ACESIAN GROUP

ACESIAN PARTNERS LIMITED
(Registration No: 199505699D)

Condensed interim financial statements
For the six months ended 30 June 2026

Table of Contents

ACESIAN GROUP

ACESIAN PARTNERS LIMITED
(Registration No: 199505699D)
(the “Company”, and together with its subsidiaries, the “Group”)

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2026 ("1H2026")

		The Group	
		1H2026	1H2025
	Note	**$’000**	$’000
Revenue	4	**4,877**	2,120
Cost of sales		**(3,375)**	(1,963)
Gross profit		**1,502**	157
Other operating income	5.1	**171**	50
Administrative expenses		**(1,293)**	(1,603)
Other operating expenses		**(355)**	(726)
Finance income, net	5.2	**36**	157
Finance costs	5.1	**(48)**	(32)
Profit/(loss) before tax	5.1	**13**	(1,997)
Income tax credit	8	**-**	21
Profit/(loss) for the period		**13**	(1,976)
Other comprehensive income:			
Item that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations, net of tax		**1**	108
Total comprehensive income/(loss) for the period, net of tax		**14**	(1,868)
Profit/(loss) attributable to:			
Owners of the Company		**13**	(1,952)
Non-controlling interests		**-**	(24)
		13	(1,976)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**14**	(1,882)
Non-controlling interests		**-**	14
		14	(1,868)
Profit/(loss) per share attributable to owners of the Company (cents per share):			
Based on weighted average number of shares in issue (excluding treasury shares):			
- Basic		**0.003**	(0.41)
- Diluted		**0.003**	(0.41)
Weighted average number of shares in issue (excluding treasury shares)	16,17	**472,651,776**	472,651,776

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		The Group		The Company	
		30-Jun-26	31-Dec-25	**30-Jun-26**	31-Dec-25
	Note	**$'000**	$'000	**$'000**	$'000
Assets					
Non-current assets					
Property, plant and equipment	6	**3,446**	3,733	**714**	783
Investment in subsidiaries	14	**-**	-	**1,269**	1,269
Fair value through profit or loss ("FVTPL") investments		**461**	-	**461**	-
		3,907	3,733	**2,444**	2,052
Current assets					
Inventories	7	**2,575**	2,896	**-**	-
Trade and other receivables		**2,000**	1,458	**2,364**	2,793
Contract assets		**15**	-	**-**	-
Prepaid operating expenses		**171**	203	**57**	63
Fixed deposits pledged		**68**	68	**-**	-
Cash and cash equivalents	11	**15,248**	16,358	**14,353**	14,621
		20,077	20,983	**16,774**	17,477
Total assets		**23,984**	24,716	**19,218**	19,529
Equity and liabilities					
Current liabilities					
Trade and other payables		**1,265**	1,620	**835**	964
Contract liabilities		**246**	415	**-**	-
Income tax payable		**-**	-	**-**	-
Lease liabilities	12	**462**	457	**99**	97
		1,973	2,492	**934**	1,061
Non-current liability					
Lease liabilities	12	**1,393**	1,620	**372**	423
		1,393	1,620	**372**	423
Total liabilities		**3,366**	4,112	**1,306**	1,484
Equity					
Share capital	16	**20,322**	20,322	**20,322**	20,322
Treasury shares	17	**(1,177)**	(1,177)	**(1,177)**	(1,177)
Retained earnings/(Accumulated losses)		**2,400**	2,387	**(1,233)**	(1,100)
Foreign currency translation reserve		**(1,176)**	(1,177)	**-**	-
Attributable to owners of the Company		**20,369**	20,355	**17,912**	18,045
Non-controlling interests		**249**	249	**-**	-
Total equity		**20,618**	20,604	**17,912**	18,045
Total equity and liabilities		**23,984**	24,716	**19,218**	19,529

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company						
	Share capital $'000	**Treasury shares $'000**	**Retained earnings/ (Accumulated losses) $'000**	**Foreign currency translation reserve $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total $'000**
The Group							
Balance at 1 January 2025	20,322	(1,177)	4,948	(1,313)	22,780	241	23,021
Loss for the period	-	-	(1,952)	-	(1,952)	(24)	(1,976)
<u>Other comprehensive income</u>							
Exchange difference on translation of foreign operations, net of tax	-	-	-	70	70	38	108
Total comprehensive (loss)/income for the period	-	-	(1,952)	70	(1,882)	14	(1,868)
Balance at 30 June 2025	20,322	(1,177)	2,996	(1,243)	20,898	255	21,153
Balance at 1 January 2026	**20,322**	**(1,177)**	**2,387**	**(1,177)**	**20,355**	**249**	**20,604**
Profit for the period	**-**	**-**	**13**	**-**	**13**	**-**	**13**
<u>Other comprehensive income</u>							
Exchange difference on translation of foreign operations, net of tax	**-**	**-**	**-**	**1**	**1**	**-**	**1**
Total comprehensive income for the period	**-**	**-**	**13**	**1**	**14**	**-**	**14**
Balance at 30 June 2026	**20,322**	**(1,177)**	**2,400**	**(1,176)**	**20,369**	**249**	**20,618**
The Company							
Balance at 1 January 2025	20,322	(1,177)	(549)	-	18,596	-	18,596
Loss for the period representing total comprehensive loss for the period	-	-	(210)	-	(210)	-	(210)
Balance at 30 June 2025	20,322	(1,177)	(759)	-	18,386	-	18,386
Balance at 1 January 2026	**20,322**	**(1,177)**	**(1,100)**	**-**	**18,045**	**-**	**18,045**
Loss for the period representing total comprehensive loss for the period	**-**	**-**	**(133)**	**-**	**(133)**	**-**	**(133)**
Balance at 30 June 2026	**20,322**	**(1,177)**	**(1,233)**	**-**	**17,912**	**-**	**17,912**

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		The Group	
	Note	**1H2026** **$'000**	1H2025 $'000
Operating activities			
Profit/(loss) before tax		**13**	(1,997)
Adjustments for:			
Depreciation of property, plant and equipment		**390**	305
Interest expense	5.1	**48**	32
Interest income	5.2	**(112)**	(157)
Loss on disposal and written off of property, plant and equipment	6	**-**	1
Net fair value losses on FVTPL investments	15	**76**	-
Inventories written back, net	7	**(23)**	(10)
Gain on write-back of other payables		**(151)**	-
Exchange differences		**72**	128
Operating cash flows before changes in working capital		**313**	(1,698)
Changes in working capital			
Inventories		**344**	347
Trade and other receivables, contract assets and prepaid operating expenses		**(525)**	766
Trade and other payables and contract liabilities		**(373)**	(277)
Cash flows used in operations		**(241)**	(862)
Interest received		**112**	157
Income taxes paid		**-**	(9)
Net cash flows used in operating activities		**(129)**	(714)
Investing activities			
Purchase of property, plant and equipment	6	**(135)**	(772)
Payment for acquisition of FVTPL investments	15	**(537)**	
Net cash flows used in investing activities		**(672)**	(772)
Financing activities			
Repayment of lease liabilities		**(262)**	(146)
Interest paid		**(48)**	(32)
Net cash flows used in financing activities		**(310)**	(178)
Net decrease in cash and cash equivalents		**(1,111)**	(1,664)
Effects of currency translation on cash and cash equivalents		**1**	(3)
Cash and cash equivalents at the beginning of the period		**16,358**	18,389
Cash and cash equivalents at the end of the period		**15,248**	16,722

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Acesian Partners Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (‘’SGX-ST’’). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Group consist of design, manufacture and supply of critical airflow and related products and investment holding.

2 Summary of material accounting policy information

2.1 Basis of preparation

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

The condensed interim financial statements are presented in Singapore Dollars (“SGD” or “$”) rounded to the nearest thousand, unless otherwise indicated.

2.2 Adoption of new and amended SFRS(I) and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2026. The adoption of these standards did not have any material effect on the Group’s condensed interim financial statements.

3 Significant accounting judgements and estimates

The preparation of the condensed interim financial statements requires management to make judgements, 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. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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 2025.

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 interim period are included in the following notes:

- Note 5.1 - provision for ECLs of trade receivables and contract assets
- Note 7 - write down for slow-moving and obsolete inventories

4 Statement of operations by segments

For management purposes, the Group is organised into business units based on their activities and services, and has three reportable operating segments as follows:

1) Critical airflow design and supply
2) Engineering services
3) Corporate

4.1 Disaggregation of revenue

	The Group	
	1H2026	1H2025
	$'000	$'000
Main revenue streams:		
Engineering services	**4**	16
Critical airflow design and supply	**4,873**	2,104
	4,877	2,120
Timing of transfer of goods or services		
At a point in time	**4,877**	2,115
Over time	**-**	5
	4,877	2,120

4.2 Geographical segments

	The Group	
	1H2026	1H2025
	$'000	$'000
Revenue:		
Asia	**4,754**	2,041
Others	**123**	79
	4,877	2,120

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.3 Business segments

	Critical airflow design and supply		Engineering services		Corporate		Total	
	1 January to 30 June							
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
REVENUE								
Total Segment	**7,854**	3,122	**4**	16	**695**	630	**8,553**	3,768
Less: Inter-segment	**(2,981)**	(1,018)	**-**	-	**(695)**	(630)	**(3,676)**	(1,648)
External sales	**4,873**	2,104	**4**	16	**-**	-	**4,877**	2,120
RESULTS								
Segment results	**-**	(1,686)	**146**	(82)	**(133)**	(229)	**13**	(1,997)
Income tax credit							**-**	21
Non-controlling interest							**-**	24
Net profit/(loss) attributable to owners of the Company							**13**	(1,952)
ASSETS								
Segment assets	**8,264**	9,267	**60**	70	**15,660**	14,279	**23,984**	23,616
LIABILITIES								
Segment liabilities	**2,649**	1,563	**11**	165	**706**	735	**3,366**	2,463
OTHER INFORMATION								
Capital expenditure	**135**	475	**-**	-	**-**	297	**135**	772
Depreciation	**321**	236	**-**	-	**69**	69	**390**	305
Inventories written back, net	**(23)**	(10)	**-**	-	**-**	-	**(23)**	(10)

5 Profit/(loss) before tax

5.1 The following significant items have been charged/(credited) to arrive at profit/(loss) before tax:

	The Group	
	1H2026	1H2025
	$'000	$'000
Depreciation of property, plant and equipment	**390**	305
Inventories written back, net	**(23)**	(10)
Loss on disposal and written off of property, plant and equipment	**-**	1
Exchange (gains)/losses	**(16)**	272
Finance costs in relation to interest expense on lease liabilities	**48**	32
Other operating income		
Grant received from government	**(9)**	(5)
Other income	**(11)**	(45)
Gain on write-back of other payables	**(151)**	-

5.2 Finance income

	The Group	
	1H2026	1H2025
	$'000	$'000
Interest income		
- Fixed deposits	**(112)**	(157)
- Net fair value losses on FVTPL investments	**76**	-

5.3 Related party transactions

There are no material related party transactions apart from those disclosed in other information required by listing rule section in the financial statements.

6 Property, plant and equipment

During the six months ended 30 June 2026, the Group acquired property, plant and equipment, excluding right-of-use assets, amounting to approximately $135,000 (31 December 2025: $439,000) and disposed of assets at net book value amounting to approximately $400 (31 December 2025: $2,000). Additionally, there was no new addition of right-of-use asset during the period (31 December 2025: $940,000). There were no disposal of right-of-use assets with net book value during the period (31 December 2025: $Nil).

7 Inventories

	The Group	
	1H2026	1H2025
	$'000	$'000
Inventories recognised as an expense in profit or loss inclusive of the following charge:		
- Reversal of inventories written-down	**(23)**	(10)
	(23)	(10)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8 Income tax (credit)/expense

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

	The Group	
	1H2026	1H2025
	$'000	$'000
Current income tax		
- over provision in respect of prior years	**-**	(21)
	-	(21)

9 Dividends

No dividend has been declared or recommended for the financial period ended 30 June 2026.

10 Net asset value

	The Group		The Company	
	30-Jun-26	31-Dec-25	**30-Jun-26**	31-Dec-25
	Cents	Cents	**Cents**	Cents
Net asset value per ordinary share based on issued share capital (excluding treasury shares)	**4.31**	4.31	**3.79**	3.82

11 Cash and cash equivalents

	The Group		The Company	
	30-Jun-26	31-Dec-25	**30-Jun-26**	31-Dec-25
	$'000	$'000	**$'000**	$'000
Bank balances	**2,501**	1,827	**1,606**	90
Fixed deposits	**12,747**	14,531	**12,747**	14,531
	15,248	16,358	**14,353**	14,621

12 Lease liabilities

	The Group		The Company	
	30-Jun-26	31-Dec-25	**30-Jun-26**	31-Dec-25
	$'000	$'000	**$'000**	$'000
Current:				
Secured	**462**	457	**99**	97
Non-current:				
Secured	**1,393**	1,620	**372**	423
	1,855	2,077	**471**	520

The Group has lease contracts for office, factory and warehouse premises, and staff dormitory. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning or subleasing the leased assets.

13 Categories of financial instruments

The categories of financial instruments as at the reporting date are as follows:

	The Group		The Company	
	30-Jun-26	31-Dec-25	**30-Jun-26**	31-Dec-25
	$'000	$'000	**$'000**	$'000
Financial assets				
At amortised cost				
Trade and other receivables *	**1,957**	1,267	**2,364**	2,793
Fixed assets pledged	**68**	68	**-**	-
Cash and cash equivalents	**15,248**	16,358	**14,353**	14,621
	17,273	17,693	**16,717**	17,414
Financial liabilities				
At amortised cost				
Trade and other payables **	**949**	1,383	**832**	878
Lease liabilities	**1,855**	2,077	**471**	520
	2,804	3,460	**1,303**	1,398

* Exclude non-financial assets of the Group and the Company amounting to $43,000 (31 December 2025: $191,000) and $Nil (31 December 2025: $Nil).

** Exclude non-financial liabilities of the Group and the Company amounting to $316,000 (31 December 2025: $237,000) and $3,000 (31 December 2025: $86,000) respectively.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14 Investment in subsidiaries

On 28 September 2020, the Judicial Managers of Acesian Star (S) Pte Ltd ("ASPL"), a wholly-owned subsidiary of the Group, filed a winding-up application with the High Court of Singapore, which was subsequently granted. On 21 April 2026, pursuant to the Court Order, ASPL was dissolved with immediate effect and ceased to be a subsidiary of the Group. Accordingly, ASPL was consolidated in the Group's financial statements until that date.

The net liabilities of ASPL as at the date of dissolution were as follows:	$'000
Current assets: Other receivables	1
Current liabilities: Other payables	(152)
Net liabilities derecognised on dissolution of ASPL, representing gain on deconsolidation of a subsidiary	(151)

Following the deconsolidation of ASPL, a gain of $151,000 was recognised in "other operating income" in profit or loss.

15 Fair value through profit or loss ("FVTPL") investments

	The Group		**The Company**	
	30-Jun-26	31-Dec-25	**30-Jun-26**	31-Dec-25
	$'000	$'000	**$'000**	$'000
Quoted equity securities:				
At beginning of the period/year	**-**	-	**-**	-
Additions	**537**	-	**537**	-
Net fair value losses	**(76)**	-	**(76)**	-
At the end of the period/year	**461**	-	**461**	-

	The Group		**The Company**	
	30-Jun-26	31-Dec-25	**30-Jun-26**	31-Dec-25
	$'000	$'000	**$'000**	$'000
Cost	**537**	-	**537**	-
Cumulative fair value changes	**(76)**	-	**(76)**	-
	461	-	**461**	-

The Group invested in quoted equity securities during the current financial period as part of its cash management purposes. These investments are classified as financial assets measured at fair value through profit or loss ("FVTPL"). The fair value of the investments is determined based on quoted market prices at the reporting date (Level 1 fair value hierarchy).

16 Share capital

	The Group and the Company			
	30-Jun-26	31-Dec-25	**30-Jun-26**	31-Dec-25
	Number of shares		**$'000**	$'000
Ordinary shares issed and fully paid				
At beginning and end of the period/year	**498,498,498**	498,498,498	**20,322**	20,322

The Company did not have any convertible instruments as at 30 June 2026 and 31 December 2025. The Company's subsidiaries do not hold any shares in the Company as at 30 June 2026 and 31 December 2025.

As at 30 June 2026, the total number of issued shares was 498,498,498 (31 December 2025: 498,498,498). Excluding treasury shares, the total number of issued shares was 472,651,776 (31 December 2025: 472,651,776).

17 Treasury shares

	The Group and the Company			
	30-Jun-26	31-Dec-25	**30-Jun-26**	31-Dec-25
	Number of shares		**$'000**	$'000
At beginning and end of the period/year	**25,846,722**	25,846,722	**1,177**	1,177

During the period ended 30 June 2026 and 31 December 2025, the Company did not acquire its own shares.

As at 30 June 2026, the total number of treasury shares was 25,846,722 (31 December 2025: 25,846,722) or representing 5.47% (31 December 2025: 5.47%) of the issued share capital excluding treasury shares.

18 Subsequent events

Other than as disclosed below, there were no material events subsequent to 30 June 2026.

Shanghai Xianda Industry Equipment Installation Co., Limited ("**Xianda**"), a 70%-owned, subsidiary of the Company incorporated in the People's Republic of China ("**PRC**"), has been deregistered. Xianda was dormant and had no business activities.

The Company was notified on 4 August 2026 by its appointed PRC lawyer, through legal searches, that Xianda had been deregistered pursuant to the compulsory deregistration procedure under the Company Law of the PRC. Accordingly, Xianda has ceased to exist as a legal entity, and its name has been removed from the company register administered by the PRC State Administration for Market Regulation.

As part of the Company's internal processes, our appointed lawyer conducted searches of the official enterprise registry and the public information platform operated by China's State Administration for Market Regulation ("**SAMR**"). Based on the searches conducted on 21 July 2026, Xianda was not shown as having been deregistered. In the subsequent search conducted on 4 August 2026, Xianda's status had changed to "Deregistered".

The Group ceased to have control over Xianda on the date of deregistration. In accordance with SFRS(I) 10, the Group will derecognise the assets and liabilities of Xianda and the carrying amount of the non-controlling interests, and will reclassify the cumulative foreign currency translation reserve attributable to owners of the Company from equity to profit or loss.

With this deregistration, it is expected to give rise to a one-off, non-cash gain of approximately S$646,000, comprising the cumulative foreign currency translation reserve attributable to owners of the Company of approximately S$397,000 and the derecognition of non-controlling interests of approximately S$249,000. The gain will be recognised in the second half of the financial year ending 31 December 2026 and is expected to increase basic and diluted earnings per share by approximately 0.14 cents. The approximate figures above are subject to foreign exchange fluctuations. There is no impact on the net asset value of the Group.

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

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

The condensed consolidated statement of financial position of Acesian Partners Limited and its subsidiaries as at 30 June 2026 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable

3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable

4 Dividend information

4a Current Financial Period Report on

Any dividend declared for the current financial period reported on?

None.

4b Corresponding Period of the immediately Preceding Financial Year

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

None.

4c Date payable

Not applicable.

4d Books closure date

Not applicable.

5 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the financial period ended 30 June 2026, and dividends will be reviewed after the company finalises its full-year results for the current year 2026.

6 If the Group has obtained a general mandate from shareholders for interested person transactions (the "IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of SGX-ST. If no IPT mandate has been obtained, a statement to that effect.

The Company obtained a general mandate from shareholders for interested person transactions at the Annual General Meeting held on 27 April 2026. There were no interested person transactions of S$100,000 or more conducted under the general mandate during the financial period ended 30 June 2026.

Following the cessation of Mr. Ho Ta-Huang as a director of the Company immediately after the conclusion of the Annual General Meeting, the relevant counterparty ceased to be an interested person under Chapter 9 of the Catalist Rules. Accordingly, transactions with that counterparty after the cessation date are not regarded as interested person transactions and are therefore excluded from this disclosure.

7. 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 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.

Statement of Comprehensive Income (1H2026 vs. 1H2025)

Revenue

Following the implementation of strategic initiatives in the second half of last year, business sentiment improved steadily. Despite challenging market conditions, including the absence of greenfield projects and intensified competition, the Group secured more tender awards for smaller-scale projects and increased its order intake. As a result, revenue rose by $2.76 million, or 130.0%, from $2.12 million in 1H2025 to $4.88 million in 1H2026. The Group continued to benefit from the continued patronage of its regular customers, driven by its product quality, efficient delivery, and dependable after-sales service.

The critical airflow design and supply segment remained the Group's primary revenue driver, contributing 99.9% of total revenue. Revenue was generated mainly from customers in Asia and some initial sales from a US-based customer.

Gross profit

Gross profit increased by 856.7% to $1.50 million in 1H2026, up from $0.16 million in 1H2025, mainly due to higher revenue. As a result, the Group's gross profit margin improved to 30.8% in 1H2026 from 7.4% in 1H2025, an increase of 23.4 percentage points, driven by higher sales volumes, improved production capacity utilisation,and positive operating leverage as revenue growth outpaced the increase in overhead expenses.

Other operating income and finance income

Other operating income increased by $0.12 million, mainly due to a gain on the deconsolidation of subsidiary, ASPL, of $0.15 million. Meanwhile, finance income decreased by $0.12 million, primarily attributable to lower interest income resulting from reduced fixed deposit placements and lower interest rates of $0.04 million, as well as net fair value losses of $0.08 million on financial assets at fair value through profit or loss ("FVTPL") investments.

Administrative expenses and other operating expenses

Administrative expenses decreased by 19.3%, or $0.31 million, from $1.60 million in 1H2025 to $1.29 million in 1H2026, mainly due to lower salary expenses, which declined by $0.27 million.

Other operating expenses decreased by $0.37 million, or 51.1%, from $0.73 million in 1H2025 to $0.36 million in 1H2026. The decrease was primarily attributable to favourable foreign exchange differences of $0.29 million and lower office and transport expenses of $0.09 million. This was partially offset by an increase in depreciation expenses of $0.06 million.

Profit, net of tax

Overall, the Group's performance improved in 1H2026, as it recorded a marginal profit after tax compared with a loss after tax in 1H2025, mainly due to higher revenue and lower operating expenses.

Statement of Financial Position (1H2026 vs. 1H2025)

As of 30 June 2026, property, plant, and equipment stood at $3.45 million, representing a decrease of $0.29 million. The reduction was primarily due to depreciation charges of $0.39 million, partially offset by additions of $0.14 million for machinery, equipment, and motor vehicles. The carrying amount also included right-of-use assets with a net book value of $1.78 million.

FVTPL investments amounted to $0.46 million during the period, comprising investments in quoted equity securities as part of the Group's cash management purposes.

As of 30 June 2026, inventories decreased by $0.32 million to $2.58 million. The decline was mainly attributable to a reduction in raw materials inventory of $0.42 million and finished goods inventory of $0.02 million, partially offset by an increase in work-in-progress inventory of $0.12 million.

Trade and other receivables increased by $0.54 million, primarily due to a net increase in trade receivables of $0.70 million as sales invoicing exceeded collections, partially offset by a decrease in other receivables of $0.16 million.

Trade and other payables declined by $0.36 million in 1H2026, mainly attributable to a net decrease in trade payables of $0.07 million and a reduction in other payables of $0.29 million.

As at 30 June 2026, lease liabilities stood at $1.86 million, representing a decrease of $0.22 million. The reduction was primarily attributable to lease repayments of $0.26 million and foreign exchange translation differences of $0.04 million, partially offset by interest expenses recognised on the lease liabilities during the period.

Statement of Cash Flows

During 1H2026, the Group's cash and cash equivalents decreased by $1.11 million, from $16.36 million as at 31 December 2025 to $15.25 million as at 30 June 2026, primarily due to net cash outflows during the period. The key cash flow movements in 1H2026 were as follows:

Net cash outflows from operating activities amounted to $0.24 million, primarily reflecting changes in working capital.

Net cash outflows from investing activities amounted to $0.67 million, mainly attributable to investments in quoted equity securities of $0.54 million and purchases of equipment and motor vehicles totaling $0.14 million.

Net cash outflows from financing activities amounted to $0.31 million, mainly due to lease liability repayments of $0.26 million and interest payments of $0.05 million.

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

The results for 1H2026 is consistent with the profit guidance announcement released on 24 July 2026.

9. 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.

Competitive pressures are expected to remain intense. Nevertheless, the long-term outlook for the semiconductor industry remains positive, driven in part by the growing adoption of Artificial Intelligence ("AI"). As part of its diversification strategy, the Group has made some inroads into the US market which we hope to leverage on further opportunities. The progress of the Group's business development efforts in this market will depend on prevailing market conditions, associated risks, and, importantly, regulatory and policy developments. The Group remains attentive to market developments and continues to proactively seek growth opportunities.

10. Negative confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules of SGX-ST.

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 unaudited financial statements for the half-year ended 30 June 2026 to be false or misleading in any material aspect.

11. Confirmation by the Board pursuant to Rule 720(1) of the Catalist Rules of SGX-ST.

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company, in the format set out in Appendix 7(H) under Rule 720(1) of the Catalist Rules.

By Order of the Board

Neo Gim Kiong
Non-Executive Chairman and Lead Independent Non-Executive Director

Loh Yih
Executive Director and Managing Director

6 August 2026

This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Liau H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271