Tiong Seng Holdings Limited

(Incorporated in the Republic of Singapore)
(Registration Number: 200807295Z)

Condensed Interim Financial Statements
For the Six Months Ended 30 June 2025

Contents

Condensed Interim Consolidated Statement of Comprehensive Income

	Note	6 months ended 30 June 2025 $'000	6 months ended 30 June 2024 $'000	Change %
Revenue				
Revenue from construction contracts and engineering solutions	4	119,166	240,581	(50%)
Revenue from sales of development properties	4	-	7,781	(100%)
Rental Income		5	166	(97%)
		119,171	248,528	(52%)
Other income		1,514	7,419	(80%)
Costs of construction contracts and engineering solutions		(121,633)	(229,297)	(47%)
Costs of sales of development properties		(812)	(5,520)	(85%)
Depreciation and amortisation		(2,450)	(2,408)	2%
Selling expenses		(43)	(340)	(87%)
Staff costs		(8,461)	(8,618)	(2%)
Other expenses		(6,058)	(5,418)	12%
		(139,457)	(251,601)	(45%)
(Loss)/Profit from operating activities		(18,772)	4,346	N.M.
Finance income		356	2,328	(85%)
Finance costs		(3,274)	(2,784)	18%
Net finance costs		(2,918)	(456)	>100%
Share of profit of joint ventures, net of tax		313	1,886	(83%)
(Loss)/Profit before tax	5	(21,377)	5,776	N.M.
Tax (credit)/expense	7	684	(726)	N.M.
(Loss)/Profit for the period		(20,693)	5,050	N.M.

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

Condensed Interim Consolidated Statement of Comprehensive Income *(cont'd)*

	Note	6 months ended 30 June 2025 $'000	6 months ended 30 June 2024 $'000	Change %
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Translation differences relating to financial statements of foreign subsidiaries		(3,235)	218	N.M.
Exchange differences on monetary items forming part of net investment in a foreign operation		(1,743)	55	N.M.
Net change in fair value of equity investment at fair value through other comprehensive income		-	103	N.M.
Other comprehensive income for the period, net of tax		(4,978)	376	N.M.
Total comprehensive income for the period		(25,671)	5,426	N.M.
(Loss)/Profit attributable to:				
Owners of the Company		(19,203)	4,824	N.M.
Non-controlling interests		(1,490)	226	N.M.
(Loss)/Profit for the period		(20,693)	5,050	N.M.
Total comprehensive income attributable to:				
Owners of the Company		(23,655)	5,163	N.M.
Non-controlling interests		(2,016)	263	N.M.
Total comprehensive income for the period		(25,671)	5,426	N.M.
(Loss)/Earnings per share				
- Basic and diluted (cents)[1]		(4.18)	1.09	N.M.

[1]The earnings per share net of non-controlling interests has been calculated based on 458,878,847 (2024: 441,076,649) weighted average number of shares excluding treasury shares.

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

Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 June 2025 $'000	31 December 2024 $'000	30 June 2025 $'000	31 December 2024 $'000
Non-current assets					
Property, plant and equipment	10	54,357	57,352	-	-
Intangible assets		1,213	1,342	-	-
Investment properties		1,113	1,209	-	-
Right-of-use assets		6,332	7,402	-	-
Subsidiaries		-	-	53,986	53,986
Joint ventures		15,899	16,344	-	-
Trade and other receivables		24,600	25,222	-	-
Amount due from related parties		2,591	2,548	-	-
Other investments		578	573	-	-
Deferred tax assets		2,242	2,254	-	-
		108,925	114,246	53,986	53,986
Current assets					
Inventories		6,221	3,648	-	-
Contract costs		285	173	-	-
Contract assets	11	26,006	46,785	-	-
Development properties	12	110,255	110,634	-	-
Trade and other receivables		35,346	41,651	883	1,949
Amounts due from related parties		9,285	15,857	31,310	31,310
Cash and cash equivalents		24,704	35,776	2,930	314
		212,102	254,524	35,123	33,573
Assets held for sale	13	38,369	38,429	-	-
		250,471	292,953	35,123	33,573
Total assets		359,396	407,199	89,109	87,559
Equity attributable to owners of the Company					
Share capital		183,867	181,947	183,867	181,947
Treasury shares		(4,906)	(4,906)	(4,906)	(4,906)
Reserves		(99,001)	(94,549)	(45,850)	(45,850)
Accumulated losses		(27,191)	(7,988)	(117,136)	(116,240)
		52,769	74,504	15,975	14,951
Non-controlling interests		103	2,119	-	-
Total equity		52,872	76,623	15,975	14,951
Non-current liabilities					
Trade and other payables		34,398	30,031	-	-
Loans and borrowings	15	7,576	8,335	-	-
Deferred tax liabilities		141	-	-	-
		42,115	38,366	-	-
Current liabilities					
Contract liabilities	11	55,470	53,149	-	-
Trade and other payables	14	93,669	143,048	863	894
Amounts due to related parties		6,118	7,189	72,271	71,714
Loans and borrowings	15	106,612	84,426	-	-
Current tax payable		2,540	4,398	-	-
		264,409	292,210	73,134	72,608
Total liabilities		309,524	330,576	73,134	72,608
Total equity and liabilities		359,396	407,199	89,109	87,559

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

Group	Share capital $'000	Treasury shares $'000	Merger reserve $'000	Capital reserve $'000	Statutory reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2025	181,947	(4,906)	(77,720)	(9,156)	5,489	(13,162)	(7,988)	74,504	2,119	76,623
Total comprehensive income for the period										
Loss for the period	-	-	-	-	-	-	(19,203)	(19,203)	(1,490)	(20,693)
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	(2,709)	-	(2,709)	(526)	(3,235)
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	-	-	(1,743)	-	(1,743)	-	(1,743)
Total other comprehensive income	-	-	-	-	-	(4,452)	-	(4,452)	(526)	(4,978)
Total comprehensive income for the period	-	-	-	-	-	(4,452)	(19,203)	(23,655)	(2,016)	(25,671)
Transaction with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issuance of ordinary shares	1,920	-	-	-	-	-	-	1,920	-	1,920
At 30 June 2025	183,867	(4,906)	(77,720)	(9,156)	5,489	(17,614)	(27,191)	52,769	103	52,872

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

Condensed Interim Consolidated Statement of Changes in Equity *(cont'd)*

Group	Attributable to owners of the Company										
	Share capital $'000	Treasury shares $'000	Merger reserve $'000	Capital reserve $'000	Statutory reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2024	181,947	(4,906)	(77,720)	(9,345)	6,404	(103)	(12,744)	(10,455)	73,708	2,074	75,152
Total comprehensive income for the period											
Loss for the period	-	-	-	-	-	-	-	4,824	4,824	226	5,050
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	181	-	181	37	218
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	-	-	-	55	-	55	-	55
Net change in fair value of equity investment at fair value through other comprehensive income	-	-	-	-	-	103	-	-	103	-	103
Total other comprehensive income	-	-	-	-	-	103	236	-	339	37	376
Total comprehensive income for the period	-	-	-	-	-	103	236	4,824	5,163	263	5,426
Transfer to Retained Earning	-	-	-	*287*	*(913)*	-	-	626	-	-	-
At 30 June 2024	181,947	(4,906)	(77,720)	(9,058)	5,491	-	(12,508)	(5,005)	78,241	2,337	80,578

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

Condensed Interim Consolidated Statement of Changes in Equity *(cont'd)*

The Company	**Share capital $'000**	**Treasury shares $'000**	**Merger reserve $'000**	**Accumulated losses $'000**	**Total equity $'000**
At 1 January 2025	181,947	(4,906)	(45,850)	(116,240)	14,951
Total comprehensive income for the period					
Loss for the period	-	-	-	(896)	(896)
Transaction with owners, recognised directly in equity					
Issue paid up capital	1,920	-	-	-	1,920
At 30 June 2025	183,867	(4,906)	(45,850)	(117,136)	15,975
At 1 January 2024	181,947	(4,906)	(45,850)	(112,300)	18,891
Total comprehensive income for the period					
Loss for the period	-	-	-	(1,283)	(1,283)
At 30 June 2024	181,947	(4,906)	(45,850)	(113,583)	17,608

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

Condensed Interim Consolidated Statement of Cash Flows

	6 months ended 30 June 2025 $'000	6 months ended 30 June 2024 $'000
Cash flows from operating activities		
(Loss)/Profit from operating activities	(18,772)	4,346
Adjustments for:		
Impairment on other receivables	704	-
Provisions	4,706	12,761
Depreciation and amortisation	5,150	4,890
(Gain)/Loss on disposal of:		
- property, plant and equipment	(452)	844
- assets held for sales	-	(6,514)
Written-off		
- intangible assets	-	6
- property, plant and equipment	65	2
	(8,599)	16,335
Changes in:		
Inventories	(2,576)	(967)
Contract costs	(112)	646
Contract assets/liabilities	23,100	5,743
Development properties	184	3,922
Trade and other receivables	6,294	13,329
Trade and other payables	(50,752)	(65,187)
Balances with related parties	(64)	890
Cash used in from operations	(32,525)	(25,289)
Tax paid	(1,005)	(988)
Net cash used in from operating activities	(33,530)	(26,277)
Cash flows from investing activities		
Other investment	-	105
Repayment of loan from joint ventures	5,944	3,030
Interest received	163	779
Proceeds from disposal of:		
- property, plant and equipment	612	1,444
- assets held for sales	-	9,995
Purchase of:		
- property, plant and equipment	(1,708)	(3,317)
- intangible assets	(32)	(37)
Net cash generated from investing activities	4,979	11,999

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

Condensed Interim Consolidated Statement of Cash Flows *(cont'd)*

	6 months ended 30 June 2025 $'000	6 months ended 30 June 2024 $'000
Cash flows from financing activities		
Interest paid	(2,433)	(2,965)
Payments of lease liabilities	(1,104)	(834)
Proceeds from issue share capital	1,920	-
Proceeds from loans and borrowings	46,362	39,538
Repayment of loans and borrowings	(23,832)	(65,922)
Net cash generated from /(used in) financing activities	20,913	(30,183)
Net decrease in cash and cash equivalents	(7,638)	(44,461)
Cash and cash equivalents at beginning of the period	35,776	112,578
Effect of exchange rate changes on balances held in foreign currencies	(3,434)	109
Cash and cash equivalents at end of the period	24,704	68,226

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

Notes to the Condensed Interim Consolidated Financial Statements

1 Corporate information

Tiong Seng Holdings Limited (the 'Company') (Registration Number 200807295Z) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The registered address of the Company is located at 30A Kallang Place #04-01 to #04-11, Singapore 339213.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the Group are building construction and civil engineering, provision of engineering solutions and property development.

2 Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed consolidated interim financial statements do not include all the information required for complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

The condensed consolidated interim financial statements have been prepared on a going concern basis, notwithstanding that as at 30 June 2025, the Group is in a negative working capital position with net current liabilities of approximately $13.9 million, as the Board of Directors of the Company believe that the Group is able to operate as a going concern after considering the following:

(a) as disclosed in the Company's announcement dated 28 May 2025, the Group was closely following up with the Tianjin Municipal Authority and the Heping District Government on payment of the balance amount of RMB165,419,925 (equivalent to approximately $29.5 million) of the agreed compensation amount for the reacquisition of the Zizhulin Property (as defined therein). RMB163,746,735 (equivalent to approximately $29.2 million) was paid to the Group on 1 July 2025 and the balance RMB1,673,190 (equivalent to approximately $298,400) is expected to be paid by end-September 2025;

(b) as disclosed in the Company's announcements dated 18 June 2025 and 20 June 2025, the Group expects to receive the balance amount of 90% of the consideration payable for the sale of the Tuas Property (as defined therein), amounting to $9.45 million in cash, within 12 weeks of 20 June 2025, being the date on which the option to purchase was exercised by the purchaser;

(c) the Group is continuing its ongoing and active marketing efforts for the disposal of its properties held-for-sale (namely, the Fan Yoong Property and the Pontian Land Parcels (each as defined in the appendix to the notice of annual general meeting dated 15 April 2025)) which feature a minimum disposal price of $21.15 million and RM44.73 million (equivalent to approximately $13.60 million) respectively under the Disposal Mandate (as defined therein) approved by shareholders of the Company on 30 April 2025;

(d) as at 30 June 2025, under Singapore dollar secured loan facilities of up to $90 million (the "**Facilities**"), further details of which are disclosed in the Company's announcement dated 6 February 2025, the Group:

(i) has unutilised credit facilities of $12.1 million; and

(ii) is looking to secure commitments for up to $35 million,

to be made available to the Group for the Group's projects, the access to which is assumed to remain in place based on Management's discussions with the relevant financial institutions to remedy and/or waive certain breaches of loan financial covenants under the Facilities (further details of which are set out below under "Update on Secured Loan Facilities"); and

(e) based on the above, and the cashflow forecast prepared by management for the next 12 months up to 30 June 2026, as well as projected operating cash inflows for the Group's projects in the next 12 months estimated by management, including certain new projects the Group is confident of securing, the Group should be able to meet its payment obligations as and when they fall due.

The Company will continue to prudently monitor its cash flow to meet its operational needs as well as to service its debt obligations as and when they fall due. The Board will provide updates to shareholders via SGXNET as and when there are material developments on the aforementioned.

Accordingly, the Board of Directors confirmed that all material information has been fully disclosed by the Group to enable trading to continue on an informed basis

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

The condensed consolidated interim financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by the Group

The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the annual period beginning on 1 January 2025. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.
In the process of applying the Group's accounting policies, there is no instance of application of judgments with significant updates since the audited financial statements as at 31 December 2024 and is expected to have a significant effect on the amounts recognised in the condensed interim financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

Note 4.2 – Revenue and cost recognition from construction contracts
Note 12 – Measurement of realisable amounts of development properties

Information about other judgements made and estimates applied are included in the following notes:

Note 10 – Measurement of recoverable amounts of property, plant and equipment
Note 14 – Recognition and measurement of provision

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group periodically reviews fair value measurements, including Level 3 fair values, where inputs are unobservable. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the Note 10 - Accounting classifications and fair values.

3 Seasonal operations

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

4 Segment and revenue information

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they are located in different geographical areas and require different marketing strategies. For each of the strategic business unit, the Group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- Construction: Relates to acting as main contractors in construction and civil engineering projects and provision of construction and civil engineering services mainly to property developers and government in both private and public sectors.

- Engineering solutions: Relates to manufactures and supplies precast and prefabricated components as well as provision of steel and mass engineered timber works to main contractors in construction and civil engineering projects.

- Property development: Relates to development and sales of properties.

Other operations include rental, general corporate activities and digital solutions.

4.1 Information about reportable segments

	Construction $'000	Engineering solutions $'000	Property development $'000	Segments total $'000	Others* $'000	Elimination $'000	Total $'000
1 January 2025 to 30 June 2025							
External revenues	96,334	22,832	-	119,166	5	-	119,171
Inter-segment revenue	-	2,296	-	-	-	(2,296)	-
Interest income	267	-	54	321	87	(245)	163
Interest expenses	(2,089)	(489)	(100)	(2,678)	-	245	(2,433)
Provision	(4,200)	-	(506)	(4,706)	-	-	(4,706)
Depreciation and amortisation	(2,801)	(2,052)	(219)	(5,072)	(78)	-	(5,150)
Reportable segment loss before tax	(18,387)	(435)	(1,946)	(20,768)	(922)	-	(21,690)
Share of gain of joint ventures, net of tax							313
Loss before tax							(21,377)
Tax expense							684
Loss for the period							(20,693)
Reportable segment assets	135,980	70,534	126,667	333,181	10,136	-	343,497
Investment in associates and joint ventures	12,387	547	2,965	15,899	-	-	15,899
Total assets							359,396
Reportable segment liabilities	231,795	51,487	22,160	305,442	1,082	-	306,524
Capital expenditure	232	1,492	10	1,734	40	-	1,774

* *Rental and general corporate activities*

4.1 Information about reportable segments

	Construction $'000	Engineering solutions $'000	Property development $'000	Segments total $'000	Others* $'000	Elimination $'000	Total $'000
1 January 2024 to 30 June 2024							
External revenues	219,283	21,298	7,781	248,362	166	-	248,528
Inter-segment revenue	-	31,446	-	-	-	(31,446)	-
Interest income	717	-	15	732	287	(239)	(780)
Interest expenses	(2,365)	(597)	(173)	(3,135)	(70)	239	(2,966)
Provision	(12,362)	-	(399)	(12,761)	-	-	(12,761)
Depreciation and amortisation	(2,900)	(1,874)	(22)	(4,796)	(96)	-	(4,892)
Reportable segment profit/(loss) before tax	4,699	313	876	5,888	(1,998)	-	3,890
Share of gain of joint ventures, net of tax							1,886
Profit before tax							5,776
Tax expense							(726)
Profit for the period							5,050
Reportable segment assets	217,655	61,320	136,228	415,203	15,335	-	430,538
Investment in associates and joint ventures	10,810	576	4,239	15,625	-	-	15,625
Total assets							446,163
Reportable segment liabilities	288,807	58,247	19,346	366,400	(815)	-	365,585
Capital expenditure	1,055	2,232	3	3,290	61	-	3,354

* *Rental and general corporate activities*

4.2 Disaggregation of Revenue

	Group 6 months ended 30 June 2025					
	Construction $'000	**Engineering solutions $'000**	**Segments total $'000**	**Others* $'000**	**Elimination $'000**	**Total $'000**
Types of goods or services:						
Revenue from construction contracts and engineering solutions	96,334	25,128	121,462	-	(2,296)	119,166
Rental income	-	-	-	5	-	5
Total revenue	96,334	25,128	121,462	5	(2,296)	119,171
Timing of revenue recognition:						
At a point in time	-	21,699	21,699	-	(642)	21,062
Over time	96,334	3,429	99,763	5	(1,654)	98,109
Total revenue	96,334	25,128	121,462	5	(2,296)	119,171
Geographical information:						
Singapore	96,334	25,128	121,462	-	(2,296)	119,166
PRC	-	-	-	5	-	5
Total revenue	96,334	25,128	121,462	5	(2,296)	119,171

* *Rental and general corporate activities*

4.2 Disaggregation of Revenue

	Group 6 months ended 30 June 2024						
	Construction $'000	**Engineering solutions $'000**	**Property development $'000**	**Segments total $'000**	**Others* $'000**	**Elimination $'000**	**Total $'000**
Types of goods or services:							
Revenue from construction contracts and engineering solutions	219,283	52,744	-	272,027	-	(31,446)	240,581
Revenue from sales of development properties	-	-	7,781	7,781	-	-	7,781
Rental income	-	-	-	-	166	-	166
Total revenue	219,283	52,744	7,781	279,808	166	(31,446)	248,528
Timing of revenue recognition:							
At a point in time	-	38,711	7,781	46,492	-	(20,241)	26,251
Over time	219,283	14,033	-	233,316	166	(11,205)	222,277
Total revenue	219,283	52,744	7,781	279,808	166	(31,446)	248,528
Geographical information:							
Singapore	219,283	52,744	-	272,027	107	(31,446)	240,688
PRC	-	-	7,781	7,781	-	-	7,781
Malaysia	-	-	-	-	59	-	59
Total revenue	219,283	52,744	7,781	279,808	166	(31,446)	248,528

* *Rental and general corporate activities*

Disaggregation of revenue *(cont'd)*

Revenue and costs recognition from construction contracts

The Group recognises revenue from construction contracts progressively over time. Significant judgement is required in determining the stage of completion, the estimated total contract revenue and estimated total contract cost, as well as the recoverability of the contract cost incurred.

Estimation of total contract revenue also includes an estimation of the variation works that are recoverable from the customers. In making the judgement, the Group relies on past experience and/or the work of relevant professionals.

Estimated total contract cost for construction contract comprises direct costs attributable to the construction of works. In estimating the total budgeted costs for construction contracts, the Group makes reference to information such as the level of work content sub-contracted, fluctuations in the prices of raw materials, size, design and material specifications of the projects, cost overruns and savings, variation works requested by customers, current offers from contractors and suppliers, recent offers agreed with contractors and suppliers, and professional estimation on construction and material costs as well as its past experience.

Given the contractual nature of the business, variation orders, additional works and prolongation costs are expected on a continual basis. As some of these items could be subjective and hence contentious in nature, the Group may from time to time be involved in arbitration or legal processes. As any such processes could be lengthy and outcome inherently uncertain where estimates, assumptions and significant judgement involved, the carrying amount of the contract assets and retention sum receivables at the reporting date may invariably be affected by these outcome.

4.3 Major Customers

During the financial period ended 30 June 2025 and 30 June 2024, revenue from certain customers (named alphabetically A to D) of the Group's construction segment amounted to approximately $79,200,000 (2024: $170,158,000). The details of these customers which individually contributed 10 percent or more of the Group's revenue in the period were as follows:

	30 June 2025		30 June 2024	
	$'000	%	$'000	%
Customer A	28,170	24	62,134	29
Customer B	27,077	23	43,900	21
Customer C	16,369	14	39,414	18
Customer D	7,584	6	24,710	12
Total	79,200	67	170,158	80

5 (Loss)/Profit before tax

Significant items

The following items have been included in arriving at (loss)/profit before tax for the period:

	Group 6 months ended 30 June 2025 $'000	Group 6 months ended 30 June 2024 $'000	Change %
(a) Other incomes include			
Gain/(loss) on disposal of:			
- assets held for sales	-	6,514	N.M.
- property, plant and equipment	452	(844)	N.M.
- scrap parts and materials	283	323	(12%)
Government grants:			
- others	36	16	>100%
Training and testing fee income	111	28	>100%
Management fees	308	25	>100%
Subscription fees	81	132	(39%)
(b) Other expenses include			
Direct operating expenses arising from:			
- investment property that did not generate rental income	-	18	N.M.
Impairment loss on:			
- other receivables	704	-	100%
Fine and penalty	2	1	100%
Written off:			
- property, plant and equipment	65	2	>100%
- intangible assets	-	6	(100%)
(c) Finance income and costs include			
Interest income on:			
- cash and cash equivalents	(163)	(779)	(79%)
Interest expense on:			
- bank loans	2,273	2,361	(4%)
- lease liabilities	160	604	(74%)
Exchange loss/(gain)	647	(214)	N.M.

6 Related party transactions

Other than as disclosed elsewhere in the condensed interim financial statements, there were the following significant related party transactions during the period:

	Group	
	6 months ended 30 June 2025 $'000	**6 months ended 30 June 2024 $'000**
Affiliated corporations		
Lease of storage space	-	259
Hiring charges	1,093	3,193
Consultancy fees	500	417
Joint venture		
Construction revenue	(6,408)	(1,919)
Related party		
Construction cost	1,137	1,510

7 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	Group	
	6 months ended 30 June 2025 $'000	**6 months ended 30 June 2024 $'000**
Tax recognised in profit or loss		
Current tax		
Current period	930	203
Changes in estimate related to prior periods	149	51
	1,079	254
Deferred tax		
Changes in estimate related to prior periods	24	103
Land appreciation tax		
Current period	-	369
Changes in estimate related to prior periods	(1,787)	-
	(1,787)	369
Total tax (credit) / expense	(684)	726

8 Net Asset Value

	Group		Company	
	30 June 2025 (cents)	**31 December 2024 (cents)**	**30 June 2025 (cents)**	**31 December 2024 (cents)**
Net asset value per ordinary share based on issued share capital at the end of:	11.44	16.89	3.46	3.39

The net asset value per ordinary share, net of non-controlling interests and excluding treasury shares, has been calculated based on 461,076,649 shares as at 30 June 2025 (31 December 2024: 441,076,649).

9 Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, for the current period the fair value disclosure of lease liabilities is also not required.

	Carrying amount			Fair value			
	FVOCI[#] - equity instruments $'000	Amortised cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group							
30 June 2025							
Financial assets measured at fair value							
Quoted equity investments – at FVOCI	22	-	22	22	-	-	22
Financial assets not measured at fair value							
Trade and other receivables*	-	54,699	54,699				
Amount due from related parties	-	11,876	11,876				
Cash and cash equivalents	-	24,704	24,704				
	-	91,279	91,279				
Financial liabilities not measured at fair value							
Amounts due to related parties	-	(6,118)	(6,118)				
Trade and other payables**	-	(109,515)	(109,515)				
Loans and borrowings	-	(105,848)	(105,848)	-	(100,403)	-	(100,403)
	-	(221,481)	(221,481)				

* *Excluded tax prepayments, deposits and prepayments, advances to suppliers and government grant receivables*
** *Excluded GST payables, deferred income and provisions*
[#] *FVOCI = fair value through other comprehensive income*

	Carrying amount			Fair value			
	FVOCI[#] - equity instruments $'000	Amortised cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group							
31 December 2024							
Financial assets measured at fair value							
Quoted equity investments – at FVOCI	22	-	22	22	-	-	22
Financial assets not measured at fair value							
Trade and other receivables*	-	60,473	60,473				
Amount due from related parties	-	16,828	16,828				
Cash and cash equivalents	-	68,226	68,226				
	-	145,527	145,527				
Financial liabilities not measured at fair value							
Amounts due to related parties	-	(7,299)	(7,299)				
Trade and other payables**	-	(111,301)	(111,301)				
Loans and borrowings	-	(75,752)	(75,752)	-	(71,587)	-	(71,587)
	-	(194,352)	(194,352)				

* *Excluded tax prepayments, value-added tax receivables, deposits and prepayments, advances to suppliers and government grant receivables*
** *Excluded employee benefits, GST payables and provisions*
[#] *FVOCI = fair value through other comprehensive income*

	Carrying amount	
	Amortised cost $'000	Total $'000
Company		
30 June 2025		
Financial assets not measured at fair value		
Trade and other receivables	883	3,370
Amount due from related parties	31,310	26,069
Cash and cash equivalents	2,930	428
	35,123	29,867
Financial liabilities not measured at fair value		
Amounts due to related parties	(72,271)	(73,137)
Trade and other payables	(863)	(347)
	(73,134)	(73,484)
31 December 2024		
Financial assets not measured at fair value		
Trade and other receivables	2,017	2,017
Amount due from related parties	31,310	31,310
Cash and cash equivalents	328	328
	33,655	33,655
Financial liabilities not measured at fair value		
Amounts due to related parties	(68,593)	(68,593)
Trade and other payables	(366)	(366)
	(68,959)	(68,959)

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Financial instruments measured at fair value – Group			
Unquoted equity investments – at FVOCI	The fair value of the equity investments is the net asset value of the investee entity adjusted for the fair value of the underlying properties, where applicable	Net asset value*	The estimated fair value varies directly with the net asset value of the entity.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Financial instruments not measured at fair value – Group and Company			
Loan and borrowings	Discounted cash flows	Not applicable	Not applicable

* Where the underlying investment is in equity shares of an entity, management relies on yearly unaudited financial statements for the reporting period for the determination of fair value. The underlying assets and liabilities are mainly short-term in nature, hence management has determined that the carrying value approximates fair value.

(ii) Transfers between Level 1 and 2

There were no transfers between Level 1 and 2 in 1H2025 and 2024.

(iii) Level 3 fair value

There is no movement in the Level 3 fair values.

Sensitivity analysis

There is no sensitivity analysis prepared as the Group's exposure to the effect on fair value changes for 1H2025 and 2024 are insignificant.

10 Property, plant and equipment

During the six months ended 30 June 2025, the Group acquired assets amounting to $1,708,000 (31 December 2024: $3,317,000) and disposed of assets amounting to $160,000 (31 December 2024: $2,288,000).

Measurement of recoverable amounts of property, plant and equipment

The Group reviews the carrying amounts of property, plant and equipment as at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. Determining the recoverable amount requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of the assets. This requires the Group to make estimates and assumptions that can materially affect the financial statements.

The Group estimated recoverable amount of property, plant and equipment, based on fair value less cost to sell method. The critical assumptions used for assessing the fair value of leasehold land, freehold land and leasehold properties included selling price per square metre based on recent market transactions for comparable property and adjusted for property size. The critical assumptions used for assessing the fair value of plant and machinery included the selling price for similar items, adjusted for machine age. The Group determined that the estimated recoverable amount of property, plant and equipment exceeded its carrying amount and no impairment losses were recognised.

11 Contract assets and contract liabilities

The following table provides information about contract assets and contract liabilities from contracts with customers.

	Group	
	30 June 2025 $'000	31 December 2024 $'000
Contract assets	26,006	46,785
Contract liabilities	(55,470)	(53,149)

The contract assets relate to the Group's right to consideration for work completed but not billed at the reporting date in respect of its construction and engineering solutions businesses. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the customer certifies the progress claims.

The contract liabilities relate to:

- advanced consideration received from customers from sale of development properties; and
- progress billings issued in excess of the Group's rights to the consideration in respect of its construction and engineering solutions businesses.

12 Development properties

	Group	
	30 June 2025 $'000	31 December 2024 $'000
(a) Properties under development, for which revenue is to be recognised at a point in time		
Land and land related costs	58,872	56,880
Development costs	29,015	28,600
	87,887	87,255
Allowance for diminution in value	(23,100)	(24,133)
Properties under development	64,787	63,122
(b) Completed development properties, at cost	46,648	48,775
Allowance for diminution in value	(1,180)	(1,263)
Completed development properties	45,468	47,512
Total development properties	110,255	110,634

Allowance for diminution in value

Movement in allowance for diminution in value was as follows:

	Group 30 June 2025 $'000
At 1 January	25,396
Translation differences on consolidation	(1,116)
At 30 June	24,280

The Group's properties under development and completed development properties are stated at the lower of cost and net realisable value. Based on the Group's recent experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion in case for properties under development and the costs to be incurred in selling the properties based on prevailing market conditions. If there is a decrease in net sales value, the net realisable value will decrease. Changes in the estimates of the costs to completion and the estimated selling price would also have an effect on the determination of diminution in value for each project. Such allowance requires the use of judgement and estimates.

Where the expectation is different from the original estimate, the carrying value and allowance for diminution in value on properties in the period in which such estimate is changed will be adjusted accordingly. In addition, given the volatility of the PRC property market and the unique nature of individual properties, the actual outcome in terms of costs and revenue may be higher or lower than estimated at the reporting date. Any increase or decrease in the allowance would affect profit or loss in future years.

Management has assessed that the estimated costs to completion and estimated selling price remains substantially unchanged from those as at 31 December 2024 and no revision to the allowance for diminution in value as required as at 30 June 2025.

During the 1H2025, completed development properties of $812,000 (1H2024: $5,520,000) were recognised as an expense and included in "Cost of sales of development properties".

13 Assets held for sale

As at June 2025, the Group has committed to sell certain properties under property, plant and equipment (2024: committed to sell one of its investment properties and certain properties under property, plant and equipment). The sales are expected to be completed in the next 12 months and accordingly, these properties are presented as assets held for sale.

On 20 June 2025, an Option-to-Purchase has been executed for the disposal of 6 Tuas South Street 11 property at a sale consideration of $10.5 million. This disposal is expected to be completed in September 2025.

The details of the properties classified as assets held for sale as at 30 June 2025 were:

Description	**Previous classification**
6 Tuas South Street 11	Leasehold land and leasehold properties under property, plant and equipment
Pontian land	Freehold land under property, plant and equipment
Fan Yoong property	Leasehold land and leasehold properties under property, plant and equipment

	Group	
	30 June 2025	31 December 2024
	$'000	$'000
6 Tuas South Street 11	12,115	12,115
Pontian land	9,451	9,514
Fan Yoong property	16,803	16,800
	38,369	38,429

14 Provisions

Included in Trade and other payables are provisions as disclosed below.

	Provision for penalties $'000	Provision for onerous contracts $'000	Total $'000
Group			
At 1 January 2025	6,616	8,018	14,634
Utilisation during the year	-	(1,691)	(1,691)
Provision made during the period	506	4,200	4,706
At 30 June 2025	7,122	10,527	17,649

The provision for penalties made during the period has been included in "Costs of sales of development properties".

Provision for penalties made in relation to the late completion of one of the PRC developments.

Provisions for onerous contracts relate to expected losses arising from non-cancellable construction contracts where the expected total contract costs exceed the total contract sums and are expected to be materialised as these contracts progress towards completion. The Group conducts critical review of all its contracts regularly. The Group monitors and reviews the progress of all the contracts, taking into consideration inputs from internal project managers and external customers in estimating these total contract costs to complete as well as in the evaluation of any potential risks and factors which may affect contract price, cost and timely completion of these contracts. The review also encompasses the cost analysis process whereby both actual costs incurred and future costs to complete are critically examined.

15 Loans and borrowings

	Group	
	30 June 2025	31 December 2024
	$'000	$'000
Non-current		
Secured bank loans	2,199	2,201
Lease liabilities	5,377	6,134
	7,576	8,335

Current		
Secured bank loans	96,750	72,421
Lease liabilities	1,794	2,021
Secured bank loans associated with assets held for sale	6,896	8,779
Lease liabilities associated with assets held for sale	1,172	1,205
	106,612	84,426
Total loans and borrowings	114,188	92,761

The secured bank loans are secured on the following assets:

	Group	
	30 June 2025 $'000	**31 December 2024 $'000**
Carrying amounts of assets:		
Leasehold land	3,696	3,748
Freehold land	3,588	3,588
Leasehold properties	17,282	17,735
Plant and machinery	446	446
Assets held for sale	38,369	38,429
Total	63,381	63,946

The secured bank loans are also secured by assignment of rights, interests and benefits in connection with construction contracts and engineering solutions.

Included in the loans and borrowings as at 30 June 2025 is an amount of approximately $42.9 million (2024: nil) which has been drawn down under Singapore dollar secured loan facilities of up to $90 million (the "**Facilities**"), further details of which are disclosed in the Company's announcement dated 6 February 2025. The aforesaid outstanding borrowings are due for repayment within the next 12 months and have been classified as current liabilities as at 30 June 2025.

Under the terms of the Facilities, the Group is required to comply with, *inter alia*, the following covenants:

(a) a Consolidated Tangible Net Worth (computed as the aggregate of the paid-up share capital of the Company and the amount standing to the credit of the reserves of the Company, less goodwill and other intangible assets, amounts set aside for tax, minority interests and any dividend or other distribution declared, recommended or made by the Company) of not less than $75 million as at each of 31 March, 30 June, 30 September and 31 December;

(b) a Consolidated Leverage Ratio (the ratio of consolidated total debt to Consolidated Tangible Net Worth) of not more than 2.5 times as at each of 31 March, 30 June, 30 September and 31 December; and

(c) a minimum outstanding order book balance of $600 million for the period from 1 July 2025 to 31 December 2025 and $800 million for the period from 1 January 2026 onwards.

As at 30 June 2025, the covenant in (a) above was not complied with. For the period from 1 July 2025 to the date of this announcement, the covenant in (c) above was not complied with.

Due to the non-compliance of the aforesaid covenants, the relevant financial institutions are contractually entitled to request for immediate repayment of the outstanding borrowings. Under the terms of the Facilities, on and at any time after non-compliance of the aforesaid covenants which is continuing, the Agent of the Facilities may, at its discretion, and shall, if so directed by all the lenders under the Facilities, by notice, inter alia, call for repayment ahead of the stipulated repayment dates. The Group has been in regular communication with the relevant financial institutions on an ongoing basis in relation to the Group's compliance with the relevant covenants under the Facilities and the Agent had been notified of the aforesaid technical breaches of the relevant covenants in a timely manner. As of the date of this announcement, the Group has not received any notice for the accelerated repayment from the Agent. The Group is in discussions with the relevant financial institutions to remedy the breach of the covenants and/or to obtain a waiver for the same.

16 Share capital

	30 June 2025		31 December 2024	
	No of shares	**$'000**	**No of shares**	**$'000**
Issued and fully paid ordinary shares,				
As at start of year/period (including treasury shares)	459,623,849	181,947	459,623,849	181,947
Issuance of ordinary shares	20,000,000	1,920	-	-
	479,623,849	183,867	459,623,849	181,947
Treasury shares	(18,547,200)	(4,906)	(18,547,200)	(4,906)
As at end of year/period (including treasury shares)	461,076,649	178,961	441,076,649	177,041

The Company held 18,547,200 treasury shares as at 30 June 2025 (18,547,200 treasury shares as at 31 December 2024) which represent 3.87% (4.20% as at 31 December 2024) of the total number of issued shares of the Company, excluding treasury shares.

On 20 January 2025, the Company completed a placement of 20,000,000 new ordinary shares in its capital at an issue price of S$0.10 per share, for an aggregate consideration of S$2 million.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company did not have any outstanding options or convertibles as at end of the current financial period reported on and as at the end of corresponding period of the immediately preceding financial year.

17 Significant commitments

Commitments of the Group not reflected in the condensed interim financial statements at the respective reporting dates are as follows:

	Group	
	30 June 2025	**31 December 2024**
	$'000	**$'000**
Development costs contracted but not provided for:		
- subsidiaries	13,079	13,771

18 Financial guarantee by the Company in respect of banking facilities provided to subsidiaries

	30 June 2025	**31 December 2024**
	$'000	**$'000**
Significant issued financial guarantees to certain financial institutions in respect of banking facilities (inclusive of guaranteed performance bonds) for its subsidiaries	517,962	452,962

As at 30 June 2025 and 31 December 2024, the Company does not consider it probable that the claims will be made against the Company under these guarantee contracts.

Other Information Required by Listing Rule Appendix 7.2

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

2. Whether the figures have been audited or reviewed, the auditors' report (including any modification or emphasis of a matter).

Not Applicable.

3. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial information for the current financial year reported on have been prepared using the same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 31 December 2024.

4. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all new and revised Singapore Financial Standards (International) ("SFRS(I)") issued by the Accounting Standards Council that are relevant to the Group and effective for financial year beginning on 1 January 2025.

The adoption of the new SFRS(I)s, amendments and interpretations of SFRS(I)s does not result in any substantial change to the Group's accounting policies and has no material impact on the financial statements of the Group for the current reporting period or the prior year's reporting period.

5. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group Performance for 1H2025 vs 1H2024

Overview

	Construction	Engineering Solution	Property Development	Others	Elimination	Total
	Six Months Ended 30 June 2025					
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	96,334	25,128	-	5	(2,296)	119,171
Costs	(103,854)	(21,530)	(819)	-	3,758	(122,445)
Gross (Loss)/Profit	(7,520)	3,598	(819)	5	1,462	(3,274)
Other income	2,201	421	108	336	(1,552)	1,514
Depreciation and amortisation	(1,909)	(243)	(215)	(83)	-	(2,450)
Selling expenses	-	-	(43)	-	-	(43)
Staff costs	(5,047)	(2,410)	(382)	(622)	-	(8,461)
Other expenses	(3,364)	(1,382)	(541)	(861)	90	(6,058)
Loss from operating activities	(15,639)	(16)	(1,892)	(1,225)	-	(18,772)

	Construction	Engineering Solution	Property Development	Others	Elimination	Total
	Six Months Ended 30 June 2024					
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	219,283	52,744	7,781	166	(31,446)	248,528
Costs	(213,691)	(48,981)	(5,520)	-	33,375	(234,817)
Gross Profit	5,592	3,763	2,261	166	1,929	13,711
Other income	7,774	1,239	119	306	(2,019)	7,419
Depreciation and amortisation	(2,097)	(205)	(10)	(96)	-	(2,408)
Selling expenses	-	-	(340)	-	-	(340)
Staff costs	(5,148)	(2,280)	(328)	(862)	-	(8,618)
Other expenses	(2,046)	(1,258)	(684)	(1,520)	90	(5,418)
Profit/(Loss) from operating activities	**4,075**	**1,259**	**1,018**	**(2,006)**	**-**	**4,346**

As a whole, the Group reported an operating loss in 1H2025 of $18.8 million, compared to a profit of $4.3 million in 1H2024. The loss in 1H2025 was mainly due to the increased costs incurred in securing the TOPs in 1H2025. In the construction segment, resulted in additional material and overhead costs. Operating margin were lower in 1H2025 for Engineering Solutions as certain new projects commenced in the late Q2 2025. There were no revenue for Property Segment in the 1H2025, contributing to an operating loss of S$1.9mil during the period.

Revenue from construction, engineering solutions and property development segment

The Group’s revenue decreased by approximately $129.3 million from $248.5 million in 1H2024 to $119.2 million in 1H2025, the decline was primarily due to the conclusive end of construction projects secured pre-pandemic.

There was no revenue from sales of development properties in 1H2025. In 1H2024, revenue amounted to $7.8 million contributed mainly from the sale recognition of 2 units from Tranquility Project and 7 units from Equinox Project.

As at 30 June 2025, approximately $3.0 million of gross development value were sold, but yet to be recognised as revenue in accordance to our revenue recognition policy, as follows:

Projects		Total	Total Launch	Sold and recognised	Sold but yet to be recognised	Unsold Inventories	Future Launch	ASP^ psm for units sold but yet to be recognized (RMB)
Equinox	Units	Note 1	565	448	4	113	Note 1	13,342
	Area (’000 sqm)	172	109	89	1	19	63	

Note 1: Launch of products for subsequent phases to be finalized on accordance to market demand

^ Average selling price

Gross loss in construction segment

Gross loss of approximately $7.5 million in 1H2025, compared to a gross profit of $5.6 million in 1H2024 was mainly due to the increased costs incurred in securing the TOPs in 1H2025. Accordingly, with the successful obtainment of the TOPs, the Company has catered for all necessary and foreseeable costs to date.

Gross profit in engineering solutions

The gross profit margin was approximately 14.3% in 1H2025, compared to a gross profit margin of 7.1% in 1H2024. This was mainly due to differences in profitability and stages of work progress from various projects over the two periods.

Gross profit in property development segment

Gross loss of approximately $0.8 million in 1H2025, compared to a gross profit of $2.3 million in 1H2024 was mainly due to costs incurred from the delayed completion of the Equinox project. These costs were recognised in the current period without corresponding revenue, resulting in a negative gross margin.

Other income

Other income decreased by approximately $5.9 million from $7.4 million in 1H2024 to $1.5 million in 1H2025 mainly due to absence of a one-off gain on disposal of a unit in SLF building of $6.5 million.

Other expenses

Other expenses increased by approximately $0.7 million from $5.4 million in 1H2024 to $6.1 million in 1H2025 mainly due to provision for impairment on other receivables amounted to S$0.7 million.

Net finance costs

Net finance cost has increased by approximately $2.5 million from $0.4 million in 1H2024 to $2.9 million in 1H2025. This is mainly due to lower fixed deposit interest income and higher borrowing cost as a result of the increased interest expenses in 1H2025.

Share of profit of joint ventures, net of tax

The Group registered lower share of profit from joint ventures by approximately $1.6 million from $1.9 million in 1H2024 to $0.3 million in 1H2025 due mainly to lower net contribution from joint ventures projects.

Loss for the period

As a result of the foregoing, 1H2025 reported a loss after tax of approximately $20.7 million as a result of the factors mentioned in the preceding paragraphs.

Review of Group Financial Position

Non-current assets

Our non-current assets decreased by approximately $5.3 million from $114.2 million as at 31 December 2024 to $108.9 million as at 30 June 2025. The decreased in non-current assets was mainly due to:

(i) Decrease in property, plant and equipment by approximately $3.0 million from $57.4 million to $54.4 million due to depreciation incurred for the period.

(ii) Decrease in right-of-use by approximately $1.1 million from $7.4 million to $6.3 million due to depreciation incurred for the period.

Current assets

Our current assets decreased by approximately $42.5 million from $293.0 million as at 31 December 2024 to $250.5 million as at 30 June 2025. The decreased in current assets was mainly due to:

(i) Decrease in cash and bank balances by approximately $11.1 million to $24.7 million as at 30 June 2025 was mainly due to negative operating cash flow generated and payment for capital expenditure.

(ii) Decrease in contract assets by approximate $20.8 million to $26.0 million as at 30 June 2025 was mainly due to timing between revenue recognition and actual billing for mainly construction projects.

(iii) Decrease in current trade and other receivables by approximately $6.4 million to $35.3 million as at 30 June 2025 was mainly due to the decrease in trade receivables partially offset by increase in retention sum receivables as reclassification of retention sum receivables for completed projects due within 12 months to current assets.

(iv) Decrease in amount due from related parties by approximately $6.6 million to $9.3 million as at 30 June 2025 was mainly due to the repayment of approximately $5.9 million from a joint venture.

The decrease was partially offset by increase in inventories by $2.6 million to $6.2 million as at 30 June 2025 was mainly due to higher inventories balance as at the period end.

Non-current liabilities

Our non-current liabilities increased by approximately $3.7 million from $38.4 million as at 31 December 2024 to $42.1 million as at 30 June 2025. The increase in non-current liabilities was mainly due to increase in retention sum payables arising from increase construction activities.

Current liabilities

Our current liabilities decreased by approximately $27.8 million from $292.2 million as at 31 December 2024 to $264.4 million as at 30 June 2025. The decrease in current liabilities was mainly due to:

(i) Decrease in trade and other payables by $49.3 million to S$93.7 million as at 30 June 2025 mainly due to decrease in trade payables of $5.7 million and accrued trade payables of $43.9 million.

(ii) Decrease in amount due to related parties by approximately $1.1 million to $6.1 million as at 30 June 2025 was due to increase in trade payable to a joint venture company.

(iii) Decrease in current tax payable by approximately $1.8 million to $2.5 million as at 30 June 2025 was mainly due to overprovision land appreciation tax and income tax for Tranquility project.

The decrease was partially offset by:

(iv) Increase in loan and borrowing by approximately $22.2 million to $106.6 million as at 30 June 2025 was mainly due to proceed drawdown loan $31.6 million offset by repayment $11.7 million.

(v) Increase in contract liabilities by approximately $2.3 million to $55.4 million as at 30 June 2025 mainly due to increase in progress billing for certain projects over the period under review.

Negative Working Capital Position

As at 30 June 2025, the Group is in a negative working capital position with net current liabilities of approximately $13.9 million. This is mainly due to loan drawdowns of approximately $46.3 million which are short term in nature and repayable within the next 12 months, offset by the repayment of loans amounting to $23.6 million during the period.

Notwithstanding the above, the Board of Directors of the Company believe that the Group is able to operate as a going concern, and the condensed consolidated interim financial statements have accordingly been prepared on a going concern basis, after considering the following:

(a) as disclosed in the Company's announcement dated 28 May 2025, the Group was closely following up with the Tianjin Municipal Authority and the Heping District Government on payment of the balance amount of RMB165,419,925 (equivalent to approximately $29.5 million) of the agreed compensation amount for the reacquisition of the Zizhulin Property (as defined therein). RMB163,746,735 (equivalent to approximately $29.2 million) was paid to the Group on 1 July 2025 and the balance RMB1,673,190 (equivalent to approximately S$298,400) is expected to be paid by end-September 2025;

(b) as disclosed in the Company's announcements dated 18 June 2025 and 20 June 2025, the Group expects to receive the balance amount of 90% of the consideration payable for the sale of the Tuas Property (as defined therein), amounting to $9.45 million in cash, within 12 weeks of 20 June 2025, being the date on which the option to purchase was exercised by the purchaser;

(c) the Group is continuing its ongoing and active marketing efforts for the disposal of its properties held-for-sale (namely, the Fan Yoong Property and the Pontian Land Parcels (each as defined in the appendix to the notice of annual general meeting dated 15 April 2025)) which feature a minimum disposal price of $21.15 million and RM44.73 million (equivalent to approximately $13.60 million) respectively under the Disposal Mandate (as defined therein) approved by shareholders of the Company on 30 April 2025;

(d) as at 30 June 2025, under Singapore dollar secured loan facilities of up to $90 million (the "**Facilities**"), further details of which are disclosed in the Company's announcement dated 6 February 2025, the Group:

    (i) has unutilised credit facilities of $12.1 million; and

    (ii) is looking to secure commitments for up to $35 million,

    to be made available to the Group for the Group's projects, the access to which is assumed to remain in place based on Management's discussions with the relevant financial institutions to remedy and/or waive certain breaches of loan financial covenants under the Facilities (further details of which are set out below under "Update on Secured Loan Facilities"); and

(e) based on the above, and the cashflow forecast prepared by management for the next 12 months up to 30 June 2026, as well as projected operating cash inflows for the Group's projects in the next 12 months estimated by management, including certain new projects the Group is confident of securing, the Group should be able to meet its payment obligations as and when they fall due.

The Company will continue to prudently monitor its cash flow to meet its operational needs as well as to service its debt obligations as and when they fall due. The Board will provide updates to shareholders via SGXNET as and when there are material developments on the aforementioned.

Accordingly, the Board of Directors confirmed that all material information has been fully disclosed by the Group to enable trading to continue on an informed basis.

<u>Review of Statement of Cash Flows</u>

Net cash used in operating activities

Net cash outflow from operating activities was approximately $33.5 million mainly attributable to the movement in working capital of the Group.

Net cash generated from investing activities

Net cash inflow from investing activities was approximately $5.0 million in 1H2025, which was primarily due to the repayment of loan from a joint venture of $5.9 million, which was partially offset by purchase of property, plant and equipment of $1.7 million.

Net cash used in financing activities

Net cash outflow from financing activities was approximately $20.9 million in 1H2025, which was primarily due to net repayment borrowing of $22.5 million.

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

The Group's 1H2025 results are in line with the Company's profit guidance released on 1 August 2025.

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

<u>Strategy and Outlook</u>

Going forward, the Company will focus on three strategic areas designed to drive sustainable growth:

Concluding final accounts for all projects: Having accounted for the costs associated with completing pre-pandemic contracts, the Company will focus on finalising account discussions with project owners in 2H2025. These discussions mainly relate to Variation Order (VO) and ex-gratia claims, and the Company aims to close them by the end of 2025 to better determine the final status of these accounts.

Securing and delivering new contracts: The Company now has the operational and management capacity to secure new contracts. Recent changes to the Management team include the return of Mr. Pek Lian Guan, to add to Tiong Seng's management strength in securing and delivering new contracts. Together with the "battle-hardened" core management team, the Company is looking forward to stronger execution in future projects for better returns.

Driving capital recycling efforts: This includes the previously declared disposal of non-core assets such as Fan Yoong Property, Pontian Land Parcels and addressing the China Equinox development.

The Company believes that with the patience and support of its partners, it will be able to return to a normal footing in its construction business, while taking active steps to improve the Group's financial and operational positions in 2H2025 and beyond.

Construction

Singapore's construction sector is projected to experience strong and sustained demand in 2025 and over the medium term (2026-2029). The Building and Construction Authority (BCA) forecasts total construction demand (the value of contracts to be awarded) to be between S$47 billion and S$53 billion in 2025. This is a significant increase from the preliminary actual demand of S$44.2 billion in 2024. For the period from 2026 to 2029, the demand is expected to average between S$39 billion and S$46 billion per year.[1][2]

Growth will be driven by a strong pipeline of public and private sector projects, including major public infrastructure like Changi Airport's Terminal 5 and the Cross Island MRT Line, as well as private sector developments like the Marina Bay Sands expansion. The government is also promoting productivity through initiatives like off-site manufacturing (DfMA) and digitalisation with platforms like CORENET X. Tiong Seng has implemented a strategy for sustainable growth by leveraging strategic partnerships and enhancing internal capabilities, and despite short-term challenges, remains committed to this course. The company has also refined its project selection criteria to prioritise quality and margin.

Engineering Solutions

The Group's investment in green modular solutions has gained significant traction with domestic and international clients, aligning with the Singapore Green Plan 2030. The company's portfolio includes advanced construction technologies like zero-waste steel formwork systems and innovative methods such as Prefabricated Prefinished Volumetric Construction (PPVC), Advanced Precast, Structural Steel, and Mass Engineered Timber. These technologies enhance quality and environmental performance. The increasing demand for sustainable construction methods highlights the relevance of Tiong Seng's specialist capabilities in Engineering Solutions, which are well-positioned as future growth drivers.

[1] Construction Demand to Remain Strong For 2025

[2] Up to $53 billion in construction contracts expected in 2025: BCA

Property Development

The outlook for China's property sector in 2025 and 2026 is one of "cautious stabilisation" rather than a widespread recovery. Government interventions and measures have had a modest positive impact on slowing price declines, but a large overhang of unsold housing inventory and weak consumer confidence persist. Analysts anticipate new home prices may stabilise in the second half of 2025, with a slower recovery for secondhand prices and a gradual return to price growth more likely in 2026. [3] Tiong Seng is responding to this environment by strategically concentrating on specialised sectors, such as the Silver Economy and ageing care facilities, to mitigate market risks and capitalise on sustainable growth opportunities.

Digital Solutions

PylonAI is the cornerstone of the Group's Digital Solutions segment. This solution, which leverages construction expertise and data analytics, enhances project risk management by integrating IoT technology with operational data to provide real-time insights. PylonAI also creates new revenue opportunities beyond traditional construction. The Group anticipates that synergies between PylonAI and the Engineering Solutions division will further contribute to future growth. Through its focus on digital capabilities, Tiong Seng is positioned to take on larger and more complex projects, strengthening its competitive advantage in the built environment sector.

Summary

The Group’s order book as at 30 June 2025 stood at approximately $0.52 billion, which is expected to extend till 2028.

8. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

[3] China's Residential Property Market Analysis 2025

9. If no dividend has been declared/recommended, a statement to that effect.

No dividend had been declared by the Board of the Company in respect of 1H2025. The Company had been declaring dividend annually in full year results announcement since 2010 till 2021.

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

Pursuant to Rule 920(1)(a)(ii), the following interested person transactions were entered into during the financial period ended 30 June 2025.

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
		1H2025	1H2025
		$'000	$'000
Hiring charges Peck Tiong Choon Transport (Pte) Ltd	Subsidiary of Controlling Shareholder, Peck Tiong Choon (Private) Limited	-	1,093
Total Transactions with associates of a Controlling Shareholder		-	1,093
Consultancy fees			
G&T Multitask (Private Limited)#	Associate of Director, Pek Zhi Kai	500	-
Total Transactions with Associate of a Director		500	-

The Company appointed Mr Pek Lian Guan, who was then a former employee of the Company, as a consultant of the Group in May 2022. The intent was to avail the Group of Mr Pek Lian Guan's knowledge in three main areas: strategic growth advisory, executive coaching for senior management, and digital transformation advisory services.

The Board considered the appointment of Mr Pek Lian Guan as consultant, having taken independent advice from relevant third-party advisors regarding the suitability of Mr Pek Lian Guan for the roles, the quantum of the consultancy fees payable, and the methodology and governance framework of implementing such an agreement. The Audit Committee and the Board were satisfied from the findings and advice of the third-party advisors that the consultancy agreement with Mr Pek Lian Guan was entered into on an arm's length basis and is not prejudicial to the interests of the Company and its minority shareholders. Accordingly, the Audit Committee and the Board approved the proposal for Mr Pek Lian Guan to provide consultancy services to the Group. Mr Pay Sim Tee (who is a cousin of Mr Pek Lian Guan) and Mr Pek Zhi Kai (who is the son of Mr Pek Lian Guan) abstained from voting in the process of making this decision.

Mr Pek Lian Guan rendered the consultancy services through G&T Multitask (Private Limited) which is 100% owned by Mdm Ong Geok Toe (who is the spouse of Mr Pek Lian Guan and the mother of Executive Director Mr Pek Zhi Kai). Accordingly, the consultancy agreement constitutes an interested person transaction.

Mr Pek Lian Guan was subsequently appointed as an Executive Director and the Chief Executive Officer of the Company with effect from 5 August 2025 and the aforesaid consultancy agreement was terminated with effect from the same date.

11. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that the undertakings required under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

12. Confirmation pursuant to Rule 705(5) of the Listing Rule

On behalf of the Board of Directors of the Company, we confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements of the Group and the Company for the half year ended 30 June 2025 to be false or misleading in any material aspect.

On behalf of the Board

Pek Lian Guan Executive Director & CEO	Pek Zhi Kai Executive Director

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
14 August 2025