



**HOCK LIAN SENG HOLDINGS LIMITED**



**ANNUAL  
REPORT  
2025**



## **HOCK LIAN SENG HOLDINGS LIMITED**

Our business is built around  
our customers, ensuring we deliver

### **ENGINEERING EXCELLENCE**



**RELIABILITY**



**COMMITMENT**

to support their success.



# ABOUT US

## HOCK LIAN SENG HOLDINGS LIMITED

(“Hock Lian Seng” or “the Group”) is one of the leading civil engineering group in Singapore, with an established track record of more than 50 years.

The Group was listed on the Mainboard of Singapore Exchange Securities Trading Limited (“SGX-ST”) in December 2009.

Established in 1969, Hock Lian Seng has undertaken and completed a wide range of civil engineering projects for both the public and private sectors in Singapore. We carry out civil engineering works for bridges, expressways, tunnels, Mass Rapid Transit (“MRT”), port facilities, water and sewage facilities and other infrastructure works.

Major customers include government and government related bodies of Singapore, such as the Land Transport Authority, Housing Development Board, Port of Singapore Authority, Public Utility Board and Changi Airport Group.

The Group is also involved in property development and property investment businesses. The property development projects include industrial and residential developments such as Ark@Gambas, Ark@kb, The Skywoods and The Antares.

## CONTENTS

01	<b>About Us</b>
02	<b>Letter to Shareholders</b>
04	<b>Financial Highlights</b>
06	<b>Operations and Financial Review</b>
07	<b>Project Highlight</b>
08	<b>Board of Directors</b>
12	<b>Executive Officers</b>
13	<b>Corporate Governance Report</b>
29	<b>Financial Statements</b>
97	<b>Statistics of Shareholdings</b>
98	<b>Notice of Annual General Meeting</b>
104	<b>Additional Information On Directors Seeking Re-Election</b>
	<b>Proxy Form</b>
	<b>Corporate Information</b>

# LETTER TO SHAREHOLDERS

## Dear Shareholders,

The Singapore economy expanded by 5.0% in 2025 (versus 4.4% growth in 2024), as the wholesale trade and manufacturing sectors benefited from the global artificial intelligence investment boom while accommodative financial conditions and low interest rates supported the broad-based growth in the finance and insurance sectors. Meanwhile, the increase in construction output in both the public and private sectors underpinned the growth of the domestic construction industry as the sector expanded 5.2% in 2025, compared to growth of 5.4% in the previous year.

The Singapore property market posted slower growth as figures released by the Urban Redevelopment Authority showed that private residential property prices in Singapore rose by 3.3% in 2025, moderating from the 3.9% increase in the previous year, with growth mainly driven by the landed housing segment. Furthermore, the JTC Corporation market report for the fourth quarter of 2025 indicated that the industrial property market remained broadly resilient as prices rose and rentals edged up while occupancy rates eased marginally, as project completions outpaced take-up.

## FINANCIAL HIGHLIGHTS

The Group recorded revenue of S\$186.3 million in the financial year ended 31 December 2025 (“**FY2025**”) compared to S\$183.5 million in the previous year. The increase in revenue was mainly due to higher construction activities for the Aviation Park and Serangoon North station projects, offset by fewer industrial building units sold at Shine@TuasSouth. Our Civil Engineering segment posted revenue of S\$163.8 million in FY2025 compared to S\$150.2 million in the financial year ended 31 December 2024 (“**FY2024**”). Our Property Development segment booked sales of S\$22.3 million in FY2025 compared to revenue of S\$33.1 million in the previous year.

Gross profit decreased by S\$15.1 million from S\$30.4 million in FY2024 to S\$15.3 million in FY2025 mainly due to elevated cost pressures for ongoing projects in the Civil Engineering segment in the year under review as well as the absence of contribution from the Changi Airport joint venture project as the accounts had been finalised in FY2024. Other income reduced by S\$3.4 million from S\$14.5 million in the previous year to S\$11.1 million in FY2025 primarily because of lower interest income, reduced rental income from unsold development units at Shine@TuasSouth and a lower gain on disposal of property, plant and equipment, partially offset by increase in fair value for investment securities.

Net profit contracted by S\$14.8 million from S\$32.1 million in FY2024 to S\$17.3 million in FY2025, mainly due to lower gross profit and the decrease in other income.

As of 31 December 2025, the Group’s net assets stood at S\$292.9 million with cash and cash equivalents of S\$88.0 million as compared to S\$284.5 million and S\$159.3 million respectively in the previous year.

## DIVIDENDS

In appreciation of our shareholders’ steadfast support, the Board would like to propose a first and final cash dividend of 1.125 Singapore cent per share, subject to shareholders’ approval at our upcoming Annual General Meeting scheduled on 23 April 2026.

## FY2025 BUSINESS UPDATE

During the year under review, the Group’s Changi Airport joint venture project successfully obtained the certificate of completion for its work on the development of a three runway system at Changi East. The project, which took place amid ongoing airport operations, showcased the Group’s project management and execution expertise. Notwithstanding the challenging site conditions, the Group also made steady progress for the Aviation Park and Serangoon North station projects.

In addition, the Group sold 21 units at our multi-user industrial development at Shine@TuasSouth, which is strategically located near the Tuas Terminal mega port. To date, the Group has sold 66% and leased 32% of the total units at the industrial building.

Furthermore, the Group has redeployed proceeds from its capital recycling initiatives to strategically replenish its land bank with the acquisition of an industrial land site at Pioneer Road from the JTC Corporation. The Group intends to develop the site into a strata-titled, multi-user B2 industrial development with approximately 270 units. The Group also plans to tap into rising demand for green and sustainable infrastructure by obtaining the Green Mark Platinum Super-Low Energy rating for the industrial development at Pioneer Road. Moreover, we have secured a green loan from United Overseas Bank Limited to support the construction of the project. This reinforces the Group’s commitment towards sustainability through its operations and business practices. The sale of the industrial units is expected to commence in early 2027.

# LETTER TO SHAREHOLDERS

## CORPORATE SOCIAL RESPONSIBILITY

Our community is important to us. In FY2025, our staff and management team stepped forward to serve at Krsna's Free Meals, a soup kitchen located in Little India and run by like-minded volunteers, which provides free breakfast, lunch and dinner daily, to prepare and pack meals for its beneficiaries.

## BUSINESS PROSPECTS

According to the Building and Construction Authority ("BCA"), overall construction demand is expected to remain steady at between S\$47 billion and S\$53 billion in 2026. The robust demand is driven by projects such as the development of Changi Airport Terminal 5 ("T5") and the expansion of the Marina Bay Sands Integrated Resort, alongside the New Tengah General and Community Hospital and the Downtown Line and Thomson-East Coast Line extensions. Over the medium-term, BCA expects the total annual construction demand to range between S\$39 billion and S\$46 billion from 2027 to 2030. This is expected to be supported by the Changi Airport T5 development, redevelopment of the National University Hospital at Kent Ridge, various junior colleges and the new Singapore University of Social Sciences city campus as well as public housing developments.

The existing order book for the Civil Engineering segment stands at about S\$390 million as at 31 December 2025. This mainly comprises the contracts for the Aviation Park and Serangoon North station projects. While the Group continues to grapple with rising cost pressures, we remain focused on disciplined execution of our existing projects and will strive to leverage our solid track record to bid judiciously for the upcoming infrastructure projects to bolster our order book.

The Group will continue to actively market the sale of the remaining units at Shine@TuasSouth and Ark@Gambas. We will also concurrently explore suitable joint venture opportunities to undertake new residential developments.

Looking ahead, the Ministry of Trade and Industry has projected Singapore's economic growth at 2.0% to 4.0% in 2026. This is expected to be supported by resilient global trade activity and robust demand from the ongoing artificial intelligence investment cycle. Nevertheless, renewed escalation in tariff actions or flare-ups in geopolitical tensions could have a profound impact on

global markets and dampen business sentiment. The Group continues to be vigilant and will remain agile to respond to the prevailing market conditions and deliver sustainable shareholder value.

## ACKNOWLEDGEMENT AND APPRECIATION

On 24 April 2025, we welcomed Dr. Wong Siew Moh, with his extensive experience in design and construction of infrastructure and building projects, as an Executive Director to our Board. Dr. Wong is currently the Chief Operating Officer of the Group and is responsible for business operations, with a focus on the construction arm.

Special mention goes to Mr Kee Guan Chua, the Head of our Contracts and Tenders Department, who retired in March 2026 after 43 years of service with the Group. The Board would like to appreciate Mr Kee for his significant contributions over the years. We wish him well in his future endeavours.

Finally, we would like to thank our Board members for their wise counsel to steer the Group through the challenging business environment. We would also like to commend our management and employees for their dedication and diligence during the year.

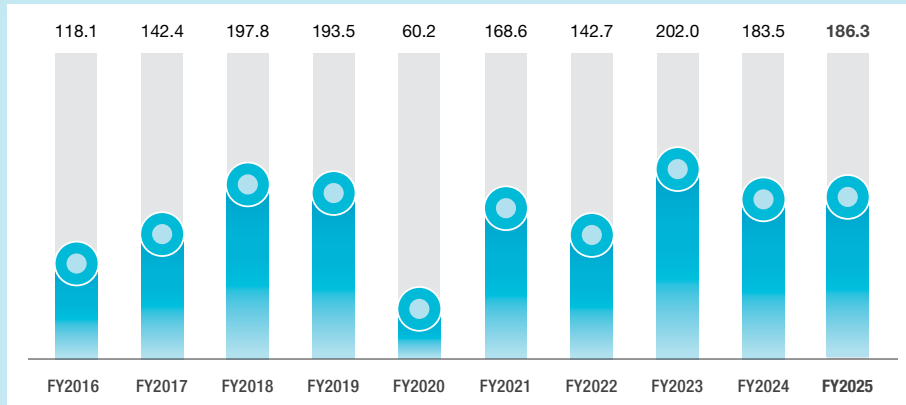
While the global economic outlook remains shrouded with uncertainty, we are confident that the Group's resilient balance sheet and prudent cash flow management will allow us to evaluate suitable investment opportunities and deliver responsible business growth. With our solid foundation, we believe that the Group is well positioned to navigate the evolving business landscape and deliver enduring value to our shareholders.

**Chua Leong Hai**  
*Executive Chairman*

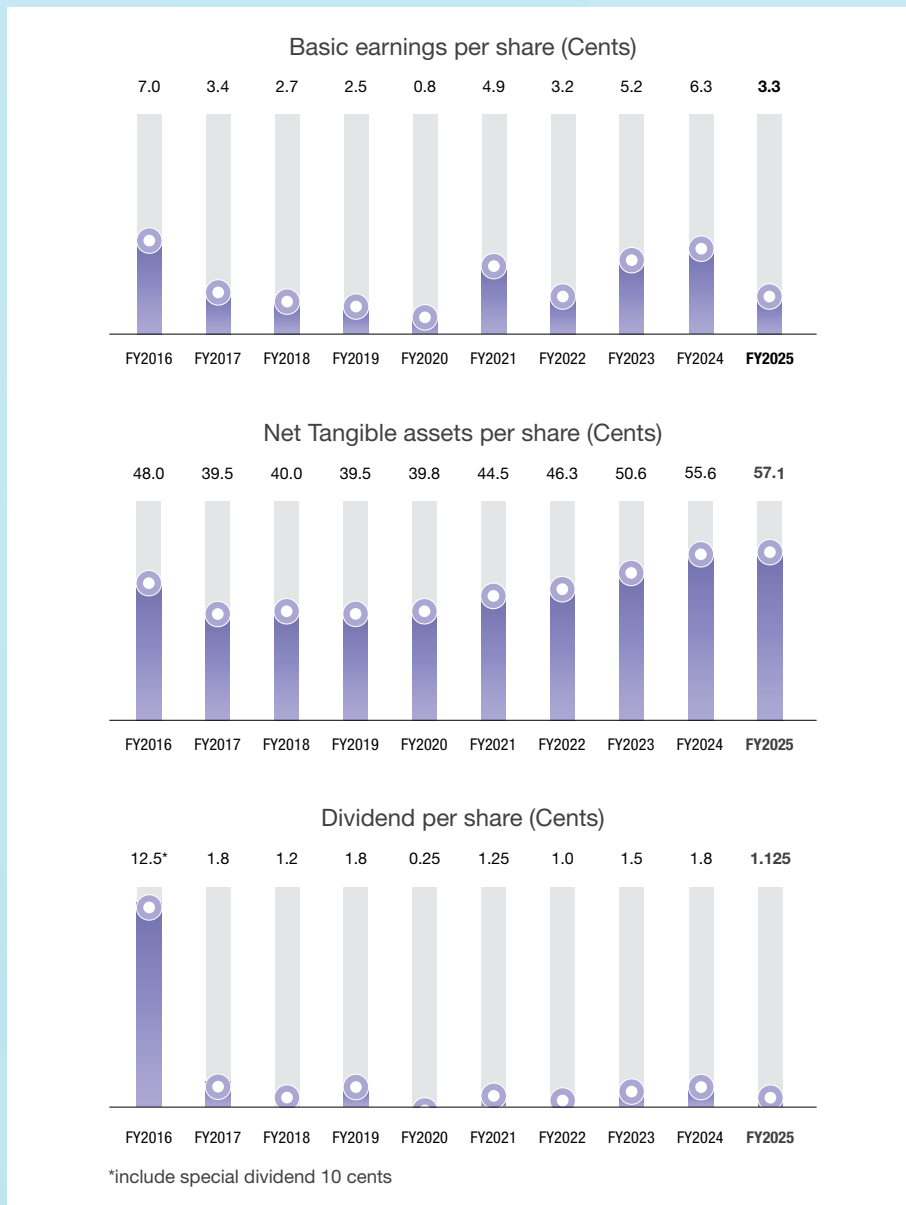
**Chua Siok Peng**  
*Executive Director and CEO*

# FINANCIAL HIGHLIGHTS

## REVENUE (Million)

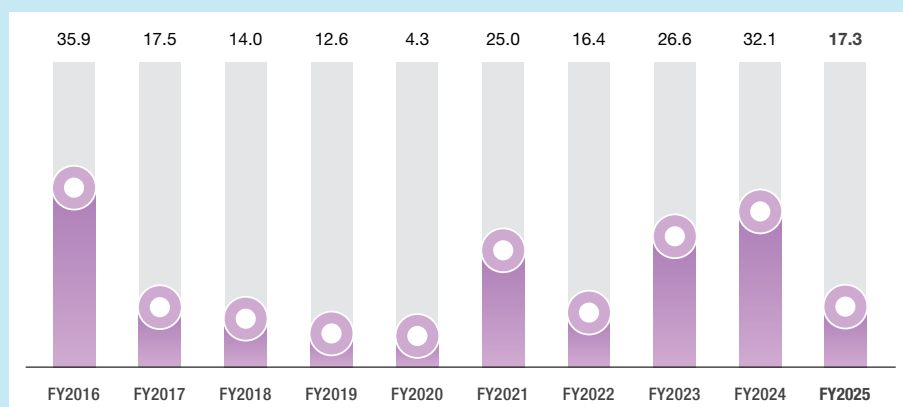


## PER SHARE DATA



# FINANCIAL HIGHLIGHTS

## NET PROFIT (Million)



## FINANCIAL POSITIONS

In million	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Current Assets	305.1	272.7	258.0	235.0	211.8	251.6	253.3	290.0	308.1	<b>351.5</b>
Non-current Assets	64.6	63.7	84.7	89.0	80.8	91.0	91.7	51.0	44.5	<b>47.8</b>
Current Liabilities	110.9	123.9	140.4	115.4	87.9	113.8	106.4	81.3	66.4	<b>60.0</b>
Non-Current Liabilities	15.5	15.1	0.1	2.9	1.0	1.1	1.5	0.6	1.7	<b>46.5</b>
Non-Controlling interests	-	-	-	-	0.1	-	-0.2	0.4	0.5	<b>0.7</b>
Equity Attributable to Shareholders	243.3	197.4	202.2	205.7	203.6	227.7	237.3	258.7	284.0	<b>292.2</b>

## CASH FLOW STATEMENT

In million	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Net cash generated from/ (used in) operating activities	5.6	-0.9	16.7	7.4	-17.3	6.7	51.0	-6.2	32.4	<b>-104.1</b>
Net cash generated from/ (used in) investing activities	56.3	-8.6	-41.9	-3.3	5.8	2.0	-3.4	34.3	2.0	<b>-1.4</b>
Net cash generated from/ (used in) financing activities	-12.8	-64.2	-12.8	-20.7	-6.2	-1.2	-6.4	-4.7	-7.7	<b>34.3</b>
Net increase/(decrease) in cash and cash equivalent	49.1	-73.9	-38.0	-16.6	-17.7	7.5	41.2	23.4	26.7	<b>-71.3</b>
Effect of exchange rate change on cash and cash equivalents	-	-0.2	0.3	0.3	-0.2	0.3	0.1	0.2	0.1	<b>0.0</b>
Cash and cash equivalent at beginning of year	156.9	206.0	132.1	94.4	77.6	59.7	67.5	108.8	132.5	<b>159.3</b>
Cash and cash equivalent at end of year	206.0	132.1	94.4	77.6	59.7	67.5	108.8	132.5	159.3	<b>88.0</b>

# OPERATIONS AND FINANCIAL REVIEW

## FY2025 compared with FY2024 Performance and segmental review

### Revenue

In \$' million	FY 2025	%	FY 2024	%
Civil Engineering	163.8	87.9	150.2	81.9
Property Development	22.3	12.0	33.1	18.0
Investment Properties	0.2	0.1	0.2	0.1
	<b>186.3</b>	<b>100.0</b>	183.5	100.0

For the financial year ended 31 December 2025 (FY2025), the Group recorded total revenue of \$186.3 million, a 1.5% increase from \$183.5 million in the corresponding period last year (FY2024).

The Civil Engineering segment remained the key revenue driver, contributing \$163.8 million or 87.9% of total revenue, up from \$150.2 million (81.9%) in FY2024 —mainly due to the higher construction activities for Serangoon North station project (CR113) and Aviation Park station project (CR103).

Revenue from Property Development segment declined to \$22.3 million (12.0%) in FY2025 from \$33.1 million (18.0%) in FY2024, as less units were sold at Shine@TuasSouth.

### Gross Profit

In \$' million	FY 2025	FY 2024
Civil Engineering	5.9	17.1
Property Development	9.3	13.2
Investment Properties	0.1	0.1
	<b>15.3</b>	30.4

The Group recorded a gross profit of \$15.3 million for FY2025, representing a 50% decline compared to \$30.4 million in FY2024.

The Civil Engineering segment recorded a significantly lower gross profit of \$5.9 million in FY2025, a decrease of \$11.2 million or 65% compared to FY2024. This decline was mainly due to continued elevated cost pressures on ongoing projects. In addition, the gross profit for FY2024 included significant cost savings recognised during the final account settlement of the CAG JV project.

The Property Development segment also saw a decline in gross profit, primarily due to reduced sales activity for FY2025.

### Other Income

Other income was \$11.1 million, a decrease of \$3.4 million (24%). This was mainly due to lower interest income, reduced rental income from unsold development units, and a lower gain on disposal of property, plant and equipment, partially offset by gains from the fair value of investment securities.

In \$' million	FY 2025	FY 2024
Interest income from bank	2.8	4.7
Interest income from investment securities	1.7	1.6
Dividend	0.1	0.1
Rental – Development properties	4.3	5.3
Government grants	0.4	0.6
Gain on fair value changes of investment property	-	0.1
Gain on disposal of property, plant and equipment	0.5	1.4
Gain on fair value changes of investment securities (FVTPL)	1.3	0.6
Gain on foreign currency exchange	-	0.1
	<b>11.1</b>	14.5

### Distribution and selling costs

Lower distribution cost was related to the sales of development properties

### Administration costs

Administration costs was marginally lower due to lower performance bonus offset by higher staff cost.

### Profit before tax and tax expenses

In summary, the lower FY2025 profit before tax was due to reduction in gross profit and lower other income.

### Financial position and cash flow review

Non-current assets was \$47.8 million, increased by \$3.3 million as compared to end of 2024, mainly due to acquisition of plant and equipment of \$1.5 million (net of depreciation and disposal) and long term investment securities of \$3.8 million, offset by lower investment in joint venture of \$1.7million and deferred tax asset \$0.4 million.

Net current asset increased by \$49.9 million, mainly due to the higher development properties of \$79.9 million with the new addition of an Industrial site at Pioneer Road, working capital for infrastructure projects of \$29.3 million (contract asset, liabilities, trade receivable and payable), utilisation of projects maintenance provision of \$1.7 million, higher investment securities of \$0.7 million and other receivable of \$7.3 million (mainly due to pending input GST claim for the industrial land acquisition), lower tax provision of \$2.3 million offset by lower cash balance of \$71.3 million.

Cash balances decreased by \$71.3 million, mainly due to operating cash outflows of \$104.1 million, dividend payments of \$9.2 million, and net cash outflows of \$1.4 million from investing activities (primarily for the purchase of plant and equipment and additions to investment securities, partially offset by dividend income from joint ventures). These were partially offset by loan proceeds of \$44.1 million drawn to finance the acquisition of the Pioneer Road site.

Operating cash outflow was mainly due to the acquisition of the industrial land parcel at Pioneer Road as well as higher contract assets, trade receivable and utilisation of projects maintenance provisions.

Investment securities (current and non-current) amount to \$43.8 million, increased by \$4.6 million. This is mainly due to the addition of bonds and credit linked note of \$5.8 million, gain in market value of \$1.9 million offset by the redemption of bond of \$3.1 million.

Shareholders equity was \$292.2 million, about \$8.2 million higher than 31 December 2024. This is mainly due to the current year net profit after tax of \$17.0 million and the fair value gain for investment securities recognised in comprehensive income of \$0.6 million offset by dividend payment of \$9.2 million and purchase of treasury shares of \$0.2 million in FY2025.

# PROJECT HIGHLIGHT



## Aviation Park Station Project

### CR103 - DESIGN AND CONSTRUCTION OF AVIATION PARK STATION AND TUNNELS

Contract CR103 comprises the design, construction and completion of Aviation Park Station and associated cut & cover (C&C) tunnels and ancillary works, which include reinstatement of roads within the Contract boundary.

Aviation Park Station is a three (3) level underground station located next to Changi Coast Road and Aviation Park Road. The station with one (1) entrance, is planned to provide accessibility to the Changi Airport Cargo Complex and the Changi Ferry Terminal. Aviation Park Station is the eastern terminus of the Cross Island Line.

Approximate Contract Value: **\$320.0 million**

Commencement: **November 2021**

Expected Completion: **December 2029**



Artist Impression - Concourse



Artist Impression - Linkway, Shelter & Pedestrian Overhead Bridge



Project Photo - Concourse Level (Jan 2026)



Project Photo - Roof Top with Temporary Struts

# BOARD OF DIRECTORS

## CHUA LEONG HAI EXECUTIVE CHAIRMAN

### Date of first appointment as Director

20 May 2009

### Date of last re-election as a director

24 April 2024

### Length of service as Director (as at 31 December 2025)

16 years 7 months

### Board committees served on

- Nominating Committee (Member)

### Academic & Professional Qualifications

Diploma in Management Studies from National Taiwan University (Graduate Institute of Business Administration in association with The National Productivity Board Singapore)

### Present Directorships in other listed companies (as at 31 December 2025)

Nil

### Past Directorships in listed companies held over the preceding 3 years

Nil

### Background and experience

Mr Chua is the founder of the Group and is instrumental in growing the company from a small construction outfit to one listed on Singapore's main board.

### Family relationship with existing director, executive officer or substantial shareholders of the Company or any of its principal subsidiaries

Mr Chua is a controlling shareholder of the Company, with direct interest of 38.28% in the total issued shares of the Company as at 31 December 2025.

Mr Chua is the father of Ms Chua Siok Peng, Chief Executive Officer and Executive Director of the Company.

Mr Chua is the uncle of Mr Chua Sher Kiong, an Executive Director of the Company

## CHUA SIOK PENG EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

### Date of first appointment as Director

15 December 2015

### Date of last re-election as a director

23 April 2025

### Length of service as Director (as at 31 December 2025)

10 years

### Board committees served on

Nil

### Academic & Professional Qualifications

Bachelor of Arts (Architecture) from National University of Singapore; Graduate Diploma in Architecture from The Bartlett School, University College London and Master of Business Administration from National University of Singapore

### Present Directorships in other listed companies (as at 31 December 2025)

Nil

### Past Directorships in listed companies held over the preceding 3 years

Nil

### Background and experience

Ms Chua is a UK registered professional architect with extensive work experience in both UK and Singapore. She joined the group in 2012 and heads the Property Development division. She was appointed as Chief Executive Officer of the Group in April 2024.

### Family relationship with existing director, executive officer or substantial shareholders of the Company or any of its principal subsidiaries

Ms Chua is a substantial shareholder of the Company, with direct interest of 5.12% in the total issued shares of the Company as at 31 December 2025.

Ms Chua is the daughter of Mr Chua Leong Hai, substantial shareholder and Executive Chairman of the Company.

Ms Chua is the cousin of Mr Chua Sher Kiong, Executive Director of the Company

# BOARD OF DIRECTORS

## HOON TAI MENG

NON-EXECUTIVE LEAD INDEPENDENT DIRECTOR

### Date of first appointment as Director

1 October 2018

### Date of last re-election as a director

23 April 2025

### Length of service as Director (as at 31 December 2025)

7 years 3 months

### Board committees served on

- Audit and Risk Management Committee (Chairman)
- Nominating Committee (Member)
- Remuneration Committee (Member)
- Board Safety Committee (Member)

### Academic & Professional Qualifications

Bachelor of Commerce (Accountancy) from Nanyang University; Bachelor of Laws (Hons) from University of London; Fellow Member of the Institute of Singapore Chartered Accountants, Fellow Member of the Chartered Institute of Management Accountants (United Kingdom), a Fellow Member of the Association of Chartered Certified Accountants (United Kingdom) and a Barrister-at-Law (Middle Temple, United Kingdom)

### Present Directorships in other listed companies (as at 31 December 2025)

Spindex Industries Limited, COSCO Shipping International (Singapore) Co., Ltd.

### Past Directorships in listed companies held over the preceding 3 years

Koufu Group Limited, Aedge Group Limited, Federal International (2000) Ltd.

### Background and experience

Mr Hoon is a Senior Consultant of RHTLaw Asia LLP. He was also formerly a partner with M/s KhattarWong from June 2007 to June 2011. Besides having around 18 years of experience in legal practice, he also has approximately 20 years of experience in financial planning and management, audit and tax functions

### Family relationship with existing director, executive officer or substantial shareholders of the Company or any of its principal subsidiaries

Nil

## DAVID TAN CHAO HSIUNG

NON-EXECUTIVE INDEPENDENT DIRECTOR

### Date of first appointment as Director

2 January 2024

### Date of last re-election as a director

24 April 2024

### Length of service as Director (as at 31 December 2025)

2 years

### Board committees served on

- Audit and Risk Management Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Chairman)
- Board Safety Committee (Member)

### Academic & Professional Qualifications

Master of Commerce (specialising in Finance) from University of New South Wales and Bachelor of Economics (Accounting) from Macquarie University; Fellow of Certified Practising Accountant ("CPA") Australia

### Present Directorships in other listed companies (as at 31 December 2025)

Powermatic Data Systems Limited, Mun Siong Engineering Limited, International Cement Group Ltd.

### Past Directorships in listed companies held over the preceding 3 years

Nil

### Background and experience

Mr Tan has over 20 years of senior management experience in the banking and finance industry and has held positions in both local and foreign financial institutions.

### Family relationship with existing director, executive officer or substantial shareholders of the Company or any of its principal subsidiaries

Nil

# BOARD OF DIRECTORS

## LIM BOK NGAM

NON-EXECUTIVE INDEPENDENT DIRECTOR

### Date of first appointment as Director

4 January 2021

### Date of last re-election as a director

25 April 2023

### Length of service as Director (as at 31 December 2025)

5 years

### Board committees served on

- Audit and Risk Management Committee (Member)
- Nominating Committee (Chairman)
- Remuneration Committee (Member)
- Board Safety Committee (Chairman)

### Academic & Professional Qualifications

Bachelor of Engineering (Civil (Hon) from University of Singapore; Master of Science (Construction Eng); Professional Engineer (Civil) Singapore

### Present Directorships in other listed companies (as at 31 December 2025)

Nil

### Past Directorships in listed companies held over the preceding 3 years

Nil

### Background and experience

Mr Lim has extensive experience in the field of infrastructure, building and civil engineering. He started his career in the area of design and progressed to construction and project management. During his career he has worked with Brown & Root, RDC (Resources Development Corporation), PWD (Public Works Department), LTA (Land Transport Authority) and MSI International (LTA consultant arm).

He was the DCE (Deputy Chief Executive) of LTA, overseeing the implementation of MRT/road projects and smooth running of the land transport system in Singapore.

Mr Lim is currently adviser for DTSS2, PUB Deep Sewer Tunnel Project. He is a member of Public Transport Council.

### Family relationship with existing director, executive officer or substantial shareholders of the Company or any of its principal subsidiaries

Nil

## WONG SIEW MOH

EXECUTIVE DIRECTOR

### Date of first appointment as Director

24 April 2025

### Date of last re-election as a director

-

### Length of service as Director (as at 31 December 2025)

8 Months

### Board committees served on

Nil

### Academic & Professional Qualifications

Doctorate Degree in Civil Engineering from Imperial College London, Master Degree in Civil Engineering from the Nanyang Technological University of Singapore and Bachelor Degree (First Class Honours) in Civil Engineering from University of Leeds, UK.; Professional Engineer (Civil) Singapore

### Present Directorships in other listed companies (as at 31 December 2025)

Nil

### Past Directorships in listed companies held over the preceding 3 years

Nil

### Background and experience

Dr Wong has extensive experience in design and construction of infrastructure and building projects, he joined our Group in September 2016 as Senior Technical Manager and involved in the Changi JV Project. He was appointed as Chief Operating Officer of the Group in April 2024. Dr Wong plays a key role in overall coordination of projects, tenders and technical reviews.

### Family relationship with existing director, executive officer or substantial shareholders of the Company or any of its principal subsidiaries

Nil

# BOARD OF DIRECTORS

## CHUA SHER KIONG

EXECUTIVE DIRECTOR

### Date of first appointment as Director

4 August 2023

### Date of last re-election as a director

24 April 2024

### Length of service as Director (as at 31 December 2025)

2 years 5 months

### Board committees served on

Nil

### Academic & Professional Qualifications

Diploma in Electrical Engineering from Ngee Ann Polytechnic,  
Specialist Diploma in Lean Construction from BCAA

### Present Directorships in other listed companies (as at 31 December 2025)

Nil

### Past Directorships in listed companies held over the preceding 3 years

Nil

### Background and experience

Mr Chua is the Senior Manager for Resource Coordination. He has been with our Group since 2015 and he is currently overseeing the warehouse operation, workers management, maintenance and allocation of company machineries and vehicles. He is also involved in procurement of machineries and recruitment of workers and operators.

### Family relationship with existing director, executive officer or substantial shareholders of the Company or any of its principal subsidiaries

Nephew of Mr Chua Leong Hai, substantial shareholder, Executive Chairman of the Company. Cousin of Ms Chua Siok Peng, substantial shareholder, Executive Director and Chief Executive Officer of the Company.

# EXECUTIVE OFFICERS

## CHUA SEY KOK

### Deputy Chief Executive Officer

Chua Sey Kok joined the Group as Technical Director in July 2014. Mr Chua plays a strategic role in planning/development of the infrastructure business and provide guidance and leadership to the construction and tendering team. Mr Chua was appointed as the Deputy Chief Executive Officer of the Group in April 2024.

He has more than 35 years of experience in the civil engineering and building industry, of which, he has over 17 years of experience in managing engineering teams in large scale infrastructure projects. He had worked in Singapore, China, Indonesia and Vietnam.

He holds a bachelor degree in Civil Engineering (Honours) and Master Degree in Science (Civil Engineering) from the National University of Singapore. He is also a registered professional engineer in civil engineering of the Singapore Professional Engineers Board.

## ONG HONG KIAT

### Project Director

Ong Hong Kiat joined our Group in Apr 2008. Since joining our Group, he has been involved in the Marina Bay Station Project, Gali Batu Depot Project, Maxwell MRT Project, Ark@Gambas Building Project, Shine@Tuas South Industrial Building Project and Stabling Yard Project for Gali Batu Depot and held senior position such as Project Manager and Project Director. He is responsible for the planning and execution of project, ensuring that the project is completed on time and within budget. He is currently the Project Director for the Aviation Park MRT Station Project.

He has acquired extensive experience in civil engineering and building projects. He holds a bachelor's degree in Civil Engineering (Honours Class 2 Upper Division) from the University of Malaya.

## FONG KAM WAI

### Project Director

Fong Kam Wai joined our Group since 1985. He was appointed as a Director for Hock Liam Seng Infrastructure Pte Ltd in 2012. He is responsible for the overall planning and coordination of projects, ensuring the projects are completed within the allocated budget and is in charge of schedule and quality standards.

Since joining our Group, he has been involve in many infrastructure projects such as the construction of overhead crane superstructure and foundation for New Container Terminal at Pasir Panjang, construction of aircraft parking aprons, associated taxiways for the extension of terminal 1, 2, 3 and 4 for Singapore Changi Airport, reclamation of sea and construction of viaduct at Marina Expressway.

He was the Project Director for the Changi JV Projects on the upgrading of Runway 2 and connection of new taxiways for future Terminal 5. He has extensive experience in the field of engineering and construction works. Mr Fong holds a Bachelor of Engineering from the National University of Singapore.

## LEE CHIN TIONG

### Project Director

Mr Lee joined the Changi joint venture project as Senior Project Manager in August 2016. Mr Lee has more than 40 years of experience in the planning, execution, delivery of large-scale infrastructure projects, including Mass Rapid Transit (MRT) system and Airport infrastructure works. He is currently the Project Director for the Serangoon North Station Project.

Mr Lee holds a Bachelor of Science in Construction Management from Royal Melbourne Institute of Technology Singapore.

## SHAM WENG HENG

### Senior Contract Manager

Sham Weng Heng joined the group as Senior Contracts Manager for the Changi Joint Venture Project in 2018. His is currently leading the Contract Department, supporting the operation in handling the contractual and commercial aspect to ensuring budget and timeline is met while strengthening the business relationship with the client and business affiliates.

He is experienced in contractual claims, dispute resolution, contract administration and budget control and had participated in large-scale Civil and Building projects both in Singapore and Overseas.

He holds a Bachelor of Science Degree in Building from National University of Singapore.

## ANG KWEE HONG

### Contract Manager

Ang Kwee Hong is our Contract Manager. She joined our Group as a quantity surveyor from 1991 to 2005 and was primarily responsible for tender works, negotiating pre-contracts and post-contracts and the administration of HLS Infrastructure. She was appointed as the Contract Manager of our Group in 2006. Ms Ang obtained a Technician Diploma in Building from the Singapore Polytechnic in 1982.

## CHONG LEE YIN

### Chief Financial Officer

Ms Chong joined our Group in 2008. She is responsible for the accounting, financial and tax-related matters of the Group. She has extensive experience in finance and accounting, including experience in the chemical and construction industries. She graduated from the National University of Singapore with a Bachelor of Accountancy and is a member of the Institute of Singapore Chartered Accountants.

# CORPORATE GOVERNANCE REPORT

The Board of Directors (“**Board**”) and the management (“**Management**”) of Hock Lian Seng Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) are committed to achieve good standard of corporate governance and business conduct to protect and enhance the shareholders interest, value and financial performance. The Board and Management are mindful of the tenets of good governance that include accountability, transparency and sustainability. The Company believes that embracing such efforts are more likely to engender investor confidence and achieving long-term sustainable business performance.

This report sets out the Company’s corporate governance structures and practices in respect of the financial year ended 31 December 2025 (“**FY2025**”) in relation to each of the principles and provisions of the Singapore Code of Corporate Governance 2018 (the “**Code**”) and where applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The Company seeks to comply with the best practices as outlined in the Code where applicable, feasible and practical to the Group. Any deviations from the Code are explained in this report.

## Board Matters

### *The Board’s Conduct of Affairs*

**Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

The Board’s primary role is to protect and enhance long-term shareholder value by establishing a framework of prudent and effective controls in managing risks. To fulfill this role, the Board is responsible for the overall corporate governance of the Group including setting its strategic direction, establishing goals for the Management and monitoring the achievement of these goals. As part of its responsibility in discharging its duty, the Board also performs the following roles:

- (a) reviewing the performance of Management by establishing Management’s goals and monitoring the achievement of those goals and ensure transparency and accountability;
- (b) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the group to meet its objectives;
- (c) approving major funding proposals, investment and divestment proposals of the Group;
- (d) establish a framework of prudent and effective controls which enable risks to be assessed and managed, including safeguarding of shareholders’ interests and the group’s assets;
- (e) identify the key stakeholder groups and recognise that their perceptions affect the group’s reputation;
- (f) setting the group’s values and standards (code of conduct and ethical standards) to uphold good corporate governance; and
- (g) ensuring that obligations to shareholders and other stakeholders are understood and met in order to achieve sustainability.

All Directors discharge their duties and responsibilities objectively as fiduciaries in the interest of the group. The Board puts in place a code of conduct and ethics, set desired organisational culture and ensure proper accountability within the Group. The Board has clear policies and procedures for dealing with conflict of interest. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

# CORPORATE GOVERNANCE REPORT

## *Board Orientation and Training*

All Directors have many years of corporate experience and are familiar with their duties and responsibilities as Directors. Upon appointment, each Director will receive a letter of appointment explaining his duties and obligations as a member of the Board. In addition, orientation briefings are arranged for newly appointed Directors to familiarise them with the business activities of the Group and its strategic directions, as well as their duties and responsibilities as Directors.

The Directors are provided with extensive background information about the Group's history, mission, values and business operations. The Board is also kept abreast regularly on new laws, regulations and commercial developments by the Management and its appointed professionals. The Chairman will make the necessary arrangements for the briefings, informal discussions or explanations required on key aspects to gain insight for better understanding of the Group's business and operations.

In addition, the Directors of the Company are encouraged to attend appropriate or relevant courses, conferences and seminars conducted by professional organisations. The Company may fund the appropriate training and development programmes for the Directors. Changes to regulations and accounting standards are monitored closely by the Management. The Board has received updates on changes in listing rules, regulatory requirements, corporate governance guidelines and best practices on a regular basis.

In line with the requirement of the Task Force on Climate-related Financial Disclosures, all the Directors have attended the required training on sustainability.

## *Matters Requiring Board Approval*

The Board's approval is required for decisions involving areas such as strategic plans, key operational initiatives, material acquisition and disposal of assets, capital-related matters including financial re-structure, capital market fund-raising, share issuances, interim and final dividends and any investment or expenditures exceeding set material limit.

While matters relating to the group's objectives, strategies and policies require Board's direction and approval, the Management is responsible for the day-to-day operation and administration of the group in accordance with the objectives, strategies and policies set by the Board.

## *Board Processes*

To assist the Board in the discharge of its responsibilities, the Board has established four Committees namely, the Audit and Risk Management Committee ("**ARMC**"), the Remuneration Committee ("**RC**"), the Nominating Committee ("**NC**") and the Board Safety Committee ("**BSC**"). These Committees function within clearly written terms of reference and operating procedures, compositions, authorities and duties, including reporting back to the Board, which are reviewed on a regular basis.

The schedule of all Board and Board Committee meetings for a calendar year is usually given to all Directors well in advance. Besides the scheduled quarterly Board meetings, the Board meets on an ad-hoc basis if warranted. Board meetings will be convened when they are deemed necessary, to review the Group's operations, conduct strategic review of the business affairs and address other specific significant matters that arise. The Company's Constitution provides for meetings of the Directors to be held by means of telephone conference or other methods of simultaneous communication via electronic or telegraphic means. The Board also approves transactions through circular resolutions which are circulated to the Board together with all relevant information to the proposed transaction.

The agenda for meetings is prepared in consultation with the Executive Chairman, Executive Directors and Chief Executive Officer ("**CEO**"). The agenda and documents are circulated in advance of the scheduled meetings.

# CORPORATE GOVERNANCE REPORT

The Board and Board Committee meetings held during the financial year (1 January 2025 to 31 December 2025) and the attendance of Directors at the meetings are set out as follows:

	Board	Audit and Risk Management Committee	Nominating Committee	Remuneration Committee	Board Safety Committee
<b>Number of Meetings Held</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>1</b>
			<b>Attendances</b>		
Chua Leong Hai	4	–	1	–	–
Chua Siok Peng	4	–	–	–	–
Kee Guan Chua*	1	–	–	–	–
Hoon Tai Meng	4	4	1	2	1
Lim Bok Ngam	4	4	1	2	1
Chua Sher Kiong	4	–	–	–	–
David Tan Chao Hsiung	4	4	1	2	1
Wong Siew Moh #	3	–	–	–	–

\* Kee Guan Chua retired as executive director on 23 April 2025.

# Wong Siew Moh appointed as executive director on 24 April 2025

## Directors' time commitment

Despite some of the Directors having multiple Board representations, the NC had reviewed the Directorship of the Directors and is satisfied that these Directors are able to ensure that sufficient time and attention are given to the affairs of the Company and have adequately carried out their duties as Directors of the Company after taking into consideration the number of listed company Board representations and other principal appointments of these Directors.

Currently, the NC and Board do not limit the maximum number of listed Board representations which any Director may hold as long as each of the Board members is able to commit his or her time and attention to the affairs of the group. The NC and Board believe that each individual director is best placed to determine and ensure that he or she is able to devote sufficient time and attention to discharge his or her duties and responsibilities as a Director of the Company, having regard to his or her other commitments.

## Access to Information

The Directors are provided with Board papers and related materials, background or explanatory information in advance of each Board Meeting to enable them to be properly informed of matters to be discussed and/or approved, as well as ongoing reports relating to operational and financial performance of the Group. Directors are also informed of any significant developments or events relating to the Group. In addition, the Directors are entitled to request from Management such additional information as needed to make informed decisions. Management ensures that any additional information requested for is provided to the Directors in a timely manner.

## The Company Secretary and Other Professional Advisers

Board members have separate and independent access to the Company Secretary at all times. The Company Secretary and her representatives will attend all meetings of the Board and Board Committees and assist in ensuring that relevant procedures are followed and reviewed such that the Board and Board Committees operate effectively. The decision to appoint or remove the Company Secretary is made by the Board as a whole.

Should Directors, whether as a group or individually, need independent professional advice to enable them to discharge their duties, the Company, subject to the approval of the Board, will appoint a professional advisor to render advice at the cost of the Company.

# CORPORATE GOVERNANCE REPORT

## ***Board Composition and Guidance***

### **Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

The Board currently comprises 7 Directors of whom 3 are Independent Directors. The Board assesses the independence of each Director in accordance with the guidance provided in the Code. The criteria for independence are based on the definition given in Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Manual of SGX-ST.

Provisions 2.2 and 2.3 of the Code provide that the Independent Directors are to make up a majority of the Board when the Chairman is not independent and the Non-Executive Directors are to make up a majority of the Board respectively. Although the current composition of the Board deviates from these provisions, the Board is of the view that there is an appropriate level of independence and diversity of thought and background in its composition to enable the Board to make decisions in the best interests of the Company. Furthermore, the decision-making process of the Board is based on collective deliberation, ensuring that no individual or groups of individuals can dominate the decision-making process. In particular, the Independent Directors chairing the ARMC, RC and NC have sufficient standing and authority to weigh in on any significant matter if the Chairman or CEO fails to resolve the matter. Beside this, the Lead Independent Director, who will provide leadership and serves as an additional point of contact in situations where the Executive Directors and Management may be conflicted. The NC considered the dynamics within the Board and the following matters in deliberating on independence and diversity, and the observation of Principle 2 of the Code.

Listing Rule 210(5)(c) requires the Board to have at least two non-executive Directors who are independent and free of any material business or financial connection with the Company. The Independent Directors of the Board do not exercise any management functions. The role of the Independent Directors is to constructively challenge and help Management develop strategies, considering the interests of the stakeholders. The Independent Directors review the performance of Management in meeting agreed goals and objectives and monitor financial performance. The Independent Directors bring to the Board independent and objective perspectives to enable balanced and well-considered decisions to be made.

Any potential conflict of interest is taken into consideration. When necessary, the Independent Directors will meet without the presence of Management.

The NC reviews annually whether a Director or potential candidate for the Board is considered an independent director having regard to the Code's definition of an "independent director" and guidance as to the relationships, the existence of which would deem a Director not to be independent (Principle 2). Under the Code, an independent director is one who is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers, that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. Under the SGX-ST Listing Manual, a Director will not be deemed independent if he is employed by the Company or its related corporations for the current or any of the past three financial years, or if he has an immediate family member who is employed or has been employed by the Company or its related corporations for the current or any of the past three financial years, and whose remuneration is determined by the Company's RC; or if he has been a director of the Company for an aggregate period of more than 9 years (whether before or after listing).

Based on the annual declarations of independence of the Directors, and having regard to the circumstances set forth in Provision 2.1 of the Code, Rule 210(5)(d) of the SGX-ST Listing Manual, the NC reports its assessment to the Board. The NC has reviewed and is satisfied as to the independence of all the Independent Directors.

The Board endeavours to achieve the balance and diversity necessary to maximise its effectiveness as part of its Board diversity policy. The NC reviews annually the size of the Board, balance and diversity of skills, knowledge and experience required by the Board. All Directors are professionals in their own fields. Together they bring to the Board multiple skill sets, relevant competencies and attributes to discharge the functions of the Board and Board Committees. The NC also aims to maintain a diversity of expertise, knowledge and experience in the fields of engineering, finance, law and business as attributes among the Directors.

The Board and the NC are satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs. The NC will continue to assess the Board composition from time to time and make appropriate recommendations to the Board. The NC is of the view that no individual or small group of individuals dominate the Board's decision-making.

# CORPORATE GOVERNANCE REPORT

## *Board Diversity*

The Board has adopted a Board Diversity Policy which sets out the framework for promoting diversity on the Board of the Company to improve performance. This diversity includes the range of skills, business and industry experience, gender, age, ethnicity, geographic background, length of service, and other distinctive qualities of the board members. The Company recognises that an effective board requires Directors to possess not only integrity, commitment, relevant experience, qualifications and skills in carrying out their duties effectively but also include diverse background towards promoting good corporate governance.

In the process of searching for qualified persons to serve on the Board, the NC shall strive for the inclusion of diverse groups and the final decision on selection of directors will be based on merit against the objective criteria set and after giving due regard for the benefits of diversity on the Board.

The Board comprises Directors who possess the core competencies, experience and knowledge in business, finance and management skills critical to the Group's business and each Director brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. The Directors, having reviewed the composition of the Board, are satisfied that the present size and composition of the Board is effective for decision making.

The NC has assessed the current level of diversity on the Board to be satisfactory, the Company generally does not set concrete timeline for achieving board diversity targets. Instead, the Company takes the approach that maintaining a satisfactory level of diversity as an ongoing process. The targets to achieve diversity on the Board are assessed from time to time, based on the composition of the Board and operations of the Group at the relevant time.

The key information regarding Directors such as academic and professional qualifications, board committees served, present and past Directorships or chairmanships held over the preceding three years in other listed companies and other major appointments, whether the appointment is executive or non-executive can be found under the "Board of Directors" section of the Annual Report.

Non-Executive and Independent Directors of the Board exercise no management functions but have equal responsibility for the performance of the Group, the role of the Non-Executive and Independent Directors are particularly important in ensuring that the strategies proposed by the Management are constructively challenged, taking into account the long-term interests, not only of the shareholders, but also of employees, customers, suppliers and the communities in which the Group conducts business. The Independent Directors help to develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting performance. When necessary, the Independent Directors will meet and discuss on the Group's affairs without the presence of the Management and feedback on issues discussed is thereafter provided to the Executive Chairman of the Board.

To-date, none of the Independent Directors of the Company has been appointed as Director of the Company's principal subsidiary, which is based in Singapore.

## ***Chairman and Chief Executive Officer ("CEO")***

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and the Management, and no one individual has unfettered powers of decision-making.**

The roles of the Chairman of the Board and the CEO are separate to ensure clear distinction of responsibilities, appropriate balance of power and increased accountability. Mr Chua Leong Hai serves as the Executive Chairman of the Group, whereas Ms Chua Siok Peng is the Executive Director and CEO of the Group. Ms Chua Siok Peng reports to the Board led by the Executive Chairman. Ms Chua Siok Peng is the daughter of Mr Chua Leong Hai.

The Group's Executive Chairman, Mr Chua Leong Hai, plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. In addition to setting of business strategies for the Group and the monitoring of the translation of the Board's decisions and directions into executive action, he is to ensure that each member of the Board and the Management works well together with integrity and competency. As the Executive Chairman, he, with the assistance of the Company Secretary, schedules Board meetings as and when required and prepares the agenda for Board meetings and to allow sufficient allocation of time for thorough discussion of each agenda item, in particular strategic issues. He also takes a leading role in ensuring the Group's drive to achieve and maintain a high standard of corporate governance with the full support of the Board, the Company Secretary and the Management.

# CORPORATE GOVERNANCE REPORT

As the Group's CEO, Ms Chua Siok Peng is jointly responsible for formulating business strategies and for driving the growth and development of the Group.

Provision 3.3 of the Code requires the Board to have a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. As the Group's Chairman and CEO are immediate family members, the Board has appointed Mr Hoon Tai Meng as Lead Independent Director ("**LID**") to lead and coordinate the meetings and activities of the Independent Directors. The LID is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or the Management are inappropriate or inadequate.

## Board Membership and Performance

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

As at the date of this report, the NC comprises the following members, the majority of whom are independent and non-executive Directors:

Mr Lim Bok Ngam	Chairman (Independent Director)
Mr Hoon Tai Meng	Member (Independent Director)
Mr David Tan Chao Hsiung	Member (Independent Director)
Mr Chua Leong Hai	Member (Executive Director)

The principal functions of the NC include:

- determining the process for search, nomination, selection and appointment of new board members and being responsible for assessing nominees or candidates for appointment or election (including alternate director, if any) to the Board, determining whether such nominee has the requisite qualifications and whether or not he/she is independent;
- determining, on an annual basis, if a Director is independent. If the NC determines that a Director, who has one or more of the relationships mentioned under the Code is in fact independent, the Company will disclose in full, the nature of the Director's relationship and bear responsibility for explaining why he should be considered independent. The NC may at its discretion determine a Director as non-independent even if he has no business or, other relationships with the Company, its related companies or its officers;
- recommending Directors who are retiring by rotation to be put forward for re-election, having regard to the Director's contribution and performance;
- reviewing of training and professional development programmes for the Board and its Directors;
- reviewing and deciding whether a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations and having regard to the competing time commitments that are faced by the Director when serving on multiple boards;
- assessing the effectiveness of the Board as a whole, its Board committees and assessing the effective contribution and commitment of each individual Director to the effectiveness of the Board. The results of the performance evaluation will be reviewed by the Chairman and the assessment shall be carried out annually;
- deciding how the Board's performance may be evaluated and propose objective performance criteria, subject to the approval of the Board, which allow for comparison with industry peers and which address how the Board has enhanced long-term shareholders' value; and
- reviewing and approving any new employment of related persons and the proposed terms of their employment.

# CORPORATE GOVERNANCE REPORT

The NC meets at least once a year and at other times as required. The Regulation 97 of the Constitution provides that at least one-third of the Directors shall retire from office and are subject to re-election at every Annual General Meeting (“AGM”). All Directors are required to retire from office at least once every three years. A newly appointed Director must also subject himself or herself for retirement and re-election at the next AGM immediately following his or her appointment in accordance to the Regulation 101 of the Constitution. The shareholders approve the re-election of Board members at the AGM.

## *Succession Planning*

The NC regards succession planning as an important part of corporate governance and has an internal process of succession planning for the Chairman, Directors, the CEO and senior Management, to ensure the progressive and orderly renewal of the Board and key executives.

## *Board Performance*

For FY2025, the NC evaluated the Board as a whole and its Board committees as well as the individual Directors. The areas for the Board and Board committees’ performance evaluation cover from Board Structure, Conduct of Meetings, Corporate Strategy and Planning and Risk Management to Internal Control. In evaluating the performance of the individual Directors, the NC considers, amongst others, the Directors’ attendance, contribution and participation at the Board and Board committee meetings. No external facilitator was engaged during the reporting financial year.

## *Appointment and Re-nomination of Directors*

When selecting new Directors, the NC takes into consideration the skills and experience required and the current composition of the Board, and strives to ensure that the Board has an appropriate balance of independent Directors as well as Directors with the right profile of expertise, skills, attributes and experience.

Currently, the Company does not have any alternate Director.

The NC has recommended to the Board that Mr Lim Bok Ngam, Mr Chua Sher Kiong and Dr Wong Siew Moh be nominated for re-election at the forthcoming AGM in accordance to Regulation 97 and 101 of the Constitution of the Company. In this regard, the NC having considered the directors’ overall contributions and performance as well as the attendance and participation of these Directors at the Board and Board Committee meetings, has recommended to the Board for their re-elections. The retiring Directors, Mr Lim Bok Ngam, Mr Chua Sher Kiong and Dr Wong Siew Moh being eligible, have offered themselves for re-election at the forthcoming AGM. The Board has concurred with the NC’s recommendation. The details of the Directors seeking for re-election are found on “Additional information on directors seeking re-election”.

Each member of the NC shall abstain from voting on any resolutions and making recommendations and/or participating in any deliberations of the NC in respect of the assessment of their respective performance, independence or re-nomination as a Director.

## **Remuneration Matters**

### **Procedures for Developing Remuneration Policies**

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No Director is involved in deciding his or her own remuneration.**

As at the date of this report, the RC comprises the following members, all of whom are independent non-executive Directors:

Mr David Tan Chao Hsiung	Chairman (Independent Director)
Mr Hoon Tai Meng	Member (Independent Director)
Mr Lim Bok Ngam	Member (Independent Director)

The principal responsibilities of the RC are set out in the terms of reference and its key functions include:

- reviewing and recommending to the Board, a framework of remuneration and to determine the specific remuneration packages and terms of employment for Directors, the CEO, senior management of the Group and employees related to Directors or controlling shareholders of the Group;
- reviewing the service contracts of the executive Directors.

# CORPORATE GOVERNANCE REPORT

The RC meets at least once a year and at other times as required. No Director is involved in deciding his or her own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

The RC's review covers all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses, share option scheme, share based incentives and awards and benefits-in-kind. The RC's recommendations are submitted for endorsement by the entire Board.

The RC members are knowledgeable in the field of executive compensation and have access to expert advice from external consultants, where necessary. No external expert advice was engaged by the Company in FY2025.

In setting out the remuneration packages, the RC would take into consideration pay and employment conditions within the industry and in comparable companies. The remuneration packages should consider the group's relative performance and the performance of the individual Directors and key management personnel.

The Directors' fees to be paid for any one (1) year are submitted for shareholders' approval at the AGM.

In reviewing the employment contracts of the executive Directors and key management personnel of the group, the RC will review the obligations arising in the event of termination of these employment contracts, to ensure that such employment contracts contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoids rewarding poor performance.

## **Level and Mix of Remuneration**

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

The objective of the Group's remuneration policy is to ensure that the level and structure of the remuneration are aligned with the long-term interests and risk policies of the Company, and that the remuneration is able to attract, retain and motivate the Board to provide good stewardship for the Company and Senior Management to successfully manage the Group.

Each of the non-executive directors receives a base director's fee. Directors who serve on the various Board Committees also receive additional fees in respect of each Board Committee that they serve on, with the Chairpersons of the Board Committees receiving a higher fee in respect of their service as Chairpersons of the respective Board Committees to reflect the expanded responsibilities.

The structure of the fees payable to the non-executive directors of the Company for FY2025 is as follows:

<b>Appointment</b>	<b>Per Annum</b>
<b>Board of Directors</b> – Base fee (non-executive director only)	\$30,000
<b>Audit &amp; Risk Management Committee</b> – ARMC Chairperson's fee – ARMC member's fee	\$18,000 \$9,000
<b>Nominating Committee</b> – NC Chairperson's fee – NC member's fee	\$8,000 \$5,000
<b>Remuneration Committee</b> – RC Chairperson's fee – RC Member's fee	\$8,000 \$5,000
<b>Board Safety Committee</b> – BSC Chairperson's fee – BSC Member's fee	\$8,000 \$5,000

# CORPORATE GOVERNANCE REPORT

The RC is mindful that the remuneration for non-executive directors should not be excessive so as not to compromise or reasonably be perceived to compromise their independence. No director is involved in deciding his/her own remuneration.

The Executive Directors do not receive Directors' fees. The remuneration packages of the Executive Directors and the key management personnel are governed by their respective employment contracts and comprise primarily a basic salary component and a variable component which is the bonuses and other benefits.

Currently, the Executive Chairman, CEO and Chief Operating Officer (“COO”) have service agreements with the Company. The agreement is for a fixed appointment period and not contain onerous removal/termination clauses. The variable bonuses are linked to the performance of the Group and individual performance. The Company had instituted contractual provisions in the service agreement to reclaim incentive components of remuneration paid in prior years in the event of any misstatement of prior years' financial statements. The period the Company can reclaim the performance bonus shall be limited to the last three financial years.

## Disclosure of Remuneration

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

Remuneration paid or accrued to directors for FY2025

Director	Fixed component <sup>1</sup> (\$)	Variable component <sup>2</sup> (\$)	Directors' Fees (\$)	Total remuneration
Chua Leong Hai	504,660	263,490	–	768,150
Chua Siok Peng	269,896	229,544	–	499,440
Chua Sher Kiong	183,003	39,369	–	222,372
David Tan Chao Hsiung	–	–	57,000	57,000
Hoon Tai Meng	–	–	63,000	63,000
Lim Bok Ngam	–	–	60,000	60,000
Wong Siew Moh	223,096	193,244	–	416,340

### Notes:

1. Fixed component refers to base salary earned, allowances, benefits in kind and employer CPF.
2. Variable component refers to variable bonus, performance bonus and employer CPF.

The Company is transparent on its remuneration policies, which has been disclosed not only as part of compliance with Principle 8 but also in respect of Principle 7 of the Code. In particular, the Company has elaborated on the remuneration policy governing the remuneration of the Executive Director and the factors taken into account for the remuneration of the Independent Directors. The Company has decided not to disclose information on the remuneration of the key management personnel (“KMP”) in dollars terms due to confidentiality and prevention of upward pressure on remuneration due to market competition. The Company is of the view that the disclosure of the indicative range of KMP's remuneration provides a reasonable amount of information on the Company's remuneration framework to enable the shareholders to understand the link between the Company's performance and the remuneration of the KMP.

The RC has reviewed and approved the remuneration packages of the Executive Directors and KMP, having regard to their contributions as well as the financial performance and commercial needs of the Group and has ensured that the Executive Directors and KMP are adequately but not excessively remunerated.

# CORPORATE GOVERNANCE REPORT

Remuneration paid or accrued to the top five key executives (who are not Directors nor the CEO) for FY2025 is as follows:

## Remuneration of the KMP

Key Executives	Fixed component <sup>1</sup> %	Variable component <sup>2</sup> %	Total Compensation %
<b>\$250,000 to \$500,000</b>			
First Executive	84	16	100
Second Executive	89	11	100
Third Executive	83	17	100
Fourth Executive	86	14	100
Fifth Executive	83	17	100

### Notes:

- Fixed component refers to base salary earned, allowances, benefits in kind and employer CPF
- Variable component refers to variable bonus, performance shares and employer CPF

Due to the highly competitive industry conditions coupled with the confidentiality and sensitivity of remuneration matters, the names of these KMP are not disclosed.

The aggregate of the total remuneration paid to the above KMP for FY2025 was S\$1,366,000.

Save as disclosed above, no employee of the Group, whose remuneration exceeded S\$100,000 during FY2025, was a substantial shareholder, or an immediate family member of a Director or the CEO or a substantial shareholder of the Company.

For FY2025, there were no termination, retirement and post-employment benefits granted to Directors, the CEO and the top KMP (who are not Directors or the CEO).

## Accountability and Audit

### Risk Management and Internal Controls

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

The Board has overall responsibility for the governance of the Group's risk management and internal controls. The Board and Management of the group are fully committed to maintaining sound risk management and internal control systems to safeguard shareholders' interests and the Group's assets. The Board determines the group's levels of risk tolerance and risk policies, and oversees Management in the design, implementation and monitoring of the risk management and internal control systems. The ARMC monitors and assists the Board in determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

For FY2025, the Board has received assurances from Mr Chua Leong Hai (Executive Chairman) and Ms Chong Lee Yin (Chief Financial Officer) that:

- the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

In addition, the Executive Chairman and the KMP have also given assurance to the Board that:

- the Group's risk management and internal control systems are adequate and effective in addressing the financial, operational, compliance and information technology risks.

# CORPORATE GOVERNANCE REPORT

## **Audit and Risk Management Committee**

### **Principle 10: The Board has an Audit Committee which discharges its duties objectively.**

As at the date of this report, the ARMC comprise the following members, all of whom are independent non-executive Directors:

Mr Hoon Tai Meng	Chairman (Independent Director)
Mr Lim Bok Ngam	Member (Independent Director)
Mr David Tan Chao Hsiung	Member (Independent Director)

The Board has reviewed and is satisfied that the members of the ARMC are appropriately qualified and have relevant accounting and related financial management expertise or experience. None of the members of the ARMC is a former partner of the Group's external auditors, Ernst & Young LLP, and none of the members of the ARMC has any financial interest in the Group's external auditors, Ernst & Young LLP.

The functions of the ARMC include the following:

- reviewing the significant financial reporting issues and judgments to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance before submission to the Board;
- review with the external auditors the audit plan, audit report, management letter and the Management's corresponding response;
- review with independent internal auditors the internal audit plan and their evaluation of the adequacy of the internal controls of the Company;
- review the internal controls (including financial controls, operational and compliance controls and risk management policies and systems established by the Management) and procedures and ensure co-ordination between the external auditors and the Management, reviewing the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from the audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary);
- consider and recommend the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors, review the independence and objectivity of the external auditors annually;
- review transactions falling within the scope of Chapter 9 and Chapter 10 of the SGX-ST (if any);
- review arrangements by which the employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting and ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Company's operating results and/or financial position; and
- determine the Company's levels of risk tolerance and risk policies, and oversee Management in the design, implementation and monitoring of the risk management and internal control systems.

# CORPORATE GOVERNANCE REPORT

## *Financial Performance and Reporting*

The Management will provide the members of the Board with management reports regularly. Such shareholders reports will keep the Board updated as well as enable the members to have a balanced and objective assessment of the Group's performance, position and prospects. The Management will also assist the Board in providing the shareholders with a balanced and understandable assessment of the Group's performance, financial position and prospects via the issuance of the Company's annual reports and half and full year announcements of its financial results and disclosure of other relevant information on the Group.

All the Directors and executive officers of the Company have signed the undertaking letters pursuant to the Rule 720(1) of the Listing Manual of SGX-ST.

The Board is updated with significant events that have occurred or material to the Group during the year. The Management provides the Board with financial updates on the performance and position of the Group to keep Board members informed and updated quarterly in order that it may effectively discharge their duties.

## *Risk Management*

The Management regularly reviews its Group's business and operational activities and to identify areas of significant business risk as well as take appropriate measures to manage and mitigate these risks.

The ARMC reviews and guides Management in the formulation of risk policies and processes to identify, evaluate and manage significant risks. The Management reports to the ARMC on control policies and procedures and highlights all significant matters to the ARMC on a regular basis. Risks arising from the Group's financial operations are separately disclosed in the audited financial statements of this Annual Report.

The Board Safety Committee ("**BSC**") was established in 2012 to oversee and monitor the establishment and maintenance of the safety practices and policies of the Group.

The BSC comprises the following members, all of whom are independent non-executive Directors:

Mr Lim Bok Ngam	Chairman (Independent Director)
Mr Hoon Tai Meng	Member (Independent Director)
Mr David Tan Chao Hsiung	Member (Independent Director)

The BSC is supported by the Management and safety officer of the Group. BSC reviews the safety reports and ensure adequate budget is allocated for safety training.

## *Internal Controls*

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The ARMC is responsible for ensuring that a review of the adequacy of the Company's internal financial controls, operational and compliance controls, as well as risk management policies and systems established by the Management is conducted at least annually.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by the Management, ARMC and the Board, the Board with the concurrence of the ARMC is of the opinion that the systems of the internal controls is adequate and effective in addressing the financial, operational, compliance risks, information technology controls and risk management system for FY2025.

Annually, the ARMC meets with the external auditors and the internal auditors, without the presence of the Company's Management. ARMC members keep abreast of changes to accounting standards and important accounting issues with continuing education. In addition, the external auditors update the ARMC on the changes to accounting standards and issues which have a direct impact on financial statements to the Company.

# CORPORATE GOVERNANCE REPORT

## *External audit*

The ARMC assesses the external auditors, and recommends its appointment, re-appointment and removal to the Board. The assessment is based on factors such as the performance and quality of its audit, the cost effectiveness and the independence and objectivity of the external auditors. The Board confirmed that in appointing the auditing firms for the Company, subsidiaries and significant associated companies, the Group has complied with Rules 712 and 715 of the Listing Manual issued by SGX-ST in relation to its auditors.

The ARMC has undertaken a review of all non-audit services provided by the external auditors during the financial year, and in the ARMC's opinion, the provision of these services does not impair the independence of the external auditors. The ARMC had recommended to the Board the re-appointment of Messrs Ernst & Young LLP as the external auditors of the Company at the forthcoming AGM.

The fees payable to auditors is separately disclosed in the audited financial statements in this Annual Report.

The ARMC discussed the key audit matters for FY2025 with Management and the external auditors. The ARMC concurs with the basis and conclusions included in the auditor's report with respect to key audit matters. For more information on the key audit matters, please refer to pages 32 to 34 of this Annual Report.

## *Internal audit*

The Board recognises the importance of maintaining internal audit function to provide independent assurance over the soundness of the system of internal controls within the Group to safeguard shareholders' investments and the group's assets. The ARMC has the responsibility to review the adequacy of the internal audit function annually, review the internal audit program and ensure co-ordination between internal auditors, external auditors and Management, and ensure that the internal auditors meet or exceed the standards set by nationally or internationally recognised professional bodies. The ARMC also reviews and approves the hiring, removal and evaluation of its outsourced internal auditors.

The Group has outsourced its internal audit function to BDO Advisory Pte. Ltd. The Internal Auditor has adopted the Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The Internal Auditors primarily reported to the ARMC Chairman.

The Internal Auditor plans its audit schedules in consultation with the Management and its plans are submitted to the ARMC for approval. The ARMC reviews and approves the internal audit plans and resources annually. Based on their review, the ARMC believes that the Internal Auditor is independent, adequately resourced and has the appropriate standing to perform its functions effectively. Based on the information provided to the ARMC, nothing has come to the ARMC's attention to cause the ARMC to believe that the internal control system is inadequate.

## *Whistle-Blowing policy*

The Group has designated and implemented a whistle-blowing policy. The Whistle-Blowing Policy provides an independent feedback channel through which matters of concern about possible improprieties in matters of financial reporting, suspected fraud and corruption or other matters may be raised by employees and any other persons in confidence and in good faith, without fear of reprisal. Whistle-Blowers may report any matters of concern by mail, email, or calls, details of which are provided in the Whistle-Blowing Policy, which is available on the Company's website. The identity of the whistleblower is kept confidential. For employees, the Whistle-Blowing Policy provides assurance that employees will be treated fairly, and protected from reprisals or victimisation for whistle-blowing in good faith. The improprieties that are reportable under the Whistle-Blowing Policy include: (a) financial or professional misconduct; (b) improper conduct, dishonest, fraudulent or unethical behaviour; (c) any irregularity or non-compliance with laws/regulations or the Manager's policies and procedures, and/or internal controls; (d) violence at the workplace, or any conduct that may threaten health and safety; (e) corruption or bribery; (f) conflicts of interest; and (g) any other improprieties or matters that may adversely affect shareholders' interests in, and assets of, the Company as well as the Company's reputation. The Whistle-Blowing Policy is disseminated to all staff annually. All whistle-blowing complaints are safely raised and are independently investigated and if appropriate, an independent investigation committee will be constituted. Following the investigations, appropriate action will be taken. The outcome of each investigation and any action taken is reported to the ARMC. The ARMC reviews and ensures that independent investigations and any appropriate follow-up actions are carried out.

There was no reported incident pertaining to whistle-blowing during FY2025 and until the date of this Annual Report.

# CORPORATE GOVERNANCE REPORT

## *Codes of Conduct and Practices*

The Company's Code of conduct and practices covering principles and desired behaviours that support the commitment to honest and ethical business conduct are posted on the Company's website.

## **Shareholder Rights and Engagement**

### **Shareholder Rights and Conduct of General Meetings/Engagement with Stakeholders**

**Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

**Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

## *Shareholders and communication*

The Company treats all shareholders fairly and equitably to enable them to exercise their rights and to communicate their views on matters affecting the Company.

The Company recognises the need to communicate with shareholders on all material matters affecting the Group and does not practise selective disclosure. The Company's investor relationship policy is to ensure fair, transparent and ethical business dealings with all stakeholders. Financial results and other material information are communicated to shareholders on equal and timely basis through SGXNet.

The Company also communicates through its corporate website at <http://www.hlsgroup.com.sg> which provides shareholders with corporate announcements, press releases, annual reports and profile of the Group.

## *General Meetings*

The Company encourages Shareholders' participation at the Company's AGM. The Company strives to hold general meetings at venues which are accessible to shareholders. At general meetings, shareholders will be given the opportunity to voice their views and direct their questions to the Board regarding the Company. Shareholders are reminded to refer to the Notice of AGM for further details.

Notice of AGM and proxy form are dispatched to shareholders within the notice period as prescribed by the relevant regulations. The Company's Annual Report, Circular, Notice of AGM and proxy form are uploaded on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and are also available on the Company's website at the URL <http://www.hlsgroup.com.sg/>.

## *Separate resolutions at AGM*

The Company ensures that sufficient explanations of all resolutions are included in the notice of general meeting. Separate resolutions on each distinct issue are tabled at general meeting. "Bundling" of resolutions are kept to a minimum and executed only where the resolutions are interdependent as to form one significant proposal and only where there are reasons and material implications involved.

All resolutions proposed at general meetings shall be put to vote by way of a poll. All votes cast, for or against, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNet after the general meetings.

# CORPORATE GOVERNANCE REPORT

## *Attendance at AGM*

All the Directors attend all general meetings of the Company and the external auditors will also be present in addressing queries raised by shareholders relating to the conduct of the audit and the preparation of the content of the auditors' report. All the Directors and external auditors were present at AGM held in 2025.

## *Absentia Voting at AGM*

As authentication of shareholder identity information and other related security issues remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, facsimile or email.

## *Minutes of AGM*

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. Pursuant to Practice Note 7.5 of the Listing Manual of the SGX-ST, the minutes of AGM will be published within one month after the AGM on SGXNet and the Company's website.

## *Dividend Policy*

The Company is committed to enhancing value for its shareholders and strives to achieve a capital structure that balances the returns to shareholders with the Company's capital needs for investment and growth.

The dividend that the Board may recommend in respect of each financial year is subject to various factors such as the level of available cash, financial performance and projected capital expenditures and investment plans. Over the past five years, annual dividends paid out by the Group (excluding special dividends) was about 30% of the Group's net profit after tax. Subject to the shareholders' approval, the Company pays the final dividend(s) to all its shareholders within 30 days after the AGM.

## *Stakeholder Engagement*

The Board adopts an inclusive approach by considering and balancing the needs and the interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Group are served.

The Company maintains a current corporate website, [www.hlsigroup.com.sg](http://www.hlsigroup.com.sg), to communicate and engage with stakeholders.

The sustainability report sets out the Group's strategy and key areas of focus in managing stakeholder relationships.

## **Dealings in Securities**

The Company has adopted an internal code on dealings in securities to govern dealings in its shares by the Directors and the employees of the Group. This internal code is made in compliance with Rule 1207(19) of the Listing Manual of the SGX-ST relating to dealings in securities and has been disseminated to the Directors and the employees of the Group informing them of the implications on insider trading.

The internal code prohibits the dealing in securities of the Company by Directors and employees while in possession of price-sensitive information, and during the period commencing one month in the case of the announcements of the half and full year financial results and ending on the date of the announcements. Directors are required to report securities dealings to the Company and the necessary announcements are made as required. In addition, Directors and employees are reminded to always observe insider trading rules and not to deal with the Company's securities on short-term considerations.

## **Material Contracts**

Saved as disclosed in the financial statements, there were no material contracts entered into by the Company or its subsidiary companies, involving the interests of any Director or controlling shareholder subsisting at the end of the FY2025.

# CORPORATE GOVERNANCE REPORT

## Interested Person Transactions

The Company has established procedures to ensure that transactions with interested persons are properly reviewed and approved and are conducted at arm's length basis.

The Company will seek a general mandate from its shareholders, if necessary for those recurrent transactions of revenue or trading nature or those necessary for its day-to-day operations.

During the year, there were no interested person transactions in value of S\$100,000 or above that had been entered into with a firm in which a Director is a member and has a substantial financial interest.

The Company does not have a general shareholders' mandate for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual.

## Sustainability Report

The Sustainability report for FY2025 of the Company is released via SGXNet concurrently with the Annual Report, a copy will be made available on the Company's website at [www.hlsgroup.com.sg](http://www.hlsgroup.com.sg).

# DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Hock Lian Seng Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheets and statement of changes in equity of the Company for the financial year ended 31 December 2025.

## 1. Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheets and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. Directors

The directors of the Company in office at the date of this statement are:

Chua Leong Hai @ Chua Leang Hai  
 Chua Siok Peng  
 Wong Siew Moh (Appointed on 24 April 2025)  
 Chua Sher Kiong  
 Hoon Tai Meng  
 Lim Bok Ngam  
 David Tan Chao Hsiung

## 3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

## 4. Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest	
	At the beginning of financial year	At the end of financial year
<b>Hock Lian Seng Holdings Limited</b>		
<b>Ordinary shares</b>		
Chua Leong Hai @ Chua Leang Hai	195,221,647	195,221,647
Chua Siok Peng	26,119,265	26,119,265
Chua Sher Kiong	279,000	279,000

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2026.

# DIRECTORS' STATEMENT

## 4. Directors' interests in shares and debentures (cont'd)

By virtue of Section 7 of the Singapore Companies Act 1967, Chua Leong Hai @ Chua Leang Hai is deemed to have interests in the shares held by the Company in its subsidiaries.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, date of appointment if later, or at the end of the financial year.

## 5. Share options

No share options have been granted by the Company since its incorporation.

## 6. Audit and Risk Management Committee

As at the date of this statement, the Audit and Risk Management Committee ("ARMC") comprises the following three Independent Directors:

Hoon Tai Meng (Chairman)  
Lim Bok Ngam  
David Tan Chao Hsiung

The ARMC performed its functions in accordance with section 201B (5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group's and the Company's management to the external and internal auditors;
- Reviewed the quarterly and annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- Reviewed the effectiveness of the Group's and the Company's material internal controls, including financial, operational, compliance, information technology controls and risk management systems via reviews carried out by the internal auditor;
- Met with the external auditor, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARMC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness, independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- Reported actions and minutes of the ARMC to the board of directors with such recommendations as the ARMC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's ("SGX-ST's") Listing Manual.

The ARMC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The ARMC has also conducted a review of interested person transactions.

# DIRECTORS' STATEMENT

## 6. Audit and Risk Management Committee (cont'd)

The ARMC convened four meetings during the year. The ARMC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the ARMC are disclosed in the Report on Corporate Governance.

## 7. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

**Chua Leong Hai @ Chua Leang Hai**  
Director

**Wong Siew Moh**  
Director

Singapore  
31 March 2026

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2025

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Hock Lian Seng Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2025, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

#### ***Revenue recognition from civil engineering construction projects***

The Group recognised revenue for civil engineering construction projects over time by reference to the stage of completion of the contract activity at the end of each reporting period. The stage of completion is measured by reference to the proportion of contract cost incurred to date to the estimated total contract costs ("input method"). The accounting for such civil engineering construction projects is complex due to high level of estimation uncertainty in determining the costs to complete. This uncertainty is due to the nature of the operations, which may be impacted by the technical complexity of projects and the precision of cost estimation as at balance sheet date. In addition, the current volatility in market and economics condition heightened the level of estimation uncertainty and subjectivity in determining the cost to complete and contract variation. The uncertainty and subjectivity could result in estimation variances which will affect the determination of revenue, and hence may have a significant impact on the results of the Group.

Accordingly, revenue recognition from civil engineering construction projects is identified as a key audit matter.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2025

## Key Audit Matters (cont'd)

### ***Revenue recognition from civil engineering construction projects (cont'd)***

As part of our audit among other procedures, we:

- Reviewed terms and conditions of contracts with customers and suppliers, the contractual sums and checked project revenues and costs incurred against underlying supporting documents.
- Perused customers and subcontractor correspondences and discussed the progress of the projects with project managers for indications of any potential disputes, variation order claims, known technical issues or significant events that could impact the estimated costs or revenue.
- Analysed changes in estimates of costs from prior periods and assessed the consistency of these changes with progress of the projects during the year.
- Examined approved project cost budgets and reviewed management's estimates for total contract costs and forecasted cost to complete, considering the historical accuracy of such estimates and adjustments required arising from the volatility in market and economics condition.
- Reviewed the projects' completion percentages in light of costs incurred.
- Assessed the adequacy of the Group's disclosures made in Note 4 to the financial statements.

### ***Provision for maintenance and warranties for civil engineering construction projects***

The Group assessed the provision for maintenance and warranties for civil engineering construction projects based on the estimated rectification costs to be incurred for the projects during the defect liability and warranty periods. The costs are estimated based on historical claim experiences and takes into consideration factors specific to each project such as the duration of the warranty period, extent of the affected areas to be repaired, and expected costs to be incurred. Given its magnitude and the significant judgement and estimate involved in management's assessment, the provision for maintenance and warranties is identified as a key audit matter in our audit.

During our audit, among other procedures, we:

- Assessed the reasonableness of the provision for maintenance and warranties by comparing with the average historical claim rates of the respective projects, where available, or of other similar projects, and discussing the basis of the provisions with the project teams in respect of anticipated rectification works.
- Tested the key estimates against contracts with subcontractors and suppliers' invoices, as well as materials and labour costs estimates prepared by the project teams and recomputed management's calculation of the provision for warranty costs.
- Tested management's provision computation against the contract's terms and conditions on a sample basis, perused customers and subcontractor correspondences, reviewed Board's minutes, project budget and files for significant contracts entered into during the year.
- Assessed the adequacy of the Group's disclosures relating to provision for maintenance and warranties which is included in Note 25 to the financial statements.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2025

## Key Audit Matters (cont'd)

### *Carrying value of development properties*

As at 31 December 2025, the Group's development properties held-for-sale amounted to S\$130,894,000 which represented 33% of the Group's total assets at that date. These properties are stated at the lower of cost and net realisable value ("NRV"). The determination of the NRV of these properties requires estimations, including expected future selling prices and costs necessary to complete the sale of these properties, and is assessed by management with reference to the independent valuations carried out by the external property valuers or based on latest sale transactions. The assessment is based on the relevant market conditions prevailing at the reporting date, which may be subject to significant changes after the reporting period. Accordingly, we have identified this to be a key audit matter.

As part of our audit, we:

- Reviewed management's impairment assessment and/or the external valuation reports from the external professional valuers for remaining unsold units of development properties.
- Evaluated the objectivity, competence and capabilities of the external professional valuers.
- Held discussions with the external professional valuers to understand and evaluate the appropriateness of the valuation methodologies, key assumptions used in the valuation and their scope of work in response to the heightened level of estimation uncertainty.
- Reviewed the actual transacted prices of the development properties recorded by the group during the financial year and subsequent to year end to assess the net realisable value of the development properties.
- Considered the adequacy of the Group's disclosures relating to development properties which is included in Note 16 to the financial statements.

## Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2025

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2025

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ang Chuen Beng.

Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore

31 March 2026

# CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2025

	Note	Group	
		2025 S\$'000	2024 S\$'000
<b>Revenue</b>	4	<b>186,259</b>	183,456
Cost of sales		<b>(171,008)</b>	(153,089)
<b>Gross profit</b>		<b>15,251</b>	30,367
Other income	5	<b>11,084</b>	14,532
Distribution and selling costs		<b>(785)</b>	(1,057)
Administrative costs		<b>(5,203)</b>	(5,251)
Finance costs		<b>(40)</b>	(6)
Other operating costs		<b>(783)</b>	(988)
Share of results of joint ventures		<b>371</b>	61
<b>Profit before taxation</b>	6	<b>19,895</b>	37,658
Income tax expense	7	<b>(2,632)</b>	(5,590)
<b>Profit for the year</b>		<b>17,263</b>	32,068
<b>Profit attributable to:</b>			
Equity holders of the Company		<b>17,010</b>	31,987
Non-controlling interests		<b>253</b>	81
		<b>17,263</b>	32,068
<b>Earnings per share (cents)</b>			
Basic	8	<b>3.32</b>	6.25
Diluted	8	<b>3.32</b>	6.25

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

	Group	
	2025 S\$'000	2024 S\$'000
<b>Profit for the year</b>	17,263	32,068
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Gain on fair value changes of financial assets at fair value through other comprehensive income	582	1,002
<b>Other comprehensive income for the year, net of tax</b>	582	1,002
<b>Total comprehensive income for the year</b>	<b>17,845</b>	<b>33,070</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	17,592	32,989
Non-controlling interests	253	81
	<b>17,845</b>	<b>33,070</b>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

## BALANCE SHEETS

As at 31 December 2025

	Note	Group		Company	
		2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	9	21,012	19,514	-	-
Investment properties	10	3,340	3,300	-	-
Investment in joint venture	11	2,098	3,752	-	-
Investments in subsidiaries	13	-	-	39,294	38,294
Investment securities	14	20,442	16,610	-	-
Deferred tax assets	15	918	1,310	-	-
		<b>47,810</b>	<b>44,486</b>	<b>39,294</b>	<b>38,294</b>
<b>Current assets</b>					
Contract assets	4	88,701	63,327	-	-
Development properties	16	130,894	51,002	-	-
Trade receivables	17	10,564	9,401	-	-
Other receivables	18	8,859	1,543	59,107	25,808
Amount due from joint venture partners	19	-	57	-	-
Prepayments and deposits	20	1,119	804	36	16
Investment securities	14	23,349	22,613	-	-
Cash and short-term deposits	21	88,013	159,304	16,327	54,886
		<b>351,499</b>	<b>308,051</b>	<b>75,470</b>	<b>80,710</b>
<b>Current liabilities</b>					
Trade and other payables	22	49,976	51,115	361	342
Contract liabilities	4	-	1,590	-	-
Amount due to joint venture partners	19	1	-	-	-
Provisions	25	7,449	9,131	-	-
Provision for taxation		2,154	4,464	187	217
Lease liabilities	23	368	118	-	-
		<b>59,948</b>	<b>66,418</b>	<b>548</b>	<b>559</b>
<b>Net current assets</b>					
		<b>291,551</b>	<b>241,633</b>	<b>74,922</b>	<b>80,151</b>
<b>Non-current liabilities</b>					
Deferred income	26	34	62	-	-
Other payables	22	450	861	-	-
Borrowings	24	44,095	-	-	-
Lease liabilities	23	992	293	-	-
Deferred tax liabilities	15	884	440	-	-
		<b>46,455</b>	<b>1,656</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>					
		<b>292,906</b>	<b>284,463</b>	<b>114,216</b>	<b>118,445</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	27	59,954	59,954	59,954	59,954
Treasury shares	27	(193)	-	(193)	-
Capital reserve	28	1,000	1,000	-	-
Fair value adjustment reserve	29	1,359	777	-	-
Accumulated profits		246,301	238,500	54,455	58,491
Merger deficit	30	(16,239)	(16,239)	-	-
<b>Equity attributable to equity holders of the parent</b>					
		<b>292,182</b>	<b>283,992</b>	<b>114,216</b>	<b>118,445</b>
Non-controlling interest		724	471	-	-
<b>Total equity</b>					
		<b>292,906</b>	<b>284,463</b>	<b>114,216</b>	<b>118,445</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

<b>2025 Company</b>	<b>Share capital (Note 27) S\$'000</b>	<b>Treasury shares (Note 27) S\$'000</b>	<b>Accumulated profits S\$'000</b>	<b>Total equity S\$'000</b>
At 1 January 2025	59,954	–	58,491	118,445
<b>Profit, representing total comprehensive income, for the year</b>	–	–	5,173	5,173
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares (Note 32)	–	–	(9,209)	(9,209)
Purchase of treasury shares	–	(193)	–	(193)
<b>Total transactions with owners in their capacity as owners</b>	–	(193)	(9,209)	(9,402)
At 31 December 2025	<b>59,954</b>	<b>(193)</b>	<b>54,455</b>	<b>114,216</b>
<b>2024 Company</b>	<b>Share capital (Note 27) S\$'000</b>		<b>Accumulated profits S\$'000</b>	<b>Total equity S\$'000</b>
At 1 January 2024	59,954		58,196	118,150
<b>Profit, representing total comprehensive income, for the year</b>	–		7,977	7,977
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares (Note 32)	–		(7,682)	(7,682)
<b>Total transactions with owners in their capacity as owners</b>	–		(7,682)	(7,682)
At 31 December 2024	<b>59,954</b>		<b>58,491</b>	<b>118,445</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2025

	2025 S\$'000	2024 S\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	19,895	37,658
Adjustments for:		
Depreciation of property, plant and equipment	2,545	2,289
Dividend income from investment securities	(155)	(151)
Gain on fair value of investment property	(40)	(100)
Gain on disposal of property, plant and equipment	(471)	(1,405)
Gain on fair value of investment securities	(1,316)	(558)
Interest income	(4,432)	(6,245)
Interest expense on lease	40	6
Share of results of joint ventures	(371)	(61)
Unrealised gain on foreign exchange	25	(119)
<b>Operating cash flows before changes in working capital</b>	<b>15,720</b>	<b>31,314</b>
(Increase)/decrease in:		
Contract assets	(25,374)	(13,569)
Trade receivables	(1,163)	7,857
Development properties	(79,892)	19,995
Other receivables	(6,804)	1,478
Prepayments and deposits	(315)	(93)
(Decrease)/increase in:		
Trade and other payables and provisions	(3,231)	(17,324)
Contract liabilities	(1,590)	1,520
Deferred income	(28)	(27)
<b>Cash flows generated (used in)/from operations</b>	<b>(102,677)</b>	<b>31,151</b>
Interest received – loans and receivables	2,659	4,241
Income tax paid	(4,105)	(2,930)
<b>Net cash flows generated (used in)/from operating activities</b>	<b>(104,123)</b>	<b>32,462</b>
<b>Cash flows from investing activities</b>		
Dividend income from investment securities	155	151
Dividend income received from joint venture	2,025	2,228
Repayment from joint venture, net	–	8,143
Proceeds from disposal of property, plant and equipment	662	1,835
Proceeds from maturity/redemption of investment securities	3,099	5,779
Purchases of property, plant and equipment (Note 9)	(2,872)	(3,306)
Purchases of investment securities	(5,769)	(14,096)
Interest received – investment securities	1,317	1,247
<b>Net cash flows generated (used in)/from investing activities</b>	<b>(1,383)</b>	<b>1,981</b>
<b>Cash flows from financing activities</b>		
Dividends paid on ordinary shares	(9,209)	(7,682)
Purchase of treasury shares	(193)	–
Repayment of lease liabilities	(453)	(40)
Proceeds from bank loans	44,095	–
<b>Net cash flows from/(used in) financing activities</b>	<b>34,240</b>	<b>(7,722)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(71,266)</b>	<b>26,721</b>
Effect of exchange rate changes on cash and cash equivalents	(25)	119
Cash and cash equivalents at the beginning of year	159,304	132,464
<b>Cash and cash equivalents at the end of year (Note 21)</b>	<b>88,013</b>	<b>159,304</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 1. Corporate information

Hock Lian Seng Holdings Limited (the “Company”) is a limited liability company, which is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office and the principal place of business of the Company is located at 80 Marine Parade Road, #16-08 Parkway Parade, Singapore 449269.

The principal activity of the Company is that of investment holding. The principal activities of the joint venture, joint operations and subsidiaries are disclosed in Notes 11, 12 and 13 respectively.

## 2. Material accounting policy information

### 2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheets and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (“SGD” or “S\$”) and all values are rounded to the nearest thousand (“S\$’000”), except when otherwise indicated.

### 2.2 Changes in accounting policy

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 revised standards which are effective for annual financial periods beginning on or after 1 January 2025. The adoption of these standards did not have any effect on the financial performance or position of the Group.

### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to SFRS(I) 9 and SFRS(I) 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to SFRS(I)s – Volume 11	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7: <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to SFRS(I) 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to SFRS(I) 19: <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

These new accounting standards and interpretations are not expected to have a material impact on the Group’s financial statements in the year of initial application, except for SFRS(I) 18 as its impacts on presentation and disclosure are expected to be pervasive, in particular, those related to the consolidated statement of comprehensive income and providing management-defined performance measures within the financial statements. The Group is currently assessing the detailed implication of applying the new standard on the Group’s consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Material accounting policy information (cont'd)

### 2.4 Functional and foreign currency

The financial statements are presented in SGD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

### 2.5 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

### 2.6 Basis of consolidation and business combinations

#### (a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Material accounting policy information (cont'd)

### 2.6 Basis of consolidation and business combinations

#### (a) Basis of consolidation (cont'd)

- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or accumulated profits, as appropriate.

#### (b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognised any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger deficit.
- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparatives are restated to reflect the combination as if it had occurred from the beginning of the earliest period presented in the financial statements or from the date the entities had come under common control, if later.

### 2.7 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

### 2.8 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Material accounting policy information (cont'd)

### 2.8 Joint arrangements (cont'd)

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

#### (a) Joint operations

The Group recognises in relation to its interest in a joint operation,

- (i) its assets, including its share of any asset held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iv) its share of the revenue of the joint operation; and
- (vi) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

#### (b) Joint ventures

The Group accounts for its investments in joint ventures using the equity method from the date on which it becomes a joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The profit or loss reflects the share of results of the operations of the joint ventures. Distributions received from joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint ventures.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Material accounting policy information (cont'd)

### 2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.19. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building	-	4 to 17 years
Office premises	-	62 years
Machinery and equipment	-	10 years
Motor vehicles	-	5 years
Office equipment	-	3 years
Furniture and fittings	-	10 years

Capital work-in-progress included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year in which the asset is derecognised.

### 2.10 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties also include right-of-use assets relating to leasehold land that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties comprise completed investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.9 up to the date of change in use.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Material accounting policy information (cont'd)

### 2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses are recognised in profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

### 2.12 Financial instruments

#### (a) Financial assets

##### Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Material accounting policy information (cont'd)

### 2.12 Financial instruments

#### (a) Financial assets (cont'd)

##### Subsequent measurement

###### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three categories for classification of debt instruments are:

#### (a) *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

#### (b) *Fair value through other comprehensive income ("FVOCI")*

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

#### (c) *Fair value through profit or loss*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

###### Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

###### Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Material accounting policy information (cont'd)

### 2.12 Financial instruments (cont'd)

#### (a) Financial assets (cont'd)

##### Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

#### (b) Financial liabilities

##### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

### 2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and fixed deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

### 2.14 Impairment of financial assets

The Group recognised an allowance for ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Material accounting policy information (cont'd)

### 2.14 Impairment of financial assets (cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (“a 12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (“a lifetime ECL”).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognised a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without due cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.15 Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group’s own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

Net realisable value of development properties is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development property recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

### 2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### **Provisions for maintenance and warranties**

The Group provides for maintenance and warranty claims on contractual items with customers after the substantial completion of projects.

The provisions for maintenance and warranties represent the best estimate of the Group’s legal or constructive obligations at the balance sheet date. The majority of the costs is expected to be incurred over the applicable warranty periods. The assumptions used to estimate maintenance and warranties provisions are reviewed periodically in light of actual experience.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Material accounting policy information (cont'd)

### 2.16 Provisions (cont'd)

#### *Provision for onerous contracts*

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

### 2.17 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. Grant relating to income is recognised as a credit in the profit or loss under "Other income".

### 2.18 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

### 2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.20 Employee benefits

#### (i) *Defined contribution plans*

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (ii) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Material accounting policy information (cont'd)

### 2.21 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### (a) *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

##### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.11.

##### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### (b) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The accounting policy for rental income is disclosed in Note 2.22 (iii).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Material accounting policy information (cont'd)

### 2.22 Revenue

#### (i) Revenue from civil engineering construction projects

The Group enters into civil engineering construction contracts with customers. Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. The Group is restricted contractually from directing the construction project for another use as they are being constructed, and has enforceable rights to payment for performance completed to date. The revenue is recognised over time, based on the construction costs incurred to date as a proportion of estimated total construction costs to be incurred.

Progress billings to the customer is based on certified progress on the construction project. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

#### (ii) Sales of completed development properties and development properties under construction

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Material accounting policy information (cont'd)

### 2.22 Revenue (cont'd)

#### (iii) Rental income

Rental income arising from operating leases on investment properties are recognised on a straight-line basis over the period of the lease. The aggregate cost of incentives provided to leases are recognised as a reduction of rental income over the lease term on a straight-line basis.

#### (iv) Interest income

Interest income is recognised using the effective interest method.

#### (v) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

#### (vi) Supply of labour and services provided

The Group supplies labour, management and accounting services. Revenue from supply of labour and services provided is recognised when the services are performed and all criteria for acceptance by the customer have been satisfied.

### 2.23 Taxes

#### (a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be recognised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Material accounting policy information (cont'd)

### 2.23 Taxes (cont'd)

#### (b) Deferred tax (cont'd)

- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### (c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### 2.24 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### 2.25 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 2. Material accounting policy information (cont'd)

### 2.26 Contingencies

A contingent liability is:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

### 2.27 Segment reporting

Operating segments are reporting in a manner consistent with the internal reporting provided to the executive committee whose member are responsible for allocating resources and assessing performance of the operating segments.

## 3. Significant accounting estimates and judgments

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

### 3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (a) Accounting for civil engineering construction projects

The accounting for such civil engineering construction projects is complex due to high level of estimation uncertainty in determining the costs to complete. This uncertainty is due to the nature of the operations, which may be impacted by the technical complexity of projects, the precision of cost estimation as at balance sheet date and change in material and labour cost, amongst others. The uncertainty and subjectivity could result in estimation variances which will affect the determination of revenue, and hence may have a significant impact on the results of the Group.

The estimated total construction and other related costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred.

The carrying amount of assets and liabilities arising from construction contracts at the end of each reporting periods are disclosed in Note 4c to the financial statements. If the estimated total contract cost had been 1% higher/lower than management estimate, the carrying amount of the assets and liabilities arising from construction contracts would have been S\$755,000 (2024: S\$6,664,000) lower/higher and S\$1,588,000 (2024: S\$674,000) higher/lower respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 3. Significant accounting estimates and judgments (cont'd)

### 3.1 Key sources of estimation uncertainty (cont'd)

#### (b) Provision for maintenance and warranties

The Group provides for maintenance and warranties based on the estimated rectification costs to be incurred for projects during the defect liability and warranty periods.

Significant estimate is required in determining the expected cost to be incurred for the maintenance and warranties. In making the estimate, the Group rely on actual claim experiences and its best estimates of the expenditures expected to be incurred over the remaining warranty periods.

The carrying amount of the provision for maintenance and warranties for construction contracts at the end of each reporting period is disclosed in Note 25. If the estimated total maintenance and warranty costs had been 5% higher/lower than management estimate, the carrying amount of the provision for maintenance and warranties arising from construction contracts would have been S\$372,000 (2024: S\$457,000) higher/lower.

#### (c) Carrying value of development properties

As at year end, the Group held completed development properties held-for-sale. These properties are stated at the lower of cost and net realisable value ("NRV").

The determination of the NRV of these properties requires estimations, including expected future selling prices and costs necessary to complete the sale of these properties, and is assessed by management with reference to the independent valuations carried out by the external property valuers or based on latest sale transactions. The assessment is based on the relevant market conditions prevailing at the reporting date, which may be subject to significant changes after the reporting period.

The carrying amounts of the development properties stated at cost are disclosed in Note 16.

## 4. Revenue

	Group	
	2025 S\$'000	2024 S\$'000
Revenue from contracts with customers	186,066	183,274
Rental income from investment properties	193	182
	<b>186,259</b>	<b>183,456</b>

#### (a) Disaggregation of revenue

Segments	Civil engineering		Properties development		Total revenue	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
<b>Major revenue streams</b>						
Contract revenue	163,708	150,004	-	-	163,708	150,004
Sales of commercial properties	-	-	22,281	33,110	22,281	33,110
Supply of labour and services provided	77	160	-	-	77	160
Total revenue	<b>163,785</b>	150,164	<b>22,281</b>	33,110	<b>186,066</b>	183,274
<b>Timing of transfer of goods and services</b>						
At a point in time	-	-	22,281	33,110	22,281	33,110
Over time	<b>163,785</b>	150,164	-	-	<b>163,785</b>	150,164

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 4. Revenue (cont'd)

### (b) *Judgement and methods used in estimating revenue*

#### Recognition of revenue from civil engineering construction projects

For the contract revenue where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the construction to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the construction projects. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to completion.

The estimated total construction and other related costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred. In making these estimates, management takes into consideration the historical trends of the amounts incurred in its other similar projects for the past 3 to 5 years.

### (c) *Contract assets and contract liabilities*

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group		
	31 December	1 January	
	2025	2024	2024
	S\$'000	S\$'000	S\$'000
Receivables from contracts with customers (Note 17)	10,564	9,401	17,258
Contract assets	88,701	63,327	49,758
Contract liabilities	-	(1,590)	(70)

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for revenue from civil engineering construction projects. Contract assets are transferred to receivables when the rights become unconditional.

The significant changes in the contract assets during the year are as follows:

	Group	
	2025	2024
	S\$'000	S\$'000
Increase due to work completed but not yet billed at reporting date	80,992	51,637
Contract assets reclassified to receivables	(55,618)	(38,068)

Contract liabilities primarily relate to progress billings in excess of the Group's right to the consideration, and the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for revenue from civil engineering construction projects.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 4. Revenue (cont'd)

### (c) Contract assets and contract liabilities (cont'd)

Contract liabilities are recognised as revenue as the Group performs under the contract. The significant changes in the contract liabilities during the year are as follows:

	Group	
	2025 S\$'000	2024 S\$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	1,590	70
Increases due to cash received, excluding amounts recognised as revenue during the year	-	(1,590)

### (d) Transaction price allocated to remaining performance obligation

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2025 is S\$389,783,000 (2024: S\$553,433,000). This will be recognised as revenue by reference to the percentage of completion over the next five years. The amount disclosed above does not include any estimated amounts of variable consideration that is constrained.

## 5. Other income

	Group	
	2025 S\$'000	2024 S\$'000
Gain on disposal of property, plant and equipment	471	1,405
Dividend income from investment securities	155	151
Fair value gain on investment property	40	100
Fair value gain on investment securities:		
- Debt instruments (quoted)	493	296
- Equity instruments (quoted)	823	262
Unrealised gain on foreign exchange	-	119
Government grants	387	596
Interest income from:		
- Fixed deposit	2,753	4,691
- Investment securities (Fair value through profit or loss)	729	635
- Investment securities (Fair value through other comprehensive income)	785	685
- Investment securities (Amortised cost)	165	234
Rental income from development properties	4,267	5,310
Sundry income	16	48
	<b>11,084</b>	<b>14,532</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 6. Profit before taxation

The following items have been included in arriving at profit before taxation:

	Group	
	2025 S\$'000	2024 S\$'000
Depreciation of property, plant and equipment	2,545	2,289
Unrealised loss/(gain) on foreign exchange	25	(119)
Employee benefits expense (Note A)	23,354	24,953
Audit fees paid to:		
- Auditor of the Group	208	217
Non-audit fees paid to:		
- Auditor of the Group	25	32

### Note A: Employee benefits expense

#### Employee benefit expense (including directors):

Salaries, bonus and other benefits	20,228	22,012
Defined contribution plans	3,126	2,941
	<b>23,354</b>	<b>24,953</b>

## 7. Income tax expense

### Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2025 and 2024 are:

	Group	
	2025 S\$'000	2024 S\$'000
<b>Consolidated income statement:</b>		
Current income tax:		
- current income taxation	1,959	4,291
- over provision in respect of previous year	(163)	(143)
Deferred income tax:		
- origination and reversal of temporary differences	836	1,442
Income tax expense recognised in profit or loss	<b>2,632</b>	<b>5,590</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 7. Income tax expense (cont'd)

### Relationship between income tax expense and accounting profit

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2025 and 2024 are as follows:

	Group	
	2025 S\$'000	2024 S\$'000
Profit before taxation	<b>19,895</b>	37,658
Tax at Singapore statutory tax rate of 17% (2024: 17%)	<b>3,382</b>	6,402
Adjustments:		
Non-deductible expenses	<b>161</b>	156
Income not subject to taxation	<b>(158)</b>	(193)
Effect of partial tax exemption	<b>(85)</b>	(85)
Effect of tax at concessionary rate of 10%	<b>(111)</b>	(102)
Share of results of joint venture	<b>(63)</b>	(10)
Deferred tax assets not recognised	<b>1</b>	–
Over provision in respect of previous year	<b>(163)</b>	(143)
Benefits from previously unrecognised deferred tax assets	<b>(332)</b>	(435)
Income tax expense recognised in profit or loss	<b>2,632</b>	5,590

## 8. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing the profit for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. There were no potential dilutive ordinary shares existing during the respective financial years.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2025	2024
Profit for the year, attributable to equity holders of the Company for basic and diluted earnings per share (S\$'000)	<b>17,010</b>	31,987
Weighted average number of ordinary shares on issue applicable to basic and diluted earnings per share ('000)	<b>511,731</b>	512,104

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 9. Property, plant and equipment

Group	Building S\$'000	Office premises S\$'000	Machinery and equipment S\$'000	Motor vehicles S\$'000	Office equipment S\$'000	Furniture and fittings S\$'000	Total S\$'000
<b>Cost</b>							
At 1 January 2024	17,457	6,751	15,450	9,695	1,051	209	50,613
Additions	–	–	3,017	649	–	–	3,666
Disposals	(5,100)	–	(4,455)	(3,723)	(26)	–	(13,304)
At 31 December 2024 and 1 January 2025	12,357	6,751	14,012	6,621	1,025	209	40,975
Additions	–	–	2,738	1,488	8	–	4,234
Disposals	–	–	(2,369)	(2,937)	(327)	–	(5,633)
At 31 December 2025	<b>12,357</b>	<b>6,751</b>	<b>14,381</b>	<b>5,172</b>	<b>706</b>	<b>209</b>	<b>39,576</b>
<b>Accumulated depreciation</b>							
At 1 January 2024	8,656	769	12,878	8,881	717	145	32,046
Charge for the year	699	110	971	330	160	19	2,289
Disposals	(5,100)	–	(4,075)	(3,673)	(26)	–	(12,874)
At 31 December 2024 and 1 January 2025	4,255	879	9,774	5,538	851	164	21,461
Charge for the year	699	110	1,106	508	103	19	2,545
Disposals	–	–	(2,265)	(2,850)	(327)	–	(5,442)
At 31 December 2025	<b>4,954</b>	<b>989</b>	<b>8,615</b>	<b>3,196</b>	<b>627</b>	<b>183</b>	<b>18,564</b>
<b>Net carrying amount</b>							
At 31 December 2025	<b>7,403</b>	<b>5,762</b>	<b>5,766</b>	<b>1,976</b>	<b>79</b>	<b>26</b>	<b>21,012</b>
At 31 December 2024	8,102	5,872	4,238	1,083	174	45	19,514

Right-of-use asset acquired under leasing arrangement is presented together with the owned assets of the same class. Details of such leased asset is disclosed in Note 23.

During the financial year, the Company acquired machineries with an aggregate cost of S\$1,362,000 (2024: S\$360,000) by means of leases. The cash outflow on acquisition of property, plant and equipment in 2025 amounted to S\$2,872,000 (2024: S\$3,306,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 10. Investment properties

	Group	
	2025	2024
	S\$'000	S\$'000
<b>Balance sheet:</b>		
At 1 January	3,300	3,200
Gain on fair value changes recognised in profit or loss	40	100
At 31 December	<b>3,340</b>	<b>3,300</b>
<b>Income statement:</b>		
Rental income from investment properties:		
- Minimum lease payments	193	182
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	<b>(41)</b>	<b>(40)</b>

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

### Valuation of investment properties

The leasehold office premises and light industry workshop in Singapore are stated at fair value, which has been determined based on valuations performed as at 31 December 2025 and 31 December 2024. The valuations were performed by Colliers International Consultancy & Valuation (S) Pte Ltd, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. The valuations are based on the Direct Comparison Method that makes reference to market evidence of transaction prices for similar properties in the open market.

The investment properties held by the Group as at 31 December 2025 are as follows:

Description and location	Existing use	Tenure	Unexpired lease term
Office premises, 80 Marine Parade Road, #09-07, Singapore (99 years lease)	Office	Leasehold	53 years
Light industry workshop, #60 Kaki Bukit Avenue 6, Singapore (30 years lease)	Workshop	Leasehold	17 years

## 11. Investment in joint venture

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

	Group	
	2025	2024
	S\$'000	S\$'000
FSKH Development Pte Ltd		
Equity interest	1,350	1,350
Share of profit	749	2,403
Deferred interest	(1)	(1)
	<b>2,098</b>	<b>3,752</b>

Deferred interest pertains to the Group's unrealised interest income on advance to joint venture.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 11. Investment in joint venture (cont'd)

The Group jointly controls the venture with other partners under contractual agreements which require unanimous consent for all major decisions over the relevant activities. The details of the joint venture as at 31 December 2025 and 31 December 2024 are as follows:

Name of partnership	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
			2025	2024
FSKH Development Pte Ltd	Singapore	Property development and property related activities	45	45

The joint venture is audited by Ernst & Young LLP, Singapore.

Summarised financial information in respect of FSKH Development Pte Ltd based on its SFRS(I) financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

### Summarised balance sheets

	FSKH Development Pte Ltd	
	2025 S\$'000	2024 S\$'000
Capitalised contract costs	263	263
Cash and cash equivalents	5,890	10,301
Trade receivables	–	117
<b>Current assets</b>	<b>6,153</b>	<b>10,681</b>
Trade and other payables	(879)	(1,865)
Contract liabilities	(464)	(465)
Provision for income tax	(146)	(12)
<b>Current liabilities</b>	<b>(1,489)</b>	<b>(2,342)</b>
<b>Net assets</b>	<b>4,664</b>	<b>8,339</b>
Proportion of the Group's ownership	45%	45%
Group's share of net assets	2,099	3,753
Adjustment: Elimination of unrealised interest income on advance to joint venture	(1)	(1)
Carrying amount of the investment	<b>2,098</b>	<b>3,752</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 11. Investment in joint venture (cont'd)

### Summarised statement of comprehensive income

	FSKH Development Pte Ltd	
	2025	2024
	S\$'000	S\$'000
Revenue	-	-
Cost of sales <sup>(1)</sup>	815	(8)
Gross profit/(loss)	815	(8)
Other income	168	225
Selling and distribution costs	-	(1)
Finance costs	-	(29)
Operating expenses	(17)	(39)
Profit before taxation	966	148
Tax expense	(141)	(12)
Profit after taxation and total comprehensive income	825	136

(1) During the year, there was write-back of sub-contractor costs of S\$857,000 arising from the finalisation of sub-contractor's final account.

Dividends of S\$2,025,000 (2024: S\$2,228,000) were received from joint venture.

## 12. Investments in joint operations

The Group has interests in two unincorporated joint arrangements. The Group has classified the joint arrangements as joint operations and recognised in relation to its interests in the joint operations, its share of assets held jointly and liabilities incurred jointly. The details of the joint operations as at 31 December 2025 and 2024 are as follows:

Name of joint operations	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
			2025	2024
GS Engineering & Construction – Hock Lian Seng Infrastructure Joint Venture	Singapore	Provision of civil engineering and infrastructure works	50	50
Hock Lian Seng Infrastructure – CES_SDC JV	Singapore	Provision of civil engineering works	60	60

All joint operations are audited by Ernst & Young LLP, Singapore.

## 13. Investments in subsidiaries

	Company	
	2025	2024
	S\$'000	S\$'000
Shares, at cost at 1 January	38,324	38,324
Incorporation of a subsidiary	1,000	-
Accumulated impairment of investment in a subsidiary	(30)	(30)
Shares, at cost at 31 December	39,294	38,294

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 13. Investments in subsidiaries (cont'd)

### (a) Composition of the Group

Details of subsidiaries as at 31 December 2025 and 2024 are as follows:

Name of subsidiary	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
			2025	2024
Hock Lian Seng Infrastructure Pte Ltd *	Singapore	Provision of civil engineering works	100	100
Hock Lian Seng Properties Pte Ltd *	Singapore	Rental of property, property development and property related activities	100	100
HLS Development Pte Ltd *	Singapore	Property development and property related activities	100	100
HLS Highlights Pte Ltd #	Singapore	Property development and property related activities	100	–
First Shine Properties Pte Ltd *	Singapore	Investment holding and property related activities	100	100
First Shine Enterprise Pte Ltd *	Singapore	Building construction including major upgrading works	51	51
Beacon Properties Pte Ltd *	Singapore	Property development and property related activities	100	100

\* All subsidiaries are audited by Ernst & Young LLP, Singapore.

# Not required to be audited as it was incorporated less than six months from financial year end

### (b) Interest in subsidiary with material non-controlling interest (NCI)

Name of subsidiary	Country of incorporation and place of business	Proportion of ownership interest held by NCI	Accumulated NCI at the beginning of reporting period S\$'000	Profits allocated to NCI during the reporting period S\$'000	Capital contribution by NCI S\$'000	Accumulated NCI at the end of reporting period S\$'000
--------------------	--	--	---	---	--	---

#### 2025:

First Shine Enterprise Pte Ltd	Singapore	49%	471	253	–	724
--------------------------------	-----------	-----	-----	-----	---	-----

Name of subsidiary	Country of incorporation and place of business	Proportion of ownership interest held by NCI	Accumulated NCI at the beginning of reporting period S\$'000	Profit allocated to NCI during the reporting period S\$'000	Capital contribution by NCI S\$'000	Accumulated NCI at the end of reporting period S\$'000
--------------------	--	--	---	--	--	---

#### 2024:

First Shine Enterprise Pte Ltd	Singapore	49%	390	81	–	471
--------------------------------	-----------	-----	-----	----	---	-----

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 13. Investments in subsidiaries (cont'd)

### (c) Summarised financial information about subsidiary with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

#### Summarised balance sheet

	First Shine Enterprise Pte Ltd	
	2025 S\$'000	2024 S\$'000
Assets	7,916	3,553
Liabilities	(6,552)	(2,704)
Net assets	1,364	849

#### Summarised statement of comprehensive income

	First Shine Enterprise Pte Ltd	
	2025 S\$'000	2024 S\$'000
Revenue	10,887	3,854
Profit before tax	557	166
Income tax expense	(42)	–
Profit after tax representing total comprehensive income	515	166

#### Other summarised information

	First Shine Enterprise Pte Ltd	
	2025 S\$'000	2024 S\$'000
Net cash flows generated from operations	282	1,082

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 14. Investment securities

	Group	
	2025 S\$'000	2024 S\$'000
<b>Non-current</b>		
At fair value through other comprehensive income		
- Equity instruments (quoted)	<b>20,442</b>	16,610
<b>Current</b>		
At fair value through profit or loss		
- Debt instruments (quoted)	<b>15,518</b>	14,309
- Equity instruments (quoted)	<b>843</b>	349
At amortised cost		
- Credit link note	<b>6,988</b>	6,971
- Singapore Treasury Bills	-	984
	<b>23,349</b>	22,613

### Investments in debt instrument at fair value through profit or loss

Debt investment in quoted corporate bonds were made for varying coupon rates ranging from 3.75% to 7.5% (2024: 3% to 7.5%) per annum, with maturity dates ranging from 2026 to 2039 (2024: from 2025 to 2039).

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

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

	Group	
	2025 S\$'000	2024 S\$'000
At fair value through other comprehensive income		
Equity instruments (quoted) by industry		
- Bank and financial institutions	<b>8,021</b>	7,856
- Real estate	<b>10,876</b>	7,222
- Telecommunication and infrastructure	<b>1,047</b>	1,035
- Commodities	<b>498</b>	497
	<b>20,442</b>	16,610

The Group has elected to measure these equity securities at fair value through other comprehensive income due to the Group's intention to hold these equity instruments for long-term appreciation.

The Group recognised a dividend income of S\$155,000 (2024: S\$151,000) during the year.

The rate of interest of perpetual corporate bonds ranges between 3.28% to 8.30% (2024: 3.65% to 8.30%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 15. Deferred taxation

Deferred taxation as at 31 December relates to the following:

	Group			
	Consolidated balance sheet		Consolidated Income statement	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
<b>Gross deferred tax assets</b>				
Provisions	1,320	1,609	289	1,035
Others	136	189	53	80
	<b>1,456</b>	<b>1,798</b>		
<b>Gross deferred tax liabilities</b>				
Excess of net carrying value of property, plant and equipment over tax written down value	(580)	(488)	50	(113)
Other temporary and deductible differences	(842)	(440)	444	440
	<b>(1,422)</b>	<b>(928)</b>		
Net deferred tax assets	<b>34</b>	870		
Deferred tax expense			<b>836</b>	1,442
Reflected in the statement of financial position as follows:				
Deferred tax assets	<b>918</b>	1,310		
Deferred tax liabilities	<b>(884)</b>	(440)		
Deferred tax assets, net	<b>34</b>	870		

### Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately S\$334,574 (2024: S\$311,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses have no expiry date.

## 16. Development properties

	Group	
	2025 S\$'000	2024 S\$'000
Completed properties, at cost	38,065	51,002
Leasehold land	88,190	–
Development costs	4,639	–
	<b>130,894</b>	<b>51,002</b>
At 1 January	51,002	70,997
Addition	92,829	–
Construction costs written-back <sup>(1)</sup>	(153)	(216)
Disposals (recognised in cost of sales)	(12,784)	(19,779)
At 31 December	<b>130,894</b>	<b>51,002</b>

(1) During the year, there was write-back of construction costs of S\$153,000 (2024: S\$216,000) arising from the finalisation of project costs.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 16. Development properties (cont'd)

During the financial year, borrowing costs of S\$93,500, arising from borrowings obtained specifically for development properties capitalised under "Development costs" for the leasehold land acquired. The rates used to determine the amount of borrowing costs eligible for capitalisation ranges from 1.85% to 2.57% per annum.

The leasehold land has been pledged as security for a bank loan (Note 24).

### List of development properties

Description and location	% owned	Site area (square metre)	Approximate saleable floor area (square metre)	Stage of completion as at date of annual report (year of completion)
Private Lot A7022611 at Pioneer Road	100	28,058	Not available	0%
Industrial property at Tuas South Avenue 7	100	25,700	49,507	100% (2018)
Industrial property at Gambas Avenue	100	21,427	49,046	100% (2014)

## 17. Trade receivables

	Group	
	2025 S\$'000	2024 S\$'000
Trade receivables	10,564	9,401

### Trade receivables

Trade receivables are non-interest bearing and are generally on 14-56 days' (2024: 14-56 days') credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

### Receivables that are past due but not impaired

Trade receivables that are past due but not impaired at the end of the reporting periods are S\$Nil (2024: Nil).

	2025 S\$'000	2024 S\$'000
Trade receivables that are past due but not impaired:		
Less than 30 days	10,564	9,401
30 to 60 days	-	-
60 to 90 days	-	-
More than 90 days	-	-
	10,564	9,401

### Receivables that are impaired

The Group has no trade receivables that are individually or collectively impaired at the end of reporting date (2024: Nil).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 18. Other receivables

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Other debtors	421	799	-	-
Advances to subcontractors	148	-	-	-
Interest receivables	455	744	3	173
GST receivables	7,835	-	-	-
Amounts due from subsidiaries	-	-	530	824
Loans due from subsidiaries	-	-	58,574	24,811
	<b>8,859</b>	<b>1,543</b>	<b>59,107</b>	<b>25,808</b>

Advances to subcontractors relate to advances made to them for maintenance of materials on site and are non-interest bearing. The advances are recognised at their original invoice amounts, which represents their fair value on initial recognition.

Amounts due from subsidiaries are trade related, non-interest bearing, unsecured, repayable on demand and is to be settled in cash. The amounts relate to management fee and payroll costs of seconded staff charged to subsidiaries.

Loans due from subsidiaries are unsecured, bear interest at Singapore Overnight Rate Average (SORA) 6 months rate (2024: 2%) per annum, repayable on demand and are to be settled in cash.

## 19. Amounts due from/(to) joint venture partners

	Group	
	2025 S\$'000	2024 S\$'000
Amounts due from joint venture partners – trade	-	57
Amounts due to joint venture partners – trade	1	-

The amounts due from joint venture partners relate to payroll costs of seconded staff and services provided to joint venture partners, are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

The amounts due to joint venture partners were trade related, unsecured, non-interest bearing and repayable upon demand.

## 20. Prepayments and deposits

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Prepayments	523	87	36	16
Deposits	596	717	-	-
	<b>1,119</b>	<b>804</b>	<b>36</b>	<b>16</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 21. Cash and short-term deposits

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Cash at banks and on hand	27,257	32,098	2,619	1,843
Short-term deposits	60,756	127,206	13,708	53,043
Cash and cash equivalents per consolidated cash flow statement	88,013	159,304	16,327	54,886

Short-term deposits are made for varying periods of between 1 month to 3 months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The average effective interest rates as at 31 December 2025 for the Group were 2.15% (2024: 3.45%) per annum.

Cash and short-term deposits denominated in foreign currencies at 31 December 2025 are as follows:

	Group	
	2025 S\$'000	2024 S\$'000
United States Dollar	825	1,592

## 22. Trade and other payables

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
<b>Current portion:</b>				
Trade payables	15,246	14,479	1	1
Accrued operating expenses	33,313	33,647	339	327
Deposits received	1,336	1,575	-	-
GST payables	-	326	21	14
Other payables	66	1,088	-	-
Interest payable	15	-	-	-
	49,976	51,115	361	342
<b>Non-current portion:</b>				
Other payables	450	861	-	-

### Trade payables

Trade payables are non-interest bearing and are normally settled on 30-60 days' (2024: 30-60 days') terms.

### Other payables - current

The current other payables are non-interest bearing and have an average term of 2 months.

### Other payables - non-current

Other payables are rental deposits received which are refundable more than 12-months after the financial year end.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 23. Lease liabilities

### Group as a lessee

The Group has lease contract for motor vehicle and machinery and equipment. The Company's obligations under the lease are secured by the lessor's title to the leased asset. The Company is restricted from assigning and subleasing the leased asset.

#### (a) Carrying amounts of right-of-use assets presented within property, plant and equipment

Group	Motor vehicles S\$'000	Machinery and equipment S\$'000	Total S\$'000
At 1 January 2024	83	–	83
Additions	–	360	360
Depreciation charge for the year	(20)	(15)	(35)
At 31 December 2024 and 1 January 2025	63	345	408
Additions	–	1,362	1,362
Depreciation charge for the year	(20)	(396)	(416)
At 31 December 2025	<b>43</b>	<b>1,311</b>	<b>1,354</b>

#### (b) Lease liabilities

A reconciliation of liabilities arising from financing activities is as follows:

	2024 S\$'000	Cash flows S\$'000	Non-cash changes		2025 S\$'000
			Additions S\$'000	Accretion of interest S\$'000	
Lease liabilities					
- Current	118	(453)	663	40	<b>368</b>
- Non-current	293	–	699	–	<b>992</b>
Borrowings (Note 24)	–	44,095	–	–	<b>44,095</b>
Total	411	43,642	1,362	40	<b>45,455</b>

	2023 S\$'000	Cash flows S\$'000	Non-cash changes		2024 S\$'000
			Additions S\$'000	Accretion of interest S\$'000	
Lease liabilities					
- Current	20	(40)	132	6	118
- Non-current	65	–	228	–	293
Total	85	(40)	360	6	411

The maturity analysis of lease liabilities is disclosed in Note 35.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 23. Lease liabilities (cont'd)

Group as a lessee (cont'd)

### (c) Amounts recognised in profit or loss

	Group	
	2025	2024
	S\$'000	S\$'000
Depreciation of right-of-use assets	416	35
Interest expense on lease liabilities	40	6
Lease expense not capitalised in lease liabilities		
- Expense relating to short-term leases (included in cost of sales) representing total amount recognised in profit or loss (Note 31)	5,127	3,370
<b>Total amount recognised in profit or loss</b>	<b>5,583</b>	<b>3,411</b>

## 24. Borrowings

	Nominal Interest Rate	Maturity	Group	
			2025	2024
			S\$'000	S\$'000
<b>Non-current:</b>				
Secured loan, denominated in SGD	SORA + Margin	2030	44,095	–

The bank loan bears interest at 1-month Singapore Overnight Rate Average (“SORA”) plus a margin, with effective interest rates ranging from 1.85% to 2.57% per annum.

The bank loan is secured by:

- (i) a first legal mortgage over a subsidiary’s leasehold land (Note 16); and
- (ii) corporate guarantee by the Company (Note 34).

### Loan covenants

The Group’s secured bank loan is subject to financial covenants, including maintaining a security margin ratio of not more than 70% of the project’s security value and meeting specified project milestones. The Group has complied with these financial covenants throughout the reporting period.

## 25. Provisions

### *Provision for maintenance and warranties*

	Group	
	2025	2024
	S\$'000	S\$'000
At 1 January	9,131	15,265
Utilisation	(4,004)	(4,514)
Additions	3,168	–
Write-back	(846)	(1,620)
<b>At 31 December</b>	<b>7,449</b>	<b>9,131</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 25. Provisions (cont'd)

### *Provision for maintenance and warranties (cont'd)*

The Group provides for maintenance and warranties claims on contracted items with customers after the substantial completion of projects. The amount of the provision for maintenance and warranties are based on past experience of the level of maintenance and rectification work. The estimation basis is reviewed on an ongoing basis and revised when appropriate.

Management reviews the estimation basis on an ongoing basis taking into consideration past claims experience and actual utilisation, and adjusts the provision when appropriate. During the year, the Group recognised S\$3,168,000 (2024: Nil) of provisions for projects completed during the year and written back S\$846,000 (2024: S\$1,620,000) of the maintenance and warranty provisions upon assessment of the claims.

## 26. Deferred income

	Group	
	2025 S\$'000	2024 S\$'000
Government grant	34	62

## 27. Share capital and treasury shares

### (a) Share capital

	Group and Company			
	2025		2024	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
<b>Issued and fully paid ordinary shares</b>				
At 1 January and 31 December	<b>512,104</b>	<b>59,954</b>	512,104	59,954

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

### (b) Treasury shares

	Group and Company			
	2025		2024	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
<b>Treasury shares</b>				
At 1 January	-	-	-	-
Acquired during the financial year	<b>(509)</b>	<b>(193)</b>	-	-
At 31 December	<b>(509)</b>	<b>(193)</b>	-	-

Treasury shares related to ordinary shares of the Company that is held by the Company.

During the year, the Company acquired 509,000 (2024:Nil) shares in the Company from the open market. The total amount paid to acquire the shares was \$193,000 (2024: Nil) and this was presented as a component within shareholders' equity.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 28. Capital reserve

Capital reserve records the costs of share-based payments, in the form of 4,000,000 shares transferred from the former shareholders to certain selected employees of the Group as consideration for their services received, which is measured by reference to the fair value of the shares at the grant date.

## 29. Fair value adjustment reserve

Fair value adjustment reserve records the cumulative fair value changes, net of tax, of financial assets at fair value through other comprehensive income financial assets until they are disposed of or impaired.

	Group	
	2025 S\$'000	2024 S\$'000
At 1 January	777	(225)
Gain on fair value changes of financial assets at fair value through other comprehensive income during the year	582	1,002
At 31 December	<b>1,359</b>	<b>777</b>

## 30. Merger deficit

The merger deficit records the difference between the purchase consideration and the share capital of a subsidiary acquired from an entity under common control.

## 31. Commitments

### Group as lessee

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The following are the amounts recognised in profit or loss:

	Group	
	2025 S\$'000	2024 S\$'000
Expense relating to short-term leases (included in cost of sales) representing total amount recognised in profit or loss	<b>5,127</b>	<b>3,370</b>

The Group had total cash outflows for short-term leases of S\$2,555,000 in 2025 (2024: S\$2,149,000).

### Group as lessor

The Group has entered into commercial property leases on its investment properties.

Future minimum rental receivables under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2025 S\$'000	2024 S\$'000
Not later than one year	191	194
Later than one year but not later than five years	70	121
	<b>261</b>	<b>315</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 32. Dividends

	<b>Group and Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Declared and paid during the financial year:</b>		
<i>Dividends on ordinary shares:</i>		
Final tax-exempt (one-tier) dividend for 2025:S\$0.018 (2024: S\$0.015) per share	<b>9,209</b>	7,682
<b>Proposed but not recognised as a liability as at 31 December:</b>		
<i>Dividends on ordinary shares, subject to shareholders' approval at the AGM:</i>		
Final tax-exempt (one-tier) dividends for 2025: S\$0.01125 (2024: S\$0.018) per share	<b>5,750</b>	9,218

## 33. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

### **Compensation of key management personnel**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Salaries and other remuneration	<b>3,677</b>	4,201
Defined contribution plans	<b>141</b>	128
Directors' fees	<b>180</b>	180
Total compensation paid to key management personnel	<b>3,998</b>	4,509
Comprise amounts paid to:		
- Directors of the Company	<b>2,086</b>	2,438
- Other key management personnel	<b>1,912</b>	2,071
	<b>3,998</b>	4,509

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

## 34. Contingent liabilities

During the year, the Company has provided financial guarantee over the banking facilities of S\$123,853,000 (2024: S\$1,755,000) granted to certain subsidiaries. As at 31 December 2025, the amounts utilised by the subsidiaries were S\$45,850,000 (2024: S\$1,755,000). The fair value of such financial guarantee is not expected to be material as the loans are collateralised against the respective entity's development properties and machineries. Accordingly, the fair value of the financial guarantees has not been recognised.

Based on information currently available, the Group does not expect any liabilities to arise from the guarantees as the Group will continue to provide financial support to the subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 35. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk, market price risk, liquidity risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the years under review, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

### (a) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from the Group's borrowings.

#### Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 100 (2024: 100) basis points higher/lower with all other variables held constant, the Group's carrying amount of development costs would have been S\$441,000 (2024: S\$Nil) higher/lower, arising mainly as a result of higher/lower interest expense on floating rate borrowings.

### (b) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from contract assets, trade and other receivables. For other financial assets (including investment securities, amount due from joint venture partners and cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group trades only with recognised and creditworthy third parties or government authorities. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 180 days when they fall due, which are derived based on Group's historical information. The Group also considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 35. Financial risk management objectives and policies (cont'd)

### (b) Credit risk (cont'd)

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter into bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments for more than 180 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage appropriate enforcement activities to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

#### Financial assets at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. The Group assesses the qualitative and quantitative factors that are indicative of the risk of default based on experienced credit judgement. The Group computes expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic data such as GDP growth and central bank base rates.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 35. Financial risk management objectives and policies (cont'd)

### (b) Credit risk (cont'd)

#### Financial assets at amortised cost (cont'd)

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

Category	Definition of category	Basis for recognition of ECL provision	Basis for calculating interest revenue
Level 1	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12-month ECL	Gross carrying amount
Level 2	Loans for which there is a significant increase in credit risk	Lifetime ECL	Gross carrying amount
Level 3	Interest and/or principal repayment are 180 days past due.	Lifetime ECL	Amortised cost of carrying amount (net of credit allowance)

There are no significant changes to estimation techniques or assumptions made during the reporting period.

The Group assessed the qualitative and quantitative factor that are indicative of the risk of default based on experienced credit judgement. These exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis. There was no loss allowance provision made on debt instruments carried at amortised cost.

The gross carrying amount of financial assets of the Group and Company as at 31 December 2025, without taking into account of any collaterals held of other credit enhancements which represents the maximum exposure to loss, is S\$107,185,000 and S\$75,434,000 (2024: S\$178,977,000 and S\$80,694,000) respectively.

#### Trade receivables and contract assets

The Group recognises lifetime expected credit loss for trade receivables and contract assets. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Summarised below is the information about the credit risk exposure on the Group's trade receivables and contract assets:

	Contract assets S\$'000	Current S\$'000	Past due				Total S\$'000
			1-30 days S\$'000	31-60 days S\$'000	61-90 days S\$'000	More than 90 days S\$'000	
<b>31 December 2025</b>							
Gross carrying amount	88,701	10,564	-	-	-	-	99,265
Loss allowance provision	-	-	-	-	-	-	-
<b>31 December 2024</b>							
Gross carrying amount	63,327	9,401	-	-	-	-	72,728
Loss allowance provision	-	-	-	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 35. Financial risk management objectives and policies (cont'd)

### (b) Credit risk (cont'd)

#### Cash and bank balances

The cash and bank balances are held with banks and financial institution counterparties, which are rated at least A, based on Standard & Poor's ratings. Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. There were no loss allowance provision made on cash and bank balances.

#### Other receivables and amount due from joint venture partners

The Group and Company have assessed that its other receivable debtors and joint venture partners have strong financial capacity to meet the contractual obligation and considered to have low credit risk. Other receivables and amount due from joint venture partners are measured on 12-month expected credit losses and subject to immaterial credit loss.

#### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

#### Exposure to credit risk

As at the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

Since the Group trades only with recognised and creditworthy third parties or government authorities, there is no requirement for collateral.

#### Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and short-term deposits and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

#### Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 (Trade receivables).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 35. Financial risk management objectives and policies (cont'd)

### (b) Credit risk (cont'd)

#### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2025		2024	
	S\$'000	% of total	S\$'000	% of total
<b>By country:</b>				
Singapore	10,564	100.0	9,401	100.0
<b>By industry sector:</b>				
Civil engineering	10,564	100.0	9,401	100.0
Properties development	-	-	-	-
	10,564	100.0	9,401	100.0

At the end of the reporting period, approximately:

- 100% (2024: 100%) of the Group's trade receivables were due from government authorities of Singapore or government linked entities who are located in Singapore.
- Nil% (2024: Nil%) of the Group's trade receivables is due from a related party.

### (c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group has investments in quoted securities which are listed in Singapore and exposed to equity price risk. These investments are classified as fair value through profit or loss and fair value through other comprehensive income financial assets. The Group does not have exposure to commodity price risk.

The Group's objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield and non-investment grade shares with higher volatility.

#### Sensitivity analysis for equity price risk

At the end of the reporting period, if the underlying quoted securities prices had been 3% (2024: 3%) higher/lower with all other variables held constant, the Group's profit before taxation would have been S\$491,000 (2024: S\$440,000) higher/lower, as a result of higher/lower fair value gains on quoted investment securities classified as fair value through profit or loss, and the Group's other comprehensive income would have been S\$613,000 (2024: S\$498,000) higher/lower, as a result of higher/lower fair value gains on quoted investment securities classified as fair value through other comprehensive income.

### (d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and mitigate the effect of fluctuations in cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 35. Financial risk management objectives and policies (cont'd)

### (d) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	2025			Total S\$'000
	One year or less S\$'000	One to five years S\$'000	Over five years S\$'000	
<b>Financial assets:</b>				
Investment securities	8,204	8,068	9,667	25,939
Trade receivables	10,564	–	–	10,564
Other receivables (exclude GST receivables)	1,024	–	–	1,024
Deposits	596	–	–	596
Cash and short-term deposits	88,013	–	–	88,013
Total undiscounted financial assets	<b>108,401</b>	<b>8,068</b>	<b>9,667</b>	<b>126,136</b>
<b>Financial liabilities:</b>				
Trade and other payables (exclude GST payables)	(49,976)	–	–	(49,976)
Other payables	–	(450)	–	(450)
Borrowings	(934)	(47,220)	–	(48,154)
Lease liabilities	(368)	(2,416)	–	(2,784)
Total undiscounted financial liabilities	<b>(51,278)</b>	<b>(50,086)</b>	<b>–</b>	<b>(101,364)</b>
Total net undiscounted financial assets/ (liabilities)	<b>57,123</b>	<b>(42,018)</b>	<b>9,667</b>	<b>24,772</b>
	2024			
Group	One year or less S\$'000	One to five years S\$'000	Over five years S\$'000	Total S\$'000
<b>Financial assets:</b>				
Investment securities	8,504	8,070	9,481	26,055
Trade receivables	9,401	–	–	9,401
Other receivables	1,543	–	–	1,543
Amounts due from joint venture partners	57	–	–	57
Deposits	717	–	–	717
Cash and short-term deposits	159,304	–	–	159,304
Total undiscounted financial assets	<b>179,526</b>	<b>8,070</b>	<b>9,481</b>	<b>197,077</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 35. Financial risk management objectives and policies (cont'd)

### (d) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

Group	2024			Total S\$'000
	One year or less S\$'000	One to five years S\$'000	Over five years S\$'000	
<b>Financial liabilities:</b>				
Trade and other payables (exclude GST payables)	(50,789)	–	–	(50,789)
Other payables	–	(861)	–	(861)
Lease liabilities	(136)	(315)	–	(451)
Total undiscounted financial liabilities	(50,925)	(1,176)	–	(52,101)
Total net undiscounted financial assets	128,601	6,894	9,481	144,976

Company	2025	2024
	One year or less S\$'000	One year or less S\$'000
<b>Financial assets:</b>		
Other receivables	59,107	25,808
Cash and short-term deposits	16,327	54,886
Total undiscounted financial assets	75,434	80,694
<b>Financial liabilities:</b>		
Trade and other payables (exclude GST payable)	(340)	(328)
Total undiscounted financial liabilities	(340)	(328)
Total net undiscounted financial assets	75,094	80,366

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantees could be called.

Company	2025			2024		
	One year or less S\$'000	One to five years S\$'000	Total S\$'000	One year or less S\$'000	One to five years S\$'000	Total S\$'000
Financial guarantees (Note 34)	–	123,853	123,853	–	1,755	1,755

### (e) Foreign currency risk

The Group holds cash and short-term deposits denominated in a currency other than the functional currency of the Group, which is SGD. At the end of the reporting period, the foreign currency balances are denominated in USD.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 35. Financial risk management objectives and policies (cont'd)

### (e) Foreign currency risk (cont'd)

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD exchange rates against the functional currency of the Group (SGD), with all other variables held constant.

	2025 S\$'000	2024 S\$'000
	<b>Profit before tax</b>	
<b>USD/SGD</b>		
- Strengthened 3% (2024: 3%)	<b>25</b>	48
- Weakened 3% (2024: 3%)	<b>(25)</b>	(48)

## 36. Fair value of assets and liabilities

### (a) Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 36. Fair value of assets and liabilities (cont'd)

### (b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	Group 2025			Total S\$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Financial assets at fair value through profit or loss (Note 14)				
- Debt instruments (quoted)	15,518	-	-	15,518
- Equity instruments (quoted)	843	-	-	843
Financial assets at fair value through other comprehensive income (Note 14)				
- Equity instruments (quoted)	20,442	-	-	20,442
<b>Financial assets as at 31 December 2025</b>	<b>36,803</b>	<b>-</b>	<b>-</b>	<b>36,803</b>
<b>Non-financial assets:</b>				
Investment properties (Note 10)				
- Office premises	-	-	1,840	1,840
- Workshop	-	-	1,500	1,500
<b>Non-financial assets as at 31 December 2025</b>	<b>-</b>	<b>-</b>	<b>3,340</b>	<b>3,340</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 36. Fair value of assets and liabilities (cont'd)

### (b) Assets and liabilities measured at fair value (cont'd)

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period: (cont'd)

	Group 2024			Total S\$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Financial assets at fair value through profit or loss (Note 14)				
- Debt instruments (quoted)	14,309	-	-	14,309
- Equity instruments (quoted)	349	-	-	349
Financial assets at fair value through other comprehensive income (Note 14)				
- Equity instruments (quoted)	16,610	-	-	16,610
<b>Financial assets as at 31 December 2024</b>	<b>31,268</b>	<b>-</b>	<b>-</b>	<b>31,268</b>
<b>Non-financial assets:</b>				
Investment properties (Note 10)				
- Office premises	-	-	1,800	1,800
- Workshop	-	-	1,500	1,500
<b>Non-financial assets as at 31 December 2024</b>	<b>-</b>	<b>-</b>	<b>3,300</b>	<b>3,300</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 36. Fair value of assets and liabilities (cont'd)

### (c) Level 3 fair value measurements

Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at 31 December 2025 S\$'000	Valuation techniques	Significant unobservable inputs	Range (weighted average)
<b>Recurring fair value measurements</b>				
Investment properties:				
- Office premises	1,840	Market comparable approach	Market price per square metre*	S\$20,000 to S\$21,000 per square metre
- Workshop	1,500	Market comparable approach	Market price per square metre*	S\$3,600 to S\$4,200 per square metre

Description	Fair value at 31 December 2024 S\$'000	Valuation techniques	Significant unobservable inputs	Range (weighted average)
<b>Recurring fair value measurements</b>				
Investment properties:				
- Office premises	1,800	Market comparable approach	Market price per square metre*	S\$22,000 to S\$23,000 per square metre
- Workshop	1,500	Market comparable approach	Market price per square metre*	S\$3,300 to S\$3,600 per square metre

\* Adjustments are made for any difference in the nature, location or condition of the specific property.

For office premises and workshop, a significant increase/(decrease) in market price per square metre based on external valuation expert's assumptions would result in a significantly higher/(lower) fair value measurement.

While the Group believes that its estimate of fair value is appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

The Group believes that there are no reasonably possible alternative assumptions that will result in a significant change in fair value of the investment properties for the years ended 31 December 2025 and 2024.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 36. Fair value of assets and liabilities (cont'd)

### (c) Level 3 fair value measurements (cont'd)

#### Valuation policies and procedures

It is the Group's policy to engage external valuation experts to perform valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 *Fair Value Measurement* guidance to perform the valuation.

The Group revalues its properties and the valuation techniques used is the comparison method that considers the sales of similar properties that have been transacted in the open market with adjustments made for differences in factors that affect value. The appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs used in the valuations.

### (d) Assets and liabilities not measured at fair value whose carrying amounts approximate fair value

*Trade receivables, other receivables, amount due from/(to) joint venture partners, current portion of deposits, cash and short-term deposits, trade and other payables and borrowings*

The carrying amounts of these financial assets and financial liabilities approximate their fair values, either due to the short-term nature of these balances or that they are floating rate instruments that are re-priced to market interest rates at or near the end of the reporting period.

#### *Non-current other payables*

The difference in carrying amount and fair value of non-current portion of other payables are not significant.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 37. Financial instruments by category

Set out below is the carrying amount of each of the categories of the Group's and the Company's financial instruments that are carried in the financial statements:

Group	Note	Assets at amortised cost S\$'000	Equity instruments at FVTPL S\$'000	Equity instruments at FVOCI S\$'000	Debt instruments at FVTPL S\$'000	Liabilities at amortised cost S\$'000
<b>At 31 December 2025</b>						
<b>Assets</b>						
Investment securities (non-current)	14	-	-	20,442	-	-
Investment securities (current)	14	6,988	843	-	15,518	-
Trade receivables	17	10,564	-	-	-	-
Other receivables (exclude GST receivables)	18	1,024	-	-	-	-
Deposits	20	596	-	-	-	-
Cash and short-term deposits	21	88,013	-	-	-	-
<b>Liabilities</b>						
Trade and other payables (exclude GST payables)	22	-	-	-	-	49,976
Amount due to joint venture partners	19	-	-	-	-	1
Other payables	22	-	-	-	-	450
Lease liabilities	23	-	-	-	-	1,360
		<b>107,185</b>	<b>843</b>	<b>20,442</b>	<b>15,518</b>	<b>51,787</b>
<b>At 31 December 2024</b>						
<b>Assets</b>						
Investment securities (non-current)	14	-	-	16,610	-	-
Investment securities (current)	14	7,955	349	-	14,309	-
Trade receivables	17	9,401	-	-	-	-
Other receivables	18	1,543	-	-	-	-
Amounts due from joint venture partners	19	57	-	-	-	-
Deposits	20	717	-	-	-	-
Cash and short-term deposits	21	159,304	-	-	-	-
<b>Liabilities</b>						
Trade and other payables (exclude GST payables)	22	-	-	-	-	50,789
Other payables	22	-	-	-	-	861
Lease liabilities	23	-	-	-	-	411
		<b>178,977</b>	<b>349</b>	<b>16,610</b>	<b>14,309</b>	<b>52,061</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 37. Financial instruments by category (cont'd)

Set out below is the carrying amount of each of the categories of the Group's and the Company's financial instruments that are carried in the financial statements: (cont'd)

	Note	Assets at amortised cost S\$'000	Liabilities at amortised cost S\$'000
<b>Company</b>			
<b>At 31 December 2025</b>			
<b>Assets</b>			
Other receivables	18	59,107	-
Cash and short-term deposits	21	16,327	-
<b>Liabilities</b>			
Trade and other payables (exclude GST payable)	22	-	(340)
		75,434	(340)

	Note	Assets at amortised cost S\$'000	Liabilities at amortised cost S\$'000
<b>Company</b>			
<b>At 31 December 2024</b>			
<b>Assets</b>			
Other receivables	18	25,808	-
Cash and short-term deposits	21	54,886	-
<b>Liabilities</b>			
Trade and other payables (exclude GST payable)	22	-	(328)
		80,694	(328)

## 38. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 38. Capital management (cont'd)

The Group monitors its capital structure as follows:

	Note	Group	
		2025 S\$'000	2024 S\$'000
Cash and short-term deposits	21	88,013	159,304
Borrowings	24	(44,095)	–
Net cash		43,918	159,304
Equity attributable to owners of the Company		292,182	283,992

The Group will continue to be guided by prudent financial policies of which gearing is an important aspect.

## 39. Segment information

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

- Civil engineering: Infrastructure construction and civil engineering works for bridges, expressways, tunnels and other related infrastructure works.
- Properties development: Development of properties in the residential and industrial sectors.
- Properties investment: Investment properties held to earn rentals and/or for capital appreciation and others.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The three operating segments are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who review the segment results every quarter for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit margins of the products and services.

Corporate overheads, taxes and investment securities are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 39. Segment information (cont'd)

At 31 December 2025	Civil engineering S\$'000	Properties development S\$'000	Properties investment S\$'000	Adjustments S\$'000	Notes	Per consolidated financial statements S\$'000
<b>Revenue:</b>						
External customers, representing total revenue	163,785	22,281	193	-		186,259
<b>Results:</b>						
Depreciation	2,545	-	-	-		2,545
Dividend income from investment securities	-	-	-	155		155
Gain on disposal of property, plant and equipment	471	-	-	-		471
Gain on fair value of investment property	-	-	-	40		40
Gain on fair value of investment securities - net	-	-	-	1,316		1,316
Interest income	-	-	-	4,432		4,432
Unrealised loss on foreign exchange	-	-	-	25		25
Share of results of joint venture	-	371	-	-		371
Segment profit	5,819	12,440	61	1,575	A	19,895
<b>Assets:</b>						
Investment in joint venture	-	2,098	-	-		2,098
Additions to non-current assets	4,234	-	-	-	B	4,234
Segment assets	208,105	142,994	3,501	44,709	C	399,309
<b>Segment liabilities</b>	57,454	47,929	52	968	D	106,403

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 39. Segment information (cont'd)

At 31 December 2024	Civil engineering S\$'000	Properties development S\$'000	Properties investment S\$'000	Adjustments S\$'000	Notes	Per consolidated financial statements S\$'000
<b>Revenue:</b>						
External customers, representing total revenue	150,164	33,110	182	–		183,456
<b>Results:</b>						
Depreciation	2,289	–	–	–		2,289
Dividend income from investment securities	–	–	–	151		151
Gain on disposal of property, plant and equipment	1,405	–	–	–		1,405
Gain on fair value of investment property	–	–	–	100		100
Gain on fair value of investment securities - net	–	–	–	558		558
Interest income	–	13	–	6,232		6,245
Share of results of joint venture	–	61	–	–		61
Unrealised gain on foreign exchange	–	–	–	119		119
Segment profit	17,096	16,449	61	4,052	A	37,658
<b>Assets:</b>						
Investment in joint venture	–	3,752	–	–		3,752
Additions to non-current assets	3,666	–	–	–	B	3,666
Segment assets	249,944	56,988	3,722	41,883	C	352,537
<b>Segment liabilities</b>	62,265	5,424	58	327	D	68,074

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

## 39. Segment information (cont'd)

Nature of adjustments to arrive at amounts reported in the consolidated financial statements

- A. The following items are added to/(deducted from) segment profit to arrive at "Profit before taxation" presented in the consolidated income statement:

	Group	
	2025 S\$'000	2024 S\$'000
Other income	6,803	9,303
Corporate overheads	(5,204)	(5,251)
Other operating costs	(24)	–
	<b>1,575</b>	<b>4,052</b>

- B. Additions to non-current assets consist of additions to property, plant and equipment.

- C. The following items are added to segment assets to arrive at total assets reported in the consolidated balance sheets:

	Group	
	2025 S\$'000	2024 S\$'000
Investment in joint venture	–	1,350
Investment securities	43,791	39,223
Deferred tax assets	918	1,310
	<b>44,709</b>	<b>41,883</b>

- D. The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheets:

	Group	
	2025 S\$'000	2024 S\$'000
Provision for taxation	96	–
Other payables	872	327
	<b>968</b>	<b>327</b>

### Geographical information

The Group derives all of its revenues from external customers based in Singapore and its non-current assets are solely located in Singapore for the years ended 31 December 2025 and 2024.

### Information about major customers

During the financial year ended 31 December 2025, revenue from a major customer from the construction segment amounted to S\$124,711,000 (2024: S\$126,008,000).

## 40. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 31 March 2026.

# STATISTICS OF SHAREHOLDINGS

As at 11 March 2026

ISSUED AND FULLY PAID-UP CAPITAL	:	S\$ 59,954,000
NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES)	:	509,934,991
NUMBER / PERCENTAGE OF TREASURY SHARES HELD	:	2,169,000 (0.43%)
NUMBER / PERCENTAGE OF SUBSIDIARY HOLDINGS HELD	:	Nil
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	1 VOTE PER SHARE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	3	0.17	37	0.00
100 - 1,000	82	4.83	53,500	0.01
1,001 - 10,000	608	35.81	4,149,550	0.81
10,001 - 1,000,000	968	57.01	64,645,264	12.68
1,000,001 & ABOVE	37	2.18	441,086,640	86.50
<b>TOTAL</b>	<b>1,698</b>	<b>100.00</b>	<b>509,934,991</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

	NO. OF SHARES	%
CHUA LEONG HAI @CHUA LEANG HAI	195,221,647	38.28
CHUA AIK KHOON (CAI YIQUN)	29,847,663	5.85
CHUA SIOK HONG	26,298,442	5.16
CHUA SIOK PENG (CAI SHUPING)	26,119,265	5.12
CHUA SIOK KHENG (CAI SHUQING)	26,087,569	5.12
CHUA BOE	14,183,536	2.78
PEH TIEW HOI OR CHUA YEN JOO (CAI YANRU)	12,874,292	2.52
DBS NOMINEES PTE LTD	11,661,200	2.29
NG SING	9,451,760	1.85
CHUA BEE KIM	8,915,376	1.75
PHILLIP SECURITIES PTE LTD	7,881,035	1.55
TAN AH CHON	7,243,032	1.42
CHUA HOO SAI OR TI POH CHOO	7,203,236	1.41
CHUA SEE	6,407,501	1.26
PEH MENG HING	4,477,149	0.88
CHOO LIAN PENG	4,358,350	0.85
PEH CHANG YEW @PEH BENG KIAT	4,037,149	0.79
HSBC (SINGAPORE) NOMINEES PTE LTD	3,465,800	0.68
ONG KIAN KOK	3,290,000	0.65
TAN HUA TOCK	3,243,600	0.64
	<b>412,267,602</b>	<b>80.85</b>

Based on the information available to the Company as at 11 March 2026, approximately 36.55% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Limited is complied with.

SUBSTANTIAL SHAREHOLDERS	NO. OF SHARES	%
CHUA LEONG HAI @CHUA LEANG HAI	195,221,647	38.28
CHUA AIK KHOON (CAI YIQUN)	29,847,663	5.85
CHUA SIOK HONG	26,298,442	5.16
CHUA SIOK PENG (CAI SHUPING)	26,119,265	5.12
CHUA SIOK KHENG (CAI SHUQING)	26,087,569	5.12

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of **HOCK LIAN SENG HOLDINGS LIMITED** (the “**Company**”) will be held at Serangoon Gardens Country Club, Kensington Ballroom 1, Heliconia Wing 2nd Level, 22 Kensington Park Road, Singapore 557271 on Thursday, 23 April 2026 at 9.30 a.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2025 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a first and final dividend (tax exempt one-tier) of 1.125 Singapore cents per ordinary share for the financial year ended 31 December 2025. **(Resolution 2)**
3. To re-elect the following Directors who will be retiring pursuant to Regulations 97 and 101 of the Constitution of the Company and who being eligible, offer themselves for re-election as Directors of the Company:
  - (i) Mr Lim Bok Ngam – Regulation 97 **(Resolution 3)**
  - (ii) Mr Chua Sher Kiong – Regulation 97 **(Resolution 4)**
  - (iii) Dr Wong Siew Moh – Regulation 101 **(Resolution 5)**

*[See Explanatory Note (i)]*
4. To approve the payment of Directors’ fees of S\$180,000 for the financial year ended 31 December 2025 (FY2024: S\$180,000). **(Resolution 6)**
5. To re-appoint Messrs Ernst & Young LLP, Certified Public Accountants, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors of the Company be authorised and empowered to:

- (A) (i) issue shares in the Company (“**shares**”) whether by way of rights, bonus or otherwise;
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares;
- (iii) issue additional Instrument arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

# NOTICE OF ANNUAL GENERAL MEETING

- (B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with sub-paragraphs (2)(a) or (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of the Share Issue Mandate.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in General Meeting, the authority conferred by this Resolution shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

**(Resolution 8)**

*[See Explanatory Note (ii)]*

# NOTICE OF ANNUAL GENERAL MEETING

## 8. Renewal of the Share Buy-Back Mandate

That:

- (a) for the purpose of the Companies Act 1967, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company (“**Shares**”) (excluding treasury shares and subsidiary holdings) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
- (i) on-market purchase, transacted on the SGX-ST through the ready market on the SGX-ST trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose (“**On-Market Share Buy-Back**”); and/or
  - (ii) off-market purchase effected pursuant to an equal access scheme in accordance with Section 76C of the Act (“**Off-Market Share Buy-Back**”),

and otherwise in accordance with all other laws and regulations, including but not limited to, the listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally

(the “**Share Buy-Back Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
- (i) the conclusion of the next Annual General Meeting of the Company or the date by which such Annual General Meeting is required by law to be held;
  - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
  - (iii) the date on which the authority conferred by the proposed Share Buy-Back Mandate is revoked or varied by ordinary resolution of the Company in a general meeting;
- (c) in this ordinary resolution:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last consecutive five (5) Market Days, on which transactions in the Shares were recorded on the SGX-ST, immediately before the date of the On-Market Share Buy-Back or, as the case may be, the date of the making of the offer pursuant to the Off-Market Share Buy-Back, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five (5) day period and the date of the making of the offer pursuant to the Off-Market Share Buy-Back; and

“**date of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Buy-Back;

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of an On-Market Share Buy-Back, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Share Buy-Back, 120% of the Average Closing Price of the Shares; and

# NOTICE OF ANNUAL GENERAL MEETING

“**Prescribed Limit**” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings as at that date); and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may in their/his absolute discretion consider expedient or necessary to give effect to the transactions contemplated and/or authorised by the Share Buy-Back Mandate and/or this Resolution.

**(Resolution 9)**

*[See Explanatory Note (iii)]*

By Order of the Board

Cheok Hui Yee  
Kong Wei Fung  
Company Secretaries  
Singapore

7 April 2026

## Explanatory Notes:

- (i) (a) Mr. Lim Bok Ngam will, upon re-election as a Director of the Company, remain as an Independent Director, Chairman of Nominating Committee and Board Safety Committee and a member of Audit and Risk Management Committee and Remuneration Committee and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- (b) Mr. Chua Sher Kiong will, upon re-election as Director of the Company, remain as Executive Director and will be considered non-independent.
- (c) Dr. Wong Siew Moh will, upon re-election as Director of the Company, remain as Executive Director and will be considered non-independent.

Detailed information of Mr. Lim Bok Ngam, Mr. Chua Sher Kiong and Dr Wong Siew Moh as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST are set out on “Additional information on directors seeking re-election”.

- (ii) Resolution 8 in item 7 above, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards which were issued and outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

- (iii) Resolution 9 in item 8 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of On-Market Share Buy-Back or Off-Market Share Buy-Back of up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in the Appendix to the Annual Report dated 7 April 2026 (the “**Appendix**”). The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy-Back Mandate on the audited consolidated financial accounts of the Group (as defined in the Appendix) for the financial year ended 31 December 2025 are set out in greater detail in the Appendix.

# NOTICE OF ANNUAL GENERAL MEETING

## Notes:

1. The Annual General Meeting (“AGM”) will be held, in a wholly physical format, at Serangoon Gardens Country Club, Kensington Ballroom 1, Heliconia Wing 2nd Level, 22 Kensington Park Road, Singapore 557271 on Thursday, 23 April 2026 at 9.30 a.m. **There will be no option for shareholders to participate virtually.**
2. The documents and information relating to the AGM (including the Annual Report, Notice of AGM and Proxy Form) have been made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL <https://www.hlsgroup.com.sg/>.

Nevertheless, printed copies of the Notice of AGM and the Proxy Form will be despatched to shareholders. Shareholders may request physical copies of the Annual Report and/or Circular by filling out the Request Form and returning it to the Company by post to the Company’s registered office at 80 Marine Parade Road, #16-08 Parkway Parade, Singapore 449269 by mail; or if by electronic mail to [info@hlsgroup.com.sg](mailto:info@hlsgroup.com.sg) enclosing a clear scanned completed and signed Request Form, to be received by the Company no later than 15 April 2026.

3. If a member wishes to submit questions related to the resolutions tabled for approval at the AGM prior to the AGM, all questions must be submitted by no later than 9.30 a.m. on 15 April 2026 through email to [info@hlsgroup.com.sg](mailto:info@hlsgroup.com.sg) and provide the following particulars, for verification purpose:
  - full name as it appears on his/her/its CDP and/or SRS share records;
  - NRIC/Passport/UEN number;
  - contact number and email address; and
  - the manner in which you hold in the Company (e.g. via CDP and/or SRS).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

Alternatively, member may also ask question during the AGM.

The Company will endeavour to address all substantial and relevant questions received from shareholders as of 17 April 2026, being not less than forty-eight (48) hours before the closing date and time for the lodgement of the proxy form, via SGXNet and the Company’s website. The Company will also address any subsequent clarifications sought or follow-up questions during the AGM in respect of substantial and relevant matters. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions will be individually addressed. The responses from the Board and the Management of the Company shall thereafter be published on (i) the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>; and (ii) the Company’s website at the URL <https://www.hlsgroup.com.sg/>, together with the minutes of the AGM, within one (1) month after the conclusion of the AGM. The minutes will include the responses to substantial and relevant questions received from shareholders which are addressed during the AGM.

4. A member of the Company (other than a Relevant Intermediary\*) entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A member shall specify the proportion of his/her/its shareholding to be represented by each proxy in the instrument appointing the proxies, failing which the nomination shall be deemed to be alternative. A proxy need not be a member of the Company.
5. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number and class of shares shall be specified).
6. The instrument appointing a proxy must be submitted to the Company in the following manner:
  - (a) depositing it at the Registered Office of the Company at 80 Marine Parade Road, #16-08 Parkway Parade, Singapore 449269, or
  - (b) if submitted electronically, be received by the Company at [info@hlsgroup.com.sg](mailto:info@hlsgroup.com.sg) or [main@zicoholdings.com](mailto:main@zicoholdings.com)

not less than seventy-two (72) hours before the time appointed for the AGM, and in default the instrument of proxy shall not be treated as valid.

7. The instrument appointing a proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the proxy form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.

# NOTICE OF ANNUAL GENERAL MEETING

8. An investor who holds shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investor**”) (as may be applicable) and wishes to appoint a proxy should approach their respective CPF/SRS Approved Nominees (CPF Agent Banks or SRS Operators) to submit their votes at least seven (7) working days before the AGM.

\*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

## **Personal data privacy:**

By (a) attending, speaking or voting at the AGM and/or adjournment thereof; (b) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof; or (c) submitting any questions prior to, or at, the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

To provide the information as set out in Appendix 7.4.1 relating to the candidate who is proposed to be appointed for the first time or re-elected to the board at a general meeting, in the notice of meeting, annual report or relevant circular distributed to shareholders prior to the general meeting.

The Directors named below are retiring and being eligible, offer themselves for re-election at the upcoming AGM:

Name of Director	Lim Bok Ngam	Chua Sher Kiong	Wong Siew Moh
Date of Appointment	4 January 2021	4 August 2023	24 April 2025
Age	75	48	51
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company is of the opinion that Mr Lim can contribute positively to the Company after reviewing the Nominating Committee's recommendation and Mr Lim's qualifications, extensive experiences and suitability. The Board considers Mr Lim to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.	The Board of Directors of the Company is of the opinion that Mr Chua can contribute positively to the Company after reviewing the Nominating Committee's recommendation and Mr Chua's qualifications, extensive experiences and suitability.	The Board of Directors of the Company is of the opinion that Dr Wong can contribute positively to the Company after reviewing the Nominating Committee's recommendation and Dr Wong's qualifications, extensive experiences and suitability.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive. He is the Senior Manager in Resource Coordination, in charge of warehouse operation, workers management, maintenance and allocation of the Group's machineries and vehicles.	Executive. Dr Wong is responsible for the business operations, with a focus on the construction arm.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of Nominating Committee and Board Safety Committee and a member of Audit and Risk Management Committee and Remuneration Committee	Executive Director	Executive Director
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	Mr Chua is the nephew of Mr Chua Leong Hai (Executive Director and Executive Chairman) and cousin of Ms Chua Siok Peng (Executive Director and Chief Executive Officer)	None

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lim Bok Ngam	Chua Sher Kiong	Wong Siew Moh
Conflict of interest (including any competing business)	None	None	None
Working experience and occupation(s) during the past 10 years	<p>Mr Lim has extensive experience in the field of infrastructure, building and civil engineering. He started his career in the area of design and progressed to construction and project management. During his career he has worked with Brown &amp; Root, RDC (Resources Development Corporation), PWD (Public Works Department), LTA (Land Transport Authority) and MSI International (LTA consultant arm). He was the DCE (Deputy Chief Executive) of LTA, overseeing the implementation of MRT/road projects and smooth running of the land transport system in Singapore. Mr Lim is currently a board member of Transitlink Pte Ltd, adviser for DTSS2, PUB Deep Sewer Tunnel Project and Council member.</p>	<p>Mr Chua has joined the Group as Logistic Manager in 2015.</p> <p>Prior to joining the Group, Mr Chua was the Director and Key Executive officer of a real estate agency.</p>	<p>Dr Wong joined the Group in September 2016 as Senior Technical Manager, and is involving in the Changi JV Project. He was appointed as a Director of Hock Lian Seng Infrastructure Pte. Ltd. in 2021 and is currently the Chief Operating Officer.</p>
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	No	Direct interest – 279,000 shares	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lim Bok Ngam	Chua Sher Kiong	Wong Siew Moh
<p>Other Principal Commitments* Including Directorships#</p> <p>* <b>"Principal Commitments"</b> has the same meaning as defined in the Code</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)</p>	<p><u>Past (for the last 5 years)</u></p> <ol style="list-style-type: none"> <li>Project Adviser for Hock Lian Seng Infrastructure Pte. Ltd. (1 July 2014 to 31 Mar 2020)</li> <li>Board member (Transitlink Pte Ltd), a LTA company</li> <li>Committee Member of ECAD (Executive Committee on Airport Development), Changi Airport Group</li> </ol> <p><u>Present</u></p> <ol style="list-style-type: none"> <li>Council member (Public Transport Council), a MOT Statutory Board</li> <li>Adviser, DTSS2. PUB Deep Sewer Tunnel Project</li> <li>Panel member DPAP (Development Projects Advisory Committee), Ministry of Finance</li> </ol>	<p><u>Past (for the last 5 years)</u></p> <p>None</p> <p><u>Present</u></p> <ol style="list-style-type: none"> <li>Lian Seng Investment Pte. Ltd.</li> <li>Sin Chua Investments Pte Ltd</li> <li>Bijama Development Sdn. Bhd.</li> <li>Hock Lian Seng Group's subsidiaries and joint venture companies.</li> </ol>	<p><u>Past (for the last 5 years)</u></p> <p>None</p> <p><u>Present</u></p> <p>Director of Hock Lian Seng Group's subsidiaries and joint venture companies.</p>

The retiring Directors have responded negative to items (a) to (k) listed in Rule 720(6) of the Listing Rules of SGX-ST.

# HOCK LIAN SENG HOLDINGS LIMITED

(Company Registration No. 200908903E)  
(Incorporated in the Republic of Singapore)

## PROXY FORM

**IMPORTANT:**

- The Annual General Meeting ("AGM") will be held, in a wholly physical format, at Serangoon Gardens Country Club, Kensington Ballroom 1, Heliconia 2nd Level, 22 Kensington Park Road, Singapore 557271 on Thursday, 23 April 2026 at 9.30 a.m. **There will be no option for Shareholders to participate virtually.**
- A member (whether individual or corporate) is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- Central Provident Fund Investment Scheme ("CPF Investor") or Supplementary Retirement Scheme ("SRS Investor") who wish to appoint a proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 7 April 2026.
- Please read the AGM notes overleaf which contain instructions on, inter alia, the appointment of a proxy to attend and vote on his/her/its behalf at the AGM.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No.)

of \_\_\_\_\_ (Address)

being a member/members of **HOCK LIAN SENG HOLDINGS LIMITED** (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or failing him/her

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her/them, the Chairman of the AGM as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the AGM of the Company to be held at Serangoon Gardens Country Club, Kensington Ballroom 1, Heliconia 2nd Level, 22 Kensington Park Road, Singapore 557271 on Thursday, 23 April 2026 at 9.30 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for, against or to abstain from voting the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	Resolutions relating to:	No. of votes 'For'*	No. of votes 'Against'*	No. of votes 'Abstain'*
<b>Ordinary Business</b>				
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2025			
2	Declaration of First and Final Dividend for the financial year ended 31 December 2025			
3	Re-election of Mr. Lim Bok Ngam as Director			
4	Re-election of Mr. Chua Sher Kiong as Director			
5	Re-election of Dr Wong Siew Moh as Director			
6	Approval of Directors' fees amounting to S\$180,000 for the financial year ended 31 December 2025			
7	Re-appointment of Messrs Ernst & Young LLP as Auditors and to authorise the Directors of the Company to fix their remuneration			
<b>Special Business</b>				
8	Authority to allot and issue shares and convertible securities			
9	Renewal of the Share Buy-Back Mandate			

\* If you wish to exercise all your votes 'For' or 'Against' or to 'Abstain' from voting, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing the proxy/proxies not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2026

Total number of Shares held



\_\_\_\_\_  
Signature of Shareholder(s)  
and, Common Seal of Corporate Shareholder

**Notes:**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary\*) entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A member shall specify the proportion of his/her/its shareholding to be represented by each proxy in the instrument appointing the proxies, failing which the nomination shall be deemed to be alternative. A proxy need not be a member of the Company.
3. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number or class of shares shall be specified).
4. Subject to note 8, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.
5. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
  - a) depositing it at the Registered Office of the Company at 80 Marine Parade Road, #16-08 Parkway Parade, Singapore 449269, or
  - b) if submitted electronically, be received by the Company at [info@hlsgroup.com.sg](mailto:info@hlsgroup.com.sg) or [main@zicoholdings.com](mailto:main@zicoholdings.com)not less than seventy-two (72) hours before the time appointed for the AGM, and in default the instrument of proxy shall not be treated as valid.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967, and the person so authorised shall upon production of a copy of such resolution certified by a Director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
8. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) and wishes to appoint a proxy should approach their respective CPF/SRS Approved Nominees (CPF Agent Banks or SRS Operators) to submit their votes at least seven (7) working days before the AGM.

\* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 7 April 2026.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Chua Leong Hai (Executive Chairman)**  
Chua Siok Peng  
Hoon Tai Meng (Lead Independent Director)  
Lim Bok Ngam  
David Tan Chao Hsiung  
Chua Sher Kiong  
Wong Siew Moh

## AUDIT AND RISK

### MANAGEMENT COMMITTEE

**Hoon Tai Meng (Chairman)**  
Lim Bok Ngam  
David Tan Chao Hsiung

### NOMINATING COMMITTEE

**Lim Bok Ngam (Chairman)**  
Hoon Tai Meng  
Chua Leong Hai  
David Tan Chao Hsiung

### REMUNERATION COMMITTEE

**David Tan Chao Hsiung (Chairman)**  
Hoon Tai Meng  
Lim Bok Ngam

### BOARD SAFETY COMMITTEE

**Lim Bok Ngam (Chairman)**  
Hoon Tai Meng  
David Tan Chao Hsiung

### COMPANY SECRETARIES

Cheok Hui Yee  
Kong Wei Fung

## REGISTERED OFFICE

80 Marine Parade Road  
#16-08 Parkway Parade  
Singapore 449269  
Tel: (65) 6344 0555 | Fax: (65) 6440 9049  
**Website:** [www.hlsgroup.com.sg](http://www.hlsgroup.com.sg)  
**Email:** [info@hlsgroup.com.sg](mailto:info@hlsgroup.com.sg)

## SHARE REGISTRAR

### B.A.C.S. Private Limited

77 Robinson Road  
#06-03 Robinson 77  
Singapore 068896

## INDEPENDENT AUDITOR

### Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583  
(Partner-in-charge: Ang Chuen Beng  
appointed since financial year  
ended 31 December 2025)

## PRINCIPAL BANKERS

United Overseas Bank Limited  
Oversea-Chinese Banking  
Corporation Limited  
Malayan Banking Berhad  
Hong Kong Shanghai Banking  
Corporation Limited  
Bank of Singapore Limited  
Development Bank of Singapore

## COMPANY REGISTRATION NUMBER

200908903E



**HOCK LIAN SENG HOLDINGS LIMITED**  
Company Registration No.: 200908903E  
80 Marine Parade Road, #16-08 Parkway Parade  
Singapore 449269  
Tel: (65) 6344 0555 | Fax: (65) 6440 9049  
[www.hlsgroup.com.sg](http://www.hlsgroup.com.sg)