Tiong Seng Holdings Limited

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

Condensed Interim Financial Statements
For the Six Months Ended 30 June 2026

<u>**Contents**</u>

Condensed Interim Consolidated Statement of Comprehensive Income

	Note	6 months ended 30 June 2026 $'000	6 months ended 30 June 2025 $'000	Change %
Revenue				
Revenue from construction contracts and engineering solutions	4	82,047	119,166	(31%)
Revenue from sales of development properties	4	1,869	-	100%
Rental Income		66	5	>100%
Others		66	81	(19%)
		84,048	119,252	(30%)
Other income		2,678	1,433	87%
Costs of construction contracts and engineering solutions		(66,051)	(121,633)	(46%)
Costs of sales of development properties		(2,370)	(812)	>100%
Depreciation and amortisation		(2,469)	(2,450)	1%
Selling expenses		(32)	(43)	(26%)
Staff costs		(8,610)	(8,461)	2%
Other expenses		(5,105)	(6,058)	(16%)
		(84,637)	(139,457)	
Profit/(Loss) from operating activities		2,089	(18,772)	NM*
Finance income		197	356	(45%)
Finance costs		(1,893)	(3,274)	(42%)
Net finance costs		(1,696)	(2,918)	(42%)
Share of profit of joint ventures, net of tax		177	313	(44%)
Profit/(Loss) before tax	5	570	(21,377)	NM*
Tax credit	7	592	684	(13%)
Profit/(Loss) after tax		1,162	(20,693)	NM*

NM: Not Meaningful
**Reversal from loss to profit*

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 2026 $'000	6 months ended 30 June 2025 $'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		3,759	(3,235)	NM
Exchange differences on monetary items forming part of net investment in a foreign operation		492	(1,743)	NM
Other comprehensive income, net of tax		4,251	(4,978)	NM*
Total comprehensive income		5,413	(25,671)	NM*
Profit/(Loss) attributable to:				
Owners of the Company		1,379	(19,203)	NM*
Non-controlling interests		(217)	(1,490)	(85%)
Profit/(Loss) after tax		1,162	(20,693)	NM*
Total comprehensive income attributable to:				
Owners of the Company		5,240	(23,655)	NM*
Non-controlling interests		173	(2,016)	NM*
Total comprehensive income		5,413	(25,671)	NM*
Earnings/(Loss) per share attributable to the owners of the Company				
- Basic and diluted (cents)[1]		0.30	(4.18)	

[1]The earnings per share (basic and diluted) has been calculated based on 460,035,553 (2025: 458,878,847) weighted average number of shares excluding treasury shares.

NM: Not Meaningful
**Reversal from loss to profit*

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

Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 June 2026 $'000	31 December 2025 $'000	30 June 2026 $'000	31 December 2025 $'000
Non-current assets					
Property, plant and equipment	10	54,355	52,857	-	-
Intangible assets		1,485	1,382	-	-
Investment properties		-	790	-	-
Right-of-use assets		5,282	6,388	-	-
Subsidiaries		-	-	53,986	53,986
Joint ventures		15,033	15,506	-	-
Trade and other receivables		419	980	-	-
Other investments		659	584	-	-
Deferred tax assets		2,197	2,199	-	-
		79,430	80,686	53,986	53,986
Current assets					
Inventories		12,295	8,975	-	-
Contract costs		464	382	-	-
Contract assets	11	51,715	56,504	-	-
Development properties	12	92,879	89,687	-	-
Trade and other receivables		47,803	68,743	466	251
Amounts due from related parties		10,882	8,991	20,847	20,842
Cash and cash equivalents		9,490	12,486	71	42
		225,528	245,768	21,384	21,135
Assets held for sale	13	26,755	26,732	-	-
		252,283	272,500	21,384	21,135
Total assets		331,713	353,186	75,370	75,121
Equity attributable to owners of the Company					
Share capital		183,867	183,867	183,867	183,867
Treasury shares		(4,906)	(4,906)	(4,906)	(4,906)
Reserves		(89,975)	(93,836)	(45,850)	(45,850)
Accumulated losses		(40,117)	(41,496)	(128,797)	(128,279)
		48,869	43,629	4,314	4,832
Non-controlling interests		859	686	-	-
Total equity		49,728	44,315	4,314	4,832
Non-current liabilities					
Trade and other payables		2,092	3,480	-	-
Loans and borrowings	15	5,874	6,797	-	-
Deferred tax liabilities		149	148	-	-
		8,115	10,425	-	-
Current liabilities					
Contract liabilities	11	16,327	17,375	-	-
Trade and other payables	14	159,286	190,388	980	642
Amounts due to related parties		6,003	6,052	70,076	69,647
Loans and borrowings	15	90,410	82,221	-	-
Current tax payable		1,844	2,410	-	-
		273,870	298,446	71,056	70,289
Total liabilities		281,985	308,871	71,056	70,289
Total equity and liabilities		331,713	353,186	75,370	75,121

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

Condensed Interim Consolidated Statement of Changes in Equity

Group	Attributable to owners of the Company								Non-controlling interests $'000	Total equity $'000
	Share capital $'000	Treasury shares $'000	Merger reserve $'000	Capital reserve $'000	Statutory reserve $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total $'000		
At 1 January 2026	183,867	(4,906)	(77,552)	(9,156)	5,489	(12,617)	(41,496)	43,629	686	44,315
Total comprehensive income for the period										
Profit / (Loss) for the period	-	-	-	-	-	-	1,379	1,379	(217)	1,162
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	3,369	-	3,369	390	3,759
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	-	-	492	-	492	-	492
Total other comprehensive income	-	-	-	-	-	3,861		3,861	390	4,251
Total comprehensive income for the period	-	-	-	-	-	3,861	1,379	5,240	173	5,413
At 30 June 2026	183,867	(4,906)	(77,552)	(9,156)	5,489	(8,756)	(40,117)	48,869	859	49,728

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

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

Group	Share capital $'000	Treasury shares $'000	Merger reserve $'000	Capital reserve $'000	Statutory reserve $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
	Attributable to owners of the Company									
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)*

The Company	**Share capital $'000**	**Treasury shares $'000**	**Merger reserve $'000**	**Accumulated losses $'000**	**Total equity $'000**
At 1 January 2026	183,867	(4,906)	(45,850)	(128,279)	4,832
Total comprehensive income for the period					
Loss for the period	-	-	-	(518)	(518)
At 30 June 2026	183,867	(4,906)	(45,850)	(128,797)	4,314
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					
Issuance of ordinary shares	1,920	-	-	-	1,920
At 30 June 2025	183,867	(4,906)	(45,850)	(117,136)	15,975

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

Condensed Interim Consolidated Statement of Cash Flows

	6 months ended 30 June 2026 $'000	6 months ended 30 June 2025 $'000
Cash flows from operating activities		
Profit/(Loss) from operating activities	2,089	(18,772)
Adjustments for:		
Impairment on other receivables	-	704
Reversal of impairment on loan receivables from a joint venture	(1,531)	-
Provisions	792	4,706
Depreciation and amortisation	5,298	5,150
Loss/(Gain) on disposal of property, plant and equipment	12	(452)
Written-off property, plant and equipment	-	65
	6,660	(8,599)
Changes in:		
Inventories	(3,323)	(2,576)
Contract costs	(82)	(112)
Contract assets/liabilities	3,741	23,100
Development properties	(1,100)	184
Trade and other receivables	21,791	6,294
Trade and other payables	(33,744)	(50,752)
Balances with related parties	(1,559)	(64)
Cash used in operations	(7,616)	(32,525)
Tax paid	(46)	(1,005)
Net cash used in operating activities	(7,662)	(33,530)
Cash flows from investing activities		
Repayment of loan from joint ventures	2,107	5,944
Interest received	51	163
Proceeds from disposal of property, plant and equipment	57	612
Purchase of:		
- property, plant and equipment	(2,895)	(1,708)
- intangible assets	(220)	(32)
Net cash (used in)/generated from investing activities	(900)	4,979

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 2026 $'000	6 months ended 30 June 2025 $'000
Cash flows from financing activities		
Interest paid	(1,880)	(2,433)
Payments of lease liabilities	(1,204)	(1,104)
Proceeds from issuance of share capital	-	1,920
Proceeds from loans and borrowings	39,022	46,362
Repayment of loans and borrowings	(30,553)	(23,832)
Net cash generated from financing activities	5,385	20,913
Net decrease in cash and cash equivalents	(3,177)	(7,638)
Cash and cash equivalents at beginning of the period	12,486	35,776
Effect of exchange rate changes on balances held in foreign currencies	181	(3,434)
Cash and cash equivalents at end of the period	9,490	24,704

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 2026 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 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 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.

Going Concern

The condensed interim financial statements have been prepared on a going concern basis, which assumes that the Group and the Company will be able to meet its obligations as and when they fall due in the next twelve months from the end of the reporting period.

As at 30 June 2026, the Group and the Company's current liabilities exceeded their current assets by $21.6 million and $49.7 million respectively. For more details on the Group's negative working capital position – please refer to item 2 in the "Other Information (Required by Listing Rule Appendix 7.2)".

2.1 New and amended standards adopted by the Group

A number of amendments to the Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

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 2025.

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.

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 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 Note 9 - 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 on 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, digital solutions 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 2026 to 30 June 2026							
External revenue	28,335	53,712	1,869	83,916	132	-	84,048
Inter-segment revenue	-	3,369	-	3,369	-	(3,369)	-
	28,335	57,081	1,869	87,285	132	(3,369)	84,048
Interest income	108	-	21	129	-	(78)	51
Interest expenses	(1,469)	(323)	-	(1,792)	(166)	78	(1,880)
Loss on disposal of property, plant and equipment	(12)	-	-	(12)	-	-	(12)
Reversal of impairment loss on loan receivables from joint venture	-	-	1,531	1,531	-	-	1,531
Provision	-	-	(792)	(792)	-	-	(792)
Depreciation and amortisation	(2,269)	(2,689)	(263)	(5,221)	(77)	-	(5,298)
Reportable segment (loss)/profit before tax	(2,345)	3,707	(201)	1,161	(768)	-	393
Share of gain of joint ventures, net of tax							177
Profit before tax							570
Tax credit							592
Profit after tax for the period							1,162
Reportable segment assets	113,853	81,840	116,880	312,573	4,107	-	316,680
Investment in associates and joint ventures	12,548	572	1,913	15,033	-	-	15,033
Total assets							331,713
Reportable segment liabilities	205,424	57,872	16,428	279,724	2,261	-	281,985
Capital expenditure	7	2,876	11	2,894	1	-	2,895

* *Rental, digital solutions and general corporate activities*

4.1 Information about reportable segments *(cont'd)*

	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 revenue	96,334	22,832	-	119,166	86	-	119,252
Inter-segment revenue	-	2,296	-	2,296	-	(2,296)	-
	96,334	25,128	-	121,462	86	(2,296)	119,252
Interest income	267	-	54	321	87	(245)	163
Interest expenses	(2,089)	(489)	(100)	(2,678)	-	245	(2,433)
Provisions	(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 credit							684
Loss after tax for the period							(20,693)
Reportable segment assets	135,980	70,534	126,667	333,181	10,316	-	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, digital solutions and general corporate activities*

4.2 Disaggregation of Revenue

	Group 6 months ended 30 June 2026						
	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	28,335	57,081	-	85,416	-	(3,369)	82,047
Revenue from sales of development properties	-	-	1,869	1,869	-	-	1,869
Rental income	-	-	-	-	66	-	66
Others	-	-	-	-	66	-	66
Total revenue	28,335	57,081	1,869	87,285	132	(3,369)	84,048
Timing of revenue recognition:							
At a point in time	-	49,982	1,869	51,851	132	(2,337)	49,646
Over time	28,335	7,099	-	35,434	-	(1,032)	34,402
Total revenue	28,335	57,081	1,869	87,285	132	(3,369)	84,048
Geographical information:							
Singapore	28,335	54,458	-	82,793	132	(3,369)	79,556
PRC	-	-	1,869	1,869	-	-	1,869
Other	-	2,623	-	2,623	-	-	2,623
Total revenue	28,335	57,081	1,869	87,285	132	(3,369)	84,048

* *Rental, digital solutions and general corporate activities*

4.2 Disaggregation of Revenue *(cont'd)*

	6 months ended 30 June 2025					
	Group					
	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
Others	-	-	-	81	-	81
Total revenue	96,334	25,128	121,462	86	(2,296)	119,252
Timing of revenue recognition:						
At a point in time	-	21,699	21,699	86	(642)	21,143
Over time	96,334	3,429	99,763	-	(1,654)	98,109
Total revenue	96,334	25,128	121,462	86	(2,296)	119,252
Geographical information:						
Singapore	96,334	25,128	121,462	81	(2,296)	119,247
PRC	-	-	-	5	-	5
Total revenue	96,334	25,128	121,462	86	(2,296)	119,252

* *Rental, digital solutions and general corporate activities*

4.2 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 assets.

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

For the financial period ended 30 June 2026 and 30 June 2025, the revenue from major customers (named alphabetically A to C) of the Group's Construction and Engineering Solutions segments amounted to approximately $41,231,000 (2025: $71,616,000). 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 2026		**30 June 2025**	
	$'000	**%**	**$'000**	**%**
Customer A	17,078	20	28,170	24
Customer B	13,528	16	27,077	23
Customer C	10,625	13	16,369	17
Total	41,231	49	71,616	60

5 Profit/(Loss) before tax

Significant items

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

		Group		
		6 months ended 30 June 2026 $'000	**6 months ended 30 June 2025 $'000**	**Change %**
(a)	**Other income include**			
	(Loss)/Gain on disposal of property, plant and equipment	(12)	452	NM
	Sale of scrap parts and materials	462	283	63%
	Government grants	56	36	56%
	Training and testing fee income	255	111	>100%
	Reversal of impairment loss on loan receivables from a joint venture	1,531	-	100%.
	Management fees	16	308	(95%)
(b)	**Other expenses include**			
	Direct operating expenses arising from:			
	Impairment loss on other receivables	-	704	(100%)
	Fine and penalty	218	2	>100%
	Written off property, plant and equipment	-	65	(100%)
(c)	**Finance income and costs include**			
	Interest income on:			
	- cash and cash equivalents	51	163	(69%)
	Interest expense on:			
	- bank loans	1,720	2,273	(24%)
	- lease liabilities	160	160	-
	Exchange (gain)/loss	(83)	647	NM

NM: not meaningful

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 2026 $'000	**6 months ended 30 June 2025 $'000**
Affiliated corporations		
Hiring charges	488	1,093
Consultancy fees	-	500
Joint venture		
Construction revenue	-	(6,408)
Related Party		
Construction cost	387	1,137

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 2026 $'000	**6 months ended 30 June 2025 $'000**
Tax recognised in profit or loss		
Current tax credit /(expense)		
Current period	-	(930)
Changes in estimate related to prior periods	623	(149)
	623	(1,079)
Deferred tax		
Changes in estimate related to prior periods	-	(24)
Land appreciation tax		
Current period	(31)	-
Changes in estimate related to prior periods	-	1,787
	(31)	1,787
Total tax credit	592	684

8 Net Asset Value

	Group		Company	
	30 June 2026 (cents)	**31 December 2025 (cents)**	**30 June 2026 (cents)**	**31 December 2025 (cents)**
Net asset value per ordinary share based on existing issued share capital at the end of the respective dates:	10.60	9.46	0.94	1.05

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 2026 (31 December 2025: 461,076,649).

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. 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 2026							
Financial assets measured at fair value							
Quoted equity investments – at FVOCI[#]	22	-	22	22	-	-	22
Unquoted equity investments – at FVOCI[#]	145	-	145	-	-	145	145
	167	-	167				
Financial assets not measured at fair value							
Trade and other receivables*	-	42,737	42,737				
Amount due from related parties	-	10,882	10,882				
Cash and cash equivalents	-	9,490	9,490				
	-	63,109	63,109				
Financial liabilities not measured at fair value							
Amounts due to related parties	-	(6,003)	(6,003)				
Trade and other payables**	-	(150,810)	(150,810)				
Loans and borrowings***	-	(87,995)	(87,995)	-	(87,995)	-	(87,995)
	-	(244,808)	(244,808)				

* *Excluded tax prepayments, value-added tax receivables, deposits, prepayments and advances to suppliers*
*** Excluded GST payables and provisions*
**** Excluded lease liabilities*
[#] *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 2025							
Financial assets measured at fair value							
Quoted equity investments – at FVOCI#	22	-	22	22	-	-	22
Unquoted equity investments – at FVOCI#	145	-	145	-	-	145	145
	167	-	167				
Financial assets not measured at fair value							
Trade and other receivables*	-	65,465	65,465				
Amount due from related parties	-	8,991	8,991				
Cash and cash equivalents	-	12,486	12,486				
	-	86,942	86,942				
Financial liabilities not measured at fair value							
Amounts due to related parties	-	(6,052)	(6,052)				
Trade and other payables**	-	(179,283)	(179,283)				
Loans and borrowings***	-	(80,674)	(80,674)	-	(77,721)	-	(77,721)
	-	(266,099)	(266,099)				

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

	Carrying amount	
	Amortised cost $'000	Total $'000
Company		
30 June 2026		
Financial assets not measured at fair value		
Trade and other receivables*	368	368
Amount due from related parties	20,847	20,847
Cash and cash equivalents	71	71
	21,286	21,286
Financial liabilities not measured at fair value		
Amounts due to related parties	(70,076)	(70,076)
Trade and other payables	(980)	(980)
	(71,056)	(71,056)
31 December 2025		
Financial assets not measured at fair value		
Trade and other receivables*	205	205
Amount due from related parties	20,842	20,842
Cash and cash equivalents	42	42
	21,089	21,089
Financial liabilities not measured at fair value		
Amounts due to related parties	(69,647)	(69,647)
Trade and other payables	(642)	(642)
	(70,289)	(70,289)

* Excluded deposits and prepayments

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 for the period ended 30 June 2026 and financial year ended 31 December 2025.

(iii) Level 3 fair value

There is no change in fair value for unquoted equity investment as at 31 December 2025 and 30 June 2026.

10 Property, plant and equipment

During the six months ended 30 June 2026, the Group acquired property, plant and equipment amounting to $2,895,000 (30 June 2025: $1,708,000). There was also a transfer from investment properties of $790,000 (non-cash flow transaction) to property, plant and equipment in the current period following a change in use for the Group's own operations. During the period, the Group also disposed of property, plant and equipment amounting to $69,000 (30 June 2025: $160,000).

Assessment of the 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 also 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.

Management assessed that no impairment losses were necessary for the period ended 30 June 2026.

11 Contract assets and contract liabilities

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

	Group	
	30 June 2026	31 December 2025
	$'000	$'000
Contract assets	51,715	56,504
Contract liabilities	(16,327)	(17,375)

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 2026	31 December 2025
		$'000	$'000
(a)	Properties under development, for which revenue is to be recognised at a point in time		
	Land and land related costs	41,106	38,880
	Development costs	32,445	30,800
		73,551	69,680
	Allowance for diminution in value	(27,063)	(27,234)
	Properties under development	46,488	42,446
(b)	Completed development properties, at cost	47,450	48,420
	Allowance for diminution in value	(1,059)	(1,179)
	Completed development properties	46,391	47,241
	Total development properties	92,879	89,687

Movement in allowance for diminution in value was as follows:

	Group	Group
	30 June 2026	31 December 2025
	$'000	$'000
At 1 January	28,413	25,396
Allowance recognised	-	3,836
Utilisation during the year	(1,326)	(487)
Translation differences on consolidation	1,035	(332)
At period/year ended	28,122	28,413

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 estimates 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.

The Group did not engage an independent valuer to determine the fair value as at 30 June 2026. However, Management had taken into account the above underlying factors (including the prevailing price, estimated costs to complete etc) that would have made an impact to the fair value of the development properties since the last valuation done in December 2025. Management assessed no impairment losses were necessary for the period ended 30 June 2026.

13 Assets held for sale

The Group is committed to sell certain properties. The sales are expected to be completed in the next twelve months and accordingly, these properties are presented as assets held for sale. The details of the properties classified as assets held for sale as at 30 June 2026 were:

Description	**Classification**
Pontian land	Freehold land
Fan Yoong Property	Leasehold land property

	Group	
	30 June 2026	**31 December 2025**
	$'000	**$'000**
Pontian land	9,955	9,932
Fan Yoong property	16,800	16,800
	26,755	26,732

14 Provisions

The following provisions are included in Trade and other payables.

	Provision for penalties $'000	Provision for onerous contracts $'000	Total $'000
Group			
At 1 January 2026	8,186	1,491	9,677
Utilisation during the year	-	(276)	(276)
Provision made during the period	792	-	792
At 30 June 2026	8,978	1,215	10,193
At 1 January 2025	6,616	8,018	14,634
Utilisation during the year	-	(11,404)	(11,404)
Provision made during the year	1,570	4,877	6,447
At 31 December 2025	8,186	1,491	9,677

The provision for penalties and onerous contracts made during the period have been included in "Costs of sales of development properties" and "Cost of Construction Contract and Engineering Solutions" respectively.

Provision for penalties were made for late completion of development and administrative fine in connection to the PRC development projects.

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. Management has assessed that no further provision for onerous contracts is necessary for the period ended 30 June 2026.

15 Loans and borrowings

	Group	
	30 June 2026	**31 December 2025**
	$'000	**$'000**
Non-current		
Secured bank loans	1,872	1,872
Lease liabilities	4,002	4,925
	5,874	6,797
Current		
Secured bank loans	80,955	72,770
Lease liabilities	3,178	2,281
Secured bank loans associated with assets held for sale	5,168	6,032
Lease liabilities associated with assets held for sale	1,109	1,138
	90,410	82,221
Total loans and borrowings	96,284	89,018

The secured bank loans are secured on the following assets:

	Group	
	30 June 2026	**31 December 2025**
	$'000	**$'000**
Carrying amounts of assets:		
Leasehold land	3,591	3,645
Freehold land	3,760	3,811
Leasehold properties	16,377	16,830
Plant and machinery	161	256
Assets held for sale	26,755	26,732
Total	50,644	51,274

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

On 30 January 2026, the Company's wholly-owned subsidiary, Tiong Seng Contractors (Private) Limited ("TSC"), entered into an amendment and restatement agreement with its existing lenders and restructured the remaining balance under its existing $90.0 million loan facilities ("Restated Facility Agreement" or "Facilities"). TSC has been regularly providing updates to the lenders on the progress of the final account negotiations for those pre-pandemic projects and the disposal of properties held for sale. In view of the slower-than-anticipated progress of the final account negotiations and the prevailing market conditions affecting the disposal of properties held for sale, TSC has sought the lenders' support in relation to the following:

a) Under the Restated Facility Agreement, the repayment of a portion of the existing loan facilities amounting to $21.0 million, which was originally due on 31 December 2025, was extended to 30 June 2026. During the first six months of 2026, the Group repaid $6.2 million of this amount. The remaining balance of $14.8 million remained outstanding as at 30 June 2026 as the final account negotiations for the above projects have yet to be completed. TSC is in advanced negotiations with the lenders to extend the repayment of the outstanding balance to 30 September 2026, with the option (subject to lenders' consent) for a further extension. As at the date of this announcement, the parties are in the process of finalising the relevant documentation for such extension. Management expects the documentation for such extension to be executed in due course.

b) The repayment terms of the $30.0 million bridging loan for working capital purpose, which matures in December 2026 remain unchanged.

Under the Restated Facility Agreement, the Group is required to comply with, inter alia, the following covenants:-

(i) a Consolidated Tangible Net Worth (computed as the aggregate of the paid up share capital of the Group and the amount standing to the credit of the reserves of the Group 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 Group) of not less than $50 million as at each of 30 June and 31 December;

(ii) 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 30 June and 31 December; and

(iii) a minimum order book balance of $600 million at all times during the period from 30 June 2026 to 30 December 2026 and $800 million at all times during the period from 31 December 2026 onwards.

The test date for the above covenants is on a half yearly basis commencing in June 2026.

As at 30 June 2026, the covenant in (i) was not complied with. For the period from 30 June 2026 to the date of this announcement, the covenant in (iii) 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, 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 above financial 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. Please also refer to Group's negative net working capital position – item 2 in "Other Information (required by Listing Rule Appendix 7.2)".

The Company will provide updates to its shareholders if there are any material developments.

16 Share capital

	30 June 2026		31 December 2025	
	No of shares	$'000	No of shares	$'000
Issued and fully paid ordinary shares,				
As at start of year/period (including treasury shares)	479,623,849	183,867	459,623,849	181,947
Issuance of ordinary shares	-	-	20,000,000	1,920
	479,623,849	183,867	479,623,849	183,867
Treasury shares	(18,547,200)	(4,906)	(18,547,200)	(4,906)
As at end of year/period (excluding treasury shares)	461,076,649	178,961	461,076,649	178,961

The Company held 18,547,200 treasury shares as at 30 June 2026 and 31 December 2025, representing 4.0% of the total number of issued shares of the Company, excluding treasury shares as at 30 June 2026 and 31 December 2025.

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

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

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 2026	31 December 2025
	$'000	$'000
Development costs contracted but not provided for:		
- subsidiaries	13,577	11,423

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

	30 June 2026 $'000	31 December 2025 $'000
Significant issued financial guarantees to certain financial institutions in respect of banking facilities (inclusive of guaranteed performance bonds) for its subsidiaries	345,951	374,546

At the date of this announcement, the Company does not consider it probable that the claims will be made against the Company under these guarantees.

19 Subsequent event

There are no known subsequent events, as at the date of this announcement, which have led to adjustments to this set of interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

1. **Whether the figures have been audited or reviewed**

The condensed consolidated statement of financial position of Tiong Seng Holdings Ltd and its subsidiaries as at 30 June 2026 and the related condensed consolidated profit or loss and other 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 nor reviewed by the Company's auditors.

2. **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.**

Overview

	Construction	Engineering Solutions	Property Development	Others#	Elimination	Total
	Six Months Ended 30 June 2026					
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	28,335	57,081	1,869	132	(3,369)	84,048
Costs	(22,061)	(48,820)	(2,370)	-	4,830	(68,421)
Gross Profit/(Loss)	6,274	8,261	(501)	132	1,461	15,627
Other income	1,768	667	1,679	25	(1,461)	2,678
Depreciation and amortisation	(1,988)	(201)	(202)	(78)	-	(2,469)
Selling expenses	-	-	(32)	-	-	(32)
Staff costs	(4,948)	(2,847)	(385)	(430)	-	(8,610)
Other expenses	(2,163)	(1,813)	(698)	(431)	-	(5,105)
(Loss)/profit from operating activities	(1,057)	4,067	(139)	(782)	-	2,089
Net finance (expenses)/income	(1,288)	(360)	(62)	14	-	(1,696)
Reportable segment (loss)/profit before tax	(2,345)	3,707	(201)	(768)	-	393

 # rental, digital solutions and general corporate activities

	Construction	Engineering Solutions	Property Development	Others#	Elimination	Total
			Six Months Ended 30 June 2025			
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	96,334	25,128	-	86	(2,296)	119,252
Costs	(103,854)	(21,530)	(819)	-	3,758	(122,445)
Gross (loss)/profit	(7,520)	3,598	(819)	86	1,462	(3,193)
Other income	2,201	421	108	255	(1,552)	1,433
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)
Net finance (expenses)/income	(2,748)	(419)	(54)	303	-	(2,918)
Reportable segment (loss)/profit before tax	(18,387)	(435)	(1,946)	(922)	-	(21,690)

 # rental, digital solutions and general corporate activities

Review of Group Performance for 1H2026 vs 1H2025

The Group reported revenue of $84.0 million for the period ended 30 June 2026 ("1H2026"), a decrease of $35.3 million or 30%, as compared to revenue of $119.3 million for the period ended 30 June 2025 ("1H2025"). The decline in revenue of $68.0 million or 71% in the Construction Segment was mainly due to lower work volumes, following the completion of several pre-pandemic projects, which had obtained their Temporary Occupation Permits ("TOP") by the end of 2025. The attainment of TOP marked a key milestone as these projects progressed to substantial completion. The Engineering Solutions segment saw a significant increase in volume, its revenue grew by $32.0 million to $57.1 million in the period under review. The property development and others segment (digital and rental income) revenue did not contribute significantly to the Group's revenue in the current period.

The decrease in cost of sales for the Construction Segment and the increase in cost of sales for the Engineering Solutions Segment were in line with the respective movements in revenue.

Gross profit and gross profit margin were $15.6 million and 18.6% in 1H2026 as compared to gross loss and gross loss margin of $3.2 million and 2.7% in 1H2025 respectively. The improvements in the current period were due to:

- Construction segment: Positive contributions from projects secured since late FY2024 and the recognition of additional revenue from certain pre-pandemic projects. In comparison, the gross loss incurred in 1H2025 were mainly due to additional costs incurred to complete the remaining works and achieved the above mentioned TOPs.

- Engineering Solutions Segment: the higher gross profit in 1H2026 were mainly due to revenue growth, arising from higher production volume. The gross profit margins for both periods remained relatively stable.

Other income *(increased by $1.2 million or 87%)*

- The increase in other income was primarily due to reversal of impairment loss on loan receivables from a joint venture. In addition, there was also an increase in sale of scrap parts and materials and training and testing fee income during the period under review.

Staff costs *(increased by $149,000 or 2%)*

There is no significant increase in staff costs in the period under review. The Group continued to align its support functions and administrative resources with its current business activities. The Group maintained a team to support ongoing operations, manage existing contracts and prepare for project opportunities. This approach enables the Group to exercise cost discipline while retaining the necessary capabilities and resources to pursue and execute new projects when opportunities arise.

Other expenses *(decreased by $953,000 or 16%)*

The Group continue to exercise cost discipline in managing its overhead costs, ensuring that operating expenses remained aligned with the level of business activity. The decrease was mainly attributable to the Construction Segment and the Others Segment, which recorded a combined reduction in expenses of $1.6 million. This was partially offset by higher overhead expenses in the Engineering Solutions segment to support its operations.

Finance income *(decreased by $159,000 or 45%)*

The decrease in finance income was primarily due to lesser excess funds placed in fixed deposits.

Finance costs *(decreased by $1.4 million or 42%)*

Finance costs comprise mainly interest costs and exchange losses/(gain).

- The Group recorded a foreign exchange gain of $83,000 in 1H2026 as compared to an exchange loss of $0.6 million in 1H2025.

- Interest expenses decreased by $0.6 million during the period mainly due to lower prevailing interest rates.

Current year performance

The Group recorded a net profit before tax of $0.6 million in 1H2026 as compared to a net loss before tax of $21.4 million in 1H2025. The Group also generated positive EBITDA* of $7.6 million in 1H2026 as compared to negative EBITDA of $14.1 million in 1H2025. The improvement in operating performance in the current period was driven mainly by the Engineering Solutions segment.

**EBITDA: earnings before interest, tax, depreciation and amortization and share of profit of joint ventures, net of tax.*

The Engineering Solutions segment registered a reportable segment profit before tax of $3.7 million in the 1H2026 as compared to a reportable segment loss before tax of $0.4 million in 1H2025. The improvement was driven by strong revenue growth, supported by the Segment's continued success in securing orders from external customers outside the Group. The higher production volume also enabled the segment to achieve economies of scale, resulting in lower unit production costs and improved profitability.

The Construction Segment recorded a lower reportable segment loss before tax of $2.3 million in 1H2026 as compared to a reportable segment loss before tax of $18.4 million in 1H2025. While the existing projects remained profitable, the lower volume of work resulted in existing gross profit unable to fully absorb the segment's fixed overhead costs. Nevertheless, the segment generated positive EBITDA of $1.4 million in 1H2026, compared to a negative EBITDA of $13.5 million in 1H2025, reflecting improved operating performance and disciplined cost management.

The Property Segment reduced its reportable segment loss before tax to $0.2 million in 1H2026 from $1.9 million in 1H2025. The improvement was mainly attributable to higher sales of residential units in China and the reversal of an impairment loss on a loan receivable from a joint venture that was recognized in prior financial years.

Taxation

Despite recording a profit in the current period, no income tax expense was recognized for the current period as the Group has available cumulative tax losses to offset current year taxable profits. The tax credit of $0.6 million relates to reversal of tax overprovisions made in prior financial years.

Review of the Group's Financial Position

Non-Current Assets

The non-current assets as at 30 June 2026 and 31 December 2025 were $79.4 million and $80.7 million respectively. The decrease of $1.3 million or 2% was due to the following:

- Property, plant and equipment increased by $1.5 million mainly due to the acquisition of tools and moulds by the Engineering Solutions Segment and reclassification of investment properties to property, plant and equipment following a change in their use for the Group's operational use. These increases were partially offset by the current period depreciation costs. The disposal of fixed assets in the current period was not material.
- Intangible assets increased marginally by $0.1 million, mainly due to capitalization of software development costs by our Digital Solutions Segment, partially offset by amortisation during the period.
- Investment properties declined by $0.8 million; as a result of the reclassification to property, plant and equipment as mentioned above.
- Investments in associates and joint ventures declined by $0.5 million, mainly due to receipt of loan repayment from a joint venture, partially offset by the Group's share of profit in the current period.
- Trade and other receivables decreased by $0.6 million, mainly due to the reclassification of non-current retention receivables to current receivables.

- The rights of use assets declined by $1.1 million mainly due to depreciation costs recognized during the period.

Current Assets

Current assets decreased by $20.2 million or 7%, from $272.5 million as at 31 December 2025 to $252.3 million as at 30 June 2026. The decrease was mainly due to the following:

- Inventories increased by $3.3 million, primarily due to higher raw materials purchased and finished goods arising from increased production activities in the Engineering Solutions Segment.
- Development properties increased by $3.2 million mainly due to development costs incurred for the ongoing projects and higher foreign currency translation difference.
- Trade and other receivables decreased by $20.9 million, primarily due to conversion of trade receivables into cash.
- Contract assets declined by $4.8 million due to timing of billings to customers.
- Amounts due from related parties increased by $1.9 million, primarily due to timing of settlement of trade balances.
- Cash and cash equivalents decreased by $3.0 million during the period. Please refer to Review of Statement of Cash Flow for further explanations.

Shareholders' funds excluding minority interests

The increase in shareholders' funds from $43.6 million as at 31 December 2025 to $48.9 million as at 30 June 2026 was due to improvement in operating performance.

Current Liabilities

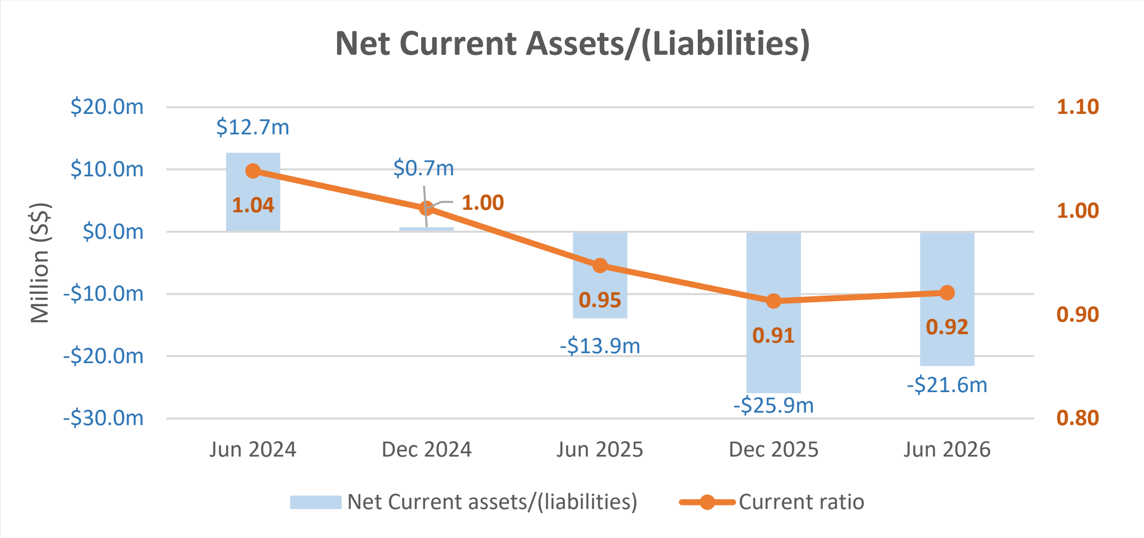
Current liabilities decreased by $24.6 million or 8% from $298.4 million as at 31 December 2025 to $273.9 million as at 30 June 2026. The decrease was due to the following:

- Decrease in trade and other payables of $31.1 million mostly due to timing of payments to subcontractors and other suppliers.
- Contract liabilities decreased by $1.0 million mostly due to lesser advances received from customers.
- Loans and borrowings increased by $8.2 million in the period under review were mostly due to additional loan borrowings and reclassification of lease liabilities from non-current to current.
- Decrease in current tax payables of $0.6 million mainly due to reversal of tax overprovisions relating to prior financial periods.

Non-Current Liabilities

The non-current liabilities as at 30 June 2026 and 31 December 2025 were $8.1 million and $10.4 million respectively. The decline of $2.3 million or 22% was mainly due to the classification of non-current lease liabilities and retention sum payables to current liabilities.

Negative Working Capital Position
(Please also refer to Note 15: Loans and Borrowings)



Notwithstanding that as at 30 June 2026 the Group's and the Company's current liabilities exceeded their current assets by $21.6 million and $49.7 million respectively, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation of the condensed consolidated interim financial statements for 1H2026 is appropriate after taking into consideration the following factors:

a) Management has prepared a month-to-month cash flows forecasts for the next 12 months from the date of these interim financial statements. Based on these forecasts, Management is of the view that the Group will have sufficient financial resources to continue its operations and meet its financial obligations due within the next 12 months from the date of these interim financial statements.

   In preparing the cash flows forecasts, Management has considered projected operating cash inflows from the construction projects, potential awards of new construction contracts currently being pursued, anticipated recoveries from the Variation Order claims including those from the pre-pandemic projects, ex gratia claims and reliefs under Covid-19 (Temporary Measures) Act ("COTMA"). Management has also anticipated positive outcomes from the ongoing final account negotiations with customers, suppliers and subcontractors which are expected to further strengthen the Group's cash position.

b) For 1H2026, the Group recorded a net profit after tax of $1.2 million as compared to a net loss after tax of $20.7 million for 1H2025. The Group generated positive EBITDA of $7.6 million in 1H2026 as compared to a negative EBITDA of $14.1 million for 1H2025, reflecting an improvement in operating performance. In addition, costs associated with the Group's pre-pandemic projects were substantially recognized in prior financial years. Consequently, going forward, it is expected that the Group's financial performance will no longer be affected by these projects.

c) The Group continues to actively market its properties held for sale, namely Fan Yoong Property and the Pontian Land Parcels, with the objective of realizing proceeds to improve its working capital position;

d) On 30 January 2026, the Company's wholly-owned subsidiary, Tiong Seng Contractors (Private) Limited ("TSC"), entered into amendment and restatement agreements with its existing lenders and restructured the remaining balance under its existing $90.0 million loan facilities (“Restated Facility Agreement” of “Facilities”). TSC has been regularly providing updates to the lenders on the progress of the final account negotiations for pre-pandemic projects and the disposal of the properties held for sale. In view of the slower-than-anticipated progress of the final account negotiations and the prevailing market conditions affecting the disposal of the properties held for sale, TSC has sought the lenders' support in relation to the following:

   i. Under the Restated Facility Agreement, the repayment of a portion of the existing loan facilities amounting to $21.0 million, originally due on 31 December 2025 was extended to 30 June 2026. During the first six months of 2026, the Group repaid $6.2 million of this amount. The remaining balance of $14.8 million remained outstanding as at 30 June 2026 as the final account negotiations for the pre-pandemic projects have yet to be completed. TSC is in advanced negotiations with the lenders to extend the repayment of the outstanding balance to 30 September 2026, with the option (subject to lenders’ consent) for a further extension. As at the date of this announcement, the parties are in the process of finalising the relevant documentation for such extension. Management expects the documentation for such extension to be executed in due course.

   ii. The repayment of the $30.0 million bridging loan, which matures in December 2026 remains unchanged.

   As at 30 June 2026, the Group was not in compliance with certain financial covenants relating to the Consolidated Tangible Net Worth and the maintenance of the order book balances. For details of these covenants, please refer to Note 15 – Loans and Borrowings. The Group has been in regular communication with the relevant financial institutions on an ongoing basis in relation to the compliance with these financial covenants and the Agent had been notified of the aforesaid technical breaches of the relevant covenants in a timely manner. The affected borrowings of approximately $86.1 million were classified as current liabilities as at 30 June 2026. As of the date of this announcement, the Group has not received any notice for 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.

The Company will continue to closely monitor its cash flow to ensure it has sufficient liquidity to meet its operational requirements and 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, to the best of its knowledge, all material information has been fully disclosed to enable investors to trade the Company’s securities on an informed basis.

Review of Statement of Cash Flows

Net cash used in operating activities

The Group's positive operating profit was offset by working capital movements resulting in a net cash used in operating activities in the current period. In addition, the net cash used in operating activities were significantly lower in the current period as compared to the corresponding period.

Net cash used investing activities

In 1H2025, the Group generated net cash of $5.0 million from investing activities mainly due from significant loan repayment from joint ventures. In the current period, the Group received a substantially lower amount from joint ventures and incurred higher capital expenditure on property, plant and equipment to support its operations, resulting in a net cash outflow of $0.9 million.

Net cash from financing activities

Net cash generated from financing activities were $20.9 million in 1H2025 as compared to $5.4 million in 1H2026. The decline was due to lower net proceeds from borrowings in the current period as compared to the corresponding period.

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

No forecast was previously provided.

4. 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.

Outlook and Strategy

Singapore's economy carried firm momentum into the first half of 2026. On 14 July 2026[1], the Ministry of Trade and Industry ("MTI") reported second-quarter GDP growth of 5.7% year-on-year, following 6.3% in the first quarter. The construction sector expanded strongly over the same period, growing 11.8% year-on-year in the first quarter and, on advance estimates, and a further 6.2% in the second[2].

The Building and Construction Authority ("BCA") projects total construction demand for 2026 to hold steady at between S$47 billion and S$53 billion, following S$50.5 billion in 2025. This is underpinned by a strong pipeline of public and private sector projects, including Changi Airport Terminal 5, the Marina Bay Sands expansion, the new Tengah General and Community Hospital and major rail works. From 2027 to 2030, BCA expects construction demand to average between

[1] Singapore's GDP Grew by 5.7 Per Cent in the Second Quarter of 2026, MTI, 14 July 2026
[2] Construction, Capital & Market Participation, SGX, 23 July 2026

S$39 billion and S$46 billion a year, supported by sustained public sector investment in housing, healthcare and infrastructure[3].

Construction

Following the substantial completion of its pre-pandemic projects by end of 2025, the Construction segment (under Tiong Seng Contractors (Private) Limited; TSC) is working closely with clients to finalise the certification and contract values of these projects. It is also concurrently finalising cost settlements with subcontractors. In accordance with the Group's accounting policies, these costs have already been recognised as incurred, while the related revenue is recognised upon final customer approval.

As at 30 June 2026, TSC's order book stood at $167 million. Management expects TSC's capacity to undertake new projects to improve in the fourth quarter of 2026, supporting its efforts to secure new projects and rebuild its order book.

Engineering Solutions

The Engineering Solutions segment continues to perform well. Demand for precast and prefabrication solutions is expected to stay firm, supported by the strong public sector pipeline and the industry's adoption of green and modular construction methods in line with the Singapore Green Plan 2030. Its order book as at 30 June 2026 stood at $193 million, extending to FY2028.

Property Development

China

China's residential market remains under pressure, with nationwide prices and transaction volumes still declining[4] and industry forecasts pointing to further softness through 2026.[5] The Property Development segment continues to manage this environment by concentrating on specialised sectors such as the Silver Economy and ageing-care facilities to mitigate market risk.

Management will continue to intensify its marketing and sales efforts to sell down the remaining residential inventory while adopting a pricing strategy that reflects prevailing market conditions, with the objectives of improving cash conversion and reducing inventory levels.

The Group's integrated medical and senior living community development project continues to progress as planned. The Group is currently in discussions with potential business partners to collaborate on the provision of integrated senior care services. As at the date of this announcement, the project has not generated significant revenue as it remains in the development stage.

Singapore

While the Group has no ongoing property development projects, having completed all its previous developments in prior years, the recent announcement by the Singapore Government on the change

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[3] Steady Construction Demand in 2026, BCA, 22 January 2026

[4] China's Residential Property Market Analysis 2026

[5] S&P cuts China property sales forecast as market slump deepens, February 2026

in Additional Buyer's Stamp Duty ("ABSD") remission timeline for large redevelopment projects may create business opportunities for the Group.

Digital Solutions

The Group's Digital Solutions arm (under PylonAI Pte Ltd; Pylon) continues to provide Precast Tracking Solutions and Real-time Worker Location Data for the Group's businesses and to other contractors in Singapore. Customers who adopted the Real-time Worker Location Data solution since its commercial launch in 2025 continue to use it, which demonstrates ongoing confidence in the product. The Precast Tracking Solution is currently in the development stage. As digital and artificial intelligence solutions feature increasingly in Singapore's growth strategies, the Group will continue to draw on its construction and engineering expertise to develop value-added offerings under Pylon.

Costs management

The Construction segment will remain selective in its tendering activities, focusing on projects that align with its technical capabilities and risk profile, while maintaining cost discipline and cash flow management.

Global supply chain conditions continue to exert pressure on the cost of key materials, including ready-mixed concrete, which may weigh on margins. In response, the Group, especially the Engineering Solutions segment, will continue to improve production efficiency and labour productivity. The Group will leverage the products developed by its Digital Solutions segment to optimise resource planning, production and project execution across its operations.

Liquidity and Financial Position

The Group's net working capital deficit narrowed by $4.3 million from $25.9 million as at 31 December 2025 to $21.6 million as at 30 June 2026. Notwithstanding this improvement, the Group continues to operate under tight liquidity conditions which Management expects to persist for the remainder of FY2026. The Group is in discussions with the relevant financial institutions to remedy the covenant breaches and/or to obtain a waiver, and continues to implement measures to strengthen its liquidity and financial position. Please refer to item 2 in the "Other information – Required by Listing Rule Appendix 7.2" and Note 15: Loans and Borrowings for more details.

The Group will continue to exercise disciplined cash flow management, accelerate project recovery efforts through close engagement with clients to expedite final approval of outstanding project accounts and prioritise financial resources towards initiatives aimed at improving the Group's operating performance, while ensuring timely fulfilment of financial and business obligations. It will also intensify its efforts to dispose of the Fan Yoong Road property and the Pontian land parcels in Malaysia. The realisation of proceeds would improve the Group's working capital position.

Management will also continue to evaluate strategic collaborations and partnerships that are aligned with the long-term business objectives and support the sustainable growth of the Group.

5. Dividend Information

(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.

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

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

7. **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.**

The Group has renewed its general mandate for Interested Person Transactions ("IPT") at the recently concluded annual general meeting held on 27 April 2026. The disclosures of the IPTs conducted for the period ended 30 June 2026 are presented as follows:-

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)**
		1H2026	1H2026
		\$'000	\$'000
<u>**Hiring charges**</u> Peck Tiong Choon Transport (Pte) Ltd	Subsidiary of Controlling Shareholder, Peck Tiong Choon (Private) Limited	-	488
Total Transactions with associates of a Controlling Shareholder		-	488

8. **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 had been obtained from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

9. 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 for the six month period ended 30 June 2026 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

10. Disclosure pursuant to Rule 706A of the Listing Manual

For the period 1 January 2026 to 30 June 2026, there are no changes to the Company and the Group shareholding percentages in its respective subsidiaries, associated company and joint ventures.

Neither the Company nor any of the Group's entities incorporate any new subsidiary, associated company and joint venture during this period.

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
13 August 2026