89</b>	-

**(c) Deferred income tax**

The movement in the net deferred income tax is as follows:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 January	<b>6,343</b>	6,519
Currency translation differences	<b>(24)</b>	(9)
Tax expense [Note 10(a)]	<b>(665)</b>	(19)
Over provision of deferred income tax in prior financial years [Note 10(a)]	<b>(9)</b>	(148)
Balance at 31 December	<b>5,645</b>	6,343

**(d) Movements in deferred income tax**

The movements in the Group's deferred income tax liabilities and assets (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

	<b>Accelerated tax depreciation</b>	<b>Fair value adjustment on investment properties</b>	<b>Unremitted foreign sourced income</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>				
<b>Deferred income tax liabilities</b>				
Balance at 1 January 2025	<b>145</b>	<b>6,354</b>	-	<b>6,499</b>
Credited to profit or loss	<b>(3)</b>	<b>(50)</b>	-	<b>(53)</b>
Currency translation differences	<b>9</b>	<b>(1)</b>	-	<b>8</b>
Balance at 31 December 2025	<b>151</b>	<b>6,303</b>	-	<b>6,454</b>
Balance at 1 January 2024	169	6,364	137	6,670
Credited to profit or loss	(27)	(7)	(137)	(171)
Currency translation differences	3	(3)	-	-
Balance at 31 December 2024	145	6,354	-	6,499

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**10. Income taxes (continued)**

**(d) Movements in deferred income tax (continued)**

	Timing difference in taxation of contract profits \$'000	Unrealised foreign exchange difference \$'000	Total \$'000
<b>Group</b>			
<b>Deferred income tax assets</b>			
Balance at 1 January 2025	(294)	138	(156)
(Credited)/charge to profit or loss	(49)	(572)	(621)
Currency translation differences	(22)	(10)	(32)
Balance at 31 December 2025	<u>(365)</u>	<u>(444)</u>	<u>(809)</u>
Balance at 1 January 2024	(92)	(59)	(151)
(Credited)/charge to profit or loss	(191)	195	4
Currency translation differences	(11)	2	(9)
Balance at 31 December 2024	<u>(294)</u>	<u>138</u>	<u>(156)</u>

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Deferred income tax liabilities	<u>5,645</u>	<u>6,343</u>

**(e) Unrecognised tax losses, capital allowances and investment allowances**

As at 31 December 2025, the Group has unutilised tax losses of approximately \$115,603,000 (2024: \$103,166,000), unabsorbed capital allowances of approximately \$800,000 (2024: \$3,090,000) and investment allowances of approximately \$12,847,000 (2024: \$12,176,000) which can, subject to meeting certain statutory requirements by those companies with unrecognised tax losses, capital allowances and investment allowances in their respective countries of incorporation, be carried forward and utilised against future taxable profits. The unutilised tax losses, capital allowance and investment allowances do not have expiry dates. The deferred tax benefits on the unutilised tax losses and capital allowances of subsidiaries have not been recognised in the financial statements because of the uncertainty of future utilisation.

**(f) There is no tax charge relating to each component of other comprehensive income.**

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 11. Earnings/(loss) per share

##### (a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2025	2024
Net profit/(loss) attributable to equity holders of the Company (\$'000)	<b>18,575</b>	(5,451)
Weighted average number of ordinary shares in issue for computation of basic loss per share ('000)	<b>412,459</b>	412,459
Basic earnings/(loss) per share (in cents)	<b>4.50</b>	(1.32)

##### (b) Diluted earnings/(loss) per share

No adjustment was made to the diluted earnings/(loss) per share for the financial years ended 31 December 2025 and 2024.

#### 12. Cash and bank balances

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	<b>52,232</b>	44,629	<b>125</b>	109
Fixed deposits	<b>62,113</b>	26,520	<b>10,900</b>	-
	<b>114,345</b>	71,149	<b>11,025</b>	109

Fixed deposits are short-term in nature, readily convertible to cash and subject to insignificant change in value.

#### 13. Investment securities

	Group	
	2025	2024
	\$'000	\$'000
Financial assets, at FVOCI [Note 13(a)]	<b>11,063</b>	7,545
Financial assets, at amortised cost [Note 13(b)]	-	-
	<b>11,063</b>	7,545
<b>Less: Current portion</b>	<b>11,063</b>	347
<b>Non-current portion</b>	<b>-</b>	7,198

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**13. Investment securities (continued)**

(a) Financial assets, at FVOCI

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Balance at 1 January	<b>7,545</b>	7,750
Net disposal	<b>(857)</b>	(1,054)
Fair value gain recognised in other comprehensive income [Note 30(b)(i)]	<b>4,375</b>	849
Balance at 31 December	<b>11,063</b>	7,545
<b>Less: Current portion</b>	<b>11,063</b>	347
<b>Non-current portion</b>	<b>-</b>	<b>7,198</b>

Financial assets, at FVOCI are analysed as follows:

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Listed securities		
- SGD corporate fixed rate notes of 7.00% (2024: 3.00% to 7.00%) per annum due in November 2026 (2024: October to November 2026)	<b>1,041</b>	1,408
- Equity securities - USA	<b>10,022</b>	6,137
	<b>11,063</b>	7,545

During the current financial year, the Group reclassified the above investments of \$10,022,000 as current assets to reflect management's intention to dispose of them within the next twelve months.

(b) Financial assets, at amortised cost

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Balance at 1 January	-	150
Redemption	<b>(992)</b>	(150)
Write-back of impairment (Note 7)	<b>992</b>	-
Balance at 31 December	<b>-</b>	-

Financial assets, at amortised cost comprise the following:

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
<b>Current</b>		
Unquoted SGD 10.00% fixed rate note	-	1,879
Less: Loss allowance	-	(1,879)
	<b>-</b>	<b>-</b>

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 13. Investment securities (continued)

##### (b) Financial assets, at amortised cost (continued)

During the current financial year, the Group entered into a settlement agreement in respect of the note. Under the agreement, the Group received approximately \$992,000 in cash, and the note was fully settled and discharged. Accordingly, a write-back of loss allowance of \$992,000 was recognised as credit to “other expenses” (Note 7) as the note was fully provided for previously.

#### 14. Trade and other receivables

	Group	
	2025 \$'000	2024 \$'000
<b>Current</b>		
<u>Trade receivables</u>		
Due from non-related parties	62,564	57,624
Less: Allowance for impairment of trade receivables [Note 34(b)]	(2,999)	(2,227)
Trade receivables – net	59,565	55,397
<u>Other receivables</u>		
Deposit	2,530	2,405
Prepayments	5,045	5,458
Other receivables – non-related parties [Note 14(ii)]	9,864	39,380
Less: Allowance for impairment of other receivables – non-related parties	(165)	(235)
	76,839	102,405
<b>Non-current</b>		
<u>Trade receivables</u>		
Due from a non-related party [Note 14(iv)]	1,843	5,900
<u>Other receivables</u>		
Due from a non-related party [Note 14(iii)]	21,615	-
	23,458	5,900

(i) Allowance for impairment of trade receivables of \$724,000 (2024: \$1,056,000) is recognised as expense (Note 7) and included in “distribution and marketing expenses”.

(ii) Other current receivables due from non-related parties are unsecured and interest-free, except for an amount of \$2,500,000 of fixed rate note which bear interest at 3.50% (2024: 3.50%) per annum and \$5,800,000 which is non-interest bearing and repayable within the next twelve months, extendable at the option of the Group for three further terms of one year each (2024: repayable in 2025).

(iii) Included in other non-current receivables due from non-related parties are promissory notes of \$18,000,000 (2024: nil) which bear interest at 3.50% per annum, is repayable in 2027, and is extendable at the option of the Group for one further term of two years.

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**14. Trade and other receivables (continued)**

- (iv) The carrying amounts of the non-current trade receivables approximate their fair value.

**15. Amounts due from/(to) joint ventures**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Current assets</u>		
Trade receivables from joint ventures	<b>950</b>	362
Loans to joint ventures [Note 15(i)]	<b>6,514</b>	6,463
Less: Allowance for impairment of loans [Note 15(ii)]	<b>(891)</b>	(854)
	<b>5,623</b>	5,609
	<b>6,573</b>	5,971
<u>Current liabilities</u>		
Amounts due to a joint venture (trade)	<b>(4,643)</b>	(1,565)
Amounts due to joint ventures (non-trade) [Note 15(iii)]	<b>(29,000)</b>	(30,500)
	<b>(33,643)</b>	(32,065)

- (i) The loans to joint ventures are unsecured, bears interest at 0.40% (2024: nil%) per annum and repayable on demand.
- (ii) Allowance for impairment of loans to joint ventures of \$7,000 (2024: write-back of allowance for impairment of \$111,000) was recognised as a credit to expense (2024: recognised as expenses) (Note 7).
- (iii) The current non-trade amounts due to joint ventures are unsecured, bears interest ranging from 2.28% to 4.32% (2024: 4.15%) per annum, and repayable on demand.

**16. Inventories**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Raw materials	<b>1,135</b>	608
Finished goods	<b>4,842</b>	538
	<b>5,977</b>	1,146

The cost of inventories recognised as an expense and included in "cost of sales" amounted to \$54,286,000 (2024: \$58,810,000).

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 17. Other current assets

	Group	
	2025 \$'000	2024 \$'000
Project consumables	<u>4,940</u>	<u>4,440</u>

Project consumables are non-project specific in nature. These are carried at lower of cost or net realisable value.

#### 18. Investment in associated companies

	Group	
	2025 \$'000	2024 \$'000
Balance at 1 January	168	284
Share of loss	(16)	(116)
Disposal	(152)	-
Balance at 31 December	<u>-</u>	<u>168</u>

- (i) There are no associated companies as at 31 December 2025 and 2024, which in the opinion of the directors, are individually material to the Group.
- (ii) During the current financial year, the Group disposed off its entire 40% stake in an associated company, Tricaftan Environmental Technology Pte Ltd ("Tricaftan"), for a total consideration of approximately \$331,000 together with dividend income of \$400,000. The purchaser is both a director and substantial shareholder to Tricaftan. The consideration was fully settled in cash. As a result, the Group recognised a gain on disposal of approximately \$579,000 (Note 6).
- (iii) As at 31 December 2025, the Group has exposure of approximately \$5,420,000 (2024: \$9,600,000) relating to its share of an associated partnership's total bank facility.
- (iv) Details of the Group's significant associated companies are set out in Note 37. The associated companies have share capital consisting solely of ordinary shares, which are held by the Group, except for SDK Consortium which is incorporated as a partnership. The country of incorporation is also their principal place of business.

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**19. Investments in joint ventures**

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Balance at 1 January	<b>94,265</b>	92,719
Share of profit	<b>2,999</b>	5,346
Dividends received	<b>(3,500)</b>	(3,000)
Liquidation	<b>-</b>	(800)
Balance at 31 December	<b>93,764</b>	94,265

There are no contingent liabilities relating to the Group's interest in the joint ventures.

During the current financial year, dividends from joint ventures amounting to \$1,500,000 (2024: \$3,000,000) were received by ways of being offset against non-trade amounts due to joint ventures (Note 15) and \$2,000,000 (2024: nil) were received in cash.

Details of the Group's significant joint ventures are set out in Note 37. The joint ventures have share capital consisting solely of ordinary shares, which are held by the Group. The country of incorporation is also their principal place of business.

*Summarised financial information of material joint venture*

Set out below are the summarised financial information for the Group's material joint venture. The information 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.

The Group's material joint venture is as follows:

- Property investment – Canberra Development Pte Ltd

*Summarised statement of comprehensive income*

	<b>Property Investment</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Revenue	<b>25,852</b>	24,899
Expenses		
Include:		
- Interest expense	<b>(7,853)</b>	(12,775)
Profit before income tax	<b>8,007</b>	8,272
Income tax expense	<b>(1,261)</b>	(572)
Profit after tax and total comprehensive income	<b>6,746</b>	7,700
Dividends received from joint venture	<b>3,500</b>	3,000

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**19. Investments in joint ventures (continued)**

*Summarised financial information of material joint venture (continued)*

*Summarised balance sheet*

	<b>Property Investment</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>	<b>77,705</b>	83,424
Include:		
- Cash and bank balances	<b>5,816</b>	10,057
<b>Current liabilities</b>	<b>(10,075)</b>	(274,374)
Include:		
- Financial liabilities (excluding trade and other payables)	-	(260,000)
		-
<b>Non-current assets</b>	<b>381,247</b>	381,647
<b>Non-current liabilities</b>	<b>(263,593)</b>	(5,159)
Include:		
- Financial liabilities (excluding trade and other payables)	<b>(259,181)</b>	-
<b>Net assets</b>	<b>185,284</b>	185,538

The information above reflects the amounts included in the financial statements of the material joint venture (and not the Group's share of those amounts).

*Reconciliation of the summarised financial information*

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

	<b>Property Investment</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net assets</b>		
At 1 January	<b>185,538</b>	183,838
Profit after tax and total comprehensive income	<b>6,746</b>	7,700
Dividends paid	<b>(7,000)</b>	(6,000)
At 31 December	<b>185,284</b>	185,538
<b>Carrying value of Group's interest</b>	<b>92,642</b>	92,769
Add:		
Carrying value of individually immaterial joint ventures, in aggregate	<b>1,122</b>	1,496
<b>Carrying value of Group's interest in joint ventures</b>	<b>93,764</b>	94,265

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 19. Investments in joint ventures (continued)

##### *Reconciliation of the summarised financial information (continued)*

The Group's share of the above joint ventures' profit after tax, other comprehensive income and dividend were reflected in the movement of carrying value of investment in joint ventures. In the event that the Group's share of losses in joint ventures exceeds its interest in such joint ventures, the Group recognise the further loss as impairment on loans to joint ventures and recorded under "Other expenses".

##### *Information about immaterial joint ventures*

The following table summarises, in aggregate, the Group's share of net (loss)/profit and other comprehensive (loss)/income of the individually immaterial joint ventures accounted for using the equity method:

	2025 \$'000	2024 \$'000
(Loss)/profit after tax and total comprehensive (loss)/income	<u>(374)</u>	<u>1,499</u>

#### 20. Investments in subsidiaries and amounts due from/(to) subsidiaries

	Company	
	2025 \$'000	2024 \$'000
<u>Investments in subsidiaries</u>		
- Quoted equity shares, at cost	73,130	73,130
- Unquoted equity shares, at cost	68,069	68,069
- Financial guarantee contracts	15,666	15,666
Balance at 1 January and 31 December	<u>156,865</u>	<u>156,865</u>
<u>Current assets</u>		
Amounts due from subsidiaries (trade)	1,697	1,464
Amounts due from subsidiaries (non-trade) [Note 20(i)]	21,741	22,802
	<u>23,438</u>	<u>24,266</u>
<u>Current liabilities</u>		
Amounts due to subsidiaries (trade)	(1,960)	(141)
Amounts due to subsidiaries (non-trade) [Note 20(ii)]	(40,548)	(39,537)
	<u>(42,508)</u>	<u>(39,678)</u>
<u>Non-current liabilities</u>		
Amount due to a subsidiary (non-trade) [Note 20(iii)]	<u>(19,011)</u>	<u>(19,011)</u>

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 20. Investments in subsidiaries and amounts due from/(to) subsidiaries (continued)

- (i) The current non-trade amounts due from subsidiaries are repayable on demand, unsecured and interest-free, except for the loans amounting to \$16,400,000 (2024: \$16,400,000) due from subsidiaries which bear interest rate at 6.56% (2024: 6.56%) per annum.
- (ii) The current non-trade amounts due to subsidiaries are repayable on demand, unsecured and interest-free, except for the loans amounting to \$25,870,000 (2024: \$23,350,000) due to subsidiaries which bear interest rate ranging from 1.99% to 4.31% (2024: at 3.80% to 4.31%) per annum.
- (iii) The non-current non-trade amount due to a subsidiary is unsecured, interest-free and is not expected to be repaid within one year. The carrying amount of non-current non-trade amount due to a subsidiary approximates its fair value.

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
(iv) <i>Carrying value of non-controlling interests</i>		
Koh Brothers Eco Engineering Limited and its subsidiaries	<b>54,545</b>	48,308
Other subsidiaries with immaterial non-controlling interests	<b>(21)</b>	29
	<b>54,524</b>	<b>48,337</b>

#### *Summarised financial information of subsidiaries with material non-controlling interests*

Set out below is the summarised financial information for Koh Brothers Eco Engineering Limited ("KBE") and its subsidiaries which has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

#### *Summarised statement of comprehensive income*

	For the financial year ended 31 December	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Revenue	<b>245,912</b>	148,973
Profit/(loss) before income tax	<b>13,183</b>	(11,395)
Income tax expense	<b>(3,282)</b>	(2,900)
Profit/(loss) after tax	<b>9,901</b>	(14,295)
Other comprehensive income	<b>1,391</b>	902
Total comprehensive income/(loss)	<b>11,292</b>	(13,393)
Total comprehensive income/(loss) allocated to non-controlling interests	<b>7,736</b>	(4,435)
Dividends paid to non-controlling interests	<b>1,503</b>	1,139

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**20. Investments in subsidiaries and amounts due from/(to) subsidiaries (continued)**

*Summarised financial information of subsidiaries with material non-controlling interests (continued)*

*Summarised balance sheet*

	As at 31 December	
	2025	2024
	\$'000	\$'000
<b>Current</b>		
Assets	211,604	179,005
Liabilities	(172,831)	(132,975)
Total current net assets	<u>38,773</u>	<u>46,030</u>
<b>Non-current</b>		
Assets	104,430	83,724
Liabilities	(12,502)	(8,844)
Total non-current net assets	<u>91,928</u>	<u>74,880</u>
Net assets	<u><b>130,701</b></u>	<u>120,910</u>

*Summarised cash flows*

	For the financial year ended 31 December	
	2025	2024
	\$'000	\$'000
Net cash provided by/(used in) operating activities	22,984	(13,732)
Net cash provided by investing activities	1,470	802
Net cash used in financing activities	<u>(11,579)</u>	<u>(6,112)</u>

*Transactions with non-controlling interests*

There is no significant transaction with non-controlling interests that led to change in ownership interest in subsidiaries for the financial years ended 31 December 2025 and 2024.

**21. Investment properties**

	Group	
	2025	2024
	\$'000	\$'000
Balance at 1 January	102,562	100,989
Fair value (loss)/gain recognised in profit or loss (Note 6)	(200)	1,787
Currency translation difference	(76)	(214)
Balance at 31 December	<u><b>102,286</b></u>	<u>102,562</u>

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**21. Investment properties** (continued)

The following amounts are recognised in profit or loss:

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Rental income (Note 4)	<b>3,120</b>	3,151
Direct operating expenses arising from investment properties that generated rental income	<b>(1,646)</b>	(1,755)

(i) Investment properties with carrying values totalling \$95,800,000 (2024: \$95,800,000) are mortgaged to banks for credit facilities granted (Notes 27 and 28).

(ii) Details of the investment properties are set out below:

<b>Property</b>	<b>Tenure</b>	<b>Site area/gross floor area (sq ft)</b>
The First City Complex comprising commercial units, office units and service apartments at Pulau Batam, Indonesia	20 years from October 2018	200,456 186,066
11 shop units at Alocassia Apartments at 383 Bukit Timah Road, Singapore	Freehold	44,863* 22,895
45 apartment units at Alocassia Apartments at 383 Bukit Timah Road, Singapore	Freehold	44,863* 35,166
5 officetel units at 225-6, Nonhyeon-dong, Gangnam-gu, Seoul, South Korea	Freehold	3,834

\* The 11 shop units and 45 apartment units are located within the same building.

Fair value hierarchy – Recurring fair value measurements

	<u>Fair value measurements using</u>		
	Quoted prices in active markets for identical assets <u>(Level 1)</u> \$'000	Significant other observable inputs <u>(Level 2)</u> \$'000	Significant unobservable inputs <u>(Level 3)</u> \$'000
<b>31 December 2025</b>			
- Investment properties	-	-	<b>102,286</b>
<b>31 December 2024</b>			
- Investment properties	-	-	102,562

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 21. Investment properties (continued)

##### Valuation technique and inputs used in Level 3 fair value measurements

The following table represents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value as at 31 December 2025 (\$'000)	Valuation technique(s)	Unobservable inputs <sup>1</sup>	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties - Singapore	<b>95,800</b> (2024: 95,800)	Sales comparison method	Market value per square metre	\$16,000 to \$49,000 (2024: \$19,000 to \$49,000) per square metre	The higher the market value per square metre, the higher the fair value.
Investment properties - Indonesia	<b>4,400</b> (2024: 4,610)	Cost method	Replacement cost per square metre	\$308 to \$424 (2024: \$340 to \$468) per square metre	The higher the replacement cost per square metre, the higher the fair value.
		Sales comparison method	Market value per square metre	\$218 to \$228 (2024: \$249 to \$474) per square metre	The higher the market value per square metre, the higher the fair value.
Investment properties – South Korea	<b>2,086</b> (2024: 2,152)	Sales comparison method	Market value per square metre	\$14,000 (2024: \$16,000) per square metre	The higher the market value per square metre, the higher the fair value.

<sup>1</sup> There were no changes in valuation techniques during the year.

##### Valuation processes of the Group

The fair value of investment properties are determined annually by independent professional valuers at the end of every financial year based on the properties' highest and best use. They are carried at fair value at the balance sheet date.

At each financial year, management:

- provides all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation reports; and
- holds discussions with the independent valuers.

Changes in Level 3 fair values are analysed at each reporting date during management meetings. As part of this discussion, a report is presented to the Audit and Risk Committee that explains the reasons for the fair value movements.

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**22. Property, plant and equipment**

<b>Group</b>	<b>Freehold land \$'000</b>	<b>Buildings on freehold land \$'000</b>	<b>Leasehold land and buildings \$'000</b>	<b>Plant and machinery \$'000</b>	<b>Motor vehicles \$'000</b>	<b>Furniture, fittings, office and hotel equipment \$'000</b>	<b>Assets under construction \$'000</b>	<b>Total \$'000</b>
<b>Cost or valuation</b>								
At 1 January 2025								
Cost	27,366	19,614	28,192	89,737	19,083	14,198	785	198,975
Independent valuation in 1993 [Note 22(ii)]	16,250	6,487	5,489	-	-	-	-	28,226
	<u>43,616</u>	<u>26,101</u>	<u>33,681</u>	<u>89,737</u>	<u>19,083</u>	<u>14,198</u>	<u>785</u>	<u>227,201</u>
Currency translation differences	105	22	(21)	86	21	(10)	33	236
Additions	-	-	5,640	3,438	3,541	404	-	13,023
Disposals	(5,291)	(69)	-	(2,624)	(1,665)	(4)	-	(9,653)
Write off	-	-	-	-	(14)	(3)	-	(17)
At 31 December 2025	<b><u>38,430</u></b>	<b><u>26,054</u></b>	<b><u>39,300</u></b>	<b><u>90,637</u></b>	<b><u>20,966</u></b>	<b><u>14,585</u></b>	<b><u>818</u></b>	<b><u>230,790</u></b>
<b>Represented by:</b>								
Cost	22,180	19,567	33,811	90,637	20,966	14,585	818	202,564
Independent valuation in 1993 [Note 22(ii)]	16,250	6,487	5,489	-	-	-	-	28,226
	<u>38,430</u>	<u>26,054</u>	<u>39,300</u>	<u>90,637</u>	<u>20,966</u>	<u>14,585</u>	<u>818</u>	<u>230,790</u>
<b>Accumulated depreciation and impairment losses</b>								
At 1 January 2025	3,069	11,346	19,537	69,568	16,615	12,838	-	132,973
Currency translation differences	-	22	(21)	11	17	(10)	-	19
Disposals	-	(33)	-	(2,624)	(1,663)	(4)	-	(4,324)
Write off	-	-	-	-	(13)	(3)	-	(16)
Depreciation charge (Note 7)	-	201	4,661	3,239	1,176	388	-	9,665
At 31 December 2025	<b><u>3,069</u></b>	<b><u>11,536</u></b>	<b><u>24,177</u></b>	<b><u>70,194</u></b>	<b><u>16,132</u></b>	<b><u>13,209</u></b>	<b><u>-</u></b>	<b><u>138,317</u></b>
Net book value at 31 December 2025	<b><u>35,361</u></b>	<b><u>14,518</u></b>	<b><u>15,123</u></b>	<b><u>20,443</u></b>	<b><u>4,834</u></b>	<b><u>1,376</u></b>	<b><u>818</u></b>	<b><u>92,473</u></b>

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 22. Property, plant and equipment (continued)

Group	Freehold land \$'000	Buildings on freehold land \$'000	Leasehold land and buildings \$'000	Plant and machinery \$'000	Motor vehicles \$'000	Furniture, fittings, office and hotel equipment \$'000	Assets under construction \$'000	Total \$'000
<b>Cost or valuation</b>								
At 1 January 2024								
Cost	26,963	19,462	30,459	90,451	18,623	13,934	-	199,892
Independent valuation in 1993 [Note 22(ii)]	16,250	6,487	5,489	-	-	-	-	28,226
	43,213	25,949	35,948	90,451	18,623	13,934	-	228,118
Currency translation differences	403	84	59	30	18	77	22	693
Additions	-	68	1,014	194	1,339	231	763	3,609
Disposals	-	-	-	(518)	(884)	(19)	-	(1,421)
Write off	-	-	(3,340)	(420)	(13)	(25)	-	(3,798)
At 31 December 2024	<b>43,616</b>	<b>26,101</b>	<b>33,681</b>	<b>89,737</b>	<b>19,083</b>	<b>14,198</b>	<b>785</b>	<b>227,201</b>
Represented by:								
Cost	27,366	19,614	28,192	89,737	19,083	14,198	785	198,975
Independent valuation in 1993 [Note 22(ii)]	16,250	6,487	5,489	-	-	-	-	28,226
	<b>43,616</b>	<b>26,101</b>	<b>33,681</b>	<b>89,737</b>	<b>19,083</b>	<b>14,198</b>	<b>785</b>	<b>227,201</b>
<b>Accumulated depreciation and impairment losses</b>								
At 1 January 2024	3,069	11,132	19,132	67,359	16,428	12,366	-	129,486
Currency translation differences	-	26	17	27	12	73	-	155
Disposals	-	-	-	(518)	(856)	(11)	-	(1,385)
Write off	-	-	(3,340)	(420)	(13)	(23)	-	(3,796)
Depreciation charge (Note 7)	-	188	3,728	3,120	1,044	433	-	8,513
At 31 December 2024	<b>3,069</b>	<b>11,346</b>	<b>19,537</b>	<b>69,568</b>	<b>16,615</b>	<b>12,838</b>	<b>-</b>	<b>132,973</b>
Net book value at 31 December 2024	<b>40,547</b>	<b>14,755</b>	<b>14,144</b>	<b>20,169</b>	<b>2,468</b>	<b>1,360</b>	<b>785</b>	<b>94,228</b>

- (i) ROU assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 23(a).
- (ii) The valuation made in 1993, in connection with the listing of the Company, was performed by Messrs Knight Frank, Cheong Hock Chye & Baillieu (Property Consultants) Pte Ltd, a firm of independent valuers based on an open market existing use basis as at 31 December 1993.
- (iii) If the revalued property, plant and equipment had been included in the financial statements at cost less accumulated depreciation, their net book values would be as follows:

	Group	
	2025 \$'000	2024 \$'000
Freehold land	15,293	15,293
Buildings on freehold land	3,062	3,107

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 22. Property, plant and equipment (continued)

- (iv) At 31 December 2025, certain freehold land, buildings on freehold land and leasehold land and buildings with net book values amounting to \$44,953,000 (2024: \$50,421,000) are mortgaged to banks for credit facilities granted in respect of short-term bank loans and term loans (Notes 27 and 28).
- (v) The Group's major properties included in property, plant and equipment are as follows:

<u>Name and location</u>	<u>Description</u>	<u>Tenure</u>
Koh Brothers Building 11 Lorong Pendek Singapore	Industrial building	Freehold
Oxford Hotel 218 Queen Street Singapore	Hotel	Freehold
65 Sungei Kadut Drive Singapore	Factory-cum-office building	35.3 years from 16 December 1990
PTD 103250, Jalan Idaman 3/9 Taman Perindustrian Senai Johor, Malaysia	Factory-cum-office building	Freehold
1 Tuas South Street 6 Singapore	Industrial building	22.5 years from 2 May 2013
15 Genting Road Singapore	Industrial land	Freehold
Lot 6 Jalan Pasaran 23/5 Selangor Darul Ehsan, Malaysia	Factory-cum-office building	99 years from 15 August 1997

#### 23. Leases – The Group as a lessee

##### Nature of the Group's leasing activities

###### *Leasehold land*

The Group leases various leasehold land from non-related parties under non-cancellable lease agreements. The leases have varying terms, escalation clauses and renewal rights. These land are recognised within property, plant and equipment (Note 22).

There are no externally imposed covenants on these lease arrangements.

###### *Plant and machinery and motor vehicles*

The Group leases certain plant and machinery and motor vehicles from non-related parties under operating leases. Some of these lease arrangements prohibit the Group from subleasing the equipment to third parties.

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**23. Leases – The Group as a lessee (continued)**

(a) *Carrying amounts of ROU assets classified within Property, plant and equipment*

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Leasehold land and buildings	<b>3,576</b>	2,267
Plant and machinery	<b>17,164</b>	18,403
Motor vehicles	<b>3,495</b>	1,313
	<b>24,235</b>	21,983

(b) *Depreciation charge during the financial year*

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Leasehold land and buildings	<b>2,386</b>	2,790
Plant and machinery	<b>2,726</b>	1,889
Motor vehicles	<b>618</b>	421
	<b>5,730</b>	5,100

(c) *Interest expense*

	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Interest expenses on lease liabilities (Note 9)	<b>225</b>	237

(d) *Lease expense not capitalised in lease liabilities*

	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Lease expense – short-term leases	<b>770</b>	249
Lease expense – low-value leases	<b>7</b>	49
	<b>777</b>	298

(e) Total cash outflow for all the leases in 2025 was \$5,592,000 (2024: \$5,485,000).

(f) Addition of ROU assets during the financial year were \$8,083,000 (2024: \$1,309,000).

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 24. Leases – The Group as a lessor

##### Nature of the Group's leasing activities

The Group leases out commercial space to non-related parties under non-cancellable lease agreements. To reduce credit risk, the Group obtains security deposits from the lessees. The lessees are required to pay either absolute fixed annual increases to the lease payments or contingent rents computed based on their sales achieved during the lease period.

Rental income from investment properties are disclosed in Note 21.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Less than one year	<b>860</b>	720
One to two years	<b>169</b>	707
More than two years	-	118
Total undiscounted lease payment	<b>1,029</b>	<b>1,545</b>

#### 25. Goodwill

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Cost</i>		
Balance at 1 January and 31 December	<b>5,078</b>	<b>5,078</b>

Goodwill arising from the Group's acquisition of Koh Brothers Eco Engineering Limited and its subsidiaries is allocated to the "Bio-Refinery and Renewable Energy" CGU.

The Group tests the CGU annually for impairment or more frequently if there are indicators that the goodwill might be impaired.

The recoverable amount of the CGU was determined based on value-in-use calculation. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a one-year period.

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2025

**25. Goodwill (continued)**

Key assumptions used for value-in-use calculations:

	<b>Group</b>	
	<b>2025</b>	2024
Gross margin <sup>[1]</sup>	<b>18%</b>	17%
Terminal growth rate <sup>[2]</sup>	<b>2%</b>	2%
Discount rate <sup>[3]</sup>	<b>14%</b>	14%

<sup>1</sup> Budgeted gross margin

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period

<sup>3</sup> Pre-tax discount rate applied to the pre-tax cash flow projections

Management determined the budgeted gross margin based on past performance and its expectations of market developments. The weighted average growth rates used were consistent with forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant segment. Based on the sensitivity analysis performed by management, a reasonably possible change in the key assumptions above will not result in an impairment in goodwill.

**26. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Current</b>				
<u>Trade payables</u>				
Due to non-related parties	<b>92,582</b>	54,972	-	-
Retention due to subcontractors on construction contracts	<b>1,773</b>	2,900	-	-
<u>Other payables</u>				
Accruals for operating expenses	<b>11,232</b>	10,320	<b>1,524</b>	747
Sundry payables	<b>2,290</b>	2,160	-	-
Deposits and advances received	<b>3,347</b>	2,781	-	-
Due to directors [Note 26(i)]	<b>662</b>	690	<b>383</b>	422
Indirect taxes payable	<b>563</b>	1,813	<b>15</b>	46
Due to non-related parties	<b>5,070</b>	5,070	-	-
Provision for onerous contracts [Note 26(iii)]	<b>30</b>	197	-	-
	<b>117,549</b>	80,903	<b>1,922</b>	1,215
<b>Non-current</b>				
Retention due to subcontractors on construction contracts	<b>9,681</b>	7,374	-	-

(i) The amounts due to directors are unsecured, interest-free and repayable on demand.

(ii) The carrying amount of non-current trade and other payables approximates their fair value.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 26. Trade and other payables (continued)

(iii) Provision for onerous contracts

	Group	
	2025 \$'000	2024 \$'000
Balance at 1 January	197	179
Provision made	1	37
Provision utilised	(168)	(19)
Balance at 31 December	30	197

Provision for onerous contracts is in respect of remaining expected losses arising from non-cancellable construction contracts where the expected total contract costs exceed the total contract sum and is expected to be utilised as these contracts progress towards completion.

#### 27. Bank borrowings and lease liabilities

	Group	
	2025 \$'000	2024 \$'000
<u>Current</u>		
Short-term bank loans		
- Secured	27,995	28,447
- Unsecured	47,460	52,000
	75,455	80,447
Term loans payable within one year (Note 28)	1,392	1,877
Lease liabilities payable within one year	4,298	3,608
	81,145	85,932
<u>Non-current</u>		
Term loans payable after one year (Note 28)	31,343	57,813
Lease liabilities payable after one year	4,801	1,997
	36,144	59,810
Total bank borrowings and lease liabilities	117,289	145,742

The Group's short-term bank loans bear interest rate at the balance sheet date ranging from 1.98% to 4.95% (2024: 3.87% to 5.70%) per annum.

The Group's short-term bank loans are secured over certain Group's investment properties [Note 21(i)] and certain freehold land and buildings [Note 22(iv)].

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 28. Bank borrowings

Group	Due within one year		Due after one year	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Term loans				
- Secured	1,392	800	31,343	57,813
- Unsecured	-	1,077	-	-
	<u>1,392</u>	<u>1,877</u>	<u>31,343</u>	<u>57,813</u>

Term loans amounting to \$32,735,000 (2024: \$58,613,000) are secured over certain investment properties [Note 21(i)] and certain freehold land and buildings [Note 22(iv)] of the Group.

The non-current term loans mature between 2027 and 2047 (2024: 2026 and 2047).

The Group's term loans bear interest rate ranging from 1.98% to 4.24% (2024: 3.87% to 5.04%) per annum, except for a term loan of \$1,077,000 in the previous financial year, which bore interest at fixed rate of 2.10% per annum.

The carrying amounts of the non-current term loans approximate their fair values, as the term loans bear interest at variable rates (2024: except for a term loan which bears interest at fixed rate).

Under the terms of the Group's major non-current term loans, with total carrying amount of \$31,343,000 (2024: \$57,813,000), the Group's aggregate amount of secured term loans outstanding under the relevant facilities shall not exceed 75% to 80% of the mortgaged properties' market values at all times. The Group has complied with these covenants throughout the reporting period.

#### 29. Notes payables

	Group and Company	
	2025 \$'000	2024 \$'000
Balance at 1 January	22,522	22,345
Amortisation of notes issuance expenses	176	177
Balance at 31 December	<u>22,698</u>	<u>22,522</u>

The Company has established a \$250 million Multicurrency Medium Term Note programme, under which the Company may, from time to time, issue notes in series or tranches in Singapore Dollars or in other currencies, in various amounts and tenors and interest rates agreed between Company and the relevant dealer. The net proceeds arising from the issue of notes will be used for general corporate purposes, financing investments and general working capital of the Group.

The Company issued the third series of notes amounting to \$22,750,000 (including \$12,250,000 exchanged from the second series of notes) in October 2022. The new notes bear a fixed rate of 6.50% per annum payable semi-annually in arrear and are due on 17 April 2026.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 29. Notes payables (continued)

At the balance sheet date, the fair value of the notes payables approximates its carrying amounts (2024: \$23,671,000).

Under the terms of the Multicurrency Medium Term Note programme, the Group is required to comply with the following financial covenants at the end of each half-yearly period:

- (i) the Consolidated Tangible Net Worth shall not at any time be less than \$175,000,000;
- (ii) the ratio of Consolidated Net Debt to Consolidated Tangible Net Worth shall not exceed 2.75:1 at any time;
- (iii) the ratio of Consolidated Secured Debt to Consolidated Total Assets must be not exceed 0.65:1 at any time.

The Group has complied with these covenants throughout the reporting period.

#### 30. Share capital, treasury shares and reserves

##### (a) Share capital and treasury shares

<u>Group and Company</u>	No. of ← ordinary shares →		← Amount →	
	Issued share capital '000	Treasury shares '000	Share capital \$'000	Treasury shares \$'000
<b>2025</b>				
Balance at 1 January and 31 December	<b>438,000</b>	<b>(25,541)</b>	<b>36,981</b>	<b>(7,983)</b>
<b>2024</b>				
Balance at 1 January and 31 December	438,000	(25,541)	36,981	(7,983)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

##### (b) Other reserves

<u>Composition</u>	Group	
	2025 \$'000	2024 \$'000
Fair value reserve	<b>(2,954)</b>	(7,524)
Capital reserve	<b>1,596</b>	1,596
Share-based payment reserve	<b>11</b>	13
	<b>(1,347)</b>	<b>(5,915)</b>

Other reserves are non-distributable.

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**30. Share capital, treasury shares and reserves (continued)**

(b) Other reserves (continued)

<u>Movements</u>	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
<i>(i) Fair value reserve</i>		
Balance at 1 January	<b>(7,524)</b>	(8,373)
Fair value gain/(loss) on financial assets, at FVOCI [Note 13(b)]	<b>4,375</b>	849
Transfer to retained earning upon realisation of fair value loss on financial assets, at FVOCI	<b>425</b>	-
Less: Non-controlling interests	<b>(230)</b>	-
Balance at 31 December	<b>(2,954)</b>	<b>(7,524)</b>
	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
<i>(ii) Capital reserve</i>		
Balance at 1 January and 31 December	<b>1,596</b>	1,596

As at 31 December 2025 and 2024, capital reserve comprises goodwill in relation to acquisitions of subsidiaries prior to 1 January 2001.

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
<i>(iii) Share-based payment reserve</i>		
Balance at 1 January	<b>13</b>	16
Performance share plan of a subsidiary		
- Value of employee services (Note 8)	<b>2</b>	#
- Performance shares awarded	<b>(4)</b>	(3)
Balance at 31 December	<b>11</b>	13

# - less than \$1,000

*Performance share plan of a subsidiary*

On 20 April 2017, the shareholders of a listed subsidiary, Koh Brothers Eco Engineering Limited, approved a performance share plan to be known as the "Koh Brothers Eco Engineering Limited Performance Share Plan 2017 ("KBE PSP)". Under the KBE PSP, the total number of shares which may be delivered (whether in the form of shares or in the form of cash in lieu of shares) shall not exceed 20% of the total number of issued shares (excluding treasury shares) from time to time. The KBE PSP shall continue in force at the discretion of its Remuneration Committee subject to a maximum period of 10 years commencing on the date on which KBE PSP is adopted.

No new share awards under the KBE PSP were granted to KBE's employees during the financial years ended 31 December 2025 and 2024. During the financial year, KBE issued 64,980 (2024: 66,710) ordinary shares to its employees pursuant to the vesting of share awards granted under KBE PSP.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 30. Share capital, treasury shares and reserves (continued)

##### (b) Other reserves (continued)

Details of the performance share plan granted by KBE are disclosed in KBE's audited consolidated financial statements for the financial year ended 31 December 2025, which is publicly available.

##### (c) Currency translation reserve

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Balance at 1 January	(11,397)	(11,002)
Net currency translation differences of financial statements of foreign operations	1,308	138
Less: Non-controlling interests	(536)	(533)
Balance at 31 December	<u>(10,625)</u>	<u>(11,397)</u>

#### 31. Dividend

	<b>Company</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Interim dividend paid in respect of the current financial year ended of 0.1 Singapore cent (2024: nil) per share	<u>412</u>	-

At the forthcoming Annual General Meeting, a final and special cash dividend of 0.30 Singapore cent and 0.60 Singapore cent per share respectively amounting to a total of approximately \$3.71 million will be recommended. These financial statements do not reflect these dividends, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2026.

#### 32. Commitments

##### Capital commitments

The Group does not have any capital expenditures contracted for but not recognised in the financial statements as at 31 December 2025 and 2024.

#### 33. Contingent liabilities

In connection with disputed claims amounting to \$37.8 million for variation works and other items under a subcontract with a joint venture, a subsidiary of the Group (in its capacity as the subcontractor) previously applied for arbitration to pursue these claims. Counterclaims amounting to \$37.1 million, which are disputed by the subsidiary, were submitted by the joint venture partner against the subsidiary as part of the arbitration process.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 33. Contingent liabilities (continued)

During the current financial year, the arbitrator issued partial awards providing valuations of the amounts claimed by the subsidiary and the joint venture partner including arbitration-related costs. However, the arbitrator had not apportioned any of the claim amounts to the subsidiary or the joint venture partner, nor did the arbitrator make any dispositive order for payment to be made by any party. The subsidiary has applied to the Singapore High Court for the partial awards to be wholly set aside with the hearing currently scheduled in 2026.

The subsidiary will also apply to set aside the partial award on arbitration-related costs. The dispute remains unresolved and is currently ongoing as at the date of these financial statements.

Based on the currently available information and advice from the legal counsel, no provision for the counterclaims of \$37.1 million has been made as at 31 December 2025.

Management has also taken into consideration this current year development and re-assessed the valuation of the variation works in dispute for inclusion in the total contract sum and revenue recognition. As a result, adjustments were made to carrying value of the contract assets and cumulative revenue recognised.

#### 34. Financial risk management

##### *Financial risk factors*

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. Where possible, the Group seeks to match assets and liabilities of the same currency. Derivative financial instruments are only used where necessary to reduce exposure to fluctuation in foreign exchange rates and interest rates.

##### (a) Market risk

###### (i) *Currency risk*

The Group operates mainly in Asia with operations primarily in Singapore, Malaysia, Indonesia, and South Korea. Entities in the Group transact predominantly in their respective functional currencies, except for balances between entities in the Group.

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Singapore Dollar ("SGD"), United States Dollar ("USD"), and others. The Group monitors the foreign currency exchange rate movements closely to ensure that its exposures are minimised. The Group also has investments in foreign subsidiaries and is exposed to currency translation risk.

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**34. Financial risk management (continued)**

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group's currency exposure is as follows:

<u>Group</u>	SGD \$'000	USD \$'000	Others \$'000	Total \$'000
<b>At 31 December 2025</b>				
<b>Financial assets</b>				
Cash and bank balances	75,402	18,580	20,363	114,345
Investment securities	1,041	10,022	-	11,063
Trade and other receivables	85,919	3,748	5,585	95,252
Amounts due from joint ventures	6,573	-	-	6,573
Inter-company balances	68,160	-	11,987	80,147
	<u>237,095</u>	<u>32,350</u>	<u>37,935</u>	<u>307,380</u>
<b>Financial liabilities</b>				
Notes payables, borrowings and lease liabilities	(139,987)	-	-	(139,987)
Trade and other payables	(106,700)	(712)	(19,788)	(127,200)
Amounts due to joint ventures	(33,643)	-	-	(33,643)
Inter-company balances	(68,160)	-	(11,987)	(80,147)
	<u>(348,490)</u>	<u>(712)</u>	<u>(31,775)</u>	<u>(380,977)</u>
<b>Net financial (liabilities)/assets</b>	<b>(111,395)</b>	<b>31,638</b>	<b>6,160</b>	<b>(73,597)</b>
Less: Net financial liabilities denominated in the respective entities' functional currency	<u>111,361</u>	<u>-</u>	<u>(7,927)</u>	
<b>Net currency exposure</b>	<b>(34)</b>	<b>31,638</b>	<b>(1,767)</b>	

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2025

**34. Financial risk management (continued)**

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group's currency exposure is as follows:(continued)

<b>Group</b>	SGD \$'000	USD \$'000	Others \$'000	Total \$'000
<b>At 31 December 2024</b>				
<b>Financial assets</b>				
Cash and bank balances	42,671	8,904	19,574	71,149
Investment securities	1,408	6,137	-	7,545
Trade and other receivables	75,847	21,464	5,536	102,847
Amounts due from joint ventures	5,971	-	-	5,971
Inter-company balances	66,343	-	7,284	73,627
	<u>192,240</u>	<u>36,505</u>	<u>32,394</u>	<u>261,139</u>
<b>Financial liabilities</b>				
Notes payables, borrowings and lease liabilities	(167,812)	-	(452)	(168,264)
Trade and other payables	(69,370)	(1,209)	(17,501)	(88,080)
Amounts due to joint ventures	(32,065)	-	-	(32,065)
Inter-company balances	(66,343)	-	(7,284)	(73,627)
	<u>(335,590)</u>	<u>(1,209)</u>	<u>(25,237)</u>	<u>(362,036)</u>
<b>Net financial assets/(liabilities)</b>	(143,350)	35,296	7,157	(100,897)
Less: Net financial liabilities denominated in the respective entities' functional currency	143,233	-	(12,477)	
<b>Net currency exposure</b>	<u>(117)</u>	<u>35,296</u>	<u>(5,320)</u>	

As at 31 December 2025 and 2024, the Company's business operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies. All financial assets and financial liabilities are mainly denominated in SGD.

If the USD changes against the SGD by 5% (2024: 5%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial assets and liabilities will be as follows:

<b>Group</b>	<b>Increase/(decrease)</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
USD against SGD		
- Strengthened	<b>1,313</b>	1,465
- Weakened	<b>(1,313)</b>	(1,465)

The Group has insignificant exposure to other foreign currencies as at 31 December 2025 and 2024.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 34. Financial risk management (continued)

##### (a) Market risk (continued)

###### (ii) *Interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has no significant interest-bearing assets. The Group's exposure to cash flow interest rate risks arises mainly from the Group's debt obligations. The Group manages its cash flow interest rate risks by adopting a preference for fixed rate instruments over variable-rate instruments.

The Group's borrowings at variable rates are denominated mainly in SGD. If the SGD interest rates increase/decrease by 1% (2024: 1%) with all other variables including tax rate being held constant, the Group's profit after tax (2024: loss after tax) will be lower/higher (2024: higher/lower) by \$898,000 (2024: \$1,154,000) as a result of higher/lower interest expense on these borrowings.

###### (iii) *Price risk*

The Group is exposed to equity and debt securities price risk arising from the quoted investments held by the Group which are classified as financial assets, at FVOCI. These securities are listed in Singapore and in USA. The Group is not exposed to commodity price risk.

If prices for the equity and debt securities listed in Singapore and in USA change by 10% (2024: 10%) with all other variables including tax rate being held constant, the effects would have been:

	Increase/(decrease)	
	2025	2024
	\$'000	\$'000
<b><u>Group</u></b>		
- Increase by 10%	1,106	755
- Decrease by 10%	(1,106)	(755)
	<u>          </u>	<u>          </u>

The Company is not exposed to any price risk for the financial year ended 31 December 2025 and 2024.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 34. Financial risk management (continued)

##### (b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, where cash term, advance payments, bankers' guarantees and performance bonds are required for customers of lower credit standing; and
- High credit quality counterparties.

The Group's investments in quoted debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration. The trade receivables of the Group comprise 5 debtors (2024: 5 debtors) that accounted for approximately 37% (2024: 63%) of the balance.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except for corporate guarantees as follows:

	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
<b><u>Group</u></b>		
Corporate guarantees provided to banks on		
- Joint ventures' loan	<b>130,000</b>	130,000
<b><u>Company</u></b>		
Corporate guarantees provided to banks on		
- Subsidiaries' loan	<b>77,893</b>	89,525
- Joint ventures' loan	<b>130,000</b>	130,000

Information on trade receivables provided to key management are as follows:

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
<b><i>By geographical areas</i></b>		
Singapore	<b>52,845</b>	34,691
Malaysia	<b>3,654</b>	4,524
Indonesia	<b>2,499</b>	22,030
Others	<b>2,410</b>	52
	<b>61,408</b>	61,297
<b><i>By industry sectors</i></b>		
Construction and Building Materials	<b>60,854</b>	59,806
Real Estate	<b>544</b>	1,483
Leisure & Hospitality	<b>10</b>	8
	<b>61,408</b>	61,297

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 34. Financial risk management (continued)

##### (b) Credit risk (continued)

The movement in credit loss allowance are as follows:

	Group	
	2025 \$'000	2024 \$'000
<u>Trade receivables</u> <sup>(1)</sup>		
Balance at 1 January	2,227	1,169
Loss allowance recognised in profit or loss on assets acquired/originated (Note 7)	724	1,056
Currency translation difference	48	2
Balance at 31 December (Note 14)	<u>2,999</u>	<u>2,227</u>
<u>Contract assets</u> <sup>(1)</sup>		
Balance at 1 January	556	-
Loss allowance recognised in profit or loss on assets acquired/originated (Note 7)	119	556
Currency translation difference	37	-
Balance at 31 December [Note 4(b)]	<u>712</u>	<u>556</u>

<sup>(1)</sup> Loss allowance measured at lifetime expected credit loss

The Group's other receivables are subject to immaterial credit loss. Within other receivables are non-trade amounts due from non-related parties of \$30,127,000 (2024: \$30,127,000) [Note 14(ii)] which are considered to have low credit risk. This was based on management's assessment of the debtors' financial position and performance, cash flows, valuation of their residential properties held and their ability to repay via realisation of these residential properties.

The Company's debt financial assets are subject to immaterial credit loss.

##### (i) Trade receivables and contract assets

In measuring the expected credit losses ("ECL"), trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate mainly to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts.

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts for forward-looking macroeconomic data. The Group has identified the gross domestic product ("GDP") growth of the countries in which it sells goods and services to be the most relevant factor, and accordingly adjust the historical loss rates based on expected changes in this factor.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 34. Financial risk management (continued)

##### (b) Credit risk (continued)

##### (i) Trade receivables and contract assets (continued)

The Group considers a financial asset to be in default when the counterparty fails to make contractual payments for a prolonged period of time when they fall due, and the Group may also consider internal and external information, such as significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation. Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flow, such as a debtor failing to engage in a repayment plan with the Group and it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Management has assessed and concluded that the expected credit loss rate for trade receivables past due less than 1 year is immaterial, while the expected credit loss rate for trade receivables past due more than 1 year approximates 50% to 100%, except for specific cases where management has assessed the amount is still fully recoverable.

The Group's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 are set out as follows:

	←	←	←	→	
	Current	1 to 6 months	Past due 7 to 12 months	Over 12 months	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>					
<b>At 31 December 2025</b>					
<b>Construction and Building</b>					
<b>Materials</b>					
Contract assets	146,079	-	-	-	146,079
Trade receivables	54,695	5,156	1,402	1,894	63,147
Loss allowance	(437)	(349)	(325)	(1,894)	(3,005)
<b>Real Estate</b>					
Trade receivables	-	92	9	1,149	1,250
Loss allowance	-	-	-	(706)	(706)
<b>Leisure &amp; Hospitality</b>					
Trade receivables	10	-	-	-	10
Loss allowance	-	-	-	-	-

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2025

**34. Financial risk management (continued)**

(b) Credit risk (continued)

(i) *Trade receivables and contract assets* (continued)

	Current \$'000	← 1 to 6 months \$'000	Past due 7 to 12 months \$'000	→ Over 12 months \$'000	Total \$'000
<b>Group</b>					
<b>At 31 December 2024</b>					
<b>Construction and Building Materials</b>					
Contract assets	104,241	-	-	-	104,241
Trade receivables	48,190	9,569	1,019	2,549	61,327
Loss allowance	(556)	(405)	-	(1,116)	(2,077)
<b>Real Estate</b>					
Contract assets	28,253	-	-	-	28,253
Trade receivables	968	61	11	1,149	2,189
Loss allowance	-	-	-	(706)	(706)
<b>Leisure &amp; Hospitality</b>					
Trade receivables	8	-	-	-	8
Loss allowance	-	-	-	-	-

(ii) *Financial guarantee contracts*

The Company has issued financial guarantees to banks for borrowings of its subsidiaries and joint ventures. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries and these joint ventures have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(c) Liquidity risk

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
<b>Group</b>				
<b>At 31 December 2025</b>				
Payables	151,162	-	9,681	-
Borrowings and lease liabilities	84,177	5,090	8,326	29,705
Notes payables	23,189	-	-	-
Financial guarantee contracts	130,000	-	-	-
<b>At 31 December 2024</b>				
Payables	112,771	2,774	4,600	-
Borrowings and lease liabilities	92,551	30,279	6,686	41,485
Notes payables	1,175	23,181	-	-
Financial guarantee contracts	130,000	-	-	-

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 34. Financial risk management (continued)

##### (c) Liquidity risk (continued)

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows. (continued)

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
<b>Company</b>				
<b>At 31 December 2025</b>				
Payables	1,922	-	-	-
Amounts due to subsidiaries	42,508	19,011	-	-
Notes payables	23,189	-	-	-
Financial guarantee contracts	207,893	-	-	-
<b>At 31 December 2024</b>				
Payables	1,215	-	-	-
Amounts due to subsidiaries	39,678	19,011	-	-
Notes payables	1,175	23,181	-	-
Financial guarantee contracts	219,525	-	-	-

The Group and Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities.

##### (d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The gearing ratio is calculated as net debt divided by shareholders' funds. Net debt is calculated as notes payables, bank borrowings and lease liabilities less cash and bank balances.

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Net debt	25,642	97,115
Shareholders' funds	282,963	259,885
<b>Gearing ratio (times)</b>	<b>0.09</b>	<b>0.37</b>

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2025 and 2024 respectively.

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 34. Financial risk management (continued)

##### (e) Fair value measurements

The following presents the assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted price (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

See Note 21 for disclosure of the investment properties that are measured at fair value.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group</b>				
<b>31 December 2025</b>				
<i>Assets</i>				
Financial assets, at FVOCI	<b>11,063</b>	-	-	<b>11,063</b>
<b>31 December 2024</b>				
<i>Assets</i>				
Financial assets, at FVOCI	7,545	-	-	7,545

The Company has no financial assets measured at fair value as at 31 December 2025 and 31 December 2024.

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

##### (f) Financial instrument by category

The carrying amounts of financial assets measured at FVOCI are disclosed in Note 13.

The aggregate carrying amounts of financial assets and liabilities at amortised cost are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Financial assets at amortised cost	<b>216,170</b>	179,967	<b>34,463</b>	24,375
Financial liabilities at amortised cost	<b>300,830</b>	288,409	<b>86,139</b>	82,426

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

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**35. Related party transactions**

In addition to the related party information disclosed elsewhere in the financial statements, the Group has significant transactions with related parties on terms agreed between the parties concerned as shown below:

(a) Sales and purchases of goods and services

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Progressive billing recognised from sale of residential properties to related parties	<b>523</b>	1,570

Related party comprises companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

Outstanding balances at 31 December 2025 and 2024, arising from sale/purchase of goods and services, are disclosed in Notes 14, 15, and 26.

(b) Key management personnel compensation

Key management personnel compensation is analysed as follows:

	<b>Group</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Salaries and other short-term employee benefits	<b>9,405</b>	7,307
Post-employment benefits – contribution to Central Provident Fund	<b>279</b>	240
	<b>9,684</b>	7,547

Included in the above was total directors' fees to directors of the Company amounting to approximately \$448,106 (2024: \$424,691).

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2025*

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#### **36. Segment information**

Management has determined the operating segments based on the reports reviewed by the Executive Committee (“Exco”) that are used to make strategic decisions. The Exco comprises the Executive Chairman and Group Chief Executive Officer and Executive Directors.

The Exco considers the business from a business segment perspective. Management manages and monitors the business in three main business segments which are Construction and Building Materials, Real Estate and Leisure & Hospitality. The Exco assesses the performance of these business segments based on sales, segment results, segment assets and segment liabilities.

- (a) Construction and Building Materials – This business segment undertakes construction activities for “Engineering and Construction”, “Bio-Refinery and Renewable Energy” segments and sales of building materials. Management has aggregated the above businesses under Construction and Building Materials as they have similar economic growth prospects.
- (b) Real Estate – This business segment involves real estate development and rental of properties.
- (c) Leisure & Hospitality – This business segment involves hotel and leisure operations.

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**36. Segment information (continued)**

The segment information and the reconciliations of segment results to profit/(loss) before tax and segment assets and liabilities to total assets and liabilities are as follows:

<b>Group (\$'000)</b>	Construction and Building Materials	Real Estate	Leisure & Hospitality	Others	Total
<b>2025</b>					
<b>Sales</b>					
- External	320,970	5,174	3,249	-	329,393
- Inter-segment	3,696	1,008	-	902	5,606
	<u>324,666</u>	<u>6,182</u>	<u>3,249</u>	<u>902</u>	<u>334,999</u>
Elimination					(5,606)
					<u>329,393</u>
<b>Results</b>					
Segment results					
- Company and subsidiaries	27,953	2,436	(51)	674	31,012
- Associated companies	(16)	-	-	-	(16)
- Joint ventures	-	2,999	-	-	2,999
Earnings/(loss) before interest and tax	<u>27,937</u>	<u>5,435</u>	<u>(51)</u>	<u>674</u>	<u>33,995</u>
Interest income (Note 5)					1,937
Finance expenses (Note 9)					(6,329)
Profit before income tax					<u>29,603</u>
<b>Other information</b>					
Capital expenditure	12,740	197	86	-	13,023
Depreciation	9,193	97	375	-	9,665
Cost of sales	285,790	2,141	2,359	-	290,290
Gain on disposal of property, plant and equipment	15,854	-	-	-	15,854
<b>As at 31 December 2025</b>					
<b>Segment assets</b>	319,451	170,808	24,293	671	515,223
Joint ventures	-	93,764	-	-	93,764
<u>Unallocated assets:</u>					
Short-term bank deposits					62,113
Investment securities					11,063
<b>Consolidated total assets</b>					<u>682,163</u>
<b>Segment liabilities</b>	153,625	41,794	411	1,615	197,445
<u>Unallocated liabilities:</u>					
Current income tax liabilities					1,599
Deferred income tax liabilities					5,645
Bank borrowings, notes payables, and lease liabilities					139,987
<b>Consolidated total liabilities</b>					<u>344,676</u>

**KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**36. Segment information (continued)**

<b>Group (\$'000)</b>	Construction and Building Materials	Real Estate	Leisure & Hospitality	Others	Total
<b>2024</b>					
<b>Sales</b>					
- External	224,257	10,520	3,617	-	238,394
- Inter-segment	667	839	-	666	2,172
	<u>224,924</u>	<u>11,359</u>	<u>3,617</u>	<u>666</u>	<u>240,566</u>
Elimination					<u>(2,172)</u>
					<u>238,394</u>
<b>Results</b>					
Segment results					
- Company and subsidiaries	(7,395)	4,408	303	1,058	(1,626)
- Associated companies	(116)	-	-	-	(116)
- Joint ventures	-	5,346	-	-	5,346
(Loss)/earnings before interest and tax	<u>(7,511)</u>	<u>9,754</u>	<u>303</u>	<u>1,058</u>	<u>3,604</u>
Interest income (Note 5)					1,565
Finance expenses (Note 9)					<u>(12,254)</u>
Loss before income tax					<u>(7,085)</u>
<b>Other information</b>					
Capital expenditure	3,394	89	126	-	3,609
Depreciation	8,054	73	386	-	8,513
Cost of sales	210,289	6,521	2,319	-	219,129
<b>As at 31 December 2024</b>					
<b>Segment assets</b>	271,569	201,709	24,358	661	498,297
Associated companies	168	-	-	-	168
Joint ventures	-	94,265	-	-	94,265
<b>Unallocated assets:</b>					
Income tax receivables					730
Short-term bank deposits					26,520
Investment securities					7,545
<b>Consolidated total assets</b>					<u>627,525</u>
<b>Segment liabilities</b>	99,986	42,536	476	485	143,483
<b>Unallocated liabilities:</b>					
Current income tax liabilities					1,213
Deferred income tax liabilities					6,343
Bank borrowings, notes payables, and lease liabilities					<u>168,264</u>
<b>Consolidated total liabilities</b>					<u>319,303</u>

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 36. Segment information (continued)

The measurement of segment sales, results, assets and liabilities are as follows:

- (a) Inter-segment transactions are determined on an arm's length basis. The sales from external parties reported to the Exco are measured in a manner consistent with that in the statement of comprehensive income.
- (b) The Exco assesses the performance of the business segments based on a measure of earnings before interest and tax for continuing operations. This measurement excludes the income or expenses that are not expected to recur regularly in every period. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Group Treasury, which manages the cash performance of the Group.
- (i) The amounts provided to the Exco with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than income tax receivables, short-term bank deposits and investment securities.
- (ii) The amounts provided to the Exco with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments other than current income tax liabilities, deferred income tax liabilities, bank borrowings, notes payables and lease liabilities.

#### Geographical information

The Group's three business segments operate in four main geographical areas: Singapore, Malaysia, Indonesia and others.

The following table presents sales and non-current assets information for the main geographical areas for the financial years ended 31 December 2025 and 2024.

	Total sales	
	2025 \$'000	2024 \$'000
<b>Group</b>		
Singapore	264,803	170,653
Malaysia	29,039	21,192
Indonesia	26,078	36,419
Others	9,473	10,130
	<b>329,393</b>	<b>238,394</b>

  

	Total non-current assets	
	2025 \$'000	2024 \$'000
<b>Group</b>		
Singapore	366,197	328,199
Malaysia	6,800	11,952
Others	6,877	8,146
	<b>379,874</b>	<b>348,297</b>

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 36. Segment information (continued)

##### Information about major customers

Revenue of approximately 45% (2024: 30%) are derived from two (2024: one) major customer. These revenues are attributable to the Construction and Building Materials segment.

#### 37. Significant Group companies

The Group's significant subsidiaries, joint ventures, joint operations and associated companies at 31 December 2025 and 2024 are as follows:

Name of company	Country of incorporation and business	Principal activities	Effective holding by the Group	
			2025	2024
<b>SUBSIDIARIES</b>				
<b>Held by the Company:</b>				
Construction Consortium Pte Ltd <sup>a</sup>	Singapore	Investment holding	100%	100%
Koh Brothers Development Pte Ltd <sup>a</sup>	Singapore	Property development and management services	100%	100%
Koh Brothers Eco Engineering Limited <sup>a</sup>	Singapore	Investment holding and management services	54.81%	54.81%
Koh Brothers Holdings Pte Ltd <sup>a</sup>	Singapore	Investment holding and property investment	100%	100%
Koh Brothers Investment Pte Ltd <sup>a</sup>	Singapore	Hotel investment	100%	100%
Oxford Hotel Pte Ltd <sup>a</sup>	Singapore	Hotel management	100%	100%
<b>Held by subsidiaries:</b>				
G & W Industrial Corporation Pte Ltd <sup>a</sup>	Singapore	Investment holding	100%	100%
G & W Precast Pte Ltd <sup>a</sup>	Singapore	Manufacture of precast products	100%	100%
G & W Ready-Mix Pte Ltd <sup>a</sup>	Singapore	Manufacture of building materials	100%	100%
KBD Kosdale Pte Ltd <sup>a</sup>	Singapore	Property investment	100%	100%
KBD Holland Pte Ltd <sup>a</sup>	Singapore	Property development	100%	100%
Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd <sup>a</sup>	Singapore	Engineering and construction	54.81%	54.81%
Kosland Pte Ltd <sup>a</sup>	Singapore	Property investment	100%	100%
Oiltek International Limited <sup>a</sup>	Singapore	Investment holding	37.35%	37.35%
Oiltek Sdn Bhd <sup>b</sup>	Malaysia	Specialist engineers	37.35%	37.35%
Oiltek Global Energy Sdn Bhd <sup>b</sup>	Malaysia	Specialist engineers	37.35%	37.35%
G & W Building Materials Sdn Bhd <sup>g</sup>	Malaysia	Manufacture of building materials	100%	100%
PT Koh Brothers Indonesia <sup>d</sup>	Indonesia	Property investment and development	100%	100%
<b>JOINT VENTURE COMPANIES</b>				
<b>Held by subsidiaries:</b>				
Canberra Development Pte Ltd <sup>c</sup>	Singapore	Property investment	50%	50%
FEC Skypark Pte Ltd <sup>a</sup>	Singapore	Property development	20%	20%
<b>JOINT OPERATIONS</b>				
<b>Held by a subsidiary:</b>				
Samsung – Koh Brothers Joint Venture <sup>f, #</sup>	Singapore	Construction	16.44%	16.44%
POKB JV <sup>i, #</sup>	Singapore	Construction	19.18%	19.18%
Koh Brothers – China Harbour Joint Venture <sup>a, #</sup>	Singapore	Construction	32.89%	32.89%
PK JV <sup>i, #</sup>	Singapore	Construction	19.18%	-

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

#### 37. Significant Group companies (continued)

Name of Company	Country of incorporation and business	Principal activities	Effective holding by the Group	
			2025	2024

##### ASSOCIATED COMPANY

##### Held by subsidiary:

Tricaftan Environmental Technology Pte Ltd <sup>e, j</sup>	Singapore	Construction and project management	-	21.93%
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a Audited by PricewaterhouseCoopers LLP, Singapore.

b Audited by PricewaterhouseCoopers PLT, Malaysia.

c Audited by Ernst & Young LLP, Singapore.

d Audited by Riyanto, SE, Ak, Registered Public Accountants.

e Audited by Apen Chartered Accountants, Singapore.

f Audited by RSM Chio Lim LLP, Singapore.

g Audited by Forvis Mazars PLT, Malaysia.

h In accordance with Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit and Risk Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries, joint venture companies and associated companies would not compromise the standard and effectiveness of the audit of the Group.

i Audited by PricewaterCoopers LLP, Singapore for purpose of audit of the consolidated financial statements of the Group only.

j Disposed in 2025.

# These partnerships are regarded as joint operations in accordance with SFRS(I) 11 Joint Arrangements as the joint venture agreements for these partnerships require unanimous consent from all parties and the partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. Therefore these partnerships are classified as joint operations and the Group recognise its direct right to the jointly held assets, liabilities, revenues and expenses as described in Note 2.4(d).

#### 38. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2026 and which the Group has not early adopted.

##### **SFRS(I) 18 – Presentation and Disclosure in Financial Statements**

(effective for annual periods beginning on or after 1 January 2027)

SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though SFRS(I) 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- (a) Although the adoption of SFRS (I) 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:

## KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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#### 38. New or revised accounting standards and interpretations (continued)

- Foreign exchange differences currently aggregated in the line item 'other income and other gains – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- (b) The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.
- (c) The Group does not expect significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosure required for:
  - (i) Management-defined performance measures;
  - (ii) A break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
  - (iii) For the first annual period of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

#### 39. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Koh Brothers Group Limited on 23 March 2026.