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Restrictions: The attached supplemental information memorandum is being furnished in connection with an offering of notes exempt from registration under the U.S Securities Act of 1933, as amended (the “**Securities Act**”) solely for the purpose of enabling a prospective investor to consider the subscription for or purchase of the securities described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES (“U.S.”) OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY NOTES TO BE ISSUED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE U.S., OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS AND THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE OF THE U.S. IN RELIANCE ON REGULATION S OF THE SECURITIES ACT.

THE ATTACHED SUPPLEMENTAL INFORMATION MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE DEALERS (AS DEFINED BELOW) AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS ELECTRONIC COMMUNICATION OR THE ATTACHED SUPPLEMENTAL INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE SECURITIES LAWS OF OTHER JURISDICTIONS.

UNDER NO CIRCUMSTANCES SHALL THE ATTACHED SUPPLEMENTAL INFORMATION MEMORANDUM CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE NOTES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL.

Confirmation of Your Representation: By accessing the attached supplemental information memorandum you confirm to each of Koh Brothers Group Limited (the “**Issuer**”), CIMB Bank Berhad, Singapore Branch and United Overseas Bank Limited (together the “**Dealers**”) that (i) you understand and agree to the terms set out herein, (ii) you are not and the e-mail address which you have provided and to which the attached supplemental information memorandum has been sent is not in the U.S., its territories and possessions, (iii) you consent to delivery of the attached supplemental information memorandum and any amendments or supplements thereto by electronic transmission, (iv) you will not transmit the attached supplemental information memorandum (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the prior written consent of the Dealers and (v) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe for or purchase any notes described therein.

By accepting this e-mail and accessing the attached supplemental information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the “**SFA**”)) pursuant to Section 274 of the SFA or an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, and (B) agree to be bound by the limitations and restrictions described therein. Any reference to the **SFA** is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The attached supplemental information memorandum has been made available to you in electronic form. You are reminded that documents or information transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Dealers or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the supplemental information memorandum distributed to you in electronic format and the hard copy version.

The attached supplemental information memorandum or any materials relating to the offering of notes do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of notes be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of notes shall be deemed to be made by the dealers or such affiliate on behalf of the Issuer in such jurisdiction. The attached supplemental information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached supplemental information memorandum on the basis that you are a person into whose possession the attached supplemental information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached supplemental information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you are not authorised and will not be able to subscribe for or purchase any of the notes described therein.**

Actions that You May Not Take: If you receive the attached supplemental information memorandum by e-mail, you should not reply by e-mail, and you may not subscribe or purchase any notes described therein by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

You are responsible for protecting against viruses and other destructive items. If you receive the attached supplemental information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



KOH BROTHERS GROUP LIMITED

(Incorporated in the Republic of Singapore on 2 February 1994)

(UEN/Company Registration Number: 199400775D)

**UP TO S\$40,000,000 IN PRINCIPAL AMOUNT OF 5.20 PER CENT. NOTES DUE
2030 PURSUANT TO THE
S\$250,000,000
MULTICURRENCY MEDIUM TERM NOTE PROGRAMME**

This Supplemental Information Memorandum (the “**Supplemental Information Memorandum**”) is issued solely in respect of up to S\$40,000,000 in principal amount of 5.20 per cent. Notes due 2030 (the “**Series 4 Notes**”) by Koh Brothers Group Limited (the “**Issuer**”). This Supplemental Information Memorandum is supplement to, and should be read in conjunction with, the information memorandum dated 3 October 2017 (the “**Original Information Memorandum**”) and, together with this Supplemental Information Memorandum, the “**Information Memorandum**”) and all other documents that are deemed to be incorporated by reference therein in relation to the S\$250,000,000 Multicurrency Medium Term Note Programme (the “**Programme**”) of the Issuer. Save to the extent defined in this Supplemental Information Memorandum, terms defined or otherwise attributed meanings in the Original Information Memorandum have the same meaning when used in this Supplemental Information Memorandum. References in the Original Information Memorandum and this Supplemental Information Memorandum to “this Information Memorandum” mean the Original Information Memorandum as supplemented by this Supplemental Information Memorandum. To the extent that the Original Information Memorandum is inconsistent with this Supplemental Information Memorandum, the terms of this Supplemental Information Memorandum shall prevail.

This Supplemental Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act 2001 of Singapore, as amended from time to time (the “**SFA**”). Accordingly, this Supplemental Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Series 4 Notes to be issued by the Issuer pursuant to the Programme may not be circulated or distributed, nor may the Series 4 Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore. Any reference to the “**SFA**” is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Application will be made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and the listing of and quotation of the Series 4 Notes to be issued pursuant to the Programme. Such permission will be granted when the Series 4 Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List, and the listing and quotation of the Series 4 Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Programme or such Series 4 Notes.

An investment in the Series 4 Notes involves certain risks. For a discussion of these risks see “Investment Considerations” of the Original Information Memorandum and pages 34 to 50 of this Supplemental Information Memorandum.

Dealers



TABLE OF CONTENTS

	Page
NOTICE.....	1
DEFINITIONS.....	6
CORPORATE INFORMATION.....	7
THE ISSUER.....	8
SELECTED CONSOLIDATED FINANCIAL INFORMATION.....	26
INVESTMENT CONSIDERATIONS.....	34
CLEARING AND SETTLEMENT.....	51
SINGAPORE TAXATION.....	53
SUBSCRIPTION, PURCHASE AND DISTRIBUTION.....	58

APPENDICES

I:	GENERAL AND OTHER INFORMATION.....	AI-1
II:	AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024.....	AII-1
III:	AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025	AIII-1

NOTICE

CIMB Bank Berhad, Singapore Branch and United Overseas Bank Limited (the “**Relevant Dealers**”) have been authorised by the Issuer to jointly lead-manage the issue of the Series 4 Notes.

This Supplemental Information Memorandum contains information with regard to the Issuer, its subsidiaries and associated companies (if any), the Programme and the Series 4 Notes. The Issuer confirms, to the best of its knowledge and belief having made reasonable enquiries, that the Original Information Memorandum (as supplemented by this Supplemental Information Memorandum) contains all information which is material in the context of the Programme or the issue and offering of the Series 4 Notes, that all the information contained in the Original Information Memorandum (as supplemented by this Supplemental Information Memorandum) is true and accurate in all material respects, that the opinions, expectations and intentions expressed in the Original Information Memorandum (as supplemented by this Supplemental Information Memorandum) have been carefully considered, are based on all relevant considerations and facts existing at the date of the Original Information Memorandum (as supplemented by this Supplemental Information Memorandum) and are fairly, reasonably and honestly held by the directors of the Issuer, and that there are no other facts the omission of which in the context of the Programme or the issue and offering of the Series 4 Notes would make any such information or expressions of opinion, expectation or intention misleading in any material respect.

No person has been authorised to give any information or to make any representation other than those contained in this Supplemental Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Trustee or the Relevant Dealers. The delivery or dissemination of this Supplemental Information Memorandum (or any part thereof) at any time after the date of this Supplemental Information Memorandum does not imply that the information contained in this Supplemental Information Memorandum or any part of this Supplemental Information Memorandum is correct at any time after such date. Save as expressly stated in this Supplemental Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries or associated companies (if any). Neither this Supplemental Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue and offering of the Series 4 Notes may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Trustee or the Relevant Dealers to subscribe for or purchase, any of the Series 4 Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Supplemental Information Memorandum or any such other document or information (or any part thereof) and the offer of the Series 4 Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Supplemental Information Memorandum or any such other document or information (or any part thereof) or into whose possession this Supplemental Information Memorandum or any such other document or information (or any part thereof) comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Series 4 Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States and the Series 4 Notes are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Series 4 Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations hereunder).

The Series 4 Notes are being offered and sold outside the U.S. to non-U.S. persons in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Series 4 Notes and distribution of this Supplemental Information Memorandum see the section "Subscription, Purchase and Distribution" in the Information Memorandum.

Neither this Supplemental Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Series 4 Notes shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer or the Relevant Dealers to subscribe for or purchase, any of the Series 4 Notes.

This Supplemental Information Memorandum and any other documents or materials in relation to the issue, offering, purchase or sale of the Series 4 Notes have been prepared solely for the purpose of the initial sale by the Relevant Dealers of the Series 4 Notes. This Supplemental Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are institutional investors (as defined in Section 4A of the SFA) or accredited investors (as defined in Section 4A of the SFA) and may not be relied upon by any person other than persons to whom the Series 4 Notes are sold or with whom they are placed by the Relevant Dealers or for any other purpose. Recipients of this Supplemental Information Memorandum shall not reissue, circulate or distribute this Supplemental Information Memorandum or any part thereof (including copies thereof) in any manner whatsoever.

Neither the issue nor delivery of this Supplemental Information Memorandum (or any part thereof), nor the issue, offering, purchase, subscription for, or sale of the Series 4 Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the business, financial position, prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Supplemental Information Memorandum has been most recently amended or supplemented. Nothing herein is or may be relied upon as, a promise or representation of the Issuer's and/or the Group's future performance or policies.

None of the Relevant Dealers or the Trustee has separately verified the information contained in this Supplemental Information Memorandum. None of the Relevant Dealers, the Trustee or any of their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Series 4 Notes or the subscription, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, neither Relevant Dealer makes any representation or warranty as to the Issuer, its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274 and 275 or any other provisions of the SFA) and in the documents which are incorporated by reference in, and form part of, this Supplemental Information Memorandum.

Neither this Supplemental Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Series 4 Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Relevant Dealers or the Trustee that any recipient of this Supplemental Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Series 4 Notes. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the

creditworthiness of the Issuer, its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Relevant Dealers or the Trustee or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Supplemental Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Supplemental Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase, subscription, or acquisition of any of the Series 4 Notes by a recipient of this Supplemental Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, neither Relevant Dealer accepts any responsibility for the contents of the Information Memorandum (as supplemented by this Supplemental Information Memorandum) or for any other statement, made or purported to be made by either Relevant Dealer or on its behalf in connection with the Issuer, the Programme, or the issue and offering of the Series 4 Notes. Each Relevant Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of the Information Memorandum (as supplemented by this Supplemental Information Memorandum) or any such statement.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Supplemental Information Memorandum: (1) any annual reports, audited consolidated financial statements and/or unaudited consolidated financial statements/results of the Issuer and its subsidiaries and associated companies (if any), and (2) any supplement or amendment to this Supplemental Information Memorandum issued by the Issuer. This Supplemental Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and the Pricing Supplement in respect of the Series 4 Notes. Any statement contained in this Supplemental Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Supplemental Information Memorandum to the extent that a statement contained in this Supplemental Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Supplemental Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein). Copies of the documents listed in (1) above which are deemed to be incorporated by reference in this Information Memorandum may be obtained at the SGX-ST's website at www.sgx.com.

Website(s) referenced in this Supplemental Information Memorandum are intended as guides to where other public information relating to the Issuer, their subsidiaries and associated companies (if any) may be obtained free of charge. Unless otherwise incorporated by reference, information appearing on such website(s) do not form part of this Supplemental Information Memorandum and none of the Issuer, its subsidiaries or associated companies (if any), the Relevant Dealers or the Trustee accepts any responsibility whatsoever that such information, if available, is accurate and/or up to date. Such information, if available, should not form the basis of any investment decision by an investor to subscribe for or purchase any of the Series 4 Notes.

Any purchase, subscription, or acquisition of the Series 4 Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined in the Original Information Memorandum) and the issue of the Series 4 Notes by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase, subscription, or acquisition of the Series 4 Notes or pursuant to this Supplemental

Information Memorandum shall (without any liability or responsibility on the part of the Issuer or either Relevant Dealer) lapse and cease to have any effect if (for any other reason whatsoever) the Series 4 Notes are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and the totals thereof are due to rounding.

The attention of recipients of this Supplemental Information Memorandum is drawn to the restrictions on resale of the Series 4 Notes set out under the section “Subscription, Purchase and Distribution” on pages 58 to 60 of this Supplemental Information Memorandum.

Any person(s) who is/are invited to purchase or subscribe for the Series 4 Notes or to whom this Supplemental Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Series 4 Notes or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase the Series 4 Notes consult their own legal, financial, tax and other advisers before purchasing, subscribing for, or acquiring the Series 4 Notes.

Prospective purchasers of the Series 4 Notes are also recommended to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposition of the Series 4 Notes.

PRIIPS REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Series 4 Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (b) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (c) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Series 4 Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Series 4 Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPS REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS – From (and including) the date of this Supplemental Information Memorandum up to (but excluding) 6 April 2026, the Series 4 Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is neither: (a) a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); nor (b) a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Series 4 Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Series 4 Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – From (and including) 6 April 2026, the Series 4 Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Series 4 Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Series 4 Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

DEFINITIONS

This section supplements the section “DEFINITIONS” appearing on pages 5 to 8 of the Original Information Memorandum. Terms defined in the Original Information Memorandum have the same meaning in this Supplemental Information Memorandum save as expressly defined herein.

“BCA”	: Building and Construction Authority.
“Companies Act”	: The Companies Act 1967 of Singapore, as amended or modified from time to time.
“Directors”	: The directors (including alternate directors, if any) of the Issuer as at the date of this Supplemental Information Memorandum.
“Exchange Agent”	: Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd).
“FY”	: Financial year ended or ending 31 December.
“Group”	: The Issuer and its subsidiaries.
“HDB”	: The Housing and Development Board.
“ITA”	: Income Tax Act 1947 of Singapore, as amended or modified from time to time.
“Latest Practicable Date”	: 20 March 2026.
“LTA”	: Land Transport Authority.
“MRT”	: Mass Rapid Transit.
“PUB”	: Public Utilities Board.
“Relevant Dealers”	: CIMB Bank Berhad, Singapore Branch and United Overseas Bank Limited.
“SFA”	: Securities and Futures Act 2001 of Singapore, as amended or modified from time to time.
“SFRS(I)”	: Singapore Financial Reporting Standards (International).
“SGX-ST”	: Singapore Exchange Securities Trading Limited.
“subsidiary”	: Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act 1967 of Singapore, as amended or modified from time to time).
“TOP”	: Temporary Occupation Permit.
“UK”	: United Kingdom.
“S\$” or “\$” and “cents”	: Singapore dollars and cents respectively.
“%”	: per cent.

CORPORATE INFORMATION

Issuer	:	Koh Brothers Group Limited
Board of Directors	:	Koh Keng Siang Koh Teak Huat Koh Keng Hiong Quek Chee Nee Ong Seet Joon Goh Mou Lih Low Yee Khim Ow Yong Thian Soo Sharon Tay Lee Teng
Company Secretary	:	Ong Beng Hong Tan Swee Gek
Registered Office	:	15 Genting Road Singapore 349493
Auditors to the Issuer	:	PricewaterhouseCoopers LLP 7 Straits View Marina One East Tower, Level 12 Singapore 018936
Relevant Dealers	:	CIMB Bank Berhad, Singapore Branch 30 Raffles Place #04-01 CIMB Plaza Singapore 048622 United Overseas Bank Limited 80 Raffles Place #03-01 UOB Plaza 1 Singapore 048624
Legal Advisers to the Relevant Dealers	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuer:		Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Issuing and Paying Agent	:	The Bank of New York Mellon, Singapore Branch 7 Straits View #27-01 Marina One East Tower Singapore 018936
Trustee	:	The Bank of New York Mellon, Singapore Branch 7 Straits View #27-01 Marina One East Tower Singapore 018936

THE ISSUER

This section replaces the section “THE ISSUER” appearing on pages 46 to 63 of the Original Information Memorandum in its entirety.

1. OVERVIEW

The Issuer was incorporated in Singapore on 2 February 1994 as a private company limited by shares. In August 1994, it was converted into a public company and its shares were listed on the Mainboard of the SGX-ST. As at the Latest Practicable Date, the Issuer has a market capitalisation of approximately \$123.7 million.

The Issuer is an investment holding company headquartered in Singapore with businesses primarily in Singapore. For FY2025, approximately 80% of the Group's total revenue was derived from its businesses in Singapore. The Group also has operations in various countries in the region including the manufacturing of pre-cast concrete products in Malaysia; the provision of integrated process technology and renewable energy solutions for the bio-refinery and renewal energy sectors primarily in Malaysia and Indonesia; and property development and investment in Indonesia and South Korea.

The history of the Group dates back to the 1960s when Koh Brothers Building and Civil Engineering Contractor was registered as the sole proprietorship concern of the late Mr Koh Tiat Meng. The completion of the drainage work for the Rochor Canal in the 1970s was a turning point for the Group, which progressed from mainly doing drainage works to securing projects for the construction of flyovers and buildings. The Group later diversified into equipment sale and rental, manufacturing, hotels and real estate development.

In February 2013, the Group broadened its reach into the environmental engineering sector, with a strategic acquisition of a 41%-stake in Metax Engineering Corporation Limited, which is listed on the Catalist Board of the SGX-ST and constitutes a subsidiary of the Issuer (the “**Koh Eco Acquisition**”). Metax Engineering Corporation Limited subsequently changed its name to Koh Brothers Eco Engineering Limited (“**Koh Eco**” and together with its subsidiaries, the “**Koh Eco Group**”) with effect from 29 April 2014.

In July 2016, the Group completed the divestment of its entire shareholding in Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd (“**KBCE**”) to Koh Eco, in a move to consolidate the building construction and civil engineering capabilities of KBCE with the engineering, procurement and construction (“**EPC**”) capabilities of Koh Eco Group (the “**KBCE Divestment**”). The integration created greater synergy and cost savings, allowing both companies to leverage on each other's strengths and expertise and take advantage of more opportunities in the construction and environmental engineering sectors.

In June 2021, in order to strengthen Koh Eco Group's financial position by increasing its capital base and for working capital requirements, Koh Eco completed a private placement of new ordinary shares by allotting and issuing 810,000,000 new ordinary shares in the capital of Koh Eco to Penta-Ocean Construction Co., Ltd. (“**Penta-Ocean**”), a strong investor with a global perspective. Penta-Ocean is incorporated in Japan, listed on the first section of the Tokyo Stock Exchange, and is a leading general contractor operating in Japan and overseas. Penta-Ocean specialises in marine works and land reclamation, and also builds residential, commercial, and institutional buildings.

In early 2022, Oiltek International Limited (“**Oiltek**”), a subsidiary of Koh Eco, received strong investor interest for its initial public offering (“**IPO**”) of 22,500,000 new ordinary shares at \$0.23 each, in connection with its proposed listing on the Catalist Board of the SGX-ST. The IPO was overall 4.3 times subscribed. In March 2022, Oiltek was successfully admitted and listed on the Catalist Board of the SGX-ST. Subsequently on 6 June 2025, Oiltek was transferred to the Mainboard of the SGX-ST.

Presently, the core businesses of the Group are broadly categorised as follows:

- (a) Construction and Building Materials
 - (i) Engineering and Construction - the Engineering and Construction division provides a wide and diverse range of integrated construction services, ranging from design and build to civil works to general construction for residential, commercial and institutional buildings as well as infrastructural works. The Koh Eco Group provides EPC services for the water and wastewater treatment and hydro-engineering sectors;

- (ii) Building Materials - the Building Materials division is a supplier of a range of building materials for building and infrastructure projects. The Group manufactures and supplies ready-mixed concrete, as well as pre-cast concrete products such as facades, household shelters, bathroom units, columns and planks; and
- (iii) Bio-Refinery and Renewal Energy - the Bio-Refinery and Renewal Energy division under Oiltek is an established integrated process technology and renewable energy solutions provider. Oiltek provides services to the edible and non-edible oil industries including engineering, procurement, designing, construction and commissioning of edible and non-edible oil refining plants, downstream specialty products and processing plants, upgrading and retrofitting of existing facilities and turnkey outside-battery-limits infrastructure engineering;
- (b) Real Estate - the Real Estate division has developed many quality property developments, some of which have specialised lifestyle themes. The Group is also engaged in property investment and provides property management services; and
- (c) Leisure and Hospitality - the Leisure and Hospitality division provides 'no-frills' hospitality services through Oxford Hotel, which comprises more than 130 hotel rooms. The Group also owns and operates The Alocassia, which consists of resort-styled service apartments with 45 suites located at Bukit Timah Road, a prime district in Singapore.

For the financial years ended 31 December 2023 ("FY2023"), 31 December 2024 ("FY2024") and 31 December 2025 ("FY2025"), the Group's consolidated net revenues were approximately \$356.2 million, \$238.4 million and \$329.4 million respectively, and the Group posted profits/(loss) before tax of approximately \$(25.8) million, \$(7.1) million and \$29.6 million respectively. As at 31 December 2025, the Group had net tangible assets of approximately \$291.5 million.

Based on the Group's audited financial statements for FY2023, FY2024 and FY2025, the following sets out the contribution from the Group's business divisions to the Group's net revenues and segment results for FY2023, FY2024 and FY2025:

Business Division	Contribution to the Group's net revenues					
	FY2023		FY2024		FY2025	
	\$'000	%	\$'000	%	\$'000	%
Construction and Building Materials	245,126	68.8	224,257	94.1	320,970	97.4
Real Estate	107,089	30.1	10,520	4.4	5,174	1.6
Leisure and Hospitality	4,034	1.1	3,617	1.5	3,249	1.0
Total	356,249	100.0	238,394	100.0	329,393	100.0

Business Division	Contribution to the Group's segment results ⁽¹⁾					
	FY2023		FY2024		FY2025	
	\$'000	%	\$'000	%	\$'000	%
Construction and Building Materials	(12,512)	97.1	(7,511)	(208.4)	27,937	82.2
Real Estate	(2,121)	16.5	9,754	270.6	5,435	16.0
Leisure and Hospitality	802	(6.2)	303	8.4	(51)	(0.2)
Others	945	(7.3)	1,058	29.4	674	2.0
Total	(12,886)	100.0⁽²⁾	3,604	100.0	33,995	100.0

Notes:

- (1) Segment results is defined as profits/(loss) before interest income, finance expenses and income tax expense.
- (2) Discrepancies in figures included in the tables above between the amounts shown and the totals thereof are due to rounding.

Contingent liabilities

A subsidiary of the Group (acting as a sub-contractor) is currently pursuing claims amounting to \$37.8 million for variation works and other items under a sub-contract entered into by such

subsidiary and the joint venture partner. The joint venture partner submitted its counterclaims amounting to \$37.1 million as part of the arbitration process and such counterclaims have been disputed by such subsidiary.

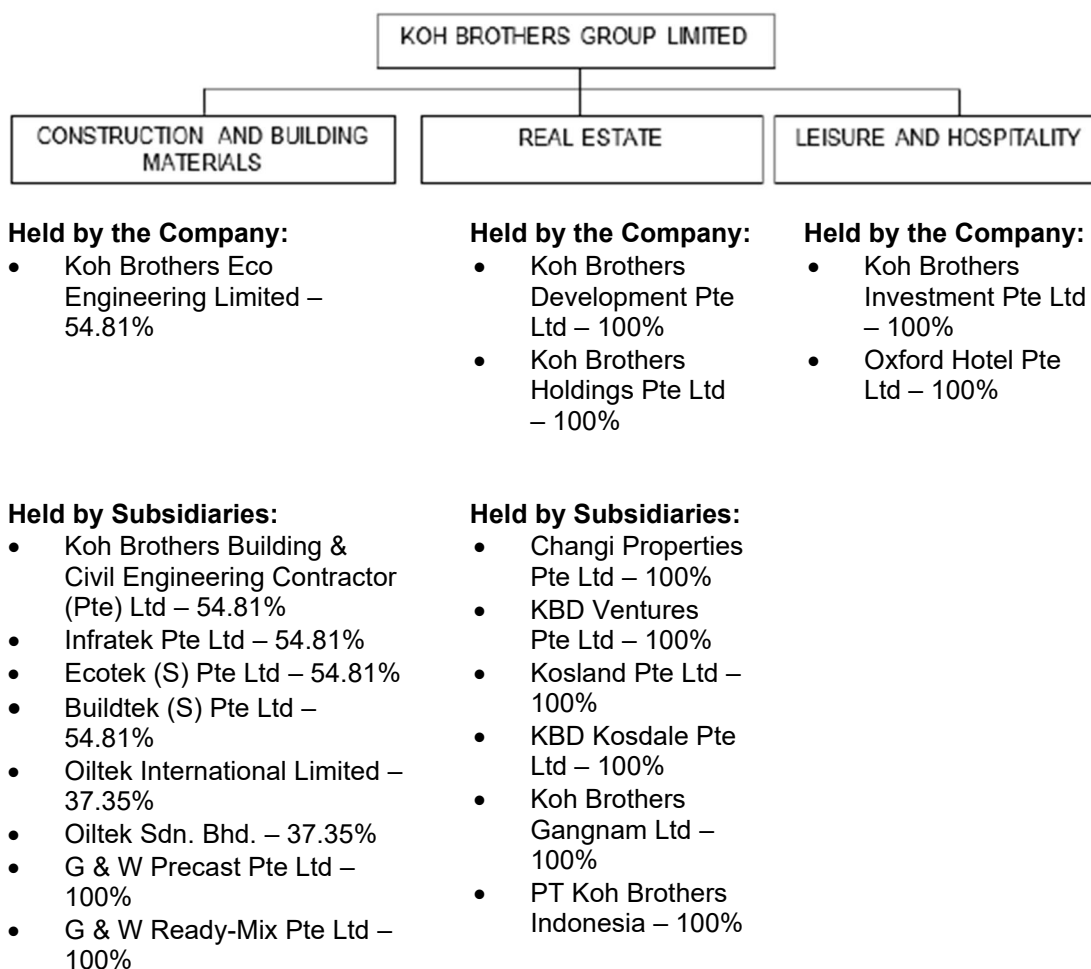
The arbitrator issued partial awards providing valuations of the amounts claimed by the subsidiary and the joint venture partner including arbitration-related costs. However, the arbitrator had not apportioned any of the claim amounts to the subsidiary or the joint venture partner, nor did the arbitrator 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 Latest Practicable Date. Based on the currently available information and advice from the subsidiary's legal counsel, no provision for the counterclaims of \$37.1 million has been made as at 31 December 2025.

The 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.

2. GROUP STRUCTURE

The following chart sets out the Issuer and its significant subsidiaries as at the Latest Practicable Date:



3. BUSINESS

The principal business activities of the Group can be broadly categorised into the following categories: (i) Construction and Building Materials; (ii) Real Estate; and (iii) Leisure and Hospitality.

3.1 Construction and Building Materials

Engineering and Construction

The Group acts as main contractors in construction projects for private and public sector clients in Singapore and provides a wide and diverse range of construction services, ranging from design and build to civil works to general construction for residential, commercial and institutional buildings as well as infrastructural works. The Group's construction arm also undertakes the main construction work for the Group's real estate development business in most instances. Over the years, the Group has also built a number of the drainage infrastructure in Singapore.

As a main contractor, the Group is responsible for a wide range of construction works which typically include excavation, piling, sub-structure and super-structure works, architectural works, aluminium cladding and curtain walling, mechanical and electrical works, interior fitting-out works, external works and landscaping. In order to support the Group's building projects, the Group owns a fleet of heavy machinery and equipment and has steel fabrication facilities with its own steel inventory. The Group is also involved in mechanical, electrical and instrumentation control and automation ("**MEICA**") works. This includes MEICA works for the Industrial Liquids Module 1 at Tuas Water Reclamation Plant.

The Group has been registered with the BCA with a BCA grading of CW01 A1 for general building and CW02 A1 for civil engineering, for more than 20 years. The A1 grading is currently the highest grade for contractors' registration in such categories and enables the Group to tender for public sector construction projects of unlimited project value. Additionally, the Group holds a BCA ME11, L6 grading for mechanical engineering projects, which enables the Group to tender for public mechanical engineering projects of unlimited value.

The Group's clients include governmental bodies such as the following:

- Changi Airport Group (Singapore) Pte Ltd ("**CAG**");
- Defence Science and Technology Agency;
- Housing and Development Board ("**HDB**");
- Jurong Town Corporation;
- Land Transport Authority ("**LTA**");
- Ministry of Education ("**MOE**");
- Ministry of Home Affairs;
- PSA Corporation Limited;
- Public Utilities Board, Singapore's National Water Agency ("**PUB**"); and
- Urban Redevelopment Authority ("**URA**").

The Group covers a wide spectrum of civil engineering works and some of the projects completed by the Group include:

- Marina Barrage (a mega desalination project);
- Marina East Desalination Plant;
- Downtown Line 1 Bugis Station and its associated tunnels;
- 2.4-kilometre Punggol Waterway;
- Changi Water Treatment Plants;
- Construction of Common Services Tunnels at Marina South (Phase 1B and Phase 2);
- Retention Pond, Drainage and Backfilling Works at Singapore Changi Airport;
- Jurong Water Reclamation Plant;

- Bukit Timah First Diversion Canal;
- Improvement to Kallang River; and
- Geylang River Makeover Project.

In addition, examples of building projects completed by the Group include the following:

- Civil Defence Academy at Jalan Bahar;
- River Valley High School and the school's hostel in Boon Lay;
- Aircraft hangar in Changi for the Singapore Aviation Services Company Pte Ltd;
- Chevron recreation club at Boon Lay Way;
- Public housing projects in Jurong West, Choa Chu Kang and Yishun; and
- Private housing projects: Van Holland, Westwood Residences, Parc Olympia, Lincoln Suites, Fiorenza and Starville.

The following sets out details of some of the construction projects completed by the Group during the last 15 years:

Project and Location	Client Name	Approximate Contract Value (\$'000)	Year of Completion of Construction Works
Construction of Van Holland Condominium	KBD Holland Pte Ltd	40,300	2024
Deep Tunnel Sewerage System Phase 2 - Contract T08	PUB	520,000 ⁽¹⁾	2023
Construction of Marina East Desalination Plant	Keppel Seghers Pte Ltd	153,630	2021
Construction of Singapore Changi Airport Runway 3 (Package 1)	CAG	1,116,870 ⁽²⁾	2020
Construction of Changi Reclamation Plant, Phase 2 Expansion	PUB	31,300	2020
Kallang-Bishan River	PUB	85,057	2019
Construction of Bukit Timah First Diversion Canal	PUB	89,917	2017
HDB building works at Yishun Neighbourhood Park	HDB	97,900	2016
Construction of used water lift station at Jurong Water Reclamation Plant	PUB	51,839 ⁽³⁾	2015
Construction of Parc Olympia Condominium at Flora Drive	KBD Flora Pte Ltd	114,831	2015
Development of Retention Pond at Singapore Changi Airport	CAG	33,149	2015
Construction of Lincoln Suites Condominium at Kiang Guan Avenue	Phileap Pte Ltd	54,330	2014
Improvements to Geylang River from Dunman Road to Guillemard Road	PUB	36,709	2014
Construction of Downtown Line 1 Bugis Station including its Associated Tunnels	LTA	536,037 ⁽⁴⁾	2013

Project and Location	Client Name	Approximate Contract Value (\$'000)	Year of Completion of Construction Works
Building works at Choa Chu Kang Neighbourhood	HDB	52,088	2011
Construction of Punggol Waterway (Part 2)	HDB	59,837	2011
Construction of Common Services Tunnels at Marina South	URA	209,936	2011

Notes:

- (1) The Group's share of the contract value is approximately \$182.0 million.
- (2) The Group's share of the contract value is approximately \$335.1 million.
- (3) The Group's share of the contract value is approximately \$31.0 million.
- (4) The Group's share of the contract value is approximately \$211.6 million.

Some of the ongoing projects of the Group include the following:

- Construction of cut-and-cover main tunnel from Prince Edward Station to Marina Bay Station and turnback tunnel including addition and alteration works to Marina Bay station and overrun tunnels;
- Piling, ground improvement and earth retaining stabilising structure works installation at the Toa Payoh Integrated Development site;
- Design and construction of a multi-storey bus depot at Lorong Halus;
- Construction of the Influent Pumping Stations at Tuas Water Reclamation Plant. KBCE has a 60%-stake in the joint venture with China Harbour (Singapore) Engineering Company Pte. Ltd.;
- MEICA works for Industrial Liquids Module 1 at Tuas Water Reclamation Plant;
- Supply and installation of bored piles to Air Traffic Control Centre; and
- Construction of intra terminal tunnels at Changi Airport's upcoming Terminal 5 (T5). KBCE holds a 30% equity stake in the joint venture with Penta-Ocean.

As at 31 December 2025, the Group's Engineering and Construction division has a total order book of approximately \$1.0 billion.

The following sets out details of ongoing construction projects by the Group:

Project Name	Project Description	Client Name	Approximate Contract Value (\$'000)	Estimated Year of Completion
Marina Bay Contract C886	Construction of Cut-and-Cover Tunnels at Marina Bay Area	LTA	225,350	2026
Toa Payoh Integrated Development	Piling, ground improvement and earth retaining stabilising structure works installation	Sport Singapore	77,600	2026
Air Traffic Control Centre (ATCC)	Supply and installation of bored piles	Penta-Ocean	23,053	2026
Tuas Water Reclamation Plant C3B1	Development of Industrial Liquids Module 1 – MEICA works	PUB	200,700	2027
Tuas Water Reclamation Plant C2A	Construction of influent pumping stations	PUB	668,200 ⁽¹⁾	2028
Multi-Storey Bus Depot at Lorong Halus	Design and construction of the proposed multi-storey bus depot	LTA	313,900	2029
T5 Megaspine	Intra terminal tunnels at Changi Airport's upcoming Terminal 5 (T5)	CAG	999,000 ⁽²⁾	2029

Notes:

(1) The Group's share of the contract value is approximately \$400.9 million.

(2) The Group's share of the contract value is approximately \$300.0 million.

Building Materials

The Building Materials division is a supplier of a range of building materials which are for building and infrastructure projects. The Group manufactures and supplies ready-mixed concrete, as well as pre-cast concrete products such as facades, household shelters, bathroom units, columns and planks. The main users of these products are HDB, institutions and private developers. These products are also used in commercial buildings and other infrastructure and civil engineering projects such as the construction of underground tunnels and the MRT rail network.

The Group has full access to the supply from the supplier of building materials for its construction business, hence enabling the Group to be less reliant on third party suppliers and achieve economies of scale in its operations. The Group also supplies its building materials to contractors in the construction industry.

The Group's Building Materials division has various batching plants in Singapore and Malaysia. Batching plants are used for the mixing of ready-mixed concrete, a basic construction material. Additionally, the Group has pre-cast yards in both Singapore and Malaysia. The Group produces pre-cast components such as facades, household shelters, columns and planks in its pre-cast yards. The Group has set up a central truck-mixer despatch system to facilitate the efficient despatch of trucks to meet the demands of its clients around Singapore so as to achieve greater efficiency.

Bio-Refinery and Renewable Energy

The Group's listed subsidiary, Oiltek, is an integrated engineering, procurement, design, construction and commission company providing a comprehensive range of solutions for the edible oil, non-edible oil, downstream and the renewable energy sectors, covering the services and products required for the vertical integration supply chain, across all types of vegetable oils.

Oiltek has a proven track record of over 45 years in the vegetable oils industry. Through the use of Oiltek's proprietary process technology and know-how, Oiltek provides reliable and innovative processing solutions for use across all different sectors of the value chain. Oiltek has successfully

designed, built and commercialised over 650 plants in more than 37 countries across five continents.

Oiltek provides services to the edible and non-edible oil industries including engineering, procurement, designing, construction and commissioning (“**EPCC**”) of edible and non-edible oil refining plants, downstream specialty products and processing plants, upgrading and retrofitting of existing facilities and turnkey outside-battery-limits infrastructure engineering. Oiltek also provides services to the renewal energy industries including EPCC of multi-feedstock biodiesel, enzymatic biodiesel, winter fuel, hydrogenated vegetable oil feedstock (treated and refined palm oil mill effluent oil) and palm oil mill effluent biogas methane recovery plants as well as other services including engineering component sales, agency and distributorship, and specialty chemical product trading.

As at 31 December 2025, the Group’s Bio-Refinery and Renewal Energy division has a total order book of approximately \$100.0 million.

3.2 Real Estate

Real Estate Development

The Real Estate division has developed many quality property developments, some of which have specialised lifestyle themes. The real estate development projects undertaken by the Group in Singapore include residential developments such as bungalows, apartments and condominiums.

The real estate development projects which the Group has completed include the following:

- Hyll on Holland, a freehold project located at the junction of Holland Road and Queensway in District 10, which was launched in October 2020 and obtained TOP in May 2024. The property has 319 units comprising a mixture of 2-bedroom to 3-bedroom units. The development is conveniently located within 6 minutes walk to Holland Village MRT station and is easily connected to two expressways, PIE and AYE;
- Van Holland, a freehold residential development located in Holland Village, which was launched in January 2020 and obtained TOP in April 2024. Van Holland features a 2-storey waterfall, a 26-metre infinity lap pool, a rooftop clubhouse, and is directly connected to Holland Village via a sheltered link-bridge. The flooring for the units in Van Holland is outfitted with Arabescato Altissimo marble from Italy, and other luxury finishes include Italian bathroom fittings by Fratelli Frattini, Swarovski crystal-encrusted fixtures in the master bedrooms, and private lift access for some of the units. The Van Holland project won two esteemed awards at the PropertyGuru Asia Property Awards – Best Luxury Boutique Condo Development and Best Boutique Condo Architectural Design;
- Nonhyeon l’Park which was launched in 2018 and is a freehold development in the Gangnam district of Seoul, South Korea. It comprises 99 apartment units, 194 “Officetel” SoHo units and 53 retail units. Nonhyeon l’Park addresses a demand gap for centrally-located and compact residential units for single professionals, double-income families, and real estate investors. The property is surrounded by MTR (Seoul Metropolitan Subway) stations within a 500-metre radius, and is nearby the core business districts of COEX and Teheran-ro;
- Westwood Residences which was launched in 2015 and is an executive condominium at Westwood Avenue in Jurong West. Westwood Residences is the first bike-themed executive condominium in Singapore and is located within minutes to the Jurong Lake District, and the Jurong Innovation District;
- Parc Olympia which was launched in 2012 and is a 99-year leasehold development located along Flora Drive. The sports-themed condominium has successfully sold all its units since its launch and has completed the handover of all units to owners in the first quarter of 2016. It features over 60,000 square feet of sporting area and facilities, including a synthetic jogging track, a rock-climbing wall, an air-conditioned badminton court, a skate park and a putting green;
- Fiorenza which was launched in 2009 and is a freehold development located along Florence Road, near the Kovan MRT station. This condominium features a jacuzzi on the balcony and Wi-Fi multi-room digital music system for all its units;

- Lincoln Suites which was launched in 2009 and is a freehold development located along Kiang Guan Avenue, off Newton Road. The condominium features an array of recreational facilities, including a 360-degree spa pool, a sky gym and garden, and thematic communal dining facilities. It is also the first property development in Singapore to use cutting-edge technology to light up the residential entrance with laser lights;
- The Lumos which was launched in 2007 and is a freehold luxury condominium located in the prestigious Leonie Hill residential area, off Grange Road. The Group collaborated with luxury brands, Fendi Casa, Kenzo Maison and Versace Home, to decorate and furnish selected units of The Lumos. The Group sold its 50%-stake in Buildhome Pte. Ltd. (the developer of The Lumos) in July 2017;
- Bungalows@Caldecott which was launched in 2006 and is a four-units-only luxury project which features bathrooms studded with Swarovski wall crystals and a specially designed water conservation system;
- Starville which was launched in 2003, has an astronomy theme and is the first real estate project in Singapore to introduce a star-gazing observatory;
- The Montana which was launched in 2001 and is a luxury freehold apartment located off River Valley Road, near the Orchard Road shopping belt. The units in The Montana are equipped with state-of-the-art home automation features. The Group believes that The Montana is one of the first condominiums in Singapore in which all units utilise intelligent home technology, including motion detectors that activate lighting and air-conditioning. The Group also believes that The Montana is the first condominium in Singapore to be equipped with Category 5 cables for faster broadband communication; and
- Sun Plaza which was completed in 2000 and underwent an asset enhancement exercise that was completed in 2015. It is a mixed-use project in Sembawang which includes residential units as well as a retail mall which forms part of the Group's property investment portfolio.

The following sets out details of some real estate development projects completed by the Group:

Project Name / Location	Project Description	Approximate saleable floor area (m ²)	Tenure of Land	Number of Units	Year of TOP	Percentage sold as at the Latest Practicable Date (%)	Group's stake (%)
Hyll on Holland / Holland Road	Condominium	22,473	Freehold	319	2024	100	20
Van Holland / Holland Road	Condominium	6,095	Freehold	69	2024	100	100
Nonhyeon I'Park / Seoul, South Korea	Mixed development	30,900	Freehold	346	2020	100	45
Westwood Residences / Jurong West	Executive Condominium	48,852	99 years from April 2012	480	2017	100	80
Parc Olympia / Flora Drive	Condominium	44,400	99 years from January 2012	486	2015	100	100
Lincoln Suites / Kiang Guan Avenue	Condominium	17,600	Freehold	175	2014	100	25
The Lumos / Leonie Hill	Condominium	11,700	Freehold	53	2011	100	50
Fiorenza / Florence Road	Condominium	3,200	Freehold	28	2011	100	100
Bungalows @ Caldecott / Andrew Road	Bungalow	2,400	Freehold	4	2008	100	100
Starville / Lengkong Tiga	Condominium	28,700	Freehold	250	2006	100	50
The Montana / Jalan Mutiara	Condominium	12,500	Freehold	108	2002	100	100
Sun Plaza / Sembawang Drive	Mixed development	30,000	99 years from June 1996	208	2000	100	50

Property Investment and Property Management

The Group is also engaged in property investment and provides property management services. The Group's investment portfolio includes commercial and residential properties, which the Group leases out for rental income.

The Group's investment portfolio includes a 50%-stake in Sun Plaza, a 5-storey with 2 basements commercial complex at Sembawang, Singapore. As part of the Group's plan to enhance the yield of its investment properties, Sun Plaza underwent an asset enhancement exercise in 2015 to optimise space utilisation and improve the retail tenant mix. The asset enhancement initiatives at Sun Plaza have been successful resulting in an increase in lettable area and rental. The rental revenue for Sun Plaza increased from approximately \$24.9 million in FY2024 to \$25.8 million in FY2025.

The Group also owns and operates the Alocassia, which consists of resort-styled serviced apartments with 45 suites located at Bukit Timah Road, a prime district in Singapore, in close proximity to the Downtown Line Stevens Road MRT station. In addition, the Alocassia has 10 retail units which are fully tenanted.

To diversify its asset portfolio, the Group also invests in properties located overseas. The Group owns and manages First City Complex, which comprises commercial units, office units and apartments and is located in Batam, Indonesia. The Group also has 5 "Officetel" units at Nonhyeon I'Park in the Gangnam district of Seoul, South Korea.

The following sets out details of Sun Plaza, First City Complex, the Alocassia and Nonhyeon I'Park:

Name of Development	Location / Type of Development	Tenure	Approximate Lettable Area (m ²)	Occupancy Rate (%) (as at 31 December 2025)	Average Term of Lease (as at Latest Practicable Date)	Residential Units	Shop / Office Units	Fair Value as at 31 December 2025 (\$'000)	Group's stake (%)
Sun Plaza	Sembawang Drive, Singapore / Retail and Commercial	Leasehold term of 99 years from June 1996	14,500	99.8	3 to 5 years	NA	131	380,000	50
First City Complex	Batam, Indonesia / Apartments and Commercial	Right-of-use for 20 years from October 2018	23,000	16	6 to 12 months	28	288	4,400	100
The Alocassia	Bukit Timah Road, Singapore / Commercial	Freehold	1,342	100	3 years	NA	10	38,300	100
The Alocassia	Bukit Timah Road, Singapore / Serviced Apartments	Freehold	3,267	58	7 to 90 days	45	NA	57,500	100
Nonhyeon I'Park	Gangnam, Seoul, South Korea / Mixed Development	Freehold	137	100	1 year	5	NA	2,086	100

3.3 Leisure and Hospitality

The Group owns and operates a hotel, namely Oxford Hotel, which has more than 130 rooms and is located at Singapore's central business district area, close to the Bras Basah MRT station.

The following sets out details of Oxford Hotel:

Name of Development	Location / Type of Development	Tenure	Approximate Gross Floor Area (m ²)	Number of Rooms	Average Occupancy Rate (%) (as at 31 December 2025)	Fair Value as at 31 December 2025 (\$'000)	Group's stake (%)
Oxford Hotel	Queen Street / Hotel	Freehold	4,914	134	75	81,000	100

Oxford Hotel has recently completed major renovations as part of an upgrading programme.

The Group's Leisure and Hospitality division recorded a marginal decrease in revenue from approximately \$3.6 million in FY2024 to \$3.2 million in FY2025. The Group will continue to seek investment opportunities in hotel properties locally and overseas.

4. COMPETITIVE STRENGTHS

The Group has an established track record and strong brand name

The Group has over 55 years of experience as a contractor for building and infrastructure projects. The Group's track record in the construction industry is one of the longest among main contractors in Singapore. Notable projects completed by the Group include the iconic Marina Barrage and the Downtown Line 1 Bugis MRT station and its associated tunnels. The Group has also been involved in the real estate development business since the 1990s and its completed projects include Van Holland, a freehold luxury condominium located at Holland Village, Westwood Residences, the first bike-themed residential development in Singapore, Parc Olympia, a sports-themed condominium located along Flora Drive, Lincoln Suites, a freehold development located along Kiang Guan Avenue, off Newton Road, The Lumos, a freehold luxury condominium located in the prestigious Leonie Hill residential area, and Sun Plaza, a mixed-use project in Sembawang which includes residential units as well as a retail mall.

In particular, the Group has established a niche in the construction of waterways, canals and tunnels. Its strong presence in this area has contributed to its success in winning public tenders for large-scale civil engineering works such as the upgrading of Kallang River, the design and construction of the tunnels and shafts for the Deep Tunnel Sewerage System (Phase 2), and the widening of the Bukit Timah Diversion Canal to enhance protection against intense storms and rainfalls. With its diverse experience and strong reputation in this sector, the Group is well-placed to compete in this market.

The Group has been registered with the BCA with a BCA grading of CW01 A1 for general building and CW01 A1 for civil engineering, for more than 20 years. The A1 grading is currently the highest grade for contractors' registration in such categories and enables the Group to tender for public sector construction projects of unlimited project value. Additionally, the Group holds a BCA ME11, L6 grading for mechanical engineering projects, which enables the Group to tender for public mechanical engineering projects of unlimited value. The Group's established track record and strong brand name strengthens its ability to market its services to existing and new clients.

Oiltek has a proven track record of over 45 years in the vegetable oils industry. Oiltek has an in-depth understanding of the vegetable oils processes and vast experience in addressing the challenges faced by its customers. Through the use of Oiltek's proprietary process technology and know-how, Oiltek provides reliable and innovative smart processing solutions for use across all different sectors of the value chain. Oiltek's total solutions range creates value to its customers' processes while meeting increasingly strict environmental and regulatory requirements. To date, Oiltek has successfully designed, built and commercialised over 650 plants in more than 37 countries across five continents.

The Group has an experienced and stable management team

The Group has a strong management team with more than 30 years of experience on average in the industries which the Group operates in. Many of the Group's executive officers have been with the relevant company in the Group, on average, for more than 15 years. This has contributed to efficiency in the Group's operations and execution of its business strategies. The Group's management team is also supported by a group of experienced and competent staff who are actively involved in the daily operations of the Group which in turn enables them to closely monitor the progress of the Group's projects and respond in a timely manner to any operational and on-site issues.

The Group has diversified revenue streams and is capable of handling a wide range of projects

The Group has diversified revenue streams from its various business lines. In respect of its construction and real estate businesses, the Group has completed, and is capable of handling, a diversified range of projects such as residential, commercial and industrial properties as well as hotels and infrastructure projects. The Group believes that through diversification, it will be less

likely to be affected by any adverse change in market conditions affecting any single sector within the industry and will be able to enhance the stability of its revenue and profitability streams.

Backed by the Group's solid track record and tapping on its core competencies and expertise in water and wastewater treatment, which were well showcased in past projects, the Group expanded its engineering and construction business into MEICA works. This includes the MEICA project for Industrial Liquids Module 1 at Tuas Water Reclamation Plant worth \$200.7 million.

Through Oiltek, the Group ventured into the renewable energy sector by providing solutions and services in the biogas recovery process. Oiltek primarily designs, builds and supplies biogas recovery systems for the treatment of palm oil mill effluent in Malaysia and Indonesia, as well as in the design and supply of systems which utilise the biogas produced. This provides the Group with an additional revenue stream.

The Group has expertise across its businesses that complement each other

The Group believes that its track record and extensive experience in the engineering and construction business enables the Group to grow its real estate business as it is able to offer value-added services when carrying on its real estate business based on its engineering and construction experience.

The Group's Building Materials division also supplies building materials to its engineering and construction business. For example, HDB generally requires the use of pre-cast concrete products for the construction of HDB flats. As the Group manufactures and supplies pre-cast concrete products such as facades, household shelters, bathroom units, columns and planks, the Group will use its own pre-cast concrete products for its public and private housing projects. This enables the Group to be less reliant on third party suppliers and achieve economies of scale in its operations.

The Group has an inventory of its own construction and engineering machineries

The Group has an inventory of its own construction and engineering machineries which enable the Group to cater to a range of construction and engineering work. This allows the Group to compete effectively for projects as it is able to save on rental costs. Additionally, there is greater certainty as to the availability of machineries for the Group to carry out its construction and engineering projects as it is less reliant on third party suppliers.

Furthermore, as the construction and engineering sector is capital intensive, new entrants require considerable capital to build an inventory of machineries for their businesses and this creates substantial barriers of entry to potential new entrants.

Quality assets and strategic location

The Group has properties that are strategically located and easily accessible with good connectivity via public transportation. As such, the properties have healthy occupancy rates. The Group has also implemented asset enhancement initiatives to improve the quality and attractiveness of its investment and commercial properties.

5. BUSINESS STRATEGIES

Capitalise on the synergies amongst the various business lines of the Group

The Group's various business lines are complementary to one another. For example, for the Group's real estate development projects, the Group's Engineering and Construction division can undertake the main construction work and the Group's Building Materials division can supply the building materials for the project. In the case of the Van Holland and Westwood Residences projects, the Real Estate division is the developer, the Construction division of the Group is the main contractor and the Building Materials division supplies the building materials.

The Group intends to increase collaboration opportunities amongst the various business units, as this will allow the Group to harness synergies and economies of scale by capitalising on the strengths and capabilities of each business unit in any future collaboration and projects.

The Group believes that the synergies harnessed from increased collaboration opportunities will make the Group become more competitive.

Increase productivity and reduce reliance on manpower

The Group continues to explore investments in productivity management measures by increasing the use of automation and improved technologies, and improving the efficiency of its operations, so as to increase the Group's productivity and reduce its reliance on manpower. The Group also adopts artificial intelligence digitalisation (Adoption of Demolition Robot at LTA Contract 886 for the construction of cut-and-cover tunnels from Prince Edward Station to Marina Bay Station) and innovative methods to drive productivity and efficiency, focusing on streamlining operations, enhancing training, redeploying of staff and realigning the Group's operating structure.

For instance, through value engineering such as building information modelling (BIM), the Group will review the construction design, specifications and drawings to derive cost savings through improvements in construction methods, sequence and/or material use.

Leveraging Unique Themed Projects for Competitive Advantage

To develop real estate projects which have unique or innovative features and make them stand out from other property developments. Over the years, the Group has developed real estate projects which have specialised themes, such as the Starville project which has an astronomy theme and was the first real estate project in Singapore to introduce a stargazing observatory; the Parc Olympia, which is a sports-themed condominium; and the Westwood Residences, which is the first bike-themed residential development in Singapore. The Group intends to continue to incorporate unique and innovative features in its projects as it believes that such features will provide the Group with a competitive advantage by differentiating its products and services from those of its competitors and by providing a unique experience to its customers. The Group will continue with its market research and analysis to identify property trends and consumer preferences.

Concentrate its efforts on public sector projects

Based on projections by BCA released on 22 January 2026, total construction demand is projected to remain steady at \$47 billion to \$53 billion in nominal terms for 2026, similar to 2025. The sustained construction demand expected in 2026 is supported by the expected awarding of additional construction packages for Changi Terminal 5 development, Marina Bay Sands Integrated Resort expansion, new Tengah General and Community Hospital, Downtown Line 2 and Thomson-East Coast Line extensions. BCA expects total construction demand from 2027 to 2030 to range from \$39 billion to \$46 billion each year. Besides the Changi Terminal 5 development and HDB's Build-To-Order construction, medium term construction demand is anticipated to be supported by a strong pipeline of various large developments such as the redevelopment of National University Hospital (NUH) at Kent Ridge, junior colleges, and the development of the new Singapore University of Social Sciences (SUSS) city campus. The Group intends to assess its strategies and where appropriate, bid for such projects especially those involving civil engineering and infrastructure works, by capitalising on the Group's track record and experience.

Expand the Group's businesses by way of joint ventures and acquisitions of, and investments in, related business in Singapore and overseas

The Group will expand its businesses through joint ventures, acquisitions of, and investments in, related businesses in Singapore and overseas that the Group believes will complement its current and future businesses. The Group believes that suitable acquisitions, joint ventures and investments will bring greater synergies and economies of scale and give the Group access to new markets, prospective clients and new businesses, hence providing an impetus for its future growth. The Group intends to explore investment and/or divestment opportunities, if any, that may arise from time to time which may include a spin-off and/or a separate listing (if relevant listing requirements are met) of a part of the Group's business in line with the Group's vision to increase shareholders' value.

The Group believes that overseas expansion will enable the Group to be less dependent on the Singapore market and be less adversely affected in the event that there is a downturn in the Singapore economy.

Asset Enhancement

The Group's asset enhancement strategy is anchored on disciplined capital allocation and efficient deployment of resources to strengthen its balance sheet and optimise long-term value. As part of

this initiative, the Group has implemented an energy-saving project at Sun Plaza to improve operational efficiency and sustainability performance.

6. AWARDS AND ACCREDITATIONS

The Group has received awards and accreditations from various statutory and industry bodies, including the following:

- WSH Performance (Silver) Award 2025;
- bizSAFE Partner Award 2025;
- SHARP Award (LTA C886 Project) 2025;
- Health Award Recognition for Projects (SHARP) for Tuas Water Reclamation Plant Contract C2A and Deep Tunnel Sewerage System Phase 2 Contract T08;
- bizSAFE Partner Award at the Workplace Safety and Health Awards 2024;
- PUB Project Safety Recognition Awards 2022 for Deep Tunnel Sewerage System (Phase 2);
- Awards to Van Holland by PropertyGuru Asia Property Awards Singapore 2021;
 - Best Luxury Boutique Condo Development; and
 - Best Boutique Condo Architectural Design;
- Award to Westwood Residences by Edgeprop Singapore Excellence Awards 2018;
 - Innovation Excellence;
- Awards to Westwood Residences by PropertyGuru Asia Property Awards Singapore 2018;
 - Best Executive Condominium;
 - Best Executive Condominium Architectural Design; and
 - Best Executive Condominium Landscape Architectural Design;
- Singapore Property Awards 2017 in the Residential (Low Rise) Category - Parc Olympia;
- Annual Safety, Health and Environmental Award 2022 from the Land Transport Authority for Marina Bay Contract 886 in recognition of Workplace Safety and Health Management;
- International Safety Award 2021 - Best in Country Award (Singapore) – by British Safety Council to Penta-Ocean Koh Brothers Joint Venture;
- Most Transparent Company Award from the 15th and 16th SIAS Investors' Choice Awards under the Construction & Material Category;
- Singapore Quality Brand Award 2014 (Special Merit);
- BCA Construction Productivity Award 2014 (Advocates (Builder – Open Category) Merit);
- Singapore Prestige Brand Award under the Heritage Brands category in 2013. The Singapore Prestige Brand Award is jointly organised by the Association of Small and Medium Enterprises and Lianhe Zaobao;
- BCA Construction Excellence Award under the Civil Engineering Projects category from BCA in 2011 for the Marina Barrage project;
- BCA Construction Productivity Award (Platinum (Civil Engineering)) for the Punggol Waterway Part 1 project;
- Green and Gracious Builder Award (Excellent) in 2012 and the Green and Gracious Builder Award (Merit) in 2010, from BCA;
- HDB Construction Award under the Infrastructural Category from HDB in 2012 for the Punggol Waterway Part 1 project;
- Super Brand Award – Best Innovation Total Refining Solutions in Vegetable Oil Industry (awarded by Asia Success Inc. and Asia Success Inc. Alliance) in 2013 to Oiltek Sdn Bhd;

- 21st Century Prestigious Company Award – Certificate of Achievement (awarded by the Asia Excellence) to Oiltek Sdn Bhd;
- Golden Bull Award 2017 – Outstanding SMEs (awarded by Business Media International and Sphere Exhibits) to Oiltek Sdn Bhd; and
- Top 10 recipient of the SME100 Malaysia Fast Moving Companies Awards 2019 – Certificate of Achievement (awarded by SME Magazine and Business Media International) to Oiltek Sdn Bhd.

7. DIRECTORS

The Board of Directors comprises nine directors, of whom three are Executive Directors, one is a Non-Executive and Non-Independent Director and five are Independent Directors.

Information on the business and working experience of the Directors is set out below:

Koh Keng Siang (Francis)

Executive Chairman and Group CEO

Mr Francis Koh Keng Siang is the Executive Chairman and Group Chief Executive Officer. He was appointed a Director of the Issuer on 5 May 1994 and was appointed as the Managing Director and Group CEO on 12 January 2007. He was appointed to his current position on 1 January 2024. He is also the Chairman of the Executive Committee and a member of the Nominating Committee of the Issuer.

Mr Koh has been with the Group since 1987, holding various positions in administration, finance and project management. He was instrumental in driving the Group's expansion into Real Estate and Leisure and Hospitality and is credited with establishing the Group's reputation in Singapore as a builder of quality homes.

Mr Koh holds a Master of Business Administration from the National University of Singapore and a Bachelor of Engineering (Hons) from the University of Birmingham. He was conferred the Best Executive Award 1997-1998 by His Excellency, the State Minister of Industry and Trade of the Republic of Indonesia, Mr Ir T Airwibowo. He was also conferred the Promising SME 500 (Distinguished Business Leader of the year) in 2014 and was named the Real Estate Personality of the year in 2016.

Koh Teak Huat

Executive Deputy Chairman

Mr Koh Teak Huat is the Executive Deputy Chairman of the Issuer. He was appointed a Director on 2 February 1994. He is also the Deputy Chairman of the Executive Committee.

Mr Koh joined the Group in 1970 and was a key contributor to the growth of the Group's core businesses. With more than 50 years of experience in the construction industry, he possesses expertise in managing drainage, excavation and reclamation projects.

He was conferred the title of Dato' Paduka Mahkota Terengganu Yang Kehormet, D.P.M.T. by the Sultan of Terengganu, Malaysia on 29 April 1994.

Koh Keng Hiong (Joseph)

Executive Director and Deputy CEO (Real Estate and Leisure and Hospitality divisions)

Mr Joseph Koh Keng Hiong is an Executive Director of the Issuer. He was appointed a Director on 7 February 2007. He is a member of the Executive Committee.

Mr Koh began his career with the Group in 1991 and has played a central role in numerous business development projects across Vietnam and Singapore. With more than 30 years of experience, he has amassed an extensive portfolio of skills and capabilities spanning across a broad spectrum of businesses in hospitality and property. His vast array of expertise encompasses a wide range of corporate and operational functions, including strategic business management, corporate planning, sales and marketing, finance, human resource, information technology, and business development.

Mr Koh holds a Bachelor of Science with Honours in Business Administration (majoring in Finance) from the San Francisco State University, California, USA.

Quek Chee Nee*Non-Executive and Non-Independent Director*

Madam Quek Chee Nee is a Non-Executive and Non-Independent Director of the Issuer. She was appointed a Director on 2 February 1994.

Madam Quek joined the Group in 1969. She assisted in running the Group's construction activities during the early years when it was still a sole proprietorship. She was instrumental in guiding the Group through its corporatisation and contributed significantly to its success before relinquishing her executive role.

Madam Quek has more than 50 years of experience in the construction industry and contributed significantly to the Group's growth.

Ong Seet Joon (Amos)*Non-Executive and Lead Independent Director*

Mr Amos Ong Seet Joon is the Lead Independent Director of the Issuer. He was appointed a Director on 1 January 2022. He is the Lead Independent Director and the Chairman of the Audit and Risk Committee. He is also a member of the Nominating Committee, Remuneration Committee and Share Purchase Committee.

Mr Ong is the Co-Founding and Co-Managing Partner of A3 Capital Pte Ltd, a privately held Real Estate investment platform headquartered in Singapore. He is also an Independent Director of Tiong Seng Holdings Ltd and Hiap Hoe Ltd.

Prior to A3 Capital, Mr Ong was with Malayan Banking Berhad ("**Maybank**") from June 1992 to May 2021. He held various positions including Country Head of Maybank Hong Kong, President and CEO, Maybank Philippines Inc. and Head of Client Coverage and Solutions in the Global Banking division in Maybank Singapore. Mr Ong has more than 30 years of commercial banking experience, spanning across areas such as strategy and budgeting, asset-liability management, business development, credit risks and marketing client coverage and solutioning, as well as general management.

Mr Ong holds a Master of Economics from Macquarie University and a Bachelor of Arts (Economics) with First Class Honours from London Metropolitan University.

Goh Mou Lih*Non-Executive and Independent Director*

Mr Goh Mou Lih is an Independent Director of the Issuer. He was appointed a Director on 1 January 2022. He is the Chairman of the Share Purchase Committee.

Mr Goh served as a Consultant from 2012 to 2022 in Quyntr Pte Ltd, a company providing IT and data solutions to the financial and insurance sectors. Before venturing into the IT industry, Mr Goh was Head of Research and Economist at Westcomb Securities Pte Ltd from 2007 to 2012. Between 2014 and 2015, Mr Goh was a Non-Executive Director of Voyage Research Pte Ltd. His earlier roles included Strategist with Daiwa Institute of Research Pte Ltd and Senior Finance Analyst with OCBC Investment Research Pte Ltd.

Mr Goh is a council member of Hwa Chong Alumni Association. He is also a Board member of Singapore Chinese High School. He graduated from the National University of Singapore with a Bachelor of Arts and a Bachelor of Social Science (First Class Hons) in Economics.

Low Yee Khim (Danny)*Non-Executive and Independent Director*

Mr Danny Low Yee Khim is an Independent Director of the Issuer. Mr Low was appointed a Director on 1 January 2019. He is the Chairman of the Remuneration Committee and a member of both the Audit and Risk Committee, and Share Purchase Committee. Mr Low was previously the Executive Director and Chief Operating Officer of Heeton Holdings Ltd, overseeing its finance, leasing, operational, marketing, project and hospitality activities.

Mr Low has wealth financial and management experience from working in multinational companies and various Singapore listed companies. He is a fellow member of the Institute of Singapore Chartered Accountants and a Member of the Singapore Institute of Directors.

Ow Yong Thian Soo

Non-Executive and Independent Director

Mr Ow Yong Thian Soo is an Independent Director of the Issuer. He was appointed a Director on 20 June 2016. He currently serves as Chairman of the Nominating Committee and a member of both the Audit and Risk Committee, and the Remuneration Committee.

Mr Ow Yong has more than 50 years' experience in the legal profession and was admitted to the Singapore Bar in 1982. He is a Senior Partner of Lee & Lee LLP and is the Head of its Real Estate Department. His practice covers a wide range of real estate and financing transactions relating to commercial, industrial and residential properties.

Mr Ow Yong is also an Independent Non-Executive Director of Charisma Energy Services Ltd and MYP Ltd. He serves as the Chairman of both the Nominating Committee and Remuneration Committee and as member of the Audit Committee of Charisma Energy Services Ltd. He also serves as the Chairman of the Nominating Committee and as member of both the Audit Committee and Remuneration Committee of MYP Ltd.

Sharon Tay Lee Teng

Non-Executive and Independent Director

Ms Sharon Tay Lee Teng is an Independent Director of the Issuer. She was appointed as a Director on 5 August 2025.

Ms Tay has almost 30 years' experience in the legal profession and was admitted to the Singapore Bar in 1996. She is a Senior Partner of Lee & Lee LLP and is the Deputy Head of its Real Estate department. Her practice covers a wide range of real estate and financing transactions relating to commercial, industrial and residential properties.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

This section replaces the section "SELECTED CONSOLIDATED FINANCIAL INFORMATION" appearing on pages 64 to 70 of the Original Information Memorandum in its entirety.

The following tables set out the Group's consolidated statements of comprehensive income for FY2023, FY2024, FY2025, and the Group's consolidated statements of financial position as at 31 December 2023, 31 December 2024 and 31 December 2025. The selected consolidated financial data for FY2023, FY2024 and FY2025 in the tables below are derived from the financial statements of the Group, which have been audited by the independent auditors, PricewaterhouseCoopers LLP, included elsewhere in this Supplemental Information Memorandum and is qualified in its entirety by reference to those consolidated financial statements and notes thereto. The audited financial statements of the Group have been drawn up in accordance with the SFRS(I).

The audited consolidated statements of comprehensive income of the Group for FY2023, FY2024, FY2025 are set out below:

	Audited		
	FY2025	FY2024	FY2023
	\$'000	\$'000	\$'000
Sales	329,393	238,394	356,249
Cost of sales	(290,290)	(219,129)	(348,742)
Gross profit	39,103	19,265	7,507
Other income	2,237	2,096	1,367
Other gains - net	14,038	3,419	596
Expenses			
- Distribution and marketing			
- Allowance for impairment of trade receivables and contract assets	(843)	(1,614)	(228)
- Others	(1,476)	(1,706)	(7,229)
- Administrative	(21,113)	(21,591)	(17,291)
- Finance	(6,329)	(12,254)	(14,031)
- Other			
- (Allowance for)/write-back of allowance for impairment of loans to joint ventures	(7)	111	1,174
- Write-back of allowance for impairment of sundry debtors	68	19	295
- Write-back of allowance for/(allowance for) impairment of investment securities	992	-	(865)
- Others	(50)	(60)	159
Share of (loss)/profit of associated companies	(16)	(116)	187
Share of profit of joint ventures	2,999	5,346	2,541
Profit/(loss) before income tax	29,603	(7,085)	(25,818)
Income tax expense	(4,108)	(3,336)	(1,200)
Profit/(loss) after income tax	25,495	(10,421)	(27,018)
Profit/(loss) attributable to:			
Equity holders of the Company	18,575	(5,451)	(21,960)
Non-controlling interests	6,920	(4,970)	(5,058)
	25,495	(10,421)	(27,018)

The audited consolidated statements of comprehensive income of the Group for FY2023, FY2024, FY2025 are set out below: (continued)

	Audited		
	FY2025	FY2024	FY2023
	\$'000	\$'000	\$'000
Other comprehensive income / (loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation difference arising from consolidation	772	(395)	(451)
Fair value gain on debt financial assets, at FVOCI	490	147	88
	<u>1,262</u>	<u>(248)</u>	<u>(363)</u>
<i>Items that may not be reclassified subsequently to profit or loss:</i>			
Currency translation difference arising from consolidation attributable to non-controlling interests	536	533	(550)
Fair value gain/(loss) on equity financial assets, at FVOCI	3,885	702	(855)
Other comprehensive income / (loss), net of tax	<u>5,683</u>	<u>987</u>	<u>(1,768)</u>
Total comprehensive income / (loss)	<u>31,178</u>	<u>(9,434)</u>	<u>(28,786)</u>
Total comprehensive income / (loss) attributable to:			
Equity holders of the Company	23,492	(5,000)	(23,178)
Non-controlling interests	7,686	(4,434)	(5,608)
	<u>31,178</u>	<u>(9,434)</u>	<u>(28,786)</u>

The consolidated statements of financial position of the Group as at 31 December 2023, 31 December 2024 and 31 December 2025 are set out below:

	Audited		
	As at 31 December 2025 \$'000	As at 31 December 2024 \$'000	As at 31 December 2023 \$'000
ASSETS			
Current assets			
Cash and bank balances	114,345	71,149	95,832
Investment securities	11,063	347	1,417
Trade and other receivables	76,839	102,405	78,875
Contract assets	82,552	93,040	156,723
Amounts due from joint ventures	6,573	5,971	29,913
Inventories	5,977	1,146	6,031
Development properties	-	-	1,048
Income tax receivables	-	730	730
Other current assets	4,940	4,440	4,447
	302,289	279,228	375,016
Non-current assets			
Trade and other receivables	23,458	5,900	5,900
Contract assets	62,815	38,898	38,267
Investment securities	-	7,198	6,483
Investments in associated companies	-	168	284
Investments in joint ventures	93,764	94,265	92,719
Investment properties	102,286	102,562	100,989
Property, plant and equipment	92,473	94,228	98,632
Goodwill	5,078	5,078	5,078
	379,874	348,297	348,352
Total assets	682,163	627,525	723,368

The consolidated statements of financial position of the Group as at 31 December 2023, 31 December 2024 and 31 December 2025 are set out below: (continued)

	Audited		
	As at 31 December 2025 \$'000	As at 31 December 2024 \$'000	As at 31 December 2023 \$'000
LIABILITIES			
Current liabilities			
Trade and other payables	117,549	80,903	85,108
Contract liabilities	36,572	23,141	25,775
Amounts due to joint ventures	33,643	32,065	35,796
Current income tax liabilities	1,599	1,213	538
Bank borrowings and lease liabilities	81,145	85,932	134,804
Notes payables	22,698	-	
	293,206	223,254	282,021
Non-current liabilities			
Trade and other payables	9,681	7,374	10,746
Bank borrowings and lease liabilities	36,144	59,810	82,942
Notes payables	-	22,522	22,345
Deferred income tax liabilities	5,645	6,343	6,519
	51,470	96,049	122,552
Total liabilities	344,676	319,303	404,573
NET ASSETS	337,487	308,222	318,795
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	36,981	36,981	36,981
Treasury shares	(7,983)	(7,983)	(7,983)
Other reserves	(1,347)	(5,915)	(6,761)
Retained profits	265,937	248,199	253,650
Currency translation reserve	(10,625)	(11,397)	(11,002)
	282,963	259,885	264,885
Non-controlling interests	54,524	48,337	53,910
Total equity	337,487	308,222	318,795

REVIEW OF THE GROUP'S FINANCIAL PERFORMANCE

FY2025 compared with FY2024

The Group's sales increased from \$238.39 million in FY2024 to \$329.39 million in FY2025. The increase was mainly due to higher revenue contribution from the Construction and Building Materials division.

The Group's gross profit increased from \$19.27 million in FY2024 to \$39.10 million in FY2025. This was mainly due to higher gross profit margin from the Construction and Building Materials division and the Real Estate division.

Other income increased from \$2.10 million in FY2024 to \$2.24 million in FY2025 mainly due to higher interest income. Other gains increased from \$3.42 million in FY2024 to \$14.04 million in FY2025. This was mainly due to net gain on disposal of property, plant and equipment, partially offset by fair value loss on investment properties and unrealised foreign exchange loss on trade receivables and cash and bank balances arising primarily from the weakening of the United States Dollar against the Malaysian Ringgit under the Bio-Refinery and Renewable-Energy segment.

Distribution and marketing expenses decreased from \$3.32 million in FY2024 to \$2.32 million in FY2025 mainly due to a decrease in allowance for impairment on trade receivables and contract assets. Administrative expenses decreased marginally from \$21.59 million in FY2024 to \$21.11 million in FY2025. Finance expenses decreased from \$12.25 million in FY2024 to \$6.33 million in FY2025 mainly due to decrease in total bank borrowings and lower interest rates. Other expenses was a credit of \$1.00 million in FY2025 mainly due to write-back of allowance for impairment on investment securities. Depreciation expenses increased from \$8.51 million in FY2024 to \$9.67 million in FY2025 as a result of depreciation on additional newly acquired assets.

The Group's share of profit from associated companies and joint ventures decreased from \$5.23 million in FY2024 to \$2.98 million in FY2025 mainly due to lower contribution from a property development project held by a joint venture which has been completed in 2024.

Income tax expenses increased from \$3.34 million in FY2024 to \$4.11 million in FY2025 mainly due to higher taxable income from the foreign subsidiaries.

Overall, the Group recognised a profit before income tax of \$29.60 million and net profit attributable for shareholders of \$18.58 million in FY2025, reversed from a loss before income tax of \$7.09 million and net loss attributable to shareholders of \$5.45 million in FY2024.

FY2024 compared with FY2023

The Group's sales decreased from \$356.25 million in FY2023 to \$238.39 million in FY2024. The decrease was mainly due to lower revenue contribution arising from completion of certain projects from the Construction division. In addition, the Real Estate division also experienced lower revenue recognition owing to the completion of a development project.

The Group's gross profit increased from \$7.51 million in FY2023 to \$19.27 million in FY2024. This was mainly due to improved gross profit margin from the Bio-Refinery and Renewable Energy, the Building Materials and the Real Estate divisions.

Other income increased from \$1.37 million in FY2023 to \$2.10 million in FY2024 mainly due to higher interest income. Other gains recorded \$3.42 million in FY2024 mainly due to fair value gain on

investment properties and net foreign exchange gain arising from trade receivables, bank balances and contract assets.

Distribution and marketing expenses decreased from \$7.46 million in FY2023 to \$3.32 million in FY2024 mainly due to lower sales commission and marketing expenses incurred for development properties as the project was fully sold and completed during FY2024. Administrative expenses increased from \$17.29 million in FY2023 to \$21.59 million in FY2024 mainly due to higher staff costs and professional fees. Finance expenses decreased from \$14.03 million in FY2023 to \$12.25 million in FY2024 mainly due to reduction in bank borrowings. Other expenses were a credit of \$0.07 million in FY2024 mainly due to write-back of impairment on loans to joint ventures. Depreciation expenses decreased from \$11.05 million in FY2023 to \$8.51 million in FY2024 mainly due to decrease in depreciable assets.

The Group's share of profit from associated companies and joint ventures increased from \$2.73 million in FY2023 to \$5.23 million in FY2024. This was mainly due to higher contribution from joint ventures under the Real Estate division.

Income tax expenses increased from \$1.20 million in FY2023 to \$3.34 million in FY2024 mainly due to higher taxable income from the foreign subsidiaries.

Overall, the Group's loss before income tax decreased from \$25.82 million in FY2023 to \$7.09 million in FY2024, net loss attributable to shareholder narrowed from \$21.96 million in FY2023 to \$5.45 million in FY2024.

REVIEW OF THE GROUP'S FINANCIAL POSITION

FY2025 compared with FY2024

The Group's current assets increased by \$23.06 million mainly due to increase in cash and bank balances of \$43.20 million, and partially offset by the decrease in trade and other receivables of \$25.57 million. The decrease in trade and other receivables was mainly attributable to promissory notes and accrued interests of \$21.62 million that were due as at 31 December 2025 and subsequently extended for a further two-year term, resulting in the reclassification to non-current assets.

The Group's non-current assets increased by \$31.58 million mainly due to increase in trade and other receivables of \$17.56 million and contract assets of \$23.92 million. The increase in contract assets was mainly due to revenue recognition during FY2025 and the timing of billing to the customers.

The Group's current liabilities increased by \$69.95 million mainly due to increase in trade and other payables of \$36.65 million, contract liabilities of \$13.43 million and reclassification of long-term notes payables of \$22.70 million to short-term as they become due within the next 12 months. The increase in contract liabilities was mainly due to advances received from customers on construction contracts.

The Group's non-current liabilities decreased by \$44.58 million mainly due to decrease in bank borrowings and lease liabilities of \$23.67 million and reclassification of notes payables to current liabilities.

FY2024 compared with FY2023

The Group's current assets decreased by \$95.79 million mainly due to decrease in contract assets of \$63.68 million, amounts due from joint ventures of \$23.94 million and cash and bank balances of \$24.68 million. 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 decrease in amounts due from joint ventures was mainly due to repayment of loans. The decrease in cash and bank balances was mainly due to repayment of bank borrowings.

The Group's non-current assets decreased marginally to \$348.30 million mainly due to decrease in property, plant and equipment on depreciation charges.

The Group's current liabilities decreased by \$58.77 million mainly due to decrease in bank borrowings and lease liabilities of \$48.87 million, and trade and other payables of \$4.21 million.

The Group's non-current liabilities decreased by \$26.50 million mainly due to decrease in bank borrowings and lease liabilities.

FINANCIAL RATIOS OF THE GROUP

Ratio ⁽¹⁾	As at / For the financial year ended 31 December 2025	As at / For the financial year ended 31 December 2024	As at / For the financial year ended 31 December 2023
Ratio of current assets to current liabilities (times)	1.03	1.25	1.33
Ratio of earnings/(loss) before interest and tax expenses to interest expenses (times)	5.68	0.42	(0.84)
Ratio of net debt ⁽²⁾ to net tangible assets ⁽³⁾ (times)	0.09	0.36	0.53
Ratio of current assets to current borrowings (times)	2.90	3.23	2.75
Ratio of net debt to shareholders' funds (times)	0.09	0.38	0.55
Ratio of net debt to total equity (times)	0.08	0.32	0.46
Ratio of earnings/(loss) before interest expense, tax expense, depreciation expense and amortisation expense to interest expense (times)	7.20	1.12	(0.05)

Notes:

- (1) The financial ratios presented in this Supplemental Information Memorandum are supplemental measures of the performance and liquidity of the Group that are not required by, or presented in accordance with, SFRS(I). These financial ratios are not measurements of financial performance or liquidity under SFRS(I) and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with SFRS(I) or as alternatives to cash flow from operating activities as a measure of liquidity. The financial ratios have limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, the financial condition or results of operations of the Issuer and the Group, as reported under SFRS(I). In addition, the financial ratios are not standardized terms, hence a direct comparison between companies using such terms may not be possible.
- (2) Net debt refers to borrowings less cash and bank balances.
- (3) Net tangible assets refers to shareholders' fund excluding treasury shares and deferred income tax liabilities and deducting goodwill.

INVESTMENT CONSIDERATIONS

The section below supplements the section “INVESTMENT CONSIDERATIONS” appearing on pages 71 to 98 of the Original Information Memorandum.

1. The section headed “Singapore Tax Risk” appearing on page 94 of the Original Information Memorandum shall be deleted in its entirety and substituted therefor with the following:

“The Notes to be issued from time to time under the Programme, during the period from the date of this Supplemental Information Memorandum to 31 December 2028, are intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section “*Singapore Taxation*” herein.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.”

2. There shall be inserted after the risk headed “*This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Notes may require in investigating the Issuer or the Group, prior to making an investment or divestment decision in relation to the Notes issued under the Programme*” appearing on page 71 of the Original Information Memorandum, the following risk:

Risks relating to the use of financial ratios

The financial ratios presented in this Supplemental Information Memorandum are supplemental measures of the performance and liquidity of the Group that are not required by, or presented in accordance with, SFRS(I). These financial ratios are not measurements of financial performance or liquidity under SFRS(I) and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with SFRS(I) or as alternatives to cash flow from operating activities as a measure of liquidity. The financial ratios have limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, the financial condition or results of operations of the Issuer and the Group, as reported under SFRS(I). In addition, the financial ratios are not standardized terms, hence a direct comparison between companies using such terms may not be possible.

3. There shall be inserted after the risk headed “*The Issuer may be required to withhold U.S. tax and a holder of the Notes may become subject to U.S. withholding tax*” appearing on page 98 of the Original Information Memorandum, the following risks:

Commencement of proceedings under applicable Singapore insolvency or related laws may result in a material adverse effect on the holders of the Notes.

There can be no assurance that the Issuer will not become bankrupt, unable to pay its debts or insolvent, or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on holders of the Notes. Without being exhaustive, below are some matters that could have a material adverse effect on holders of the Notes.

Where the Issuer is insolvent or close to insolvent and the Issuer undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the

Issuer. It may also be possible that if a company related to the Issuer proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer may also seek a moratorium even if the Issuer is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer, the need to obtain court permission and (in the case of judicial management) the judicial manager's consent may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, holders of the Notes may be made subject to a binding scheme of arrangement where the majority in number (or such number as the court may order) representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme and who were present and voting (either in person or by proxy) at the relevant meeting have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, holders of the Notes may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 of Singapore (the “**IRD Act**”) was passed in the Parliament of Singapore on 1 October 2018 and has come into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with a debenture. However, it may apply to other related contracts that are not found to be directly connected to the Notes.

The Series 4 Notes are illiquid investment instruments and there is uncertainty as to the trading market for the Series 4 Notes

The expected final maturity of the Series 4 Notes is approximately 4.5 years following its issuance and the issuance size of the Notes is relatively small. The Series 4 Notes will be a new issue of securities for which there is no existing trading market. Although the Issuer intends to apply for the listing of, and quotation for, the Series 4 Notes on the SGX-ST, there can be no assurance that such listing will be obtained or that any active trading market for the Series 4 Notes will develop or be sustained or whether, or at what price, holders of the Series 4 Notes will be able to sell or otherwise transfer their Series 4 Notes. Therefore, a market for the Series 4 Notes is not expected to develop at any time. None of the Issuer, the Relevant Dealers, the Trustee or the Exchange Agent has any duty to make a market in the Series 4 Notes and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Relevant Dealers. No assurance can be given as to the liquidity of, or trading market for, the Series 4 Notes.

If an active trading market for the Series 4 Notes does not develop or is not sustained, the market price and liquidity of the Series 4 Notes may be adversely affected and holders of the Series 4 Notes may be unable to resell the Series 4 Notes or may only be able to sell them at a substantial discount. The Series 4 Notes are intended for investors who purchase and hold the Series 4 Notes to maturity. Under normal circumstances, holders of the Series 4 Notes will be able to redeem their investment only upon the maturity of the Series 4 Notes.

Certain Noteholder(s) who are controlling shareholder(s), interested persons (as defined in the Listing Manual of the SGX-ST) and/or director(s) of the Issuer may subscribe to a substantial portion of the aggregate principal amount of the Series 4 Notes and may therefore be able to control the outcome of votes which will be binding on all holders of the Series 4 Notes. Additionally, this may reduce the liquidity of the Series 4 Notes in the secondary trading market

Certain Noteholder(s) who are controlling shareholder(s), interested persons and/or director(s) of the Issuer may subscribe for, or be holders of, a substantial portion of the aggregate principal amount of the Series 4 Notes. The Trust Deed and Conditions contain provisions for convening meetings of Noteholders to consider matters affecting their interests, including modification by Extraordinary Resolution (as defined in the Trust Deed) of the terms and conditions of the Series 4 Notes. As an Extraordinary Resolution needs to be passed by a majority of not less than 75 per cent. of the aggregate principal amount of the Series 4 Notes then outstanding (as defined in the Trust Deed), any Noteholder holding 25 per cent. or more of the aggregate principal amount of the Series 4 Notes outstanding will be able to prevent the passing of an Extraordinary Resolution and accordingly control the outcome of votes on such matters which will be binding on all holders of the Series 4 Notes. In addition, the existence of any such Noteholder holding a substantial portion of the Series 4 Notes may reduce the liquidity of the Series 4 Notes in the secondary trading market. If such Noteholder sells a material amount of the aggregate principal amount of the Series 4 Notes at any one time, it may materially and adversely affect the trading price of the Series 4 Notes. Neither the Issuer, the Relevant Dealers nor the Trustee or the Exchange Agent is obliged to make a market in the Series 4 Notes and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Relevant Dealers.

4. The risk headed "*The Group may be subject to risks of disputes, claims and variation orders*" appearing on pages 73 to 74 of the Original Information Memorandum shall be deleted in its entirety and substituted therefor with the following:

The Group may be subject to risks of disputes, claims and variation orders

Under the terms of certain engineering, construction and building materials contracts entered into by the Group, in the event of a breach by the Group of the terms of such contracts, its clients may be entitled to claim for liquidated damages for delay in completion or other losses suffered by them by off-setting the same from retention monies or enforcing performance bonds furnished by the Group. Disputes may also arise between the Group, its contractors, sub-contractors, suppliers, construction companies, purchasers, tenants, clients and other partners in relation to the development, operation, sale and purchase, and/or lease of its properties. For example, disputes may arise because of defective works, delays in the completion of a project and disputes over contract specifications and the final amount payable for work done on a project. Claims may be made against the Group from time to time arising from such disputes and the resolution of such claims and disputes may be protracted. While the Group seeks to manage such risks through project management and negotiation, in the event that such claims were to succeed, the Group's business may be materially and adversely affected. Any legal proceedings relating to such claims may also have an adverse impact on the Group's market reputation and integrity.

From time to time, after work on a project has started, the Group's clients may request for alterations to the agreed contract specifications or additional works which were not originally specified in the contract during the course of construction. These are commonly referred to as variation orders. In accordance with industry practice, variation orders are normally carried out before the additional charges are agreed upon in order for the construction project to be completed on schedule. However, as the costs of variation orders are not determined beforehand, their basis of valuation may become a source of dispute by the Group's clients after the construction project

has been completed. Where a dispute involves a substantial amount, such dispute may result in the Group being required to bear the costs of rejected variation orders or the final value of the variations being lower than that initially agreed or envisaged, as well as being required to face a delay in payment by the Group's clients which may therefore materially and adversely affect the Group's business, financial condition, prospects and results of operations.

Where the developer or main contractor of a project in which the Group is involved in withholds an agreed percentage of the contract sum as retention monies, the Group may sometimes encounter difficulties in collecting the full sum or any part of the retention monies due, and may run the risk of incurring additional costs to make good the rectification or reconstruction of works under dispute with the result that its profit margin may be eroded or losses may be incurred for the project.

5. The risk headed "*The Group's businesses are affected by economic developments and downturns and uncertainties and instability in global market conditions*" on page 76 of the Original Information Memorandum shall be deleted in its entirety and substituted therefor with the following:

Geopolitical conditions, economic developments, uncertainties and instability in global market conditions could adversely affect the Group's businesses, financial condition and results of operations

The Group is exposed to changes in geopolitical conditions around the world which may affect the Group's businesses, financial condition and results of operations, particularly given that the Group has overseas operations in countries such as Malaysia, Indonesia and South Korea. Geopolitical developments may increase volatility in the global economic and financial conditions, disrupt supply chains, and affect commodity and energy prices.

The UK officially withdrew from the European Union on 31 January 2020 and implemented the EU-UK Trade and Cooperation Agreement, which was applied provisionally on 1 January 2021 until its entry into force on 1 May 2021. Despite its implementation, the long term implications of the UK's withdrawal and the extent of its impact on the fiscal, monetary and regulatory landscape within the UK, the European Union and globally remains uncertain and may continue to evolve. Such uncertainty may contribute to increased volatility in the global economy and financial markets.

Further, in late February 2022, Russia launched a large-scale military attack on Ukraine. The invasion significantly amplified already existing geo-political tensions among Russia, Ukraine, Europe, the North Atlantic Treaty Organisation ("**NATO**") and the West, including the U.S. In response, the U.S., the UK, and the European Union, among others, issued broad-ranging financial and/or economic sanctions against Russia. Since then, the U.S. and the European Union have announced further measures including sanctions, higher tariffs on Russian products, and regulatory controls. The effects of the Russia-Ukraine conflict on global commodity and financial markets remain uncertain and could potentially result in global economic slowdown, higher inflation, supply chain disruption, diminished access to commodities, such as oil and natural gas, leading to higher energy prices and financial market volatilities.

Trade measures and related tensions involving the U.S. and other major economies may also lead to further volatility in global trade and supply chain conditions. In particular, trade tensions between the U.S. and the PRC have resulted in the imposition of tariffs and export controls. Given the interconnected nature of global trade, any escalation or prolonged continuation of such tensions, especially those in Asia and in the countries in which the Group operates, may lead to an increase in compliance costs and global supply chain disruptions, thereby adversely affecting the Group's businesses, financial condition and results of operations.

In addition, geopolitical instability in key regions has also affected global trade and energy supply routes. In recent years, ongoing conflicts in the Middle East, including the Israel-Hamas war, cross-

border hostilities in Lebanon, and heightened tensions involving Iran, Israel and the U.S. have continued to contribute to regional instability. Recent Israeli military actions in Gaza have resulted in renewed civilian casualties amid repeated breaches of a ceasefire, underscoring the persistent volatility in the conflict zone. Tensions between Iran, Israel, and the U.S. remain elevated, with strategic military repositioning and sanctions signaling an increased risk of broader confrontation. Security threats to commercial shipping routes in the Red Sea persists and the risk of disruption to oil and gas shipments from the Persian Gulf via the Strait of Hormuz remains a central concern for global energy markets. Any escalation or sustained impairment of these critical trade and energy supply routes could increase energy price volatility, disrupt supply-chains and heighten financial market instability, which may affect the Group's businesses, financial condition and results of operations.

Geopolitical tensions in East Asia have also escalated in recent years. In particular, relations between the PRC and Taiwan have deteriorated amid heightened political rhetoric and increased military activity, including large-scale PRC military drills around Taiwan in late 2025. Relations between the PRC and Japan have also worsened following comments by Japanese Prime Minister Sanae Takaichi regarding potential defense commitments to Taiwan, prompting retaliatory diplomatic and economic measures by the PRC and related advisories. In addition, South Korea has strengthened its overall defence posture and deepened security cooperation with the U.S. and other partners in response to North Korea's nuclear and missile threats, which have included ballistic missile tests in early 2026. If the tensions in East Asia persist or escalate, this may contribute to slower regional and global economic activity and increased financial market volatility, and may adversely affect the Group, given its overseas operations in Asia.

Outside Asia and Europe, geopolitical developments in the Americas and the Arctic may also contribute to broader geopolitical uncertainty and volatility in the global markets. In late 2025, the U.S. launched a military operation resulting in the capture of Venezuelan President Nicolás Maduro and his wife and their transfer to the U.S. on criminal charges, escalating tensions and drawing international criticism. The U.S. has also taken sanctions-related enforcement actions against Venezuela-linked oil shipments and indicated plans to support the revitalisation of Venezuela's oil industry, alongside engagement with Venezuela interim leadership and possible adjustment to certain sanctions. In addition, recent U.S. efforts in early 2026 to pursue expanded strategic and military access to Greenland prompted diplomatic tensions with Denmark, Greenland's authorities and certain NATO allies, raising concerns over alliance cohesion, sovereignty and self-determination. Such developments may heighten geopolitical instability and broaden international uncertainty, which may result in adverse spillover effects on global economic and financial conditions and, consequently, the Group.

The consequences of such geopolitical conditions are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on the Group's businesses, financial condition and results of operations.

In addition, the businesses that the Group manages are closely linked to economic growth and developments as well as global market conditions. These businesses are cyclical in nature and profitability will rise and fall with the general economic cycles and also be influenced by market conditions.

Economic factors including, without limitation, changes in interest rates and inflation, changes in gross domestic product, economic growth, employment levels and consumer spending, consumer and investment sentiment, property market volatility and the availability of debt and equity capital could adversely affect the business, financial condition and results of operations of each of the Group's businesses.

As the Group's businesses and operations are exposed to fluctuations in economic and market conditions of the countries in which it operates, an economic recession in the United States, Europe, China and other countries might have an adverse effect on the business, financial condition and results of operations of the Group.

6. The risks headed "*The Group is dependent on key management personnel and other skilled personnel*" and "*The Group is exposed to the credit risks of its customers*" on page 79 of the Original Information Memorandum shall be deleted in its entirety and substituted therefor with the following:

The Group's continued success and growth depend substantially on the efforts of the Group's key management personnel and other skilled personnel

The success of the Group is attributable to the leadership and contributions of the Group's key management personnel, each of whom has invaluable and extensive experience and knowledge relevant to the Group's businesses.

The Group's continued success is dependent on its ability to retain the services of the Group's key management personnel. The Group will continue to develop its talent pool to ensure management continuity, however, in the event of the loss of the services of any member of the management team without suitable and timely replacement, this may have a material and adverse effect on the Group's businesses, financial condition, results of operations and prospects.

In addition, the Group is also dependent on the continued services of executive officers and management, as well as other skilled personnel such as project managers and engineers. Having a team of experienced management staff and skilled personnel is critical in fulfilling the Group's contractual obligations and maintaining its relationships with its clients. The Group's continued success depends to a significant extent on its experienced management team and skilled personnel. The loss of any of these personnel without timely and suitable replacement, and the inability to attract and retain qualified and experienced personnel may have a material and adverse impact on the Group's businesses, financial condition, results of operations and prospects. Competition for such personnel may be intense and there is no assurance that the Group will be able to hire and retain an adequate number of such personnel in the future. Any shortfall in qualified management personnel may hinder the Group's business growth and profitability. In the event that the Group needs to increase employee compensation levels substantially to attract, retain and motivate any key management personnel, the Group's costs may increase significantly which may in turn hurt the Group's profitability.

Further, if any of the Group's key management personnel joins a competitor or forms a competing company, the Group may lose customers, suppliers, expertise, key professionals and/or staff, and there is no assurance that the departure will not cause disruption to the Group's operations or customer relationships, or materially and adversely impact the Group's businesses, financial condition, results of operations and prospects.

The Group is exposed to the credit risks of its customers

The Group's financial performance and position are dependent, to a certain extent, on the creditworthiness of its customers. If there are any unforeseen circumstances affecting the ability or willingness of the Group's customers to pay the Group, the Group may experience payment delays or non-payment.

The payment terms granted to the Group's customers vary and are dependent on various factors such as the contract value, past transactions, financial standing, and the length of the Group's relationship with the customers. The payment terms are also subject to the Group's internal credit

review in accordance with the Group's internal control policies and procedures, which may involve the requisite management approvals. Unless the new customers are accredited, the payment terms granted to new customers are generally based on cash terms, advance payments or secured financial instruments, such as a letter of credit, until they have demonstrated a prompt payment track record, following which the Group may extend the relevant credit terms. For the Group's existing and recurring customers, the credit term is typically 30 to 60 days.

The Group's customers may be affected by events or circumstances which are difficult to foresee or anticipate, such as a decline in the customer's business or an economic downturn and they may therefore not be able to meet their contractual payment obligations to the Group, either in a timely manner or at all. The Group is also exposed to the risk of bad debts when its customers encounter financial difficulties, insolvency, bankruptcy, or liquidation or if they dispute or fail to fulfil their payment obligations to the Group. There is no assurance that the Group will be able to collect its trade receivables fully or within a reasonable period of time. In the event of any failure to collect its trade receivables fully or in a timely manner, the Group may be required to make full or partial allowances for impairment of trade receivables or write-off bad debts and this may have a material and adverse impact on the Group's businesses, financial condition, results of operations and prospects.

In any of such events, the Group's businesses may be materially and adversely affected.

The Group's order book may not be an accurate indicator of its future performance

As of 31 December 2025, the Group's total outstanding order book amounted to approximately \$1.1 billion. The order book represents contracts that have been secured from customers and does not include progress payments already billed, nor accrued or other recognised revenue up to that date. However, the order book may not be a reliable indicator of future performance because it does not reflect the impact of potential renegotiations, cancellations or deferrals of orders. These developments are inherently uncertain and outside the Group's control and may adversely affect its revenue. Accordingly, there is no assurance that all current orders reflected in the order book will be converted into revenue, and any failure to do so could materially and adversely affect the Group's business, financial condition, prospects and results of operations

7. The risk headed "*The Group is subject to risks associated with joint ventures*" on pages 79 to 80 of the Original Information Memorandum shall be deleted in its entirety and substituted therefor with the following:

The Group is subject to risks associated with joint ventures

The Group has entered into, and may from time to time continue to enter into, joint ventures or similar arrangements, including through the acquisition of interests in such entities. Depending on the nature of the Group's equity interest and the extent of its involvement in such projects, the Group may be unable to control the decision-making process of joint venture projects without reference to its joint venture partners. There is also no assurance that any future joint ventures that the Group enters into will yield their anticipated benefits.

Disagreements may arise between the Group and its joint venture partners in relation to the management, strategy, operations or financial matters of the joint ventures, and such disagreements may not be resolved amicably or in a timely manner. In addition, the Group's joint venture partners may (i) have economic or business interests or goals that are inconsistent with that of the Group, (ii) act in ways contrary to the Group's instructions, requests, policies or objectives, (iii) fail, refuse or be unable to fulfil their obligations, (iv) encounter financial or operational difficulties, or (v) have disputes with the Group as to the scope of their responsibilities

and obligations. Any of these and other factors may materially and adversely affect the performance of the Group's joint ventures, which may, in turn, materially and adversely affect the Group's business, financial condition, prospects and results of operations.

Political uncertainties or the introduction of new government regulations such as restrictions on ownership or changes in economic, business and operating conditions could impair the value of the Group's investment in its joint ventures and associated companies. Such developments may also diminish the Group's ability to influence the management and directors of, and the decisions made by, these joint venture entities and associated companies. Additionally, in light of the current economic climate, the Group's joint venture partners may not be able to fulfil their respective contractual obligations (for example, they may default in making payments during future capital calls or capital raising exercises) or may experience a decline in creditworthiness. Although joint venture agreements generally contain terms that address such defaults, and the Group would generally seek to enforce its contractual rights, there is no assurance that the Group will be able to do so effectively or that such enforcement would fully mitigate any resulting losses, liabilities or reputational harm.

8. The risk headed "*The Group may face risks arising from its indebtedness*" appearing on page 80 of the Original Information Memorandum shall be deleted in its entirety and substituted therefor with the following:

The Group may face risks arising from its indebtedness

The Group, which had total assets of approximately \$682.2 million as at 31 December 2025, had aggregate borrowings of approximately \$130.9 million as at such date, including approximately \$99.5 million which is repayable in one year or less. While the Group has unutilised facilities and funds available for use, there can be no assurance that the Group will be able to refinance its borrowings as it becomes due on commercially reasonable terms, or at all. The Group may be required to meet its funding needs by procuring financing on terms which restrict it in certain ways, including by limiting its ability to pay dividends or requiring it to procure consents before it can pay dividends to holders of shares. Additionally, the Group's level of indebtedness means that a material portion of its expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Group for use in its general business operations. The Group's level of indebtedness may also restrict it from obtaining additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in the event of a general economic downturn.

9. The risk headed "*If the Group fails to secure or protect its intellectual property rights, competitors may be able to use the Group's technologies, which could weaken the Group's competitive position, reduce the Group's revenue or increase costs*" appearing on page 81 of the Original Information Memorandum shall be deleted in its entirety and substituted therefor with the following:

If the Group fails to secure or protect its intellectual property rights, competitors may be able to use the Group's technologies, which could weaken the Group's competitive position, reduce the Group's revenue or increase costs

The Group relies on trade secrets and its intellectual property rights for its manufacturing processes. The Group's efforts to protect its intellectual property may not be effective and may be challenged by third parties. In addition, other parties may independently develop similar or competing technologies. The Group competes in industries with rapid development and technological innovation. If the Group fails to protect its proprietary rights adequately, competitors could offer similar products using processes or technologies developed by the Group and thereby potentially harm the Group's competitive position and financial condition.

The Group may also engage in litigation to counter infringement or unauthorised use of its intellectual property rights. At the same time, claims for infringement of intellectual property rights, whether with or without merit, may be brought against the Group. Litigation is a time-consuming and costly process and may divert the management's attention from the Group's core businesses and reduce the resources available for the Group's business activities and have a material and adverse impact on the Group's businesses, financial condition, results of operations and prospects, regardless of the outcome. There is no assurance that the outcome of any litigation will be favourable to the Group and, even if the Group is successful, the damages or other remedies awarded, if any, may not be commercially meaningful. Uncertainties resulting from such litigation or other proceedings could also have a material and adverse impact on the Group's businesses, financial condition, results of operations and prospects.

10. The risk headed "*The Group may be affected by outbreaks of severe communicable diseases, epidemics, acts of God, war and terrorist attacks*" appearing on page 83 of the Original Information Memorandum shall be deleted in its entirety and substituted therefor with the following:

The Group's businesses, financial condition, results of operations and prospects may be adversely affected by outbreaks of infectious diseases or other serious public health concerns, acts of God, war and terrorist attacks

The financial and operating performance of the Group's businesses and the businesses of its clients could be materially and adversely affected by the risks, or public perception of the risks, associated with any outbreak, epidemic and/or pandemic of infectious or contagious diseases and/or other health crisis in the region or worldwide, such as the Zika virus, Severe Acute Respiratory Syndrome, Middle East Respiratory Syndrome, Ebola, the COVID-19 coronavirus ("**COVID-19**") and monkeypox. Any such outbreak, epidemic, pandemic and/or other health crisis could materially and adversely impact the Group's businesses, financial condition, results of operations and prospects.

In particular, outbreaks of infectious or contagious diseases and other health crises may result in public health, safety and regulatory measures being implemented by governments or authorities to prevent or limit their spread. Such measures may include travel restrictions, border controls, quarantine requirements, limitations on business operations, the shutdown of non-essential services and other restrictions on commercial and social activity. For example, the COVID-19 outbreak in 2020 resulted in the implementation of such measures across multiple countries including Singapore, Malaysia, Indonesia and South Korea. The implementation, scope and duration of any such measures may adversely affect economic activity and business operations generally. Any prolonged or widespread disruption arising from such events may materially and adversely impact the Group's businesses, financial condition, results of operations and prospects.

The extent, timing and duration of the impact of any outbreak, epidemic, pandemic and/or other health crisis are inherently uncertain and difficult to predict, and may depend on a number of factors beyond the Group's control, including the nature, severity and geographic spread of the event, the effectiveness and timing of governmental and regulatory responses, the availability and effectiveness of medical treatments or preventative measures, and the responses of businesses and consumers.

There can be no assurance that future outbreaks of infectious or contagious diseases or other health crises will not occur, including outbreaks involving new or mutated strains, or diseases for which existing treatments or preventative measures may be ineffective or unavailable. Any such

events, or the measures adopted in response thereto, may cause the businesses, financial condition, results of operations and prospects of the Group to be materially and adversely affected.

Natural disasters and other acts of God which are beyond the Group's control may adversely affect the economy, infrastructure and livelihood of the people of the countries in which the Group operates. The Business may be materially and adversely affected if such natural disasters occur.

War and terrorist attacks may cause damage or disruption to the Group and its employees, facilities and customers, any of which may materially and adversely affect the Business. There have been an increasing number of acts of violence, bombings and similar politically and/or ideologically motivated attacks in recent years. Terrorist activities, acts of violence or war and adverse political developments could materially and adversely affect international financial markets and the Singapore economy and could adversely affect the operations, revenues and profitability of the Group.

The consequences of any of these developments or events are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on its businesses, financial condition, results of operations and prospects.

11. There shall be inserted after the risk headed "*The Group may be affected by outbreaks of severe communicable diseases, epidemics, acts of God, war and terrorist attacks*" appearing on page 83 of the Original Information Memorandum, the following risks:

High interest rates may adversely impact the Group's businesses and the cost of acquiring the Group's properties which may also affect demand for the Group's properties

High interest rates may increase the costs of acquiring and holding real estate assets and could also result in slower economic growth and impact the demand for the Group's properties. High interest rates could also increase the cost of borrowing and financing for the Group and may in turn, affect the Group's ability to expand its businesses by way of acquisitions or reduce the Group's potential investments.

Since 2022, interest rates in the U.S. and many other economies have increased in response to elevated inflation and tighter monetary policy. Although interest rates have declined since September 2024, they remain relatively elevated and may increase again depending on inflation, monetary policy and broader credit conditions.

Any sustained increase or any renewed increase in interest rates in Singapore or any of the countries which the Group operates in may adversely affect the real estate sector and the Group by increasing the Group's borrowing and refinancing costs, reducing the availability of credit and increasing the cost of acquiring, holding and financing properties. Higher interest rates may also make it more expensive or difficult for potential purchasers to secure financing, which may reduce demand for the Group's properties and adversely affect property values. Accordingly, this could materially and adversely affect the Group's businesses, financial condition and results of operations.

The Group is subject to risks associated with new and potential investments

The Group will continue to look out for opportunities to expand its existing business. The ability of the Group to implement such future plans and to improve its financial performance is dependent on various factors, including but not limited to the customers' needs, industry and regulatory requirements, and sufficiency of financial and human resources.

In the event that such expansion (including any capital expenditures), investments and/or acquisitions are not commercially successful, the financial performance of the Group may be materially and adversely affected. Further, significant time and effort may be required to successfully integrate the new investments within the Group. If the Group is unable to manage the development and/or integration of the new investments and businesses efficiently and effectively, this could have a material and adverse impact on the Group's businesses, financial condition, results of operations and prospects.

There is no assurance that the Group's business strategies and future plans will be commercially successful or that the Group will be able to manage its growth effectively

There is no assurance that the Group's business strategies and future plans will be commercially successful or that the expected results or outcome achieved will be commensurate with the Group's investment costs. If unanticipated events or circumstances occur or if the Group's future plans are not successfully implemented, the Group's business operations, financial position, results of operations and prospects may be materially and adversely affected. The success and viability of the Group's future plans also depend on many factors, some of which are not within the Group's control, such as existence of favourable economic and political conditions, the demand and needs of its customers, and the commercial viability of the Group's future plans.

For instance, the Group may seek growth opportunities through mergers and acquisitions, joint ventures and/or strategic alliances to strengthen its market position in the industries that the Group operates, enhance the value-add in the Group's services and/or access new markets. These growth opportunities may involve a certain amount of business or operating risks including, among others:

- (a) inability of the Group to exert control over the actions of its partners, including any non-performance, default, or bankruptcy of its partners;
- (b) unidentified issues not discovered in the Group's due diligence process, such as hidden liabilities and contingencies;
- (c) difficulties and costs in integrating management, operations, services and personnel;
- (d) strain on resources in order to coordinate internal systems, controls, procedures and policies;
- (e) exposure to unknown liabilities incurred by the Group's partners;
- (f) diversion of the management's attention and Group resources from daily business operations during the investment process;
- (g) failure to realise anticipated synergies for revenue growth and cost benefits;
- (h) availability, terms, and costs of financing required to fund the Group's investments; and
- (i) unexpected delays and costs to the completion of investments.

In the event of any dispute with its partners on the business and day-to-day operations of the Group's joint ventures and/or strategic alliances, there is no assurance that the Group will be able to arrive at a resolution that is favourable to the Group. Furthermore, its partners may take actions contrary to the Group's instructions, requests, or policies and/or be unable or unwilling to fulfil its

obligations which may affect the operations of the joint venture and/or strategic alliance. In such event, the Group may not be able to complete projects within the stipulated budget and time schedule and the Group's financial performance, businesses and reputation may be materially and adversely affected.

Cyber security incidents, system failures or disruptions to the Group's information technology systems and networks could materially and adversely affect the Group

The Group relies on information technology systems and networks, including the Internet, to process, transmit and store information electronically and to manage and support its business operations, including financial transactions, revenue management, project and contract administration, procurement, payroll, human resource management, and record-keeping functions. Such systems may process or store personal data of customers, suppliers, employees and tenants, as well as other confidential or commercially sensitive information, which includes project data, engineering and construction documentation, tender submissions, pricing structures, financial records and intellectual property relating to the Group.

The Group uses commercially available systems, software, platforms, infrastructure solutions, productivity tools and cyber security monitoring solutions, including those provided and supported by third-party vendors. The Group has implemented layered security measures and controls intended to safeguard the confidentiality, integrity and availability of its information technology systems and data, including access management, network security, endpoint protection and system monitoring, as well as incident response processes coordinated with external cyber security monitoring and response partners. The Group continues to enhance its cyber security and resilience capabilities through ongoing investments in technology, governance frameworks, user awareness and operational preparedness. However, there can be no assurance that these measures and controls will be effective in preventing all cyber security incidents or system failures or disruptions. The Group's information technology systems may be vulnerable to cyber risks such as computer viruses, malware (including ransomware), phishing attempts, hacking, unauthorised access or disclosure of confidential, personal or sensitive information, or employee tampering or manipulation. In addition, the Group's systems may be affected by events that are wholly or partially beyond the Group's control, including electrical or telecommunication outages, failures of service providers, or physical or electronic break-ins, as well as technical system flaws, undetected errors or "bugs", or improper functioning. Any such incident, failure or disruption could cause the Group's systems to be unavailable or to operate improperly, require the Group to conduct certain activities offline or manually, or otherwise impair the Group's ability to monitor and manage its operations on a timely basis.

Any cyber security incident, system failure or disruption could result in delays or interruptions to the Group's operations, corruption, loss or unauthorised disclosure of data or confidential information, damage to the Group's reputation and brand, and exposure to compensation claims, litigation, regulatory investigations, fines, sanctions or penalties (including under applicable data protection laws), and may thereby materially and adversely affect the Group's businesses, financial condition, results of operations and prospects.

Failure to maintain the integrity of internal or customer data could result in harm to the Group's reputation or subject the Group to costs, liabilities, fines or lawsuits

The Group is subject to certain risks relating to the collection of personal data in the course of its business, as well as risks associated with compliance with applicable laws and regulations relating to such data in the jurisdictions in which it operates.

For example, in Singapore the Personal Data Protection Act 2012 of Singapore (the “**PDPA**”) imposes certain obligations on the Group where it collects, uses, discloses or processes personal data (i.e., data whether true or not, about an individual who can be identified from that data or other accessible information). In general, the PDPA permits the Group to collect, use or disclose personal data only for purposes for which it has obtained consent or which consent is deemed to be given, and imposes various data retention, data management and data transfer obligations upon it. The PDPA also created a regulatory authority, the Personal Data Protection Commission (the “**PDPC**”), with the power to give directions to ensure compliance with the PDPA, including the power to require an organisation to pay a penalty of up to \$1 million or, for organisations with more than \$10 million annual turnover in Singapore, up to 10.0% of the organisation’s annual turnover in Singapore, for breach of PDPA requirements. Apart from this, under the PDPA, individuals have a right of private action, and there are offences for which the penalties upon conviction include imprisonment. In addition, regulators have introduced enhancements to the PDPA, including higher financial penalties for data breaches since 1 October 2022. The imposition of such additional regulatory measures in Singapore or elsewhere may have a material adverse effect on the Group’s business, financial condition and results of operations. The Group may have no direct material relationship with end-users and may rely on other third parties to obtain relevant consents from end-users and some other relevant individuals. Relevant guidance from the PDPC suggests that this may be permissible if it exercises appropriate due diligence. While the Group takes various due diligence measures, ultimately it may be dependent on such third parties’ representations and warranties.

The Group is subject to regulatory risks associated with doing business outside Singapore

The Group operates and conducts business in multiple countries outside Singapore and is therefore subject to the legal and regulatory requirements in such countries, including sanctions and laws and regulations relating to anti-money laundering and countering the financing of terrorism, anti-bribery and anti-corruption. The Group also engages with a range of customers, suppliers, contractors, agents, consultants, joint venture partners and other third parties, and may from time to time operate in, or transact with counterparties connected to, countries that some may perceive as having a higher risk of fraud, bribery, corruption or other improper activity. It may not be possible for the Group to prevent fully or detect in a timely manner every instance of money laundering, bribery, corruption or sanction breaches, whether involving the Group’s employees or third parties acting on behalf of, or in connection with, the Group in the countries in which it has a business presence and there can be no assurance that the Group’s policies, procedures and controls will be effective at all times.

Any actual or alleged breach of, or failure to comply with sanctions or any applicable anti-money laundering and countering the financing of terrorism, anti-bribery and anti-corruption laws and regulations, or any investigation or enforcement action in relation thereto, could expose the Group to civil and criminal penalties, regulatory sanctions, fines, restrictions on business activities, contractual termination, increased compliance and remediation costs, and reputational damage and could therefore materially and adversely affect the Group’s business, financial condition, results of operations and prospects.

12. The risk headed “*The Group may be affected by accidents at its work sites*” appearing on page 85 of the Original Information Memorandum shall be deleted in its entirety and substituted therefor with the following:

The Group may be affected by accidents at its work sites

Accidents or mishaps may occur at the work sites of the Group’s projects. Such accidents or mishaps may severely disrupt operations of the Group and lead to delays in the completion of

projects and in the event of such delay, the Group may be liable to pay liquidated damages to its clients. In such event, the Business may be materially and adversely affected. Further, such accidents or mishaps may subject the Group to claims from workers or other persons involved in such accidents or mishaps for damages, and any claims which are not covered by the Group's insurance policies may materially and adversely affect the Business.

In addition, in Singapore, a demerit point system for the construction industry has been introduced by the MOM to measure workplace safety. If the Group or any contractor engaged by the Group is found to have breached the Workplace Safety and Health Act 2006 of Singapore and/or the relevant subsidiary legislation, the MOM may issue demerit points, with the number demerit points reflecting the severity of the breaches. If the Group or contractor accumulates demerit points above the prescribed thresholds (within an 18-month period), the MOM may impose escalating sanctions, including debarment from employing new migrant workers for a specified period and the rejection of applications for new work passes. Any such sanctions could constrain manpower availability, disrupt operations and delay project completion, and may materially and adversely affect the Business.

Further, in the event that the Group's work sites contravene the requisite safety standards imposed by the regulatory authorities, the Group may be subject to penalties which include being fined or issued with partial or full stop-work orders. The issuance of such stop-work orders may disrupt operations and lead to a delay in the completion of a project. These circumstances may have a material and adverse impact on the Business.

13. The risk headed "*Scarcity of land to locate its batching plants and pre-cast yards may affect the Group's building materials business*" appearing on page 86 of the Original Information Memorandum shall be deleted in its entirety and substituted therefor with the following:

Scarcity of land to locate its batching plants and pre-cast yards may affect the Group's building materials business

Ready-mixed concrete, which is a basic construction material, is mixed at batching plants. It is important that batching plants are located near the project sites to maximise efficiency. Failure to secure land for the setting up of batching plants may materially and adversely affect the Group's building materials business.

Additionally, the Group has two pre-cast yards, one in Singapore and another in Malaysia. The Group produces pre-cast components such as pipes and beams in its pre-cast yards. Subject to the overall master plan of the relevant authorities, the Group may or may not be able to retain its present pre-cast yards or find an alternative location for its pre-cast concrete activities. In the scenario that there is a scarcity of pre-cast yards, the Group may not be able to fulfil its contracts. This may have a material and adverse impact on the Group's Business.

14. The risk headed "*The Group is subject to governmental regulations and approvals in the countries where it operates*" appearing on page 88 of the Original Information Memorandum shall be deleted in its entirety and substituted therefor with the following:

The Group is subject to governmental regulations and approvals in the countries where it operates

The real estate industry in the countries where the Group operates is subject to significant government regulation and approvals over, amongst other things, land and title acquisition, development planning and design, construction and mortgage financing and lending, obtaining real estate development and sale licences, obtaining certificates of completion for its development projects and issuance of individual titles following completion of construction. Such regulations are

at times ambiguous and their interpretation and application can be inconsistent and may be potentially detrimental to the Group. In some instances, governments of the countries where the Group operates may adopt restrictive policies and impose onerous or unfavourable conditions with respect to the issuance of certain licences, permits or approvals. The Group's business may also be affected by changes in policies relating to immigration and/or foreign ownership of residential housing, policies adopted and/or actions taken by public housing authorities and policies relating to land sales by the relevant government.

For example in Singapore, the Singapore government has implemented various measures to promote a stable and sustainable property market. Such measures have included the removal of certain deferred payment and interest absorption schemes, tighter loan-to-value ("**LTV**") limits for housing loans (including for individuals and non-individuals such as companies), higher minimum cash down payment requirements in certain cases, and the imposition of additional buyer's stamp duty and seller's stamp duty. In addition, the MAS has implemented a total debt-servicing ratio ("**TDSR**") framework for property loans granted by financial institutions to individuals, under which financial institutions are required to take into account borrowers' other outstanding debt obligations when granting property loans. The TDSR is the percentage of a borrower's total monthly debt obligations to gross monthly income, and the general position is that borrower's TDSR will not exceed the applicable TDSR threshold, which is currently 55 per cent. The TDSR framework and related credit measures (including interest rate assumptions used to assess debt servicing capacity) may be reviewed and tightened from time to time. In September 2022, the MAS also adjusted the interest rate assumptions used to assess debt servicing capacity and determine eligible loan amounts by raising the medium-term interest rate floor used in computing a borrower's TDSR to 4 per cent. per annum. Any tightening of the foregoing cooling and credit measures may reduce borrowers' purchasing power and the pool of eligible purchasers, dampen market sentiment and demand and, consequently, may have a material and adverse impact on the Group's Business.

There is no assurance that the Singapore government will not introduce further measures to regulate the growth of the Singapore residential property market, which could materially and adversely affect the Business.

Regulation of land supply through availability of sites for tender under the Government Land Sales Programme, which is reviewed on a half-yearly basis, and changes in en bloc legislation for example, may also affect land supply and pricing.

Under the Residential Property Act 1976 of Singapore, housing developers are required to apply to the Controller of Residential Property for its approval to acquire residential property (including land) for development. The Controller of Residential Property may grant its approval subject to certain terms and conditions, as set out in a qualifying certificate ("**Qualifying Certificate**"), which may require a developer to, inter alia, (i) sell all the units in the housing development within a prescribed period and (ii) furnish a bankers' guarantee ("**Bankers' Guarantee**") for the sum of 10 per cent. of the purchase price of the land acquired. In the event that a developer fails to sell the units within the prescribed period, it may have to apply for an extension of the Qualifying Certificate and incur extension charges, or forfeit the Bankers' Guarantee for failure to comply with the terms of the Qualifying Certificate. However, on 6 February 2020, the Ministry of Law announced that publicly listed housing developers with a substantial connection to Singapore may be treated as Singapore companies for the purposes of the Residential Property Act 1976 when acquiring residential land. Such developers may accordingly apply for an exemption from the Qualifying Certificate regime.

The Singapore government also introduced the additional conveyance duties (“**ACD**”) regime in 2017 to address the stamp duty rate differential between the direct acquisition or disposal of residential properties and a transfer of shares or units in property holding entities (“**PHEs**”) holding primarily residential properties. Under the ACD regime, additional duties may be imposed on acquisitions and/or disposals of equity interests in a PHE where a person (together with its associates) becomes or is a significant owner, with the duty payable computed by reference to the market value of the underlying residential property (pro-rated to the interest transferred). The ACD regime may increase transaction costs and affect the pricing, timing and structuring of acquisitions, disposals and reorganisations involving PHEs. For example, ACD of up to 71 per cent. may be payable by buyers of shares or units in a PHE, comprising a buyer’s stamp duty component (at 1 per cent. to 6 per cent. for instruments executed on or after 15 February 2023) and an additional buyer’s stamp duty component (at 65 per cent. for instruments executed on or after 27 April 2023). Sellers, who are significant owners, may also be subject to ACD for sellers. For example, a rate of 16 per cent. may apply where the equity interests were acquired on or after 4 July 2025 and are disposed of within four years.

15. There shall be inserted after the risk headed “*The Group is exposed to the general risk of investing in properties overseas*” appearing on pages 91 to 92 of the Original Information Memorandum, the following risks:

The market values of the Group’s properties may differ from their appraised values as determined in the valuation reports

The valuations of the Group’s properties are based on certain assumptions which may differ materially from actual market measures. Property valuations generally include a subjective determination of certain factors relating to the relevant property, such as the property’s relative market position, financial and competitive strengths and physical condition. Accordingly, no assurance can be given to prospective investors that the assumptions accurately reflect the market or that the valuation of each of the Group’s properties is accurate. The market value of the Group’s properties or any future acquisitions may, therefore, differ from their appraised values. The appraised value of any of the Group’s properties or any future acquisitions is not an indication of, and does not guarantee, a sale price at that value at present or in the future. The price at which the Group may sell a property may be lower than its appraised value or the initial acquisition price of that property.

The properties held by the Group may be revalued downwards

Property valuations generally include a subjective evaluation of certain factors relating to the relevant properties, such as their relative market positions, their financial and competitive strengths and their physical conditions. General property prices are subject to the volatilities of the property market and there can be no assurance that the Group will not be required to make downward revaluation of the properties owned by it in the future. Any fall in the gross revenue or net property income earned from the Group’s properties will result in downward revaluation of such properties. Downward revaluations could negatively impact the Group’s gearing, which could in turn trigger a default under certain loan covenants and/or impact the Group’s ability to refinance its existing borrowings or secure additional borrowings.

In addition, the Group is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of the investment properties is recognised in the statements of total return. Changes in fair value may have an adverse effect on the Group’s financial results for the financial year if there is a significant decrease in the valuation of the Group’s properties which results in revaluation losses that are recognised in its statements of total return.

16. The risks headed “*The Group’s hospitality operations are subject to laws and regulations and require licensing*” and “*The Group faces risks associated with illegal activities which may be carried out in its hotel*” appearing on page 93 of the Original Information Memorandum shall be deleted in its entirety and substituted therefor with the following:

The Group’s hospitality operations are subject to laws and regulations and require licensing

The operation of hotels is subject to various laws and regulations such as the Hotels Act 1954 of Singapore (the “**Hotels Act**”). For example, the Group presently requires hotel licences issued under the Hotels Act for the operation of its hotel. The withdrawal, suspension or non-renewal of any of these licences may have a material and adverse impact on the Group’s business. Also, if the Group is unable to obtain such licences for any new hotels, its business could be materially and adversely affected. Further, any changes in such laws and regulations may also have an impact on the Group’s business and result in higher costs of compliance. In addition, any failure to comply with these laws and regulations could result in the imposition of fines or other penalties by the relevant authorities. This could have an adverse impact on the Group’s business.

The Group faces risks associated with illegal activities which may be carried out in its hotel

The holder of the hotel-keeper’s licence granted in respect of the Group’s hotel is required to ensure that the prescribed requirements and conditions under the Hotels Licensing Regulations of the Hotels Act are strictly adhered to. Under the Hotels Licensing Regulations, a licensee must not knowingly permit illegal or unlawful activities, such as gambling, drug abuse and money laundering, to be carried out within the hotel premises. The Group has adopted various measures to enforce strict adherence to the requirements and conditions of the Hotels Licensing Regulations but there can be no assurance that there will be no such illegal activities being carried out in the Group’s hotel. In the event that such illegal activities are carried out in the Group’s hotel and the Group’s hotel-keeper’s licence holders are convicted of contravening the provisions of the Hotels Licensing Regulations, they will be liable to certain fines. In addition to any other penalty imposed, the court may, pursuant to the Hotels Licensing Regulations, cancel the licences and also cancel or suspend any certificate of registration granted in relation to such hotels. In the event that the hotel-keeper’s licence and/or the certificate of registration for the Group’s hotel (which are essential to the Group’s operations) is cancelled, the Group’s business could be materially and adversely affected.

CLEARING AND SETTLEMENT

The section below replaces the section “CLEARING AND SETTLEMENT” appearing on pages 100 and 101 of the Original Information Memorandum in its entirety.

Clearing and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (“**Depository System**”) maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note for persons holding the Notes in securities accounts with CDP (“**Depositors**”). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through securities sub-accounts held with corporate depositors (“**Depository Agents**”). Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearing and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant,

either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Issuing and Paying Agent or, as the case may be, the Non-CDP Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Clearance and Settlement under Other Clearing System(s)

For Notes to be cleared in a clearing system other than Euroclear, Clearstream, Luxembourg and/or CDP, the clearance and settlement of such Notes will be effected in accordance with the relevant clearing system's documentary requirements and procedures.

SINGAPORE TAXATION

This section replaces the section "SINGAPORE TAXATION" appearing on pages 102 to 106 of the Original Information Memorandum in its entirety.

The statements made herein regarding taxation are general in nature and are based on certain aspects of current tax laws and regulations in Singapore, and administrative guidelines and circulars issued by the Inland Revenue Authority of Singapore ("IRAS") and the MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, regulations, administrative guidelines or circulars, or in the interpretation of those laws, regulations, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis, including amendments to the Income Tax (Qualifying Debt Securities) Regulations to include the conditions for the income tax and withholding tax exemptions under the qualifying debt securities ("QDS") scheme for early redemption fee (as defined in the ITA) and redemption premium (as such term has been amended by the ITA). These laws, regulations, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither the statements below nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the subscription for, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger(s) and any other persons involved in the Programme or the issuance of the Notes, accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore, unless specifically exempted. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is

the prevailing corporate tax rate, currently 17.0 per cent. The applicable rate for non-resident individuals is currently 24.0 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax rate of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

From the time of establishment of the Programme to 3 October 2017, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch was the sole arranger under the Programme and was a Financial Sector Incentive (Bond Market) (“**FSI-BM**”) Company, Financial Sector Incentive (Capital Market) Company (“**FSI-CM**”) or Financial Sector Incentive (Standard Tier) Company (“**FSI-ST**”) (as defined in the ITA) at such time of establishment of the Programme. The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch resigned as the sole arranger under the Programme with effect from 3 October 2017, and from 3 October 2017, DBS Bank Ltd. has been appointed as the sole arranger under the Programme, and was an FSI-CM or FSI-ST Company at such time and is a Specified Licensed Entity (as defined below).

As the Programme as a whole was arranged by FSI-BM, FSI-CM or FSI-ST Companies (as defined in the ITA) and who are Specified Licensed Entities, any Tranche of the Notes (“**Relevant Notes**”) issued as debt securities under the Programme during the period from the date of the Information Memorandum to 31 December 2028 would be QDS for the purposes of the ITA, to which the following treatment shall apply:

- (a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of such person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the “**Qualifying Income**”) from the Relevant Notes, paid by the Issuer and derived by a holder who is not resident in Singapore and who (i) does not have any permanent establishment in Singapore or (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income

from the Relevant Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

- (i) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
- (ii) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

For the purposes of the foregoing, the term “offering documents” means the prospectuses, offering circulars, information memoranda, pricing supplements or other documents issued to investors in connection with an issue of securities.

Notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and
- (B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:-
 - (i) any related party of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

Pursuant to the ITA, the reference to the term “**Specified Licensed Entity**” above means:

- (a) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;
- (b) a finance company licensed under the Finance Companies Act 1967 of Singapore; or
- (c) a person who holds a capital markets services licence under the SFA to carry on a business in any of the following regulated activities: advising on corporate finance or dealing in capital markets products.

The terms “**early redemption fee**”, “**redemption premium**” and “**related party**” are defined in the ITA as follows:

“early redemption fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities;

“redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities; and

“related party”, in relation to a person (A), means any person (a) who, directly or indirectly, controls A; (b) who is being controlled, directly or indirectly, by A; or (c) who, together with A, is directly or indirectly, under the control of a common person.

References to “early redemption fee”, “redemption premium” and “related party” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) is derived from any of the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or who are required to apply Singapore Financial Reporting Standard 109 (“**FRS 109**”) or Singapore Financial Reporting Standard (International) 9 (“**SFRS(I) 9**”) (as the case may be) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on “Adoption of FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes”.

3. Adoption of FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued an e-Tax Guide entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Holders of the Notes who may be subject to the tax treatment under Section 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

This section supplements the section “SUBSCRIPTION, PURCHASE AND DISTRIBUTION” appearing on pages 107 to 109 of the Original Information Memorandum.

1. the following paragraphs shall be inserted after the section headed “United States” appearing on pages 107 and 108 of the Original Information Memorandum as follows:

“PRIIPs Regulation - Prohibition of Sales to EEA Retail Investors

Each Relevant Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (i) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (b) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (c) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”); and
- (ii) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each Relevant Dealer has represented and agreed that from (and including) the date of this Supplemental Information Memorandum up to (but excluding) 6 April 2026, it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (i) the expression “**retail investor**” means a person who is neither:
 - (a) a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; nor
 - (b) a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and

- (ii) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Each Relevant Dealer has represented and agreed that from (and including) 6 April 2026, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (i) the expression “**retail investor**” means a person who is either one (or both) of the following:
 - (a) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or
 - (b) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and
- (ii) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

Other Regulatory Restrictions

Each Relevant Dealer has represented and agreed that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
 - (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
 - (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.”
2. the section headed “*Singapore*” appearing on page 108 of the Original Information Memorandum shall be deleted in its entirety and substituted therefor with the following:

“Singapore

Each Relevant Dealer has acknowledged that the Information Memorandum has not been and will not be registered as a prospectus with the MAS under the SFA. Accordingly, each Relevant Dealer has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore.

Any reference to the “**SFA**” is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.”

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. The name and position of each of the Directors are set out below:

<u>Name</u>	<u>Position</u>
Koh Keng Siang	Executive Chairman & Group CEO
Koh Teak Huat	Executive Deputy Chairman
Koh Keng Hiong	Executive Director and Deputy CEO
Quek Chee Nee	Non-Executive and Non-Independent Director
Ong Seet Joon	Non-Executive and Lead Independent Director
Goh Mou Lih	Non-Executive and Independent Director
Low Yee Khim	Non-Executive and Independent Director
Ow Yong Thian Soo	Non-Executive and Independent Director
Sharon Tay Lee Teng	Non-Executive and Independent Director

2. Save as disclosed below, the Directors are not related by blood or marriage to one another nor are they related to any substantial shareholder of the Issuer:

- (a) Mr Koh Keng Siang and Mr Koh Keng Hiong are siblings and are the children of Mdm Quek Chee Nee, and the nephews of Mr Koh Teak Huat.

3. As at the date of this Supplemental Information Memorandum, no Director of the Issuer is or was involved in any of the following events:

- (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;
- (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being a named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or
- (c) being the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

4. As at the date of this Supplemental Information Memorandum, there is no outstanding option to subscribe for shares in the Issuer by any Director or employees of the Group.
5. The interests of the Directors and the substantial shareholders of the Issuer in the Shares as at the Latest Practicable Date are as follows:

Directors

	Direct Interest		Deemed Interest	
	Number of Shares	%⁽¹⁾	Number of Shares	%⁽¹⁾
Koh Keng Siang ⁽²⁾	39,181,189	9.50	60,020,000 ⁽³⁾	14.55
Koh Teak Huat ⁽²⁾	20,713,088	5.02	325,000 ⁽⁴⁾	0.08
Koh Keng Hiong ⁽²⁾	55,260,100	13.40	10,000 ⁽⁵⁾	0.00
Quek Chee Nee ⁽²⁾	25,896,814	6.28	Nil	Nil
Ong Seet Joon	Nil	Nil	Nil	Nil
Goh Mou Lih	Nil	Nil	Nil	Nil
Low Yee Khim	Nil	Nil	Nil	Nil
Ow Yong Thian Soo	Nil	Nil	Nil	Nil
Sharon Tay Lee Teng	Nil	Nil	6,000 ⁽⁶⁾	0.00

Notes:

- (1) Based on the issued share capital of 412,459,100 Shares (excluding 25,540,900 Shares being held as treasury shares by the Issuer) as at the Latest Practicable Date.
- (2) Mr Koh Keng Siang and Mr Koh Keng Hiong are the sons of Mdm Quek Chee Nee, and the nephews of Mr Koh Teak Huat.
- (3) Mr Koh Keng Siang is deemed interested in (i) 60,000,000 shares held by Kohs Investment Pte Ltd, and (ii) 20,000 shares held by his spouse, Mdm Phua Siew Gaik.
- (4) Mr Koh Teak Huat is deemed interested in 325,000 shares held by his spouse, Mdm Quek Siew Lang.
- (5) Mr Koh Keng Hiong is deemed interested in 10,000 shares held by his spouse, Mdm Erliana Sutadi.
- (6) Ms Sharon Tay Lee Teng is deemed interested in 6,000 shares held by her spouse, Mr Teh Hock Kiat Raphael.

Substantial Shareholders

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Koh Keng Siang	39,181,189	9.50	60,020,000 ⁽¹⁾⁽⁴⁾	14.55
Koh Teak Huat	20,713,088	5.02	325,000 ⁽²⁾	0.08
Koh Keng Hiong	55,260,100	13.40	10,000 ⁽³⁾	0.00
Quek Chee Nee	25,896,814	6.28	Nil	Nil
Koh Kheng How	28,908,800	7.01	Nil	Nil
Kohs Investment Pte Ltd ⁽⁴⁾	60,000,000	14.55	Nil	Nil

Notes:

- (1) Mr Koh Keng Siang is deemed interested in (i) 60,000,000 shares held by Kohs Investment Pte Ltd, and (ii) 20,000 shares held by his spouse, Mdm Phua Siew Gaik.
- (2) Mr Koh Teak Huat is deemed interested in the shares held by his spouse, Mdm Quek Siew Lang.

(3) Mr Koh Keng Hiong is deemed interested in 10,000 shares held by his spouse, Mdm Erliana Sutadi.

(4) Kohs Investment Pte Ltd is wholly owned by Mr Koh Keng Siang.

SHARE CAPITAL

6. As at the date of this Supplemental Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the Shares are stated in the Constitution of the Issuer.
7. No shares of the Issuer have been issued, as fully or partly paid up, for cash or for a consideration other than cash, within the two years preceding the date of this Supplemental Information Memorandum.
8. The issued share capital of the Issuer as at the date of this Supplemental Information Memorandum is as follows:

Share Designation	Issued Share Capital	
	Number of Shares '000	Amount S\$'000
Ordinary Shares	438,000 ⁽¹⁾	S\$36,981

Note:

(1) Including 25,540,900 Shares being held as treasury shares by the Issuer.

BORROWINGS

9. Save as disclosed in Appendix III, the Group had as at 31 December 2025 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

10. The Directors are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Series 4 Notes, the Issuer will have adequate working capital for its present requirements.

CHANGES IN ACCOUNTING POLICIES

11. As at the date of this Supplemental Information Memorandum, there has been no significant change in the accounting policies of the Issuer since its audited consolidated financial statements for the financial year ended 31 December 2025.

LITIGATION

12. Save as disclosed in this Supplemental Information Memorandum, there are no legal or arbitration proceedings pending or, to the best of the Issuer's knowledge and belief having made reasonable enquiries, threatened against the Issuer or any of its subsidiaries the outcome of which is reasonably expected to have or have had during the 12 months prior to the date of this Supplemental Information Memorandum a material adverse effect on the financial position of the Issuer or the Group taken as a whole.

MATERIAL ADVERSE CHANGE

13. Save as disclosed in this Supplemental Information Memorandum, there has been no material adverse change in the financial condition or business of the Issuer or the Group taken as a whole since 31 December 2025.

CONSENT

14. PricewaterhouseCoopers LLP has given and has not withdrawn its written consent to the issue of this Supplemental Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Supplemental Information Memorandum.

INFORMATION TO TRUSTEE

15. Under the Trust Deed, the Trustee shall not (unless ordered to do so by a court of competent jurisdiction in which case the Issuer shall be notified as soon as practicable of the receipt of such order by the Trustee) be required to disclose to any Noteholder or Couponholder any confidential, financial, price sensitive or other information made available to the Trustee by the Issuer or its subsidiaries in connection with any of the Issue Documents (as defined in the Trust Deed) and no Noteholder or Couponholder shall be entitled to take any legal action to obtain from the Trustee any such information.

DOCUMENTS AVAILABLE FOR INSPECTION

16. Copies of the following documents may be inspected at the registered office of the Issuer at 15 Genting Road, Singapore 349493 during normal business hours for a period of six months from the date of this Supplemental Information Memorandum:
 - (a) the Constitution of the Issuer;
 - (b) the Trust Deed;
 - (c) the letter of consent referred to in paragraph 14 above; and
 - (d) the audited consolidated financial statements of the Issuer and its subsidiaries for the financial years ended 31 December 2024 and 31 December 2025.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

17. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF KOH BROTHERS
GROUP LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2024**

The information in this Appendix II has been reproduced from the annual report of Koh Brothers Group Limited for the financial year ended 31 December 2024 and has not been specifically prepared for inclusion in this Supplemental Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2024 and the balance sheet of the Company as at 31 December 2024.

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 53 to 111 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 2024 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
Er Dr Lee Bee Wah
Goh Mou Lih
Low Yee Khim
Ong Seet Joon
Ow Yong Thian Soo

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.

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 31.12.2024	At 1.1.2024	At 31.12.2024	At 1.1.2024
Koh Brothers Group Ltd				
<u>Ordinary shares</u>				
Koh Keng Siang	39,181,189	30,272,535	60,020,000	60,020,000
Koh Teak Huat	35,713,088	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	-	-
Er Dr Lee Bee Wah	605,000	605,000	-	-
<u>\$22.75 million 6.5% fixed 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	-	-
Er Dr Lee Bee Wah	\$250,000	\$250,000	-	-
Ong Seet Joon	\$250,000	\$250,000	-	-
Koh Brothers Eco Engineering Ltd				
<u>Ordinary shares</u>				
Koh Keng Siang	15,254,800	13,120,000	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	1,211,000	1,211,000
Quek Chee Nee	2,589,681	2,589,681	-	-
Oiltek International Ltd				
<u>Ordinary shares</u>				
Koh Keng Siang	-	-	97,445,805	97,445,805
Ong Seet Joon	50,000	50,000	-	-

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Directors' interests in shares or debentures *(continued)*

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 2025 were the same as those as at 31 December 2024.

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.

Audit and Risk Committee

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

Er Dr Lee Bee Wah (Chairperson)
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 2024 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

Koh Keng Siang
Director

Koh Keng Hiong
Director

28 March 2025

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 Ltd (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 2024 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 2024;
- the balance sheets of the Group and the Company as at 31 December 2024;
- 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") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have 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 2024. 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

Our Audit Approach (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Accounting for engineering and construction contracts <i>Refer to Note 3(a) and Note 4</i>	
During the financial year ended 31 December 2024, revenue from engineering and construction contracts amounted to \$143.1 million, representing 60.0% of the total revenue of the Group of \$238.4 million. Contract assets relating to engineering and construction contracts amounted to \$101.3 million. The Group uses the input method (i.e. "cost-to-cost" method) to measure project progress and recognise contract revenue in accordance with SFRS(I) 15 Revenue from Contracts with Customers. This requires significant judgement in assessing the revenue from variation order, cost to complete and project margins. The estimation of total contract sum includes variation orders ("VOs") where management had determined that there was sufficient basis to claim from customers. Given these VOs are unpriced and un-rated, estimates are used 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 condition 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. We focused on the accuracy of revenue recognition and recoverability of contract assets due to the significant management judgment required in determining the total contract sum and the total contract costs.	We obtained an understanding of the projects under construction through discussions with management and project managers, assessed the appropriateness of the method selected for individual projects to measure project progress and recognise contract revenue, and examined project documentation (including contracts, correspondences with customers on delays or extension of time). In relation to total contract sums for projects in progress, our audit procedures include the following on a sampling basis: • agreed total contract sums to contracts entered into by the Group and its customers; • inspected correspondences with customers and supporting documents by the Group's specialists relating to VOs included in the total contract sums; • obtained and reviewed legal opinions, where appropriate, from the Group's external legal counsels in relation to their contractual rights to claim for VOs for certain projects; • agreed VOs with agreed prices included in total contract sums to surveyor/architect's certification; • for VOs where management had determined that there was sufficient basis to claim from customers but pending final agreement with the customers, agreed claims to customers' instructions and schedule of rate or quotation from subcontractors; • inspected progress billings to customers subsequent to year end and compared amounts to contract asset balances at year end; and • assessed the adequacy of the amount of liquidated damages to be net off against contract sums, based on our understanding of the projects. In relation to total contracts costs, our audit procedures include the following on a sampling basis: • traced the cost to complete for each project by substantiating costs that have been committed to quotations and contracts entered into; • tested the reasonableness of the cost to complete for selected projects, focusing on those with significant activities during the year; and • assessed the reasonableness of cost incurred against our understanding of the projects.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOH BROTHERS GROUP LIMITED

Our Audit Approach *(continued)*

Key Audit Matters *(continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
	Based on the audit procedures performed above, we have assessed management's estimates to be reasonable. We then recomputed the percentage of completion based on actual cumulative cost incurred as a portion of total contract costs, cumulative contract revenue and the contract revenue recognised for the current financial year as well as the amount of provision for onerous contracts (where relevant) for each project, and traced to the accounting records and found it to be appropriate. We have also assessed the adequacy of the disclosures of the key accounting estimates and sensitivity and found the disclosures in the financial statements to be appropriate.
Valuation of investment properties Refer to Note 3(b) and Note 22 The Group's investment properties carried at fair value amount to \$102.6 million at 31 December 2024 and accounted for 16.3% of the Group's total assets. The disclosures relating to these investment properties are included in Note 3(b) and Note 22 to the financial statements. Management uses external valuers to support its determination of the individual fair value of its investment properties annually. 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.	Our procedures included the following: - assessed the competency, capabilities and objectivity of the external valuers engaged by the Group; - obtained an understanding of the techniques used by the external valuers in determining the valuation of individual investment properties; - discussed the critical assumptions made by the external valuers for the key inputs used in the valuation techniques; - tested the integrity of information, including underlying lease and financial information provided to the external valuers; and - assessed the reasonableness of the market value of comparable properties by benchmarking these against those of comparable properties and prior year inputs. We found that the external valuers are members of recognised professional bodies for external valuers. We also found that the valuation methodologies 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. We have also assessed the adequacy of the disclosures relating to the assumptions as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOH BROTHERS GROUP LIMITED

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.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOH BROTHERS GROUP LIMITED

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

- 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.

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 Lee Chian Yorn.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 28 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 \$'000	2023 \$'000
Sales	4(a)	238,394	356,249
Cost of sales	7	(219,129)	(348,742)
Gross profit		19,265	7,507
Other income	5	2,096	1,367
Other gains – net	6	3,419	596
Expenses			
– Distribution and marketing			
– Allowance for impairment of trade receivables and contract assets	7	(1,614)	(228)
– Others	7	(1,706)	(7,229)
– Administrative	7	(21,591)	(17,291)
– Finance	9	(12,254)	(14,031)
– Other			
– Write-back of allowance for impairment of loans to joint ventures	7	111	1,174
– Write-back of allowance for impairment of sundry debtors	7	19	295
– Allowance for impairment of investment securities	7	-	(865)
– Others	7	(60)	159
Share of (loss)/profit of associated companies	19	(116)	187
Share of profit of joint ventures	20	5,346	2,541
Loss before income tax		(7,085)	(25,818)
Income tax expense	10(a)	(3,336)	(1,200)
Loss after income tax		(10,421)	(27,018)
Loss attributable to:			
Equity holders of the Company		(5,451)	(21,960)
Non-controlling interests		(4,970)	(5,058)
		(10,421)	(27,018)
Loss per share for loss attributable to equity holders of the Company:			
– Basic loss per share (in cents)	11(a)	(1.32)	(5.32)
– Diluted loss per share (in cents)	11(b)	(1.32)	(5.32)
Loss after income tax		(10,421)	(27,018)
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation loss arising from consolidation	31(c)	(395)	(451)
Fair value gain on debt financial assets, at FVOCI	31(b)	147	88
		(248)	(363)
<i>Items that may not be reclassified subsequently to profit or loss:</i>			
Currency translation difference arising from consolidation attributable to non-controlling interests	31(c)	533	(550)
Fair value gain/(loss) on equity financial assets, at FVOCI	31(b)	702	(855)
Other comprehensive income/(loss), net of tax		987	(1,768)
Total comprehensive loss		(9,434)	(28,786)
Total comprehensive loss attributable to:			
Equity holders of the Company		(5,000)	(23,178)
Non-controlling interests		(4,434)	(5,608)
		(9,434)	(28,786)

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

BALANCE SHEETS

AS AT 31 DECEMBER 2024

		GROUP		COMPANY	
	Note	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
ASSETS					
Current assets					
Cash and bank balances	12	71,149	95,832	109	136
Investment securities	13	347	1,417	-	-
Trade and other receivables	14	102,405	78,875	-	5
Contract assets	4(b)	93,040	156,723	-	-
Amounts due from subsidiaries	21	-	-	24,266	21,529
Amounts due from joint ventures	15	5,971	29,913	-	-
Inventories	16	1,146	6,031	-	-
Development properties	17	-	1,048	-	-
Income tax receivables	10(b)	730	730	-	-
Other current assets	18	4,440	4,447	-	-
		279,228	375,016	24,375	21,670
Non-current assets					
Trade and other receivables	14	5,900	5,900	-	-
Contract assets	4(b)	38,898	38,267	-	-
Investment securities	13	7,198	6,483	-	-
Investment in subsidiaries	21	-	-	156,865	156,865
Investments in associated companies	19	168	284	-	-
Investments in joint ventures	20	94,265	92,719	-	-
Investment properties	22	102,562	100,989	-	-
Property, plant and equipment	23	94,228	98,632	-	-
Goodwill	26	5,078	5,078	-	-
		348,297	348,352	156,865	156,865
Total assets		627,525	723,368	181,240	178,535
LIABILITIES					
Current liabilities					
Trade and other payables	27	80,903	85,108	1,215	1,297
Contract liabilities	4(b)	23,141	25,775	-	-
Amounts due to subsidiaries	21	-	-	39,678	37,346
Amounts due to joint ventures	15	32,065	35,796	-	-
Current income tax liabilities	10(b)	1,213	538	-	-
Bank borrowings and lease liabilities	28	85,932	134,804	-	-
		223,254	282,021	40,893	38,643
Non-current liabilities					
Trade and other payables	27	7,374	10,746	-	-
Amount due to a subsidiary	21	-	-	19,011	19,011
Bank borrowings and lease liabilities	28	59,810	82,942	-	-
Notes payables	30	22,522	22,345	22,522	22,345
Deferred income tax liabilities	10(c)	6,343	6,519	-	-
		96,049	122,552	41,533	41,356
Total liabilities		319,303	404,573	82,426	79,999
NET ASSETS		308,222	318,795	98,814	98,536
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	31(a)	36,981	36,981	36,981	36,981
Treasury shares	31(a)	(7,983)	(7,983)	(7,983)	(7,983)
Other reserves	31(b)	(5,915)	(6,761)	-	-
Retained profits		248,199	253,650	69,816	69,538
Currency translation reserve	31(c)	(11,397)	(11,002)	-	-
		259,885	264,885	98,814	98,536
Non-controlling interests		48,337	53,910	-	-
Total equity		308,222	318,795	98,814	98,536

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Note	Attributable to equity holders of the Company					Total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Other reserves \$'000	Retained profits \$'000	Currency translation reserve \$'000			
Balance at 1 January 2024	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 by a subsidiary	31(b)(iii)	-	-	(3)	-	(3)	3	-
Dividends paid	32	-	-	-	-	-	(1,139)	(1,139)
Total transactions with owners, recognised directly in equity		-	-	(3)	-	(3)	(1,136)	(1,139)
Balance at 31 December 2024	36,981	(7,983)	(5,915)	248,199	(11,397)	259,885	48,337	308,222
Balance at 1 January 2023	36,981	(7,983)	(5,993)	276,435	(10,551)	288,889	60,374	349,263
Loss for the financial year	-	-	-	(21,960)	-	(21,960)	(5,058)	(27,018)
Other comprehensive loss for the financial year	-	-	(767)	-	(451)	(1,218)	(550)	(1,768)
Total comprehensive loss for the financial year	-	-	(767)	(21,960)	(451)	(23,178)	(5,608)	(28,786)
Share based payment pursuant to performance share plan by a subsidiary	31(b)(iii)	-	-	(1)	-	(1)	6	5
Exercise of warrants issued by a listed subsidiary		-	-	-	-	-	3	3
Dividends paid	32	-	-	(825)	-	(825)	(865)	(1,690)
Total transactions with owners, recognised directly in equity		-	-	(825)	-	(826)	(856)	(1,682)
Balance at 31 December 2023	36,981	(7,983)	(6,761)	253,650	(11,002)	264,885	53,910	318,795

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group	
	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Loss after income tax		(10,421)	(27,018)
Adjustments for:			
- Income tax expense		3,336	1,200
- Write-back of allowance for impairment of loans to joint ventures		(111)	(1,174)
- Allowance for investment securities	7	-	865
- Depreciation of property, plant and equipment	7	8,513	11,047
- Property, plant and equipment written off		2	153
- Fair value (gain)/loss on investment properties	6	(1,787)	7
- Gain on disposal of property, plant and equipment	6	(318)	(424)
- Gain on disposal of investment properties	6	-	(392)
- Gain on liquidation of a joint venture	6	(26)	-
- Share of loss/(profit) of associated companies		116	(187)
- Share of profit of joint ventures		(5,346)	(2,541)
- Finance expense		12,254	14,031
- Interest income	5	(1,565)	(1,099)
- Dividend income	5	(189)	-
- Unrealised translation (gain)/loss		(1,118)	959
		3,340	(4,573)
Change in working capital:			
- Trade and other receivables		(23,530)	(3,823)
- Inventories		4,885	1,677
- Contract assets and liabilities		60,418	(2,030)
- Development properties		1,048	92,950
- Other current assets		7	346
- Trade and other payables		(6,295)	(6,352)
- Amount due from/to joint ventures		24,121	(709)
Cash generated from operations		63,994	77,486
Income tax paid	10(b)	(2,871)	(1,902)
Net cash provided by operating activities		61,123	75,584
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,300)	(2,261)
Net proceeds/(purchase) from investment securities		1,204	(190)
Proceeds from disposal of property, plant and equipment		354	469
Proceeds from disposal of investment properties, net of expenses		-	7,692
Proceeds from liquidation of a joint venture		26	-
Dividend received from investment securities		189	-
Interest received		1,565	1,099
Net cash provided by investing activities		1,038	6,809
Cash flows from financing activities			
Proceeds from issuance of shares by listed subsidiaries, net of expenses		-	3
Proceeds from bank borrowings		29,000	52,337
Repayment of bank borrowings		(97,386)	(96,905)
Principal payment of lease liabilities		(4,951)	(7,983)
Dividends paid to equity holders of the Company		-	(825)
Dividends paid to non-controlling interests		(1,139)	(865)
Interest paid		(13,360)	(13,409)
Net cash used in financing activities		(87,836)	(67,647)
Net change in cash and bank balances		(25,675)	14,746
Beginning of financial year		95,832	82,432
Effects of currency translation on cash and bank balances		992	(1,346)
End of financial year	12	71,149	95,832

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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
2024							
Bank borrowings (Note 28 and 29)	208,500	(68,386)	-	-	23	-	140,137
Lease liabilities (Note 28)	9,246	(5,187)	237	1,309	-	-	5,605
Notes payables (Note 30)	22,345	(1,479)	1,479	-	-	177	22,522
Accrued interest expense within trade and other payables	1,544	(9,376)	8,270	-	-	-	438
2023							
Bank borrowings (Note 28 and 29)	253,132	(44,568)	-	-	(64)	-	208,500
Lease liabilities (Note 28)	13,921	(8,328)	345	3,308	-	-	9,246
Notes payables (Note 30)	22,168	(1,479)	1,479	-	-	177	22,345
Accrued interest expense within trade and other payables	1,447	(11,585)	11,682	-	-	-	1,544

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

1. General information

Koh Brothers Group Ltd (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 38 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 2024

On 1 January 2024, 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. Contract revenue is recognised when the Group's performance creates or enhance an asset that the customer controls as the asset is created or enhanced.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information *(continued)*

2.2 Revenue recognition *(continued)*

(a) Contract revenue *(continued)*

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.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information *(continued)*

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 on 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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information *(continued)*

2.4 Group accounting *(continued)*

(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.

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information *(continued)*

2.4 Group accounting *(continued)*

(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:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information *(continued)*

2.5 Property, plant and equipment *(continued)*

(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:

	Useful lives
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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information *(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information *(continued)*

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information *(continued)*

2.11 Financial assets

(a) Classification and measurement

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

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

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. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information *(continued)*

2.11 Financial assets *(continued)*

(a) Classification and measurement *(continued)*

At subsequent measurement (continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information *(continued)*

2.12 Leases *(continued)*

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

(i) ROU assets *(continued)*

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information *(continued)*

2.12 Leases *(continued)*

(b) When the Group is the lessor:

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 its banking facilities granted certain subsidiaries and joint ventures. These guarantees are financial guarantees as they require the Company to reimburse the banks if the 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information *(continued)*

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
- (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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information *(continued)*

2.19 Employee compensation *(continued)*

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information *(continued)*

2.21 Currency translation *(continued)*

(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:

- (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 bank balances

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. Critical accounting estimates and assumptions

Estimates and assumptions 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 sum and contract costs for engineering and construction contracts

The Group has significant ongoing engineering and construction contracts as at 31 December 2024 which are non-cancellable and have remaining unsatisfied performance obligations amounting to \$828.5 million [Note 4b(ii)]. 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 the total contract sum and the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion.

The estimation of total contract sum includes variation orders where management had determined that there was sufficient basis 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 used 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 condition 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.

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 loss before income tax will increase by approximately \$2,479,000 (2023: loss before income tax will increase by approximately \$2,607,000).

Total contract cost 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. 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. Construction projects, in particular, are inherently complex and involve uncertainties that may not be apparent to management at the balance sheet date.

If the estimated costs to be incurred from the balance sheet date to the completion date increase by 1% from management estimates, the Group's loss before income tax will increase by approximately \$2,075,000 (2023: loss before income tax will increase by approximately \$1,665,000).

(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 22).

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. Revenue

(a) Disaggregation of revenue

Group	Construction and Building Materials		Real Estate		Leisure & Hospitality		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contract revenue – over time	143,086	166,184	-	-	-	-	143,086	166,184
Revenue from sale of products – point in time	81,171	78,942	-	-	-	-	81,171	78,942
Revenue from sale of development properties – over time	-	-	5,357	101,545	-	-	5,357	101,545
Revenue from services rendered – over time	-	-	2,012	2,012	3,617	4,034	5,629	6,046
Revenue from contracts with customers	224,257	245,126	7,369	103,557	3,617	4,034	235,243	352,717
Rental income from investment properties (Note 22)	-	-	3,151	3,532	-	-	3,151	3,532
Total revenue	224,257	245,126	10,520	107,089	3,617	4,034	238,394	356,249

(b) Contract assets and liabilities

	Group	
	31 December 2024	1 January 2023
	2024	2023
	\$'000	\$'000
Contract assets		
<i>Current</i>		
Engineering and construction contracts	63,524	74,870
Sale of products	1,817	4,761
Sale of development properties	28,255	77,092
Less: Allowance for impairment of contract assets [Note 34(b)]	(556)	-
	93,040	156,723
<i>Non-current</i>		
Engineering and construction contracts	38,331	36,274
Sale of products	567	1,993
	38,898	38,267
Total contract assets – net	131,938	194,990
Contract liabilities		
<i>Current</i>		
Engineering and construction contracts	22,906	23,408
Sale of products	235	2,367
	23,141	25,775

Contract assets primarily relates 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 basis to claim from customers but pending final agreement with the customers.

Contract liabilities primarily relates 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 decrease in contract liabilities in current financial year for engineering and construction contracts and sale of products in current financial year was mainly due to revenue recognition upon satisfaction of performance obligation on which the Group has received advances in previous year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. Revenue (continued)

(b) Contract assets and liabilities (continued)

(i) Revenue recognised in relation to contract liabilities

	Group	
	2024	2023
	\$'000	\$'000
Revenue recognised in current year that was included in the contract liability balance at the beginning of the year		
- Engineering and construction contracts	18,432	7,995
- Sale of products	2,367	4,544

(ii) Unsatisfied performance obligations

Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 December		
- Engineering and construction contracts	828,499	489,010
- Sale of development properties	-	4,704

Management expects that the aggregate amount of the transaction price allocated to unsatisfied performance obligations as of 31 December 2024 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 2029 (2023: 2026). 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

	Group	
	31 December	1 January
	2024	2023
	\$'000	\$'000
Current assets		
Trade receivables from contracts with customers	62,304	40,166
Less: Allowance for impairment	(1,521)	(463)
	60,783	35,080

5. Other income

	Group	
	2024	2023
	\$'000	\$'000
Interest income		
- Investment securities measured at FVOCI	139	162
- Bank deposits and others	1,426	937
	1,565	1,099
Dividend income	189	-
Other income	342	268
	2,096	1,367

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6. Other gains – net

	Group	
	2024	2023
	\$'000	\$'000
Fair value gain/(loss) on investment properties (Note 22)	1,787	(7)
Gain on disposal of property, plant and equipment	318	424
Gain on disposal of investment properties	-	392
Gain on liquidation of a joint venture	26	-
Net foreign exchange gain/(loss)	1,288	(213)
	3,419	596

7. Expenses by nature

Allowance for impairment of trade receivables [Note 34(b)]	1,056	228
Allowance for impairment of contract assets [Note 34(b)]	556	-
Write-back of allowance for impairment of sundry debtors	(19)	(295)
Write-back of allowance for impairment of loans to joint ventures [Note 15(ii)]	(111)	(1,174)
Allowance for impairment of investment securities [Note 13(b)]	-	865
Changes in inventories of raw materials and finished goods	4,885	1,677
Contractor and material costs	110,190	226,150
Depreciation of property, plant and equipment (Note 23)	8,513	11,047
Employee compensation (Note 8)	46,273	51,806
Freight, shipping, transport and travelling expenses	2,283	4,066
Purchases of raw material, finished goods and consumables	53,925	58,144
Rental expenses [Note 24(d)]	298	492
Repair and maintenance expenses	2,980	2,716
Sales commission expenses	1,805	7,229
Utilities	1,462	1,496
Other expenses	9,872	8,280
	243,968	372,727

8. Employee compensation

Salaries, bonus and other costs	44,092	49,138
Share-based compensation expense [Note 31(b)(iii)]	#	5
Employer's contribution to defined contribution plans including Central Provident Fund	2,181	2,663
	46,273	51,806

- less than \$1,000

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

9. Finance expenses

Interest expenses		
- Bank borrowings	8,270	11,682
- Lease liabilities [Note 24(c)]	237	345
- Notes payables	1,479	1,479
- Non-trade amounts due to a joint venture	2,268	525
	12,254	14,031

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10. Income taxes

(a) Income tax expense

	Group	
	2024 \$'000	2023 \$'000
Tax expense/(credit) attributable to loss is made up of:		
- Current income tax [Note 10(b)]	3,599	1,953
- Deferred income tax [Note 10(c)]	(19)	(81)
	3,580	1,872
Over provision of income tax in prior financial years		
- Current income tax [Note 10(b)]	(96)	(552)
- Deferred income tax [Note 10(c)]	(148)	(120)
	3,336	1,200

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

Loss before income tax	(7,085)	(25,818)
Share of loss/(profit) of associated companies	116	(187)
Share of profit of joint ventures	(5,346)	(2,541)
Loss before income tax and share of profit/(loss) of associated companies and joint ventures	(12,315)	(28,546)
Tax calculated at a tax rate of 17% (2023: 17%)	(2,094)	(4,853)
Effects of:		
Expenses not deductible for tax purposes	1,134	1,136
Income not subject to tax	(426)	(294)
Unrecognised deferred tax benefits	4,028	5,736
Utilisation of previously unrecognised tax losses and capital allowances	(580)	(273)
Effect of different tax rates in other countries	838	420
Over provision of tax in prior financial years	(244)	(672)
Withholding tax	680	-
Tax charge	3,336	1,200

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

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Balance at 1 January	(192)	339	-	-
Currency translation differences	43	(30)	-	-
Income tax paid	(2,871)	(1,902)	-	-
Tax expense [Note 10(a)]	3,599	1,953	-	-
Over provision of current income tax in prior financial years [Note 10(a)]	(96)	(552)	-	-
Balance at 31 December	483	(192)	-	-

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

Current assets				
Income tax receivables	(730)	(730)	-	-
Current liabilities				
Current income tax liabilities	1,213	538	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10. Income taxes (continued)

(c) Deferred income tax

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

	Group	
	2024 \$'000	2023 \$'000
Balance at 1 January	6,519	6,717
Currency translation differences	(9)	3
Tax expense [Note 10(a)]	(19)	(81)
Over provision of deferred income tax in prior financial years [Note 10(a)]	(148)	(120)
Balance at 31 December	6,343	6,519

(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:

	Accelerated tax depreciation \$'000	Fair value adjustment on investment properties \$'000	Unremitted foreign sourced income \$'000	Total \$'000
Group				
Deferred income tax liabilities				
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
Balance at 1 January 2023	286	6,399	137	6,822
Credited to profit or loss	(116)	(30)	-	(146)
Currency translation differences	(1)	(5)	-	(6)
Balance at 31 December 2023	169	6,364	137	6,670

	Timing difference in taxation of contract profits \$'000	Unrealised foreign exchange loss \$'000	Total \$'000
Group			
Deferred income tax assets			
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	(294)	138	(156)
Balance at 1 January 2023	-	(105)	(105)
(Credited)/charge to profit or loss	(95)	40	(55)
Currency translation differences	3	6	9
Balance at 31 December 2023	(92)	(59)	(151)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10. Income taxes (continued)

(d) Movements in deferred income tax (continued)

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

	Group	
	2024	2023
	\$'000	\$'000
Deferred income tax liabilities	6,343	6,519

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

As at 31 December 2024, the Group has unutilised tax losses of approximately \$103,166,000 (2023: \$83,397,000), unabsorbed capital allowances of approximately \$3,090,000 (2023: \$2,953,000) and investment allowances of approximately \$12,176,000 (2023: \$11,481,000) 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.

11. Loss per share

(a) Basic loss per share

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

	Group	
	2024	2023
Net loss attributable to equity holders of the Company (\$'000)	(5,451)	(21,960)
Weighted average number of ordinary shares in issue for computation of basic loss per share ('000)	412,459	412,459
Basic loss per share (in cents)	(1.32)	(5.32)

(b) Diluted loss per share

No adjustment was made to the diluted earnings per share for the financial years ended 31 December 2024 and 2023.

12. Cash and bank balances

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	44,629	52,541	109	136
Fixed deposits	26,520	43,291	-	-
	71,149	95,832	109	136

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. Investment securities

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial assets, at FVOCI [Note 13(a)]	7,545	7,750	-	-
Financial assets, at amortised cost [Note 13(b)]	-	150	-	-
	7,545	7,900	-	-
Less: Current portion	347	1,417	-	-
Non-current portion	7,198	6,483	-	-

(a) Financial assets, at FVOCI

	Group	
	2024 \$'000	2023 \$'000
Balance at 1 January	7,750	8,327
Net (disposal)/purchase	(1,054)	190
Fair value gain/(loss) recognised in other comprehensive income [Note 31(b)(i)]	849	(767)
Balance at 31 December	7,545	7,750
Less: Current portion	347	1,267
Non-current portion	7,198	6,483

Financial assets, at FVOCI are analysed as follows:

Listed securities	
- SGD corporate fixed rate notes of 3.00% to 7.00% (2023: 3.00% to 7.00%) per annum due in October to November 2026 (2023: July 2024 to November 2026)	
- Equity securities - USA	

	1,408	2,315
	6,137	5,435
	7,545	7,750

(b) Financial assets, at amortised cost

Balance at 1 January	150	1,015
Partial redemption	(150)	-
Impairment (Note 7)	-	(865)
Balance at 31 December	-	150

Financial assets, at amortised cost comprise the following:

Current

Unquoted SGD 10.00% fixed rate note	1,879	2,029
Less: Loss allowance	(1,879)	(1,879)
	-	150

The Group has performed impairment assessment on the fixed rate note and accordingly, an impairment loss of \$nil (2023: \$865,000) was recognised during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. Trade and other receivables

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current				
<u>Trade receivables</u>				
Due from non-related parties	57,624	35,455	-	-
Less: Allowance for impairment of trade receivables [Note 34(b)]	(2,227)	(1,169)	-	-
Trade receivables – net	55,397	34,286	-	-
<u>Other receivables</u>				
Deposit	2,405	1,841	-	5
Prepayments	5,458	4,986	-	-
Other receivables – non-related parties [Note 14(ii)]	39,380	38,016	-	-
Less: Allowance for impairment of other receivables – non-related parties	(235)	(254)	-	-
	102,405	78,875	-	5
Non-current				
<u>Trade receivables</u>				
Due from a non-related party	5,900	5,900	-	-

- (i) Allowance for impairment of trade receivables of \$1,056,000 (2023: \$228,000) is recognised as expense (Note 7) and included in "distribution and marketing expenses".
- (ii) Other receivables due from non-related parties are unsecured and interest-free, except for an amount of \$30,127,000 (2023: \$30,127,000) which bear interest at 3.50% (2023: 3.50%) per annum.
- (iii) The carrying amounts of the non-current trade receivables approximate their fair value.

15. Amounts due from/(to) joint ventures

	Group	
	2024 \$'000	2023 \$'000
Current assets		
Trade receivables from joint ventures	362	477
Loans to joint ventures [Note 15(i)]	6,463	30,364
Less: Allowance for impairment of loans [Note 15(ii)]	(854)	(928)
	5,609	29,436
	5,971	29,913
Current liabilities		
Amounts due to a joint venture (trade)	(1,565)	(1,476)
Amounts due to joint ventures (non-trade) [Note 15(iii)]	(30,500)	(34,320)
	(32,065)	(35,796)

- (i) The loans to joint ventures are unsecured, interest-free and repayable on demand.
- (ii) Write-back of allowance for impairment of loans to joint ventures of \$111,000 (2023: \$1,174,000) was recognised as a credit to expense (Note 7).
- (iii) The current non-trade amounts due to joint ventures are unsecured, interest-free and repayable on demand, except for an amount of \$30,500,000 (2023: \$33,500,000) which bears interest at 4.15% (2023: 1.50%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16. Inventories

	Group	
	2024	2023
	\$'000	\$'000
Raw materials	608	1,177
Finished goods	538	4,854
	1,146	6,031

The cost of inventories recognised as an expense and included in "cost of sales" amounted to \$58,810,000 (2023: \$59,821,000).

17. Development properties

Development properties under construction	-	1,048
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During the current financial year, the Group has received the Temporary Occupation Permit for the development.

18. Other current assets

Project consumables	4,440	4,447
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Project consumables are non-project specific in nature. These are carried at lower of cost or net realisable value.

19. Investment in associated companies

Balance at 1 January	284	97
Share of (loss)/profit	(116)	187
Balance at 31 December	168	284

- (i) There are no associated companies as at 31 December 2024 and 2023, which in the opinion of the directors, are individually material to the Group.
- (ii) As at 31 December 2024, the Group has exposure of \$9,600,000 (2023: \$9,600,000) relating to its share of an associated partnership's total bank facility.
- (iii) Details of the Group's significant associated companies are set out in Note 38. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. Investment in joint ventures

	Group	
	2024	2023
	\$'000	\$'000
Balance at 1 January	92,719	93,178
Share of profit	5,346	2,541
Dividends received	(3,000)	(3,000)
Liquidation	(800)	-
Balance at 31 December	94,265	92,719

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 \$3,000,000 (2023: \$3,000,000) were received by ways of being offset against non-trade amounts due to joint ventures (Note 15).

Details of the Group's significant joint ventures are set out in Note 38. 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 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.

Material joint venture is as follows:

- Property investment – Canberra Development Pte Ltd

Summarised statement of comprehensive income

	Property Investment	
	2024	2023
	\$'000	\$'000
Revenue	24,899	23,757
Expenses		
Include:		
– Interest expense	(12,775)	(13,246)
Profit before income tax	8,272	5,157
Income tax expense	(572)	(75)
Profit after tax and total comprehensive income	7,700	5,082
Dividends received from joint venture	3,000	3,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. Investment in joint ventures (continued)

Summarised financial information of material joint venture (continued)

Summarised balance sheet

	Property Investment	
	2024	2023
	\$'000	\$'000
Current assets	83,424	79,443
Include:		
– Cash and bank balances	10,057	4,695
Current liabilities	(274,374)	(9,928)
Include:		
– Financial liabilities (excluding trade and other payables)	(260,000)	–
Non-current assets	381,647	379,032
Non-current liabilities	(5,159)	(264,709)
Include:		
– Financial liabilities (excluding trade and other payables)	–	(260,000)
Net assets	185,538	183,838

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:

	Property Investment	
	2024	2023
	\$'000	\$'000
Net assets		
At 1 January	183,838	184,756
Profit after tax and total comprehensive income	7,700	5,082
Dividends paid	(6,000)	(6,000)
At 31 December	185,538	183,838
Carrying value of Group's interest	92,769	91,919
Add:		
Carrying value of individually immaterial joint ventures, in aggregate	1,496	800
Carrying value of Group's interest in joint ventures	94,265	92,719

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. Investment 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 profit and other comprehensive income of the individually immaterial joint ventures accounted for using the equity method:

	2024 \$'000	2023 \$'000
Profit after tax and total comprehensive income	1,499	28

21. Investment in subsidiaries and amounts due from/(to) subsidiaries

	Company	
	2024 \$'000	2023 \$'000
Investment in subsidiaries		
Balance at 1 January		
- Quoted equity shares, at cost	73,130	73,130
- Unquoted equity shares, at cost	68,069	68,069
- Financial guarantee contracts	15,666	15,542
	156,865	156,741
Increase in financial guarantee contracts	-	124
Balance at 31 December	156,865	156,865
Current assets		
Amounts due from subsidiaries (trade)	1,464	1,363
Amounts due from subsidiaries (non-trade) [Note 21(i)]	22,802	20,166
	24,266	21,529
Current liabilities		
Amounts due to subsidiaries (trade)	(141)	(151)
Amounts due to subsidiaries (non-trade) [Note 21(ii)]	(39,537)	(37,195)
	(39,678)	(37,346)
Non-current liabilities		
Amount due to a subsidiary (non-trade) [Note 21(iii)]	(19,011)	(19,011)

- (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 (2023: \$14,060,000) due from subsidiaries which bear interest rate at 6.56% (2023: ranging from 4.66% to 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 \$23,350,000 (2023: \$23,000,000) due to subsidiaries which bear interest rate ranging from 3.80% to 4.31% (2023: at 4.59% to 5.12%) 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.

	Group	
	2024 \$'000	2023 \$'000
(iv) Carrying value of non-controlling interests		
Koh Brothers Eco Engineering Ltd and its subsidiaries	48,308	53,879
Other subsidiaries with immaterial non-controlling interests	29	31
	48,337	53,910

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21. Investment in subsidiaries and amounts due from/(to) subsidiaries (continued)

Summarised financial information of subsidiaries with material non-controlling interests

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

	For the financial year ended 31 December	
	2024	2023
	\$'000	\$'000
Summarised statement of comprehensive income		
Revenue	148,973	177,018
Loss before income tax	(11,395)	(11,577)
Income tax expense	(2,900)	(1,804)
Loss after tax	(14,295)	(13,381)
Other comprehensive income/(loss)	902	(934)
Total comprehensive loss	(13,393)	(14,315)
Total comprehensive loss allocated to non-controlling interests	(4,435)	(5,605)
Dividends paid to non-controlling interests	1,139	547
	As at 31 December	
	2024	2023
	\$'000	\$'000
Summarised balance sheet		
Current		
Assets	179,005	198,899
Liabilities	(132,975)	(135,022)
Total current net assets	46,030	63,877
Non-current		
Assets	83,724	86,548
Liabilities	(8,844)	(14,983)
Total non-current net assets	74,880	71,565
Net assets	120,910	135,442
	For the financial year ended 31 December	
	2024	2023
	\$'000	\$'000
Summarised cash flows		
Net cash (used in)/provided by operating activities	(13,732)	28,109
Net cash provided by investing activities	802	47
Net cash used in financing activities	(6,112)	(6,093)

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 year ended 31 December 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

22. Investment properties

	Group	
	2024 \$'000	2023 \$'000
Balance at 1 January	100,989	108,407
Disposal of investment properties	-	(7,300)
Fair value gain/(loss) recognised in profit or loss (Note 6)	1,787	(7)
Currency translation difference	(214)	(111)
Balance at 31 December	102,562	100,989

The following amounts are recognised in profit or loss:

Rental income (Note 4)	3,151	3,532
Direct operating expenses arising from investment properties that generated rental income	(1,755)	(1,797)

(i) Investment properties with carrying values totalling \$95,800,000 (2023: \$94,000,000) are mortgaged to banks for credit facilities granted (Notes 28 and 29).

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

Property	Tenure	Site area/gross floor area (sq ft)
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

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1) \$'000	Significant other observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000
31 December 2024			
- Investment properties	-	-	102,562
31 December 2023			
- Investment properties	-	-	100,989

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

22. 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 2024 (\$'000)	Valuation technique(s)	Unobservable inputs ¹	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties – Singapore	95,800 (2023: 94,000)	Sales comparison method	Market value per square metre	\$19,000 to \$49,000 (2023: \$15,000 to \$37,000) per square metre	The higher the market value per square metre, the higher the fair value.
Investment properties – Indonesia	4,610 (2023: 4,690)	Cost method	Replacement cost per square metre	\$249 to \$474 (2023: \$342 to \$470) per square metre	The higher the replacement cost per square metre, the higher the fair value.
Investment properties – South Korea	2,152 (2023: 2,299)	Sales comparison method	Market value per square metre	\$16,000 (2023: \$17,000) per square metre	The higher the market value per square metre, the higher the fair value.

¹ 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23. Property, plant and equipment

	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
Group								
Cost or valuation								
At 1 January 2024								
Cost	26,963	19,462	30,459	90,451	18,623	13,934	-	199,892
Independent valuation in 1993 [Note 23(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	43,616	26,101	33,681	89,737	19,083	14,198	785	227,201
Represented by:								
Cost	27,366	19,614	28,192	89,737	19,083	14,198	785	198,975
Independent valuation in 1993 [Note 23(ii)]	16,250	6,487	5,489	-	-	-	-	28,226
	43,616	26,101	33,681	89,737	19,083	14,198	785	227,201
Accumulated depreciation and impairment losses								
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	3,069	11,346	19,537	69,568	16,615	12,838	-	132,973
Net book value at 31 December 2024	40,547	14,755	14,144	20,169	2,468	1,360	785	94,228

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23. Property, plant and equipment (continued)

	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
Group								
Cost or valuation								
At 1 January 2023								
Cost	27,495	19,430	31,617	88,281	20,480	13,827	2,126	203,256
Independent valuation in 1993 [Note 23(ii)]	16,250	6,487	5,489	-	-	-	-	28,226
	43,745	25,917	37,106	88,281	20,480	13,827	2,126	231,482
Currency translation differences	(532)	(165)	(87)	(9)	(36)	(39)	-	(868)
Additions	-	197	2,953	1,002	857	245	316	5,570
Transfer	-	-	-	2,442	-	-	(2,442)	-
Disposals	-	-	-	(1,219)	(2,678)	(25)	-	(3,922)
Write off	-	-	(4,024)	(46)	-	(74)	-	(4,144)
At 31 December 2023	43,213	25,949	35,948	90,451	18,623	13,934	-	228,118
Represented by:								
Cost	26,963	19,462	30,459	90,451	18,623	13,934	-	199,892
Independent valuation in 1993 [Note 23(ii)]	16,250	6,487	5,489	-	-	-	-	28,226
	43,213	25,949	35,948	90,451	18,623	13,934	-	228,118
Accumulated depreciation and impairment losses								
At 1 January 2023	3,069	10,997	19,384	63,001	18,128	11,997	-	126,576
Currency translation differences	-	(108)	(87)	(6)	(36)	(32)	-	(269)
Disposals	-	-	-	(1,215)	(2,641)	(21)	-	(3,877)
Write off	-	-	(3,882)	(37)	-	(72)	-	(3,991)
Depreciation charge (Note 7)	-	243	3,717	5,616	977	494	-	11,047
At 31 December 2023	3,069	11,132	19,132	67,359	16,428	12,366	-	129,486
Net book value at 31 December 2023	40,144	14,817	16,816	23,092	2,195	1,568	-	98,632

- (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 24(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	
	2024	2023
	\$'000	\$'000
Freehold land	15,293	15,293
Buildings on freehold land	3,107	3,152

- (iv) At 31 December 2024, certain freehold land, buildings on freehold land and leasehold land and buildings with net book values amounting to \$50,421,000 (2023: \$50,257,000) are mortgaged to banks for credit facilities granted in respect of short-term bank loans and term loans (Notes 28 and 29).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23. Property, plant and equipment (continued)

(v) The Group's major properties included in property, plant and equipment are as follows:

Name and location	Description	Tenure
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 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
1 Jalan Bioteknologi 3 Kawasan Perindustrian SiLC Johor, Malaysia	Industrial building	Freehold
Lot 6 Jalan Pasaran 23/5 Selangor Darul Ehsan, Malaysia	Factory-cum-office building	99 years from 15 August 1997

24. 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 23).

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.

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

	Group	
	2024 \$'000	2023 \$'000
Leasehold land and buildings	2,267	4,043
Plant and machinery	18,403	20,292
Motor vehicles	1,313	1,197
	21,983	25,532

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. Leases – The Group as a lessee (continued)

(b) Depreciation charge during the financial year

	Group	
	2024 \$'000	2023 \$'000
Leasehold land and buildings	2,790	2,777
Plant and machinery	1,889	1,889
Motor vehicles	421	335
	5,100	5,001

(c) Interest expense

Interest expenses on lease liabilities (Note 9)	237	345
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(d) Lease expense not capitalised in lease liabilities

Lease expense – short-term leases	249	317
Lease expense – low-value leases	49	175
	298	492

(e) Total cash outflow for all the leases in 2024 was \$5,485,000 (2023: \$8,820,000).

(f) Addition of ROU assets during the financial year were \$1,309,000 (2023: \$3,308,000).

25. 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 22.

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

Less than one year	720	785
One to two years	707	131
More than two years	118	–
Total undiscounted lease payment	1,545	916

26. Goodwill

Cost

Balance at 1 January and 31 December	5,078	5,078
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Goodwill arising from the Group's acquisition of Koh Brothers Eco Engineering Ltd and its subsidiaries is allocated to the "Bio-Refinery and Renewable Energy" CGU.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26. Goodwill (continued)

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.

Key assumptions used for value-in-use calculations:

	Group	
	2024	2023
Gross margin ^[1]	17%	16%
Terminal growth rate ^[2]	2%	2%
Discount rate ^[3]	14%	14%

¹ Budgeted gross margin

² Weighted average growth rate used to extrapolate cash flows beyond the budget period

³ 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.

27. Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
<u>Trade payables</u>				
Due to non-related parties	54,972	61,010	-	-
Retention due to subcontractors on construction contracts	2,900	3,177	-	-
<u>Other payables</u>				
Accruals for operating expenses	10,320	10,029	747	800
Sundry payables	2,160	1,479	-	-
Deposits and advances received	2,781	2,356	-	-
Due to directors [Note 27(i)]	690	781	422	497
Indirect taxes payable	1,813	1,027	46	-
Due to non-related parties	5,070	5,070	-	-
Provision for onerous contracts [Note 27(iii)]	197	179	-	-
	80,903	85,108	1,215	1,297
Non-current				
Retention due to subcontractors on construction contracts	7,374	10,746	-	-

(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 its fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

27. Trade and other payables (continued)

(iii) Provision for onerous contracts

	Group	
	2024 \$'000	2023 \$'000
Balance at 1 January	179	30
Provision made	37	170
Provision utilised	(19)	(21)
Balance at 31 December	197	179

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.

28. Bank borrowings and lease liabilities

Current

Short-term bank loans

– Secured

– Unsecured

Term loans payable within one year (Note 29)

Lease liabilities payable within one year

	2024 \$'000	2023 \$'000
– Secured	28,447	38,825
– Unsecured	52,000	49,500
	80,447	88,325
Term loans payable within one year (Note 29)	1,877	41,475
Lease liabilities payable within one year	3,608	5,004
	85,932	134,804

Non-current

Term loans payable after one year (Note 29)

Lease liabilities payable after one year

	2024 \$'000	2023 \$'000
Term loans payable after one year (Note 29)	57,813	78,700
Lease liabilities payable after one year	1,997	4,242
	59,810	82,942
Total bank borrowings and lease liabilities	145,742	217,746

The Group's short-term bank loans bear interest rate at the balance sheet date ranging from 3.87% to 5.70% (2023: 4.53% to 5.85%) per annum.

The Group's short-term bank loans are secured over certain Group's investment properties [Note 22(i)] and certain freehold land and buildings [Note 23(iv)].

29. Bank borrowings

Group	Due within one year		Due after one year	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Term loans				
– Secured	800	40,208	57,813	77,623
– Unsecured	1,077	1,267	–	1,077
	1,877	41,475	57,813	78,700

Term loans amounting to \$58,613,000 (2023: \$117,831,000) are secured over the Group's development properties (Note 17), certain investment properties [Note 22(i)] and certain freehold land and buildings [Note 23(iv)].

The non-current term loans mature between 2026 and 2047 (2023: 2026 and 2047).

The Group's term loans bear interest rate ranging from 3.87% to 5.04% (2023: 4.53% to 5.13%) per annum except for a term loan of \$1,077,000 (2023: \$2,344,000), which bears interest at fixed rate of 2.10% (2023: 2.10%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. Bank borrowings (continued)

The carrying amounts of the non-current term loans approximate their fair values, as the term loans bear interest at variable rates (2023: 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 \$57,813,000 (2023: \$78,700,000), the Group's aggregate amount of secured term loans outstanding under the relevant facilities shall not exceed 80% of the mortgaged properties' market values at all times. The Group has complied with these covenants throughout the reporting period.

30. Notes payables

	Group and Company	
	2024	2023
	\$'000	\$'000
Balance at 1 January	22,345	22,168
Amortisation of notes issuance expenses	177	177
Balance at 31 December	22,522	22,345

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.

At the balance sheet date, the fair value of the notes payables is \$23,671,000 (2023: \$23,742,000).

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.

31. Share capital, treasury shares and reserves

(a) Share capital and treasury shares

	No. of		Amount	
	← ordinary shares →		← Amount →	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	\$'000	\$'000
Group and Company				
2024				
Balance at 1 January and 31 December	438,000	(25,541)	36,981	(7,983)
2023				
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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. Share capital, treasury shares and reserves (continued)

(b) Other reserves

	Group	
	2024	2023
	\$'000	\$'000
Composition		
Fair value reserve	(7,524)	(8,373)
Capital reserve	1,596	1,596
Share-based payment reserve	13	16
	(5,915)	(6,761)

Other reserves are non-distributable.

Movements

(i) Fair value reserve

Balance at 1 January	(8,373)	(7,606)
Fair value gain/(loss) on financial assets, at FVOCI [Note 13(b)]	849	(767)
Balance at 31 December	(7,524)	(8,373)

(ii) Capital reserve

Balance at 1 January and 31 December	1,596	1,596
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As at 31 December 2024 and 2023, capital reserve comprises goodwill in relation to acquisitions of subsidiaries prior to 1 January 2001.

(iii) Share-based payment reserve

Balance at 1 January	16	17
Performance share plan of a subsidiary		
- Value of employee services (Note 8)	#	5
- Performance shares awarded	(3)	(6)
Balance at 31 December	13	16

- less than \$1,000

Performance share plan of a subsidiary

On 20 April 2017, the shareholders of a listed subsidiary, Koh Brothers Eco Engineering Ltd, approved a performance share plan to be known as the "Koh Brothers Eco Engineering Ltd 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 2024 and 2023. During the financial year, KBE issued 66,710 (2023: 93,820) ordinary shares to its employees pursuant to the vesting of share awards granted under KBE PSP.

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 2024, which is publicly available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. Share capital, treasury shares and reserves (continued)

(c) Currency translation reserve

	Group	
	2024 \$'000	2023 \$'000
Balance at 1 January	(11,002)	(10,551)
Net currency translation differences of financial statements of foreign operations	138	(1,001)
Less: Non-controlling interests	(533)	550
Balance at 31 December	<u>(11,397)</u>	<u>(11,002)</u>

32. Dividend

	Company	
	2024 \$'000	2023 \$'000
Final dividend paid in respect of the previous financial year ended of nil Singapore cent (2023: 0.20 Singapore cent) per share	-	825

33. Commitments

Capital commitments

The Group does not have any capital expenditures contracted for but not recognised in the financial statements as at 31 December 2024 and 2023.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure is as follows:

	SGD \$'000	USD \$'000	Others \$'000	Total \$'000
Group				
At 31 December 2024				
Financial assets				
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
	192,240	36,505	32,394	261,139
Financial liabilities				
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)
	(335,590)	(1,209)	(25,237)	(362,036)
Net financial assets/(liabilities)	(143,350)	35,296	7,157	(100,897)
Less: Net financial liabilities denominated in the respective entities' functional currency	143,233	-	(12,477)	130,756
Net currency exposure	(117)	35,296	(5,320)	29,859
At 31 December 2023				
Financial assets				
Cash and bank balances	53,374	15,449	27,009	95,832
Investment securities	2,465	5,435	-	7,900
Trade and other receivables	71,435	4,088	4,266	79,789
Amounts due from joint ventures	29,913	-	-	29,913
Inter-company balances	60,844	-	4,400	65,244
	218,031	24,972	35,675	278,678
Financial liabilities				
Notes payables, borrowings and lease liabilities	(239,662)	-	(429)	(240,091)
Trade and other payables	(81,250)	(909)	(13,516)	(95,675)
Amounts due to joint ventures	(35,796)	-	-	(35,796)
Inter-company balances	(60,844)	-	(4,400)	(65,244)
	(417,552)	(909)	(18,345)	(436,806)
Net financial assets/(liabilities)	(199,521)	24,063	17,330	(158,128)
Less: Net financial liabilities denominated in the respective entities' functional currency	199,486	-	(17,087)	182,399
Net currency exposure	(35)	24,063	243	24,271

As at 31 December 2024 and 2023, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD changes against the SGD by 5% (2023: 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:

	Increase/(decrease)	
	Profit after tax	
	2024	2023
	\$'000	\$'000
Group		
USD against SGD		
- Strengthened	1,465	999
- Weakened	(1,465)	(999)

The Group has insignificant exposure to other foreign currencies as at 31 December 2024 and 2023.

(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% (2023: 1%) with all other variables including tax rate being held constant, the loss after tax (2023: loss after tax) will be higher/lower (2023: higher/lower) by \$1,154,000 (2023: \$1,711,000) 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. The Group is not exposed to commodity price risk.

If prices for the equity and debt securities listed in Singapore change by 10% (2023: 10%) with all other variables including tax rate being held constant, the effects would have been:

	Increase/(decrease)	
	Other comprehensive income	
	2024	2023
	\$'000	\$'000
Group		
Listed in Singapore		
- Increased by 10%	755	775
- Decrease by 10%	(755)	(775)

The Company is not exposed to any price risk for the financial year ended 31 December 2024 and 2023.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. Financial risk management (continued)

(b) Credit risk (continued)

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 (2023: 5 debtors) that accounted for approximately 63% (2023: 49%) 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:

	2024 \$'000	2023 \$'000
Group		
Corporate guarantees provided to banks on		
– Joint ventures' loan	130,000	159,859
Company		
Corporate guarantees provided to banks on		
– Subsidiaries' loan	89,525	161,492
– Joint ventures' loan	130,000	159,859

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

	Group	
	2024 \$'000	2023 \$'000
By geographical areas		
Singapore	34,691	32,548
Malaysia	4,524	2,488
Indonesia	22,030	4,711
Others	52	439
	61,297	40,186
By industry sectors		
Construction and Building Materials	59,806	38,455
Real Estate	1,483	1,711
Leisure & Hospitality	8	20
	61,297	40,186

The movement in credit loss allowance are as follows:

Trade receivables⁽¹⁾		
Balance at 1 January	1,169	950
Loss allowance recognised in profit or loss		
on assets acquired/originated	1,056	228
Currency translation difference	2	(9)
Balance at 31 December	2,227	1,169
Contract assets⁽¹⁾		
Balance at 1 January	-	-
Loss allowance recognised in profit or loss		
on assets acquired/originated	556	-
Balance at 31 December	556	-

⁽¹⁾ Loss allowance measured at lifetime expected credit loss

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. Financial risk management (continued)

(b) Credit risk (continued)

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 (2023: \$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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables and contract assets (continued)

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

		Past due			
	Current	1 to 6	7 to 12	Over 12	Total
	\$'000	months	months	months	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
At 31 December 2024					
Construction and Building Materials					
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)
Real Estate					
Contract assets	28,253	-	-	-	28,253
Trade receivables	968	61	11	1,149	2,189
Loss allowance	-	-	-	(706)	(706)
Leisure & Hospitality					
Trade receivables	8	-	-	-	8
Loss allowance	-	-	-	-	-
At 31 December 2023					
Construction and Building Materials					
Contract assets	117,898	-	-	-	117,898
Trade receivables	31,309	6,466	977	166	38,918
Loss allowance	-	-	(297)	(166)	(463)
Real Estate					
Contract assets	77,092	-	-	-	77,092
Trade receivables	1,228	41	-	1,148	2,417
Loss allowance	-	-	-	(706)	(706)
Leisure & Hospitality					
Trade receivables	20	-	-	-	20
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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. Financial risk management (continued)

(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
Group				
At 31 December 2024				
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	-	-	-
At 31 December 2023				
Payables	120,725	6,979	3,767	-
Borrowings and lease liabilities	143,659	8,255	54,848	44,289
Notes payables	1,175	1,479	23,181	-
Financial guarantee contracts	159,859	-	-	-
Company				
At 31 December 2024				
Payables	1,215	-	-	-
Amounts due to subsidiaries	39,678	19,011	-	-
Notes payables	1,175	23,181	-	-
Financial guarantee contracts	219,525	-	-	-
At 31 December 2023				
Payables	1,297	-	-	-
Amounts due to subsidiaries	37,346	19,011	-	-
Notes payables	1,175	1,479	23,181	-
Financial guarantee contracts	321,351	-	-	-

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.

	Group	
	2024	2023
	\$'000	\$'000
Net debt	97,115	144,259
Shareholders' funds	259,885	264,885
Gearing ratio (times)	0.37	0.54

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2024 and 2023 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 22 for disclosure of the investment properties that are measured at fair value.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group				
31 December 2024				
<i>Assets</i>				
Financial assets, at FVOCI	7,545	-	-	7,545
31 December 2023				
<i>Assets</i>				
Financial assets, at FVOCI	7,750	-	-	7,750

The Company has no financial assets measured at fair value as at 31 December 2024 and 31 December 2023.

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:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial assets at amortised cost	179,967	205,684	24,375	21,670
Financial liabilities at amortised cost	288,409	371,562	82,426	79,999

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

	Group	
	2024	2023
	\$'000	\$'000
Progressive billing recognised from sale of residential properties to related parties	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 2024 and 2023, arising from sale/purchase of goods and services, are disclosed in Notes 14, 15, and 27.

(b) Key management personnel compensation

Key management personnel compensation is analysed as follows:

Salaries and other short-term employee benefits	7,307	7,163
Post-employment benefits – contribution to Central Provident Fund	240	221
	7,547	7,384

Included in the above was total directors' fees to directors of the Company amounting to \$424,691 (2023: \$499,171).

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.

1. 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.
2. Real Estate – This business segment involves real estate development and rental of properties.
3. Leisure & Hospitality – This business segment involves hotel and leisure operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. Segment information (continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. Segment information (continued)

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

	Construction and Building Materials \$'000	Real Estate \$'000	Leisure & Hospitality \$'000	Others \$'000	Total \$'000
Group 2023					
Sales					
- External	245,126	107,089	4,034	-	356,249
- Inter-segment	11,410	814	-	1,396	13,620
	<u>256,536</u>	<u>107,903</u>	<u>4,034</u>	<u>1,396</u>	<u>369,869</u>
Elimination					(13,620)
					<u>356,249</u>
Results					
Segment results					
- Company and subsidiaries	(12,699)	(4,662)	802	945	(15,614)
- Associated companies	187	-	-	-	187
- Joint ventures	-	2,541	-	-	2,541
(Loss)/earnings before interest and tax	<u>(12,512)</u>	<u>(2,121)</u>	<u>802</u>	<u>945</u>	<u>(12,886)</u>
Interest income (Note 5)					1,099
Finance expenses					<u>(14,031)</u>
Loss before income tax					<u>(25,818)</u>
Other information					
Capital expenditure	5,246	248	76	-	5,570
Depreciation	10,375	284	388	-	11,047
Cost of sales	241,923	104,608	2,211	-	348,742
As at 31 December 2023					
Segment assets	273,400	278,203	24,854	1,987	578,444
Associated companies	284	-	-	-	284
Joint ventures	-	92,719	-	-	92,719
<u>Unallocated assets:</u>					
Income tax receivables					730
Short-term bank deposits (Note 12)					43,291
Investment securities					<u>7,900</u>
Consolidated total assets					<u>723,368</u>
Segment liabilities	101,358	54,812	447	808	157,425
<u>Unallocated liabilities:</u>					
Current income tax liabilities					538
Deferred income tax liabilities					6,519
Bank borrowings, notes payables, and lease liabilities					<u>240,091</u>
Consolidated total liabilities					<u>404,573</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 2024 and 2023.

	Group	
	2024	2023
	\$'000	\$'000
Total sales		
Singapore	170,653	296,913
Malaysia	21,192	7,691
Indonesia	36,419	46,127
Others	10,130	5,518
	238,394	356,249
Total non-current assets		
Singapore	328,199	329,683
Malaysia	11,952	10,194
Others	8,146	8,475
	348,297	348,352

Information about major customers

Revenue of approximately 30% (2023: 23%) are derived from one (2023: one) major customer. These revenues are attributable to the Construction and Building Materials segment.

37. Events occurring after balance sheet date

As announced by the Group on 24 February 2025, G&W Industries (M) Sdn Bhd, a wholly-owned subsidiary of the Group, has entered into a conditional sale & purchase agreement ("SPA") to sell a plot of land with carrying amount of \$5,296,000 as at 31 December 2024 for total cash consideration of RM81.5 million (approximately \$24.6 million).

Subject to the condition precedent in the SPA being fulfilled by the relevant parties, the sale is expected to complete in 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

38. Significant Group companies

The Group's significant subsidiaries, joint ventures, joint operations and associated companies at 31 December 2024 and 2023 are as follows:

	Country of incorporation and business		Effective holding by the Group	
Name of company		Principal activities	2024	2023
SUBSIDIARIES				
Held by the Company:				
Construction Consortium Pte Ltd ^a	Singapore	Investment holding	100%	100%
Koh Brothers Development Pte Ltd ^a	Singapore	Property development and management services	100%	100%
Koh Brothers Eco Engineering Ltd ^a	Singapore	Investment holding and management services	54.81%	54.81%
Koh Brothers Holdings Pte Ltd ^a	Singapore	Investment holding and property investment	100%	100%
Koh Brothers Investment Pte Ltd ^a	Singapore	Hotel investment	100%	100%
Oxford Hotel Pte Ltd ^a	Singapore	Hotel management	100%	100%
Held by subsidiaries:				
G & W Industrial Corporation Pte Ltd ^a	Singapore	Investment holding	100%	100%
G & W Precast Pte Ltd ^a	Singapore	Manufacture of precast products	100%	100%
G & W Ready-Mix Pte Ltd ^a	Singapore	Manufacture of building materials	100%	100%
KBD Kosdale Pte Ltd ^a	Singapore	Property investment	100%	100%
KBD Holland Pte Ltd ^a	Singapore	Property Development	100%	100%
Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd ^a	Singapore	Engineering and construction	54.81%	54.81%
Kosland Pte Ltd ^a	Singapore	Property investment	100%	100%
Oiltek International Ltd ^a	Singapore	Investment holding	37.35%	37.35%
Oiltek Sdn Bhd ^b	Malaysia	Specialist engineers	37.35%	37.35%
Oiltek Global Energy Sdn Bhd ^b	Malaysia	Specialist engineers	37.35%	37.35%
G & W Building Materials Sdn Bhd ^g	Malaysia	Manufacture of building materials	100%	100%
PT Koh Brothers Indonesia ^d	Indonesia	Property investment and development	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

38. Significant Group companies (continued)

Name of Company	Country of incorporation and business	Principal activities	Effective holding by the Group	
			2024	2023
JOINT VENTURE COMPANIES				
Held by subsidiaries:				
Canberra Development Pte Ltd ^c	Singapore	Property investment	50%	50%
FEC Skypark Pte Ltd ^a	Singapore	Property development	20%	20%
JOINT OPERATIONS				
Held by a subsidiary:				
Samsung – Koh Brothers Joint Venture ^{f, #}	Singapore	Construction	16.44%	16.44%
POKB JV ^{a, #}	Singapore	Construction	19.18%	19.18%
Koh Brothers – China Harbour Joint Venture ^{a, #}	Singapore	Construction	32.89%	32.89%
ASSOCIATED COMPANY				
Held by subsidiary:				
Tricaftan Environmental Technology Pte Ltd ^e	Singapore	Construction and project management	21.93%	21.93%

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 Baker Tilly HYT, Malaysia.

h In accordance with Rule 716 of The Singapore Exchange Securities Trading Ltd – 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.

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).

39. 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 2025 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

39. New or revised accounting standards and interpretations *(continued)*

SFRS(I) 18 – Presentation and Disclosure in Financial Statements *(continued)* *(effective for annual periods beginning on or after 1 January 2027)*

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:
 - 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. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
- (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.

40. 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 Ltd on 28 March 2025.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF KOH BROTHERS
GROUP LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2025**

The information in this Appendix III has been reproduced from the announcement of Koh Brothers Group Limited and its subsidiaries dated 24 March 2026 and has not been specifically prepared for inclusion in this Supplemental Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

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

Contents

	Page
Directors' Statement	1
Independent Auditor's Report	4
Consolidated Statement of Comprehensive Income	9
Balance Sheets – Group and Company	10
Consolidated Statement of Changes in Equity	11
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	15

KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

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

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 31.12.2025	At 1.1.2025 or date of appointment, if later	At 31.12.2025	At 1.1.2025 or date of appointment, if later
Koh Brothers Group Limited				
<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 rate notes due 2026				
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	-	-
 Koh Brothers Eco Engineering Limited				
<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
 Oiltek International Limited				
<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.

KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

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

Koh Keng Siang
Director

23 March 2026

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)

Key Audit Matter	How our audit addressed the Key Audit Matter
Accounting for engineering and construction contracts <i>Refer to Note 3(a) and Note 4</i> 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. 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: a) Uncertified variation orders ("VOs") included in the estimated total contract sum 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. b) Estimated total contract costs Judgment is applied in the estimation of the total contract costs, which affects the accuracy of revenue recognition based on percentage-of-completion ("POC"). 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.	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). In relation to total contract sums, our audit procedures include the following on a sampling basis: • agreed total contract sums to contracts entered into by the Group and its customers; • inspected correspondences with customers and supporting documents prepared by specialists used by the Group relating to variation orders included in total contract sums; • 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; • agreed variation orders with agreed prices included in total contract sums to surveyor/architect's certification; • inspected progress billings to customers subsequent to year end and compare amounts to contract asset balances at year end; and • 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. In relation to total contracts costs, our audit procedures include the following on a sampling basis: • discussed with the project teams to understand the progress of each project; • reviewed the appropriateness of the estimated cost to complete for materials, labour and other work with reference to the progress of each project; and • 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. Based on the audit procedures performed above, we have assessed management's estimates to be reasonable. We recomputed the POC based on actual cumulative cost incurred as a portion of estimated total contract costs. Following which, we recomputed contract revenue for the current financial year based on POC for each project, and checked to the accounting records. 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.

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

Our Audit Approach (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties <i>Refer to Note 3(b) and Note 21</i>	
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. Management uses external valuers to support its determination of the individual fair value of the investment properties annually. 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.	We performed the following: • assessed the competency, capabilities and objectivity of the external valuers engaged by the Group; • obtained an understanding of the techniques used by the external valuers in determining the valuation of individual investment properties; • discussed the critical assumptions made by the external valuers for the key inputs used in the valuation techniques; • tested the integrity of information, including underlying lease and financial information provided to the external valuers; and • 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. 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. 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.

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)
Profit/(loss) after income tax		25,495	(10,421)
Profit/(loss) attributable to:			
Equity holders of the Company		18,575	(5,451)
Non-controlling interests		6,920	(4,970)
		25,495	(10,421)
Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company:			
- 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)
Profit/(loss) after income tax		25,495	(10,421)
Other comprehensive income/(loss):			
<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
Other comprehensive income, net of tax		5,683	987
Total comprehensive income/(loss)		31,178	(9,434)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		23,492	(5,000)
Non-controlling interests		7,686	(4,434)
		31,178	(9,434)

KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

As at 31 December 2025

		GROUP		COMPANY	
	Note	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
ASSETS					
Current assets					
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	-	-
		302,289	279,228	34,463	24,375
Non-current assets					
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	-	-
		379,874	348,297	156,865	156,865
Total assets		682,163	627,525	191,328	181,240
LIABILITIES					
Current liabilities					
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	-
		293,206	223,254	67,217	40,893
Non-current liabilities					
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	-	-
		51,470	96,049	19,011	41,533
Total liabilities		344,676	319,303	86,228	82,426
NET ASSETS		337,487	308,222	105,100	98,814
EQUITY					
Capital and reserves attributable to equity holders of the Company					
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)	-	-
		282,963	259,885	105,100	98,814
Non-controlling interests		54,524	48,337	-	-
Total equity		337,487	308,222	105,100	98,814

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

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

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
Cash flows from operating activities			
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		<u>2,127</u>	<u>24,121</u>
Cash generated from operations		68,298	63,994
Income tax paid	10(b)	(3,722)	(2,871)
Net cash provided by operating activities		<u>64,576</u>	<u>61,123</u>
Cash flows from investing activities			
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
Net cash provided by investing activities		<u>22,323</u>	<u>1,038</u>
Cash flows from financing activities			
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)
Net cash used in financing activities		<u>(43,984)</u>	<u>(87,836)</u>
Net change in cash and bank balances		42,915	(25,675)
Beginning of financial year		71,149	95,832
Effects of currency translation on cash and bank balances		281	992
End of financial year	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

	Beginning of financial year \$'000	Net cash flows \$'000	Interest expense \$'000	Non-cash changes Additions to property, plant and equipment \$'000	Foreign exchange movement \$'000	Amortisation of notes issuance expenses \$'000	End of financial year \$'000
2025							
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
2024							
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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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

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

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

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	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group								
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

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

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

(ii) Unsatisfied performance obligations

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

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

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

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

5. Other income

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

6. Other gains – net

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

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

8. Employee compensation

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

9. Finance expenses

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

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

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

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

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

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

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:

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

(c) Deferred income tax

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

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

	Accelerated tax depreciation	Fair value adjustment on investment properties	Unremitted foreign sourced income	Total
	\$'000	\$'000	\$'000	\$'000
Group				
Deferred income tax liabilities				
Balance at 1 January 2025	145	6,354	-	6,499
Credited to profit or loss	(3)	(50)	-	(53)
Currency translation differences	9	(1)	-	8
Balance at 31 December 2025	151	6,303	-	6,454
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
Group			
Deferred income tax assets			
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:

	Group	
	2025	2024
	\$'000	\$'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)	18,575	(5,451)
Weighted average number of ordinary shares in issue for computation of basic loss per share ('000)	412,459	412,459
Basic earnings/(loss) per share (in cents)	4.50	(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
	\$'000	\$'000	\$'000
Cash and bank balances	52,232	44,629	125
Fixed deposits	62,113	26,520	10,900
	114,345	71,149	11,025

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)]	11,063	7,545
Financial assets, at amortised cost [Note 13(b)]	-	-
	11,063	7,545
Less: Current portion	11,063	347
Non-current portion	-	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

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

Financial assets, at FVOCI are analysed as follows:

	Group	
	2025 \$'000	2024 \$'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)	1,041	1,408
- Equity securities - USA	10,022	6,137
	11,063	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

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

Financial assets, at amortised cost comprise the following:

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

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
Current		
<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
Non-current		
<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

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

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

17. Other current assets

	Group	
	2025 \$'000	2024 \$'000
Project consumables	4,940	4,440

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	-	168

- (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

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

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

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

	Property Investment	
	2025	2024
	\$'000	\$'000
Net assets		
At 1 January	185,538	183,838
Profit after tax and total comprehensive income	6,746	7,700
Dividends paid	(7,000)	(6,000)
At 31 December	185,284	185,538
Carrying value of Group's interest	92,642	92,769
Add:		
Carrying value of individually immaterial joint ventures, in aggregate	1,122	1,496
Carrying value of Group's interest in joint ventures	93,764	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	(374)	1,499

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	156,865	156,865
<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
	23,438	24,266
<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)
	(42,508)	(39,678)
<u>Non-current liabilities</u>		
Amount due to a subsidiary (non-trade) [Note 20(iii)]	(19,011)	(19,011)

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.

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

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	
	2025	2024
	\$'000	\$'000
Revenue	245,912	148,973
Profit/(loss) before income tax	13,183	(11,395)
Income tax expense	(3,282)	(2,900)
Profit/(loss) after tax	9,901	(14,295)
Other comprehensive income	1,391	902
Total comprehensive income/(loss)	11,292	(13,393)
Total comprehensive income/(loss) allocated to non-controlling interests	7,736	(4,435)
Dividends paid to non-controlling interests	1,503	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 \$'000	2024 \$'000
Current		
Assets	211,604	179,005
Liabilities	(172,831)	(132,975)
Total current net assets	38,773	46,030
Non-current		
Assets	104,430	83,724
Liabilities	(12,502)	(8,844)
Total non-current net assets	91,928	74,880
Net assets	130,701	120,910

Summarised cash flows

	For the financial year ended 31 December	
	2025 \$'000	2024 \$'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	(11,579)	(6,112)

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 \$'000	2024 \$'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	102,286	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)

The following amounts are recognised in profit or loss:

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

Property	Tenure	Site area/gross floor area (sq ft)
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 (Level 1) \$'000	Significant other observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000
31 December 2025			
- Investment properties	-	-	102,286
31 December 2024			
- 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 ¹	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties - Singapore	95,800 (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	4,400 (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	2,086 (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.

¹ 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

	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
Group Cost or valuation								
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
	43,616	26,101	33,681	89,737	19,083	14,198	785	227,201
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	38,430	26,054	39,300	90,637	20,966	14,585	818	230,790
Represented by:								
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
	38,430	26,054	39,300	90,637	20,966	14,585	818	230,790
Accumulated depreciation and impairment losses								
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	3,069	11,536	24,177	70,194	16,132	13,209	-	138,317
Net book value at 31 December 2025	35,361	14,518	15,123	20,443	4,834	1,376	818	92,473

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)

	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
Group								
Cost or valuation								
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	43,616	26,101	33,681	89,737	19,083	14,198	785	227,201
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
	43,616	26,101	33,681	89,737	19,083	14,198	785	227,201
Accumulated depreciation and impairment losses								
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	3,069	11,346	19,537	69,568	16,615	12,838	-	132,973
Net book value at 31 December 2024	40,547	14,755	14,144	20,169	2,468	1,360	785	94,228

- (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	2024
	\$'000	\$'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

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

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

(b) Depreciation charge during the financial year

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

(c) Interest expense

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

(d) Lease expense not capitalised in lease liabilities

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

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:

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

25. Goodwill

	Group	
	2025	2024
	\$'000	\$'000
Cost		
Balance at 1 January and 31 December	5,078	5,078

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:

	Group	
	2025	2024
Gross margin ^[1]	18%	17%
Terminal growth rate ^[2]	2%	2%
Discount rate ^[3]	14%	14%

¹ Budgeted gross margin

² Weighted average growth rate used to extrapolate cash flows beyond the budget period

³ 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

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

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
	<u>75,455</u>	<u>80,447</u>
Term loans payable within one year (Note 28)	1,392	1,877
Lease liabilities payable within one year	4,298	3,608
	<u>81,145</u>	<u>85,932</u>
<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
	<u>36,144</u>	<u>59,810</u>
Total bank borrowings and lease liabilities	<u>117,289</u>	<u>145,742</u>

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

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

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

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)

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

	Group	
	2025	2024
	\$'000	\$'000
(ii) <i>Capital reserve</i>		
Balance at 1 January and 31 December	1,596	1,596

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

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

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

	Group	
	2025	2024
	\$'000	\$'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	(10,625)	(11,397)

31. Dividend

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

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

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:

Group	SGD \$'000	USD \$'000	Others \$'000	Total \$'000
At 31 December 2025				
Financial assets				
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
	237,095	32,350	37,935	307,380
Financial liabilities				
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)
	(348,490)	(712)	(31,775)	(380,977)
Net financial (liabilities)/assets	(111,395)	31,638	6,160	(73,597)
Less: Net financial liabilities denominated in the respective entities' functional currency	111,361	-	(7,927)	
Net currency exposure	(34)	31,638	(1,767)	

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)

Group	SGD	USD	Others	Total
	\$'000	\$'000	\$'000	\$'000
At 31 December 2024				
Financial assets				
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>
Financial liabilities				
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>
Net financial assets/(liabilities)	(143,350)	35,296	7,157	(100,897)
Less: Net financial liabilities denominated in the respective entities' functional currency	143,233	-	(12,477)	
Net currency exposure	(117)	35,296	(5,320)	

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:

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

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

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

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:

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

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

	Group	
	2025 \$'000	2024 \$'000
By geographical areas		
Singapore	52,845	34,691
Malaysia	3,654	4,524
Indonesia	2,499	22,030
Others	2,410	52
	61,408	61,297
By industry sectors		
Construction and Building Materials	60,854	59,806
Real Estate	544	1,483
Leisure & Hospitality	10	8
	61,408	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> ⁽¹⁾		
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)	2,999	2,227
<u>Contract assets</u> ⁽¹⁾		
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)]	712	556

⁽¹⁾ 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 \$'000	← 1 to 6 months \$'000	Past due 7 to 12 months \$'000	→ Over 12 months \$'000	Total \$'000
Group					
At 31 December 2025					
Construction and Building					
Materials					
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)
Real Estate					
Trade receivables	-	92	9	1,149	1,250
Loss allowance	-	-	-	(706)	(706)
Leisure & Hospitality					
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	1 to 6	Past due	Over 12	Total
	\$'000	months	7 to 12	months	\$'000
	\$'000	\$'000	months	\$'000	\$'000
Group					
At 31 December 2024					
Construction and Building Materials					
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)
Real Estate					
Contract assets	28,253	-	-	-	28,253
Trade receivables	968	61	11	1,149	2,189
Loss allowance	-	-	-	(706)	(706)
Leisure & Hospitality					
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
Group				
At 31 December 2025				
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	-	-	-
At 31 December 2024				
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
<u>Company</u>				
At 31 December 2025				
Payables	1,922	-	-	-
Amounts due to subsidiaries	42,508	19,011	-	-
Notes payables	23,189	-	-	-
Financial guarantee contracts	207,893	-	-	-
At 31 December 2024				
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.

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

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
Group				
31 December 2025				
Assets				
Financial assets, at FVOCI	11,063	-	-	11,063
31 December 2024				
Assets				
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:

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

KOH BROTHERS GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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

	Group	
	2025	2024
	\$'000	\$'000
Progressive billing recognised from sale of residential properties to related parties	523	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:

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

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:

Group (\$'000)	Construction and Building Materials	Real Estate	Leisure & Hospitality	Others	Total
2025					
Sales					
- 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>
Results					
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>
Other information					
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
As at 31 December 2025					
Segment assets	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
Consolidated total assets					<u>682,163</u>
Segment liabilities	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
Consolidated total liabilities					<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)

Group (\$'000)	Construction and Building Materials	Real Estate	Leisure & Hospitality	Others	Total
2024					
Sales					
- 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					(2,172)
					<u>238,394</u>
Results					
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)					(12,254)
Loss before income tax					<u>(7,085)</u>
Other information					
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
As at 31 December 2024					
Segment assets	271,569	201,709	24,358	661	498,297
Associated companies	168	-	-	-	168
Joint ventures	-	94,265	-	-	94,265
Unallocated assets:					
Income tax receivables					730
Short-term bank deposits					26,520
Investment securities					7,545
Consolidated total assets					<u>627,525</u>
Segment liabilities	99,986	42,536	476	485	143,483
Unallocated liabilities:					
Current income tax liabilities					1,213
Deferred income tax liabilities					6,343
Bank borrowings, notes payables, and lease liabilities					168,264
Consolidated total liabilities					<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
Group		
Singapore	264,803	170,653
Malaysia	29,039	21,192
Indonesia	26,078	36,419
Others	9,473	10,130
	329,393	238,394
	Total non-current assets	
	2025 \$'000	2024 \$'000
Group		
Singapore	366,197	328,199
Malaysia	6,800	11,952
Others	6,877	8,146
	379,874	348,297

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:

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

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.