



Hock Lian Seng Holdings Limited

Company Registration Number 200908903E

Unaudited condensed interim financial statements

For the six months ended 30 June 2025 (1H 2025)

Table of contents

Consolidated statement of profit or loss.....	2
Consolidated other comprehensive income.....	3
Statements of financial position.....	4
Statements of changes in equity	5
Consolidated statement of cash flows.....	6
Selected notes to the interim financial statements	7
Other information required by Listing Rule Appendix 7.2.....	16

Consolidated statement of profit or loss

	Note	Group Half year ended		Change
		30.6.25	30.6.24	
		\$'000	\$'000	%
Revenue	4	103,304	99,808	3.5%
Cost of sales		(95,451)	(78,520)	21.6%
Gross profit		7,853	21,288	-63.1%
Other income		5,412	6,400	-15.4%
Distribution and selling costs		(451)	(644)	-30.0%
Administrative costs		(2,336)	(2,460)	-5.0%
Other operating costs		(509)	(534)	-4.7%
Share of results of joint ventures, net of tax		37	(2)	nm
Profit before taxation	6	10,006	24,048	-58.4%
Tax expenses	7	(1,324)	(3,638)	-63.6%
Profit after taxation		8,682	20,410	-57.5%
Attributable to:				
Equity holders of the Company		8,581	20,387	-57.9%
Non-controlling interests		101	23	339.1%
		Cents	Cents	
Earnings per shares for profit attributable to the owners of the Company :				
Basic earnings per share		1.68	3.98	
Dilluted earnings per share		1.68	3.98	

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

Consolidated statement of other comprehensive income

	Group	
	Half year ended	
	30.06.2025	30.06.2024
	\$'000	\$'000
Profit after taxation	8,682	20,410
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Financial instruments at FVOCI		
- Net change in fair value	166	579
Other comprehensive income	166	579
Total comprehensive income	8,848	20,989
Attributable to:		
Equity holders of the Company	8,747	20,966
Non-controlling interests	101	23

Statements of financial position

	Note	Group		Company	
		30.6.2025	31.12.2024	30.6.2025	31.12.2024
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	15	21,114	19,514	-	-
Subsidiary companies		-	-	38,294	38,294
Investment in joint ventures	13	3,789	3,752	-	-
Investment properties	11	3,300	3,300	-	-
Investment securities	10	18,526	16,610	-	-
Deferred tax assets		938	1,310	-	-
		47,667	44,486	38,294	38,294
Current assets					
Development properties	12	43,728	51,002	-	-
Contract assets		83,229	63,327	-	-
Trade receivables		10,336	9,401	-	-
Other receivables		578	1,543	13,636	25,808
Amounts due from joint ventures		22	57	-	-
Prepayments and deposits		827	804	-	16
Investment securities	10	21,952	22,613	-	-
Cash and short term deposits		152,755	159,304	59,644	54,886
		313,427	308,051	73,280	80,710
Current liabilities					
Trade and other payables		59,076	51,115	231	342
Lease liabilities	16	443	118	-	-
Contract liabilities		4,971	1,590	-	-
Provisions	14	7,085	9,131	-	-
Provision for taxation		3,011	4,464	170	217
		74,586	66,418	401	559
Net current assets		238,841	241,633	72,879	80,151
Non-current liabilities					
Deferred income		48	62	-	-
Other payables		774	861	-	-
Lease liabilities	16	1,071	293	-	-
Deferred tax liabilities		706	440	-	-
		2,599	1,656	-	-
Net assets		283,909	284,463	111,173	118,445
Equity					
Share capital	17	59,954	59,954	59,954	59,954
Treasury shares	17	(193)	-	(193)	-
Capital reserve		1,000	1,000	-	-
Fair value adjustment reserve		943	777	-	-
Accumulated profits		237,872	238,500	51,412	58,491
Merger deficit		(16,239)	(16,239)	-	-
Equity attributable to owners of the Company		283,337	283,992	111,173	118,445
Non-Controlling interests		572	471	-	-
Total Equity		283,909	284,463	111,173	118,445

Statements of changes in equity
Group

	Share capital	Treasury shares	Capital reserve	Accumulated profits	Fair value adjustment reserve	Merger deficit	Non-control ling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2025	59,954	-	1,000	238,500	777	(16,239)	471	284,463
Net Profit	-	-	-	8,581	-	-	101	8,682
Other comprehensive income	-	-	-	-	166	-	-	166
Total comprehensive income	-	-	-	8,581	166	-	101	8,848
Purchase of treasury shares		(193)						(193)
Dividend on ordinary shares	-	-	-	(9,209)	-	-	-	(9,209)
At 30 June 2025	59,954	(193)	1,000	237,872	943	(16,239)	572	283,909
At 1 January 2024	59,954	-	1,000	214,195	(225)	(16,239)	390	259,075
Net Profit	-	-	-	20,387	-	-	23	20,410
Other comprehensive income	-	-	-	-	579	-	-	579
Total comprehensive income	-	-	-	20,387	579	-	23	20,989
Dividend on ordinary shares	-	-	-	(7,682)	-	-	-	(7,682)
At 30 June 2024	59,954		1,000	226,900	354	(16,239)	413	272,382

Company

	Share capital	Treasury shares	Accumulated profits	Total Equity
	\$'000	\$'000	\$'000	\$'000
At 1 January 2025	59,954	-	58,491	118,445
Profit, representing total comprehensive income	-		2,130	2,130
Purchase of treasury shares	-	(193)	-	(193)
Dividend on ordinary shares	-	-	(9,209)	(9,209)
At 30 June 2025	59,954	(193)	51,412	111,173
At 1 January 2024	59,954		58,196	118,150
Profit, representing total comprehensive income	-	-	5,770	5,770
Dividend on ordinary shares	-	-	(7,682)	(7,682)
At 30 June 2024	59,954		56,284	116,238

Consolidated statement of cash flows

	< -----Group----- >	
	Half year ended	
	30.06.2025	30.06.2024
Cash flows from operating activities	\$'000	\$'000
Profit before taxation	10,006	24,048
Adjustments :		
Depreciation of property, plant and equipment	1,240	1,136
(Gain)/loss on disposal of property, plant and equipment	(271)	(331)
Fair value changes on investment securities	(677)	(128)
Share of results of joint venture	(37)	2
Interest income	(2,048)	(2,327)
Interest expense on lease	18	2
Unrealised foreign exchange (gain)/loss	100	(104)
Dividend income from investment securities	(80)	(92)
Operating cash flows before working capital changes	8,251	22,206
(Increase)/decrease in:		
Contract assets	(19,902)	6,251
Development properties	7,274	16,656
Trade receivables	(935)	(6,233)
Other receivables	257	173
Prepayments and deposits	(23)	(6)
Increase/(decrease) in:		
Trade and other payables and provisions	6,470	(11,699)
Progress billings to customers	-	14
Contract liabilities	3,381	920
Deferred income	(14)	(14)
Cash flows generated from / (used in) operations	4,759	28,268
Interest received	1,982	2,272
Income tax paid	(2,138)	(1,550)
Net cash flows generated from / (used in) operating activities	4,603	28,990
Cash flows from investing activities		
Purchases of property, plant and equipment	(2,301)	(1,130)
Dividend income received from joint venture	80	2,227
Repayment /(advance) to joint venture	-	8,144
Purchases of investment securities	(3,251)	(9,622)
Proceeds from disposal of property, plant and equipment	374	399
Proceeds from maturity/redemption of investment securities	2,838	1,503
Interest received from investment securities	810	663
Dividend income received from investment securities	-	92
Net cash flows (used in) / generated from investing activities	(1,450)	2,276
Cash flows from financing activities		
Dividend paid	(9,209)	(7,682)
Purchase of treasury shares	(193)	
Repayment of lease liabilities	(199)	(11)
Net cash flows used in financing activities	(9,601)	(7,693)
Net increase/(decrease) in cash and cash equivalents	(6,448)	23,573
Effect of exchange differences on cash and cash equivalents	(100)	104
Cash and cash equivalents, Beginning balance	159,303	132,465
Cash and cash equivalents, Ending balance	152,755	156,142

Selected Notes to the consolidated financial statements

1. Corporate information

Hock Lian Seng Holdings Limited (the “Company”) is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the “Group”).

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

2. Basis of Preparation

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

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

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

2.1 New and amended standards adopted by the Group

A number of amendments to standards have become effective for financial year beginning 1 January 2025. The application of these standards did not have a material effect on the interim consolidated financial statements.

2.2 Use of judgements and estimates

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

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

3. Seasonal operations

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

4. Segment and revenue information

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

	<i>Civil Engineering</i> \$'000	<i>Properties Development</i> \$'000	<i>Properties Investment</i> \$'000	<i>Adjustments</i> \$'000	<i>Total</i> \$'000
<u>1H 2025</u>					
Sales to external customers	90,085	13,128	91	-	103,304
	<u>90,085</u>	<u>13,128</u>	<u>91</u>	<u>-</u>	<u>103,304</u>
Results					
Depreciation	1,240	-	-	-	1,240
Fair value loss on investment properties	-	-	-	-	-
Dividend income from investment securities	-	-	-	80	80
Interest income	-	-	-	2,049	2,049
Share of results of joint venture	-	(37)	-	-	(37)
Segment profit	<u>1,886</u>	<u>7,254</u>	<u>30</u>	<u>835</u>	<u>10,005</u>
Assets					
Investment in joint ventures	-	3,789	-	-	3,789
Additions to non-current assets	2,301	-	-	-	2,301
Segment assets	<u>265,427</u>	<u>50,493</u>	<u>3,758</u>	<u>41,416</u>	<u>361,094</u>
Segment liabilities	<u>70,739</u>	<u>3,386</u>	<u>32</u>	<u>3,028</u>	<u>77,185</u>
<u>1H 2024</u>					
Sales to external customers	72,060	27,657	91	-	99,808
	<u>72,060</u>	<u>27,657</u>	<u>91</u>	<u>-</u>	<u>99,808</u>
Results					
Depreciation	1,136	-	-	-	1,136
Fair value loss on investment properties	-	-	-	-	-
Dividend income from investment securities	-	-	-	92	92
Interest income	-	-	-	2,327	2,327
Share of results of joint venture	-	(2)	-	-	(2)
Segment profit	<u>10,285</u>	<u>12,656</u>	<u>30</u>	<u>1,077</u>	<u>24,048</u>
Assets					
Investment in joint ventures	-	3,689	-	-	3,689
Additions to non-current assets	1,130	-	-	-	1,130
Segment assets	<u>229,847</u>	<u>71,790</u>	<u>3,482</u>	<u>40,094</u>	<u>345,213</u>
Segment liabilities	<u>63,342</u>	<u>4,334</u>	<u>31</u>	<u>5,124</u>	<u>72,831</u>

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

4.2 Disaggregation of revenue

	Half year ended	
	30.6.2025	30.6.2024
	\$'000	\$'000
Revenue from contracts with customer		
Contract revenue from construction projects - recognised over time	89,867	71,809
Supply of labour and services provided - recognised over time	77	102
Sales of development properties - recognised at a point of time	13,128	27,657
Other revenue		
Rental Income	232	240
Total revenue	103,304	99,808

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2025 and 31 December 2024 :

	Group		Company	
	30.6.2025	31.12.2024	30.6.2025	31.12.2024
	\$'000	\$'000	\$'000	\$'000
Financial Assets at fair value				
Financial Assets at fair value through other comprehensive income (FVOCI)	18,526	16,610	-	-
Financial Assets at fair value through Profit or loss (FVTPL)	14,971	14,658	-	-
	<u>33,497</u>	<u>31,268</u>	<u>-</u>	<u>-</u>
Financial Assets at amortised cost				
Cash and bank balances and trade and other receivables	164,403	171,022	73,281	80,694
Credit linked note	6,981	7,955	-	-
	<u>171,384</u>	<u>178,977</u>	<u>73,281</u>	<u>80,694</u>
Financial Liabilities at amortised cost				
Trade and other payables	58,447	51,650	231	342
Lease liabilities	1,514	412.00	-	-
	<u>59,961</u>	<u>52,062</u>	<u>231</u>	<u>342</u>

Fair value measurement

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

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

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

Group as at 30 June 2025			
Level 1	Level 2	Level 3	Total
S\$'000	S\$'000	S\$'000	S\$'000
Financial assets			
Financial assets at fair value through profit or loss			
- Debt instruments (quoted)	14,625	-	14,625
- Equity instruments (quoted)	346	-	346
Financial assets at fair value through comprehensive income			
- Equity instruments (quoted)	18,526	-	18,526
	<u>33,497</u>	<u>-</u>	<u>33,497</u>

Group as at 31 December 2024			
Level 1	Level 2	Level 3	Total
S\$'000	S\$'000	S\$'000	S\$'000
Financial assets			
Financial assets at fair value through profit or loss			
- Debt instruments (quoted)	14,309	-	14,309
- Equity instruments (quoted)	349	-	349
Financial assets at fair value through comprehensive income			
- Equity instruments (quoted)	16,610	-	16,610
	<u>31,268</u>	<u>-</u>	<u>31,268</u>

6. Profit before tax

6.1 Following items have been included in arriving at profit before taxation:

	Half year ended	
	30.6.2025	30.6.2024
	\$'000	\$'000
Income		
Dividend income	80	92
Foreign exchange gain	-	104
Interest income	2,049	2,327
Fair value gain on investment securities	677	128
Gain on disposal of property, plant and equipment	271	331
Government grants	53	554
Rental income from property development projects	2,263	2,864
Expenses		
Depreciation of property, plant and equipment	1,240	1,136
Foreign exchange loss	100	-
Interest expense	18	2

6.2 Related parties transactions

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

7. Taxation

	Half year ended	
	30.6.2025	30.6.2024
	\$'000	\$'000
Current income tax expense		
- current income taxation	803	2,877
- under /(over) provision in respect of previous year	(129)	-
Deferred income tax expenses relating to origination and reversal of temporary differences	650	761
	<u>1,324</u>	<u>3,638</u>

8. Dividends

	Half year ended	
	30.6.2025	30.6.2024
	\$'000	\$'000
Ordinary dividends paid		
Final dividend approved for payment in annual general meeting		
1.8 cents (2024:1.5 cents) per ordinary share for previous financial year	<u>9,209</u>	<u>7,682</u>

No interim dividend for the half year ended 30 June 2025 (30/6/2024: Nil) is declared. It is the Group's practice to recommend dividend payment annually with its full-year results.

9. Net Asset Value

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	<u>30.6.2025</u>	<u>31.12.2024</u>	<u>30.6.2025</u>	<u>31.12.2024</u>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	55.5	55.6	21.7	23.1

10. Investment securities

	Group	
	30.6.2025	31.12.2024
	\$'000	\$'000
Non-current		
At fair value through other comprehensive income		
- Equity instruments (quoted)	18,526	16,610
	<u>18,526</u>	<u>16,610</u>
Current		
At fair value through profit or loss		
- Debt instruments (quoted)	14,625	14,309
- Equity instruments (quoted)	346	349
At amortised cost		
- Credit linked note and treasury bill	6,981	7,955
	<u>21,952</u>	<u>22,613</u>

Investments in debt instrument at fair value through profit or loss

Debt investment in quoted corporate bonds were made for varying coupon rates ranging from 3.83% to 7.5% per annum (2024: 2.5% to 7.5%), with maturity dates ranging from 2025 to 2039.

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

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

	Group	
	30.6.2025	31.12.2024
	\$'000	\$'000
At fair value through other comprehensive income		
- Equity instruments (quoted) breakdown by industry		
Bank and financial institutions	7,915	7,856
Real Estate	9,074	7,222
Telecommunications, transport and infrastructure	1,040	1,035
Commodities	497	497
	<u>18,526</u>	<u>16,610</u>

No disposal of investment securities held at FVOCI for the half year ended 30 June 2025.

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

11. Investment properties

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

	Group	
	30.6.2025	31.12.2024
	\$'000	\$'000
Balance as at 1 January	3,300	3,200
Fair value gain	-	100
Balance as at end of period	<u>3,300</u>	<u>3,300</u>

No addition or fair value adjustments for the half year ended 30 June 2025.

Fair value measurement of investment properties

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

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

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

12. Development properties

	Group	
	30.6.2025	31.12.2024
	\$'000	\$'000
Completed properties, at cost	<u>43,728</u>	<u>51,002</u>
At 1 January	51,002	70,997
Construction costs written-back	-	(216)
Disposals (recognised in cost of sales)	<u>(7,274)</u>	<u>(19,779)</u>
At end of reporting	<u>43,728</u>	<u>51,002</u>

The development properties comprised of two completed industrial property projects at Tuas and Gambas.

13. Investment in joint venture

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

	Group	
	30.6.25	31.12.24
	\$'000	\$'000
FSKH Development Pte Ltd		
- Equity interest	1,350	1,350
- Amount due from joint venture	-	-
- Share of profit	2,440	2,403
- Deferred interest	(1)	(1)
	<u>3,789</u>	<u>3,752</u>

FSKH Development Pte Ltd is 45% owned joint venture.

14. Provisions

	Group	
	30.6.2025	31.12.2024
	\$'000	\$'000
At 1 January	9,131	15,265
Utilised	(2,015)	(4,514)
Current period provision	-	-
Write-back	(31)	(1,620)
At end of reporting	<u>7,085</u>	<u>9,131</u>

15. Property, plant and equipment

During the six months ended 30 June 2025, the Group acquired assets amounting to \$2,943,000(30 June 2024: \$1,130,000) and the net book value of disposed of assets amounting to \$103,000 (30 June 2024: \$67,000).

16. Lease liabilities

	Group		Company	
	30.6.2025	31.12.2024	30.6.2025	31.12.2024
	\$'000	\$'000	\$'000	\$'000
<u>Amount repayable within one year</u>				
Lease liabilities- secured	443	118	-	-
Unsecured	-	-	-	-
<u>Amount repayable after one year</u>				
Lease liabilities- secured	1071	293	-	-
Unsecured	-	-	-	-

17. Share capital and treasury shares

	<u>Group and Company</u>		
	No. of shares '000	Percentage %	Share Capital \$'000
<u>Ordinary shares</u>			
As at 1 January 2025 and end of period	512,104	100%	59,954
<u>Treasury shares</u>			
As at 1 January 2025	-	-	-
Purchased during the period	(509)	(0.1%)	(193)
At end of the period	(509)	(0.1%)	(193)
Issued ordinary shares net of treasury shares	511,595	99.9%	59,954

There was no movement in the issued and paid-up capital of the Company since 31 December 2024.

During the six months ended 30 June 2025, the Group acquired 509,000 treasury shares from the open market (31 December 2024: nil).

There were no sales, transfer, cancellation and/or use of subsidiary holdings or treasury shares during the reporting period ended 30 June 2025 (31 December 2024: Nil).

There were no outstanding convertibles as at 30 June 2025 (31 December 2024: Nil).

Other information Required by Listing Rule Appendix 7.2

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

Refer to note 16 of interim financial statement.

II. Audit or review

The consolidated statement of financial position as at 30 June 2025 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and selected explanatory notes have not been audited or reviewed by the Company's auditors.

III. Review of performance

Revenue

<i>In \$' million</i>	<i>1H 2025</i>	<i>%</i>	<i>1H 2024</i>	<i>%</i>
<i>Civil Engineering</i>	<i>90.1</i>	<i>87.2</i>	<i>72.0</i>	<i>72.1</i>
<i>Property Development</i>	<i>13.1</i>	<i>12.7</i>	<i>27.7</i>	<i>27.8</i>
<i>Investment Properties</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>
	<i>103.3</i>	<i>100.0</i>	<i>99.8</i>	<i>100.0</i>

For the first half ended 30 Jun 2025(1H2025), the Group recorded total revenue of \$103.3 million, a 3.5% increase from \$99.8 million in the corresponding period last year (1H2024).

The Civil Engineering segment remained the key revenue driver, contributing \$90.1 million or 87.2% of total revenue, up from \$72.0 million (72.1%) in 1H2025 —mainly due to the higher construction activities for Serangoon North station project (CR113) and Aviation Park station project (CR103).

Revenue from Property Development segment declined to \$13.1 million (12.7%) in 1H2025 from \$27.7 million (27.8%) in 1H2024, as less units were sold at Shine@TuasSouth.

Gross Profit

<i>In \$' million</i>	<i>1H 2025</i>	<i>1H 2024</i>
<i>Civil Engineering</i>	<i>2.0</i>	<i>10.3</i>
<i>Property Development</i>	<i>5.8</i>	<i>11.0</i>
	<i>7.8</i>	<i>21.3</i>

The Group recorded a gross profit of \$7.8 million for 1H2025, representing a 63% decline compared to \$21.3 million in 1H2024.

The Civil Engineering segment posted a significantly lower gross profit of \$2.0 million, a decrease of \$8.3 million (or 80%) from 1H2024, as ongoing projects continued to face elevated cost pressures. Gross profit for 1H2024 had included cost savings recognized during the final account settlement of the CAG JV project—this was not recurring in 1H2025.

The Property Development segment also saw a decline in gross profit, primarily due to reduced sales activity during the period.

Other Income

Other income was \$5.4 mil, decrease of \$1.0 million (-15.4%). Mainly due to lower rental income from unsold development units , lower government grant and interest income.

<i>\$ in million</i>	<i>1H 2025</i>	<i>1H 2024</i>
<i>Interest income from bank</i>	<i>1.5</i>	<i>1.9</i>
<i>Interest income from investment securities</i>	<i>0.5</i>	<i>0.4</i>
<i>Dividend</i>	<i>0.1</i>	<i>0.1</i>
<i>Rental - Development properties</i>	<i>2.3</i>	<i>2.9</i>
<i>Government grants</i>	<i>0.0</i>	<i>0.6</i>
<i>Gain on disposal of fixed assets</i>	<i>0.3</i>	<i>0.3</i>
<i>Gain on fair value changes of investment securities (FVTPL)</i>	<i>0.7</i>	<i>0.1</i>
<i>Gain on foreign currency exchange</i>	<i>0.0</i>	<i>0.1</i>
	<i>5.4</i>	<i>6.4</i>

HOCK LIAN SENG HOLDINGS LIMITED
Company registration No: 200908903E

Distribution and selling costs

Lower distribution cost was related to the sales of development properties.

Administration costs

Lower administration costs recorded for 1H 2025 was due to lower performance bonus.

Profit before tax and tax expenses

In summary, the lower 1H2025 profit before tax was due to reduction in gross profit and lower other income.

Financial position and cash flow review

Non-current assets was \$47.7 million, increased by \$3.2 million as compared to end of 2024, mainly due to acquisition of plant and equipment of \$2.3 million (net of depreciation and disposal) and long term investment securities of \$2.0 million.

Net current asset decreased by \$2.8 million, mainly due to the lower cash balance of \$6.5 million, cost recognition for development property of \$7.3 million and lower investment securities of \$0.6 million, offset by higher working capital \$9.5 million (contract asset, liabilities, trade receivable and payable) and utilisation of projects maintenance provision of \$2.0 million.

Lower cash balance of \$6.5 million was mainly due to dividend payment of \$9.2 million, cash outflow for investing activities \$1.4 million (for purchase of plant and equipments and addition of investment securities) offset by the cash generated from operating activities of \$4.6 million. Operating cash flow was mainly utilised in the higher contract assets, offset by the proceeds in sales of development properties and release of partial retention of CAG JV project.

Investment securities (current and non-current) amount to \$40.5 million, increased by \$1.3 million. Mainly due to the addition of bonds and credit linked note of \$3.3 million, gain in market value of \$0.8 mil offset by the redemption of bond \$2.8 million.

Shareholders equity was \$283.3 million, about \$0.7 million lower than 31 December 2024. Mainly due to the dividend payment of \$9.2 million and purchase of treasury shares of \$0.2 million in 1H2025 offset by the current period net profit after tax of \$8.5 million and the fair value gain for investment securities recognised in comprehensive income of \$0.2 million.

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

The current announced results are in line with the general prospect commentary previously disclosed to shareholders in the results announcement for the financial year ended 31 December 2024.

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

The order book for civil engineering segment stands at approximately \$335 million as at 30 June 2025 which include mainly the Aviation park station project and Serangoon North Station project.

The Group's industrial building project, Shine@TuasSouth, has sold 59.2% and leased 39% of the total units to date.

The outlook of construction industry remains challenging on the back of competitive environment, labour shortage, rising material and labour cost. The management will continue to tender for infrastructure projects competitively and explore other business opportunities to enhance the shareholders' value.

VI. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ?

Nil.

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

Nil.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable

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

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

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

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

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

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the period ended 30 June 2025 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

CHUA LEONG HAI

Executive Chairman

6 August 2025