SHS HOLDINGS LTD.

ANNUAL REPORT 2025

EVOLVING CONTINUOUSLY, LEADING **CONFIDENTLY**

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CORPORATE PROFILE

ABOUT SHS HOLDINGS LTD.

Established in 1971, SHS Holdings has evolved into a diversified group with main businesses involving Engineering & Construction that comprises structural steel & facade and modular construction, Corrosion Prevention, Energy-related businesses and Aluminium Manufacturing and Recycling.

We are continually strengthening our core businesses to further reinforce our platforms for growth. We are well positioned in our respective industries and are actively expanding our customer base and deepening our geographical network while enlarging our portfolio of products and services.

CORPORATE PROFILE

ENGINEERING & CONSTRUCTION

The Group, through its subsidiary, Hetat Holdings Pte Ltd ("**Hetat**") has a strong track record in the design, engineering and construction of integrated structures created from steel, aluminium and glass materials. We leverage on our strong and tested expertise to serve customers in a wide spectrum of industries and various fields. It is at the forefront of its field and one of a few fabricators with S1 accreditation from the Singapore Structural Steel Society. With several landmark projects under its belt, Hetat is well placed to pursue further structural projects in Singapore, Malaysia and other potential markets.

SOLAR ENERGY

The Group diversified into the solar energy sector in 2016, amidst a growing global commitment to renewable energy and environmental sustainability, and the quest for clean and affordable energy-efficient solutions. Through its subsidiaries, the Group focuses on solar energy development and Engineering, Procurement & Construction ("**EPC**") works. It has successfully installed various roof-top, photovoltaic systems of all scales for domestic and commercial customers in Singapore. It added a new line of business by going into the distribution of solar inverters for the region. It had successfully completed the construction of a 50MW solar power plant in Bangladesh in the last quarter of 2020 following the signing of the Power Purchase and Implementation Agreements with the Bangladesh Power Development Board, the Government of the People's Republic of Bangladesh, and the Power Grid Company of Bangladesh Ltd.

CORPORATE *PROFILE*

CORROSION PREVENTION

The Group is an established leading provider of corrosion prevention services to the marine, oil and gas, construction and infrastructure industries. It has a special niche in specialised tank coating services and large-scale plant operations in Singapore. Its proven capability in corrosion prevention services is underscored by its status as a resident contractor for premier shipyards in Singapore.

STRATEGIC INVESTMENTS

In addition to its core businesses, the Group continually evaluates strategic investment opportunities that enhance shareholder value. The Group has invested in Energy Drilling Pte Ltd, which successfully launched an initial public offering on the Oslo Børs in 2025 through SED Energy Holdings Plc. Following the listing, the Group realised gains from the sale of part of its shareholdings in SED Energy Holdings Plc. The Group also holds a stake in Aenergy Holdings Company Limited, an investment holding company with subsidiaries engaged in the development of mini-hydropower projects in Indonesia.

ALUMINIUM RECYCLING & MANUFACTURING

Following the acquisition of the Tidal Group in China in 2025, SHS Holdings Ltd has established its presence in the aluminium manufacturing and recycling sector through Guangxi Tidal Precision Technology Co., Ltd. and Nanning Tidal Aluminium Co., Ltd. respectively. This segment focuses on the production of precision aluminium components and the processing and recycling of aluminium materials, supporting more efficient use of resources and circular economy principles.

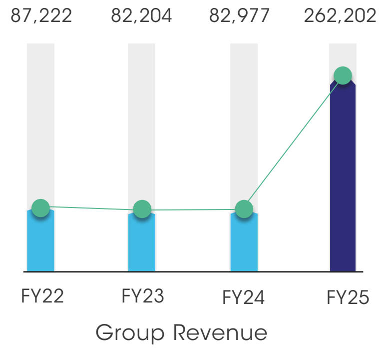
FINANCIAL *HIGHLIGHTS*

PROFIT & LOSS ACCOUNT (S$'000)	FY2022	FY2023	FY2024	FY2025
Revenue	87,222	82,204	82,977	262,202
Gross Profit	19,065	12,934	11,838	9,185
Profit/(Loss) before tax	5,748	3,366	2,826	(12,464)
Profit/(Loss) after tax	5,634	2,762	3,253	(13,096)
Profit/(Loss) Attributable to Owners of the Company	5,056	2,495	3,202	(13,071)
Per Share Data (Cents):				
Profit/(Loss) Per Share – Basic and Diluted	0.80	0.40	0.50	(2.14)
Net Asset Backing	21.50	22.37	22.87	22.81
Dividends Proposed	2,136	1,736	1,400	–

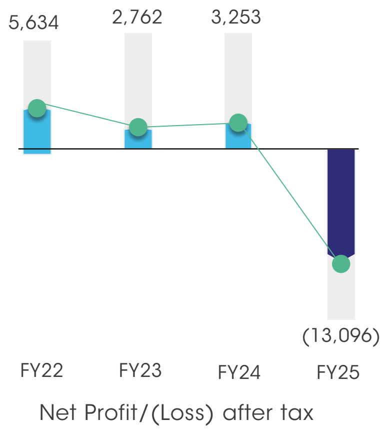
STATEMENT OF FINANCIAL POSITION (S$'000)	FY2022	FY2023	FY2024	FY2025
Total Assets	166,964	184,794	177,386	360,034
Total Liabilities	35,525	48,236	37,341	220,509
Shareholders' Equity	131,126	136,161	139,583	139,217
Non-Controlling Interests	313	397	462	308
Total Equity	131,439	136,558	140,045	139,525

REVENUE BY BUSINESS SEGMENTS (S$'000)	FY2022	FY2023	FY2024	FY2025
Engineering & Construction	60,348	33,134	35,974	29,958
Corrosion Prevention	16,368	16,679	14,539	11,901
Solar Energy	10,506	18,865	23,095	17,203
Aluminium Recycling and Manufacturing	–	13,526	9,369	203,140

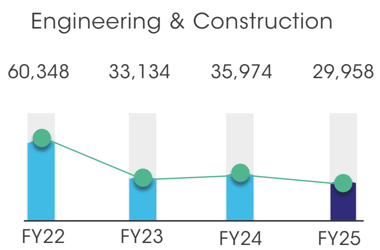
REVENUE (S$'000)

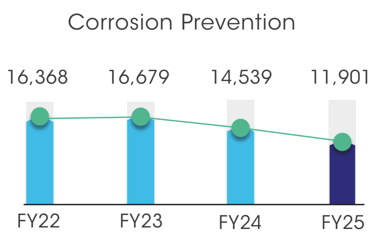


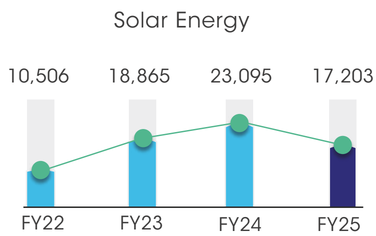
PROFIT/(LOSS) (S$'000)

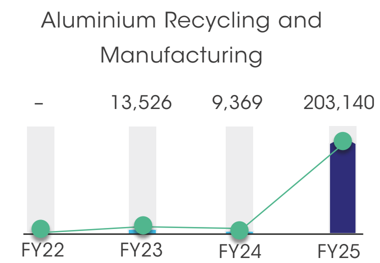


REVENUE BY BUSINESS SEGMENTS (S$'000)









CHAIRMAN'S *STATEMENT*

DEAR SHAREHOLDERS,

In today's dynamic global landscape, heightened geopolitical tensions and increasing trade restrictions have created substantial challenges for businesses everywhere. These factors have led to higher operating costs, supply chain disruptions, and limited visibility in the marketplace. In response, the Group has taken proactive steps to safeguard its position and drive sustainable growth, ensuring we remain resilient amid uncertainty.

We are pleased to report that on 16 June 2025, the Group completed the acquisition of Guangxi Tidal Precision Technology Co., Ltd and Nanning Tidal Aluminium Co., Ltd in China, enabling our diversification into precision aluminium manufacturing and aluminium recycling, which primarily serve the electric vehicle (EV) industry.

FINANCIAL HIGHLIGHTS

In the year just ended 31 December 2025, the Group posted a net loss attributable to shareholders of S$13.1 million on the back of lower margins from some projects, higher operating costs and impairment losses.

Group revenue, however, surged by 216% to S$262.2 million, boosted by first-time contributions from our newly acquired companies, Guangxi Tidal Precision Technology Co., Ltd and Nanning Tidal Aluminium Co., Ltd in China.

Meanwhile, sales from Corrosion Prevention, Engineering & Construction, and Solar segments fell year-on-year, mainly due to project completions and execution timing.

At year's end, the Group's total equity attributable to shareholders was S$139.5 million, with net asset per share at 22.81 Singapore cents, a slight decrease from the prior year. The cash balance held steady at around S$37.3 million, offering flexibility to cover the Group's commitments and day-to-day operations.

MOVING FORWARD

Looking ahead, the business environment continues to be challenging to navigate, shaped by ongoing global uncertainties, trade tensions, and rising production costs that add complexity to our operations.

CHAIRMAN'S STATEMENT

The Group remains cautiously optimistic about future opportunities, particularly in Engineering & Construction and Solar Energy, driven by ongoing infrastructure projects and Singapore's emphasis on sustainability. While challenges such as competition, rising costs, and strict regulations persist, the Group is confident that these can be overcome. In our new aluminium operations in Guangxi, China, the Group will prioritise measured capital spending and efficiency improvements.

With a focus on sustaining growth and mitigating risks, we believe that our strategic initiatives and the dedication of our management and staff will position us well to overcome these hurdles and seize emerging opportunities in the evolving marketplace.

APPRECIATION

Navigating the evolving business landscape will require all of us to adapt swiftly and think proactively. As a team, we must continue to embrace innovation and resilience to steer through unpredictable times.

I wish to express my deep gratitude to our Board of Directors, management, and everyone throughout our organisation for their outstanding efforts and steadfastness.

The Board also extends our appreciation to our valued partners, loyal customers, and dedicated stakeholders for their ongoing trust and collaboration.

Together, we are confident in facing the future and committed to building on our achievements in the years ahead.

MR TENG CHOON KIAT
Executive Chairman

GROUP CEO'S OPERATIONS AND FINANCIAL REVIEW

DEAR SHAREHOLDERS,

	FY25 S$'000	FY24 S$'000	Change (%)
Revenue	262,202	82,977	216.0
Gross Profit	9,185	11,838	(22.4)
Other Income	4,627	3,100	49.3
Total Operating Expenses (OPEX)	(24,215)	(11,290)	114.5
Finance Costs	(2,061)	(822)	150.7
Net Profit/(Loss) Attributable to			
– Equity holders of the Company	(13,071)	3,202	(508.2)
– Non-controlling interest	(25)	51	(149.0)

In FY2025, the Group's revenue jumped by 216% to S$262.2 million, largely due to contributions from our newly acquired companies, Guangxi Tidal Precision Technology Co., Ltd and Nanning Tidal Aluminium Co., Ltd in China.

The Group's gross profit, however, took a bit of a hit, retreating by 22.4% to S$9.2 million, due to higher costs associated with the enlarged revenue base.

Other income jumped 49.3% to S$4.6 million while total operating expenses rose by 114.5% to S$24.2 million. The year in review ended with a net loss of S$13.1 million, largely impacted by lower margins from some projects, higher operating costs and impairment losses.

As of 31 December 2025, the Group's total equity attributable to shareholders amounted to S$139.5 million while the net asset per ordinary share came in at 22.81 Singapore cents, just a slight dip from previous year.

Looking at cash flow, we ended up with a net cash outflow of S$1.0 million for the year, mainly due to:

- Net cash from operating activities of S$7.2 million primarily from day-to-day business activities
- Net cash used in investing activities amounting to S$2.3 million – such as buying new plant and equipment, paying for part of the acquisition, proceeds from disposal of land held for development and receiving dividends from financial assets
- Net cash used in financing activities of about S$5.9 million. These include paying out a S$1.4 million dividend, paying back term loans and trust receipt including interest of S$3.5 million and settling lease liabilities of S$1 million.

At the close of FY2025, our cash and cash equivalents stood at S$37.3 million.

SEGMENTAL RESULTS

	FY25 S$'000	FY24 S$'000	Change (%)
Engineering & Construction			
Revenue	29,958	35,974	(16.7)
Gross Profit	4,217	5,121	(17.7)
Gross Profit Margin	14.1%	14.2%	(0.1)pp
Corrosion Prevention			
Revenue	11,901	14,539	(18.1)
Gross Profit	1,938	2,627	(26.2)
Gross Profit Margin	16.3%	18.1%	(1.8)pp
Solar Energy			
Revenue	17,203	23,095	(25.5)
Gross Profit	3,528	3,916	(9.9)
Gross Profit Margin	20.5%	17.0%	3.5pp
Aluminium Recycling & Manufacturing			
Revenue	203,140	9,369	NM
Gross (Loss)/Profit	(498)	174	(386.2)
Gross (Loss)/Profit Margin	(0.2)%	1.9%	(2.1)pp

NM – Not Meaningful

Pp – percentage point

ENGINEERING & CONSTRUCTION

During the year in review, revenue from the Engineering & Construction segment fell by 16.7% to S$30 million. This drop in revenue, along with delay in project completion and higher costs, resulted in a 17.7% reduction in gross profit to S$4.2 million. As a result, the segment's gross profit margin also declined by 0.1 percentage points.

GROUP CEO'S OPERATIONS *AND FINANCIAL REVIEW*

CORROSION PREVENTION

In FY2025, the Corrosion Prevention segment recorded lower gross profit margin of 16.3%, reflecting a 1.8 percentage point decline, amid revenue declined by 18.1% to S$11.9 million.

SOLAR ENERGY

The Solar Energy segment saw its gross profit fall by 9.9%, with revenue declining 25.5% to S$17.2 million, though EPC activities and inverter sales remained steady. Better project execution and an optimal product mix kept the segment's gross profit margin near 20.5%, strengthening by 3.5 percentage point from last year.

ALUMINIUM RECYCLING & MANUFACTURING

The Commodities segment, which encompasses the manufacturing of precision aluminium and recycling, reported a gross loss of S$0.5 million, compared to a gross profit of S$0.2 million in the previous year. This reversal was primarily attributable to higher fixed overhead costs. Looking ahead, the Group remains committed to improving operational efficiency and margin recovery while sustaining growth momentum and continuing investments in capital expenditures.

OUTLOOK

Looking ahead, we remain cautiously optimistic about the opportunities before us, particularly in Engineering & Construction and Solar Energy. Ongoing infrastructure projects – such as the MRT expansion and the Singapore Government's strong focus on sustainability are laying a solid foundation for our business. These trends are set to fuel demand for our corrosion prevention and renewable energy services. Of course, it is important to acknowledge the challenges that persist – such as increased competition, rising costs, and ever-tightening environmental regulations. However, we believe that these are hurdles we can overcome together.

Turning to our new operations in Guangxi, China – where we are focusing on aluminium precision manufacturing and recycling, our approach will be measured and thoughtful. We intend to review our capital spending carefully and prioritise improvements in capacity and efficiency to ensure we are meeting market needs effectively.

With the current global uncertainties, we should act prudently and plan carefully. We wish to take this opportunity to express appreciation to our management team and all our staff for their hard work amidst this challenging environment. As we move forward, we will stay agile and responsive to any obstacles that may come our way. I am confident that, through our collective efforts, we will effectively further advance our achievements.

NG HAN KOK, HENRY
Group Chief Executive Officer

BOARD OF *DIRECTORS*

MR TENG CHOON KIAT
EXECUTIVE CHAIRMAN

Mr Teng Choon Kiat was appointed as Non-Executive and Non-Independent Director of SHS Holdings Ltd. on 14 February 2018 and subsequently appointed Non-Executive and Non-Independent Chairman on 1 March 2018. On 25 October 2018, Mr Teng was designated as Executive Chairman and working closely with Group CEO and key management to implement policies and plans to realize the Group's vision. Mr Teng is a controlling shareholder of the Company and is the Managing Director and shareholder of the Entraco Group whose principal activities include providing both property and offshore asset management, vessel's tank cleaning, corrosion control services, structural steel fabrication, distributorship representing major original equipment manufacturer ("**OEM**") to marine and oil and gas companies in this region, Europe and Brazil. Mr Teng's experience and knowledge will be invaluable to the Board on the Group's business directions and existing business of the Group.

- Present Directorship
  SHS Holdings Ltd.
- Present Principal Commitments
  Entraco Group of Companies
- Past Directorship held over the preceding five years
  Nil
- Past Principal Commitment held over the preceding five years
  Nil

MR NG HAN KOK, HENRY
EXECUTIVE DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER

Mr Henry Ng was appointed as Executive Director of SHS Holdings Ltd. on 3 January 2014 and Group Chief Executive Officer on 28 February 2014. As Group Chief Executive Officer ("**CEO**"), Mr Ng is responsible for making strategic proposals to the Board and implementing the Group's strategies, policies and Board's decisions. The Group CEO assumes the executive responsibility for the day-to-day management of the Group, with the support of Executive Chairman and key management. He leads the development of the Group's growth strategy including identifying and assessing risks and opportunity of growth of existing business and new businesses and reviewing the performance of its existing businesses. Mr Ng is the founder and Managing Director of Hetat Holdings Pte. Ltd., the Group's structural steel & facade business. He is a veteran in the construction industry and has extensive experience of over 20 years in the related field of steel, aluminium and glass structures. He holds a Bachelor of Science (Building) honours degree from University of Reading, United Kingdom.

- Present Directorship
  SHS Holdings Ltd.
- Present Principal Commitments
  SHS Holdings Ltd.
- Past Directorship held over the preceding five years
  Nil
- Past Principal Commitment held over the preceding five years
  Nil

BOARD OF *DIRECTORS*

MR CHUA SAN LYE
INDEPENDENT DIRECTOR

Mr Chua San Lye was appointed as an Independent Director, member of the Audit Committee, Nominating Committee and Remuneration Committee on 29 April 2024. He was re-designated as an Lead Independent Director and Chairman of the Nominating Committee on 6th June 2025.

Mr Chua is a corporate leader with 35 years of experience in human resource management, human capital development and organisational transformation in government institutions, MNC and private organisations.

Mr Chua has strong leadership in transform and perform roles. He has led multiple projects and initiatives and created programs to attract and develop talent, developed strategies to build competencies and capabilities of the workforce, fostered and established seamless work processes for efficiency, scalability and productivity to achieve business results.

In addition to his corporate role, Mr Chua was a board member of the Singapore Maritime Foundation, and appointed as director on many subsidiary boards in his past employment. He was the Vice President of the Association of Singapore Maritime Industries and Chaired the Manpower Committee (2015 to 2016). He was awarded the NTUC Medal of commendation in 2017 for his contributions towards Tripartism.

Mr Chua is currently a HR Advisor on Human Capital Strategy, Organisation Design and Transformation, Human Resource Management, Talent Management, Employee, Union and Management Relations and Engagement, Coaching and Mentoring and Change Management. He is also a professional coach for senior leaders.

Mr Chua holds a Bachelor of Business Administration from National University of Singapore, and a Master of Business Administration from University of Leicester, UK. He also obtained the Advance Coaching Skills Certificate from Singapore Management University.

- Present Directorship
  SHS Holdings Limited
- Present Principal Commitments
  Leadership coaching and coaching for sustainable high performance for leaders and team
- Past Directorship held over the preceding five years
  Nil
- Past Principal Commitments held over the preceding five years
  Nil

BOARD OF *DIRECTORS*

MR OONG WEI YUAN, RON
INDEPENDENT DIRECTOR

Mr Ron Oong was appointed as Independent Director of SHS Holdings Ltd. on 30 September 2022. He is currently a member of the Audit, Nominating and chairman of Remuneration Committees.

Mr Oong is a partner in Dentons Rodyk & Davidson LLP's Banking and Finance department as well as Infrastructure and Energy department. Mr Oong focuses his practice in the areas of mergers and acquisition, infrastructure, energy and banking and finance (including project finance). He has handled numerous transactions involving joint venture of project sponsors and construction and operation of infrastructures, including hydroelectric power, solar power, wind power and waste-to-energy power plants.

He has also advised many companies on their energy procurement, including corporate Power Purchase Agreement ("**PPA**") with solar developers, virtual PPAs, private PPAs and electricity retail agreements with electricity retailers.

Mr Oong is recognised in legal directory Legal 500 for both Banking and Finance and Projects and Energy. Mr Oong holds a Bachelor of Law degree (Honours) and a Bachelor of Social Science (Economics) degree (Honours), both from National University of Singapore, and is admitted to the Singapore Bar and the English Bar.

- Present Directorship
  SHS Holdings Ltd
- Present Principal Commitments
  Dentons Rodyk & Davidson LLP
- Past Directorship held over the preceding five years
  Nil
- Past Principal Commitments held over the preceding five years
  Nil

BOARD OF *DIRECTORS*

MR KONG CHEE KEONG
INDEPENDENT DIRECTOR

Mr Kong Chee Keong was appointed as an Independent Director on 9 February 2026. He was also appointed Chairman of the Audit Committee and member of the Remuneration and Nominating Committee on 10 February 2026.

Mr Kong Chee Keong is a Chartered Accountant of Singapore with over three decades of corporate development, accounting, and governance experience across various industries. He holds a Bachelor of Accountancy from the National University of Singapore and a MBA from the University of Manchester. He is a member of the Institute of Singapore Chartered Accountants and an accredited member of the Singapore Institute of Directors.

His career commenced at Ernst & Young LLC in 1991, culminating in the role of Audit Manager by 1997. He then progressed through the private equity arm of ING Barings at Baring Communications Equity Asia Pte Ltd until 2004 when he was a Senior Investment Manager. Following this, he transitioned into leadership roles at NewBiomed Pte Ltd, a biotech development start-up, as its Director and CFO, and at Top Global Limited as CFO in 2006. In 2007, he took on similar responsibilities at HealthTrends Medical Investments Pte Ltd, a group specializing in medical aesthetics and specialty treatments, serving as its Director, Senior Vice President of corporate development, and CFO. He started Penvest Co Pte Ltd in 2011, where he owned and developed several clean energy projects. He then led Darco Water Technologies Limited as Executive Director and CEO from 2021 to 2022.

Currently, Mr Kong also serves as an Independent Director at Ever Glory United Holdings Limited where he chairs the Remuneration Committee and is a member of its Audit and Nominating Committees. He is also the Independent Director and a member of Audit Committee of PC Partner Group Limited and serves as the Audit Committee chairman of JEP Holdings Limited and Ten-League International Holdings Ltd.

BOARD OF *DIRECTORS*

Directorships & Principal Commitment Held In The Preceding 5 Years:

From (Year)	To (Year)	Name of Company	Country of Incorporation	Role (Executive/ Non-Executive)
Present				
July 2019	Present	PT Pravest Spoti Energi	Indonesia	Commissioner
Past				
Sept 2021	Oct 2022	Darco Water Technologies Limited	Singapore	Chief Executive Officer, Executive Director
Sept 2021	Nov 2022	Puzer Asia Pte Ltd	Singapore	Executive Director
Jan 2022	Nov 2022	Darco Engineering Pte Ltd	Singapore	Executive Director
Sept 2021	Nov 2022	Darco Infraco Vietnam Water Pte. Ltd.	Singapore	Executive Director
Sept 2021	Nov 2022	PV Vacuum Engineering Pte Ltd	Singapore	Executive Director
Sept 2021	Nov 2022	Darco Water Systems Sdn Bhd	Malaysia	Executive Director
Sept 2021	Nov 2022	Darco Industrial Water Sdn Bhd	Malaysia	Executive Director
Sept 2021	Nov 2022	Wuhan Kaidi Water Service Co., Ltd	People's Republic of China	Executive Director
Feb 2022	Dec 2022	Vietnam Darco Environment Co., Ltd	Vietnam	Executive Director
Feb 2022	Jan 2023	Darco Ba Lai Water Supply Co., Ltd	Vietnam	Executive Director
Feb 2022	Dec 2022	Darco Viet Water Co., Ltd	Vietnam	Executive Director
Feb 2022	Dec 2022	Darco Nghe An Co., Ltd	Vietnam	Executive Director
Feb 2022	Dec 2022	Darco Ha Tinh Co., Ltd	Vietnam	Executive Director
Apr 2021	Dec 2021	Biolidics Limited	Singapore	Independent Director
July 2020	Aug 2021	Darco Water Technologies Ltd	Singapore	Independent Director
Apr 2013	July 2019	Libra Group Limited	Singapore	Independent Director
Feb 2019	Jun 2022	PT Penvest Tirta Energi	Indonesia	Commissioner
Mar 2017	May 2021	PT Energi Pravest Jaya	Indonesia	Commissioner
Dec 2014	Mar 2020	PT Bukit Lau Energi	Indonesia	Commissioner

DISCLOSURE SECTION

Mr. Lee Gee Aik resigned as Independent Director, also relinquished his role as the Chairman of Audit Committee and member of Remuneration and Nominating Committees on 29 May 2025 after serving on the Board since 24 July 2015.

Mr. Ang Kim Hwa, Kelvin resigned as Independent Director, also relinquished his role as the Chairman of Audit Committee and member of Remuneration and Nominating Committees on 10 February 2026 after serving on the Board since 6 June 2025.

GROUP MANAGEMENT AND PERSONNEL

SHS GROUP

Mr. Teng Choon Kiat *Executive Chairman*	Mr. Ng Han Kok, Henry *Executive Director & Group Chief Executive Officer*	Mr. Edwin Lou *Group Chief Financial Officer*

CORROSION PREVENTION

Mr. Teng Choon Kiat
Executive Chairman

Mr. Edwin Lou
Group Chief Financial Officer

Mr. Lim Peng Chuan, Terence
General Manager

Mr. Lim Peng Cheng
Production Manager (Plant Operations)

ENGINEERING & CONSTRUCTION

Mr. Ng Han Kok, Henry
Executive Director & Group Chief Executive Officer

Mr. Edwin Lou
Group Chief Financial Officer

Mr. Wang Feng Jung, Willie
Contract & Commercial Director (Structural, Steel & Facade)

Mr. Phang Ching Siong
Deputy Operations Director

SOLAR ENERGY

Mr. Ng Han Kok, Henry
Executive Director & Group Chief Executive Officer

Mr. Edwin Lou
Group Chief Financial Officer

Mr. Chua Kok Keong, Joseph
Chief Executive Officer (EPC)

Mr. Sng Shie Kiat
General Manager (operation)

ALUMINIUM RECYCLING AND MANUFACTURING

Mr. Ng Han Kok, Henry
Executive Director & Group Chief Executive Officer

Mr. Edwin Lou
Group Chief Financial Officer

Mr. Chen Wu Song
General Manager (Aluminium Recycling)

Mr. Jiang Zhi Cheng
General Manager (Aluminium Manufacturing)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Teng Choon Kiat *Executive Chairman*	Ng Han Kok, Henry *Executive Director & Group Chief Executive Officer*	
Chua San Lye *Lead Independent Director*	Oong Wei Yuan Ron, *Independent Director*	Kong Chee Keong *Independent Director*

AUDIT COMMITTEE

Kong Chee Keong *(Chairman)*
Oong Wei Yuan, Ron
Chua San Lye

NOMINATING COMMITTEE

Chua San Lye *(Chairman)*
Oong Wei Yuan, Ron
Kong Chee Keong

REMUNERATION COMMITTEE

Oong Wei Yuan, Ron *(Chairman)*
Chua San Lye
Kong Chee Keong

COMPANY SECRETARY

Yoo Loo Ping and Cheng Lisa
appointed 15 July 2025

REGISTERED ADDRESS

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SHARE REGISTRAR

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135 Cecil Street
#10-01
Singapore 069535

AUDIT PARTNER-IN-CHARGE

Lai Keng Wei

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12 Marina Boulevard
DBS Asia Centre@Marina Bay
Financial Centre Tower 3
Singapore 018982

The Hongkong and Shanghai Banking Corporation
10 Marina Boulevard,
Marina Bay Financial Centre
Tower 2,
Singapore 018983.

SUSTAINABILITY *REPORT*

CHAIRMAN'S MESSAGE

Dear stakeholders,

On behalf of the Board of Directors (the "**Board**") of SHS Holdings Ltd. ("**SHS Holdings**" or the "**Group**"), we are pleased to present to you the sustainability report ("**Report**") for the Group, for the financial year ended 31 December 2025 ("**FY2025**"). In this Report, we showcase SHS Holdings' progress in advancing sustainable practices across our core businesses – engineering and construction, corrosion prevention, solar energy, and precision aluminium manufacturing and aluminium recycling. Over the past year, we have strengthened our commitment to integrating sustainability into every facet of our operations, from delivering energy-efficient structural solutions to expanding renewable energy projects and enhancing resource efficiency in industrial services. Looking ahead, we remain focused on driving innovation and operational excellence to support a low-carbon future while creating long-term value for our stakeholders.

In FY2025, SHS Holdings navigated a dynamic operating environment shaped by evolving regulations, shifting market preferences, and global economic uncertainties. The Group continued to strengthen its core businesses while pursuing opportunities that align with long-term growth and resilience. Our operations remain integral to supporting industrial and infrastructure development across key markets, and we have deepened relationships with strategic partners to enhance value creation. In FY2025, the Group continued to focus on strengthening its core engineering and construction business while maintaining disciplined cost management and operational efficiency. We also expanded our renewable energy activities through the development and operation of solar projects and continued to provide corrosion prevention services to support industrial customers. During the year, the Group undertook the acquisition of the Tidal Group in China, which has enabled the Group to expand into the precision aluminium manufacturing and aluminium recycling businesses. These initiatives reflect our commitment to diversifying our earnings base, enhancing long-term resilience and creating sustainable value for shareholders.

Sustainability is embedded in our business strategy through six pillars – *Business Integrity*, *Environmental Sustainability*, *Human Capital*, *Health and Safety* and, *Quality*. These pillars guide our efforts to reduce environmental impact, foster inclusive growth, and uphold strong governance practices. In FY2025, we advanced initiatives that reflect our commitment to responsible operations and stakeholder trust.

The Board plays an active role in shaping our sustainability agenda. It reviews material ESG factors, oversees risk management, and ensures alignment with the Group's strategic objectives. Supporting the Board is the Sustainability Reporting Executive Committee, which monitors progress and drives implementation across business units. This governance structure reinforces accountability and transparency in our sustainability journey.

We recognise that climate change and resource constraints present material risks to our operations, from supply chain disruptions to rising energy and maintenance costs. To address these challenges, SHS Holdings has adopted a proactive approach to climate risk management, identifying opportunities for innovation and efficiency improvements. These efforts not only mitigate risks but also position the Group to capture emerging opportunities in a low-carbon economy.

Our commitment extends beyond environmental stewardship. We actively engage stakeholders to ensure our policies reflect their expectations, prioritise human rights, and promote safe and fair working conditions. Through continuous dialogue and collaboration, we aim to create shared value for employees, customers, and communities.

We thank our management team, employees, partners, and stakeholders for their unwavering support in advancing our sustainability objectives. Together, we look forward to delivering greater impact and long-term value in the years ahead.

Yours Sincerely,

MR TENG CHOON KIAT
Chairman, Board of Directors

SUSTAINABILITY *REPORT*

ORGANISATION PROFILE

SHS Holdings Ltd, established in 1971, has grown into a diversified group with a strong presence across four core segments: Engineering & Construction, Corrosion Prevention, Energy-related and Aluminium manufacturing and recycling businesses. Its Engineering & Construction division encompasses structural steel, façade solutions, and modular construction, while its Corrosion Prevention and Energy businesses provide complementary capabilities that strengthen the Group's value proposition.

Over the years, SHS Holdings has consistently reinforced its business foundations to support sustainable growth. The Group remains well-positioned within its respective industries and continues to broaden its customer base, deepen its geographical reach, and expand its portfolio of products and services. These efforts reflect a strategic focus on building resilience and capturing opportunities in evolving markets.

The Group's operating entities in Singapore include See Hup Seng CP Pte Ltd ("**SHSCP**"), Hetat Holdings Pte Ltd ("**HH**"), and Sinenergy Power International Pte Ltd ("**SPI**"). These subsidiaries form the backbone of SHS Holdings' diversified operations, supporting its core businesses in Engineering & Construction, Corrosion Prevention, and Energy-related solutions respectively. Following the acquisition of the Tidal Group in China in 2025, SHS Holdings also expanded into the Aluminium Manufacturing and Recycling segment through Guangxi Tidal Precision Technology Co., Ltd. and Nanning Tidal Aluminium Co., Ltd..

ENGINEERING AND CONSTRUCTION

Through its subsidiary Hetat Holdings Pte Ltd, SHS Holdings continues to demonstrate a strong track record in the design, engineering, and construction of integrated structures using steel, aluminium, and glass. Recognised as one of the few fabricators in Singapore with S1 accreditation from the Singapore Structural Steel Society, Hetat remains at the forefront of its field.

In FY2025, the subsidiary drew on its established expertise to provide solutions in numerous industries, further enhancing its reputation for quality and innovation. After completing several major projects, Hetat is now well-placed to pursue new structural opportunities in Singapore, Malaysia, and other developing markets. These initiatives demonstrate the Group's dedication to growing its Engineering & Construction division and promoting sustainable progress across its operations.

CORROSION PREVENTION

SHS Holdings, through its subsidiary See Hup Seng CP Pte Ltd, remains a leading provider of corrosion prevention solutions for the marine, oil and gas, construction, and infrastructure sectors. The subsidiary has built a strong niche in specialised tank coating services and large-scale plant operations in Singapore, reinforcing its reputation for technical excellence and reliability.

In FY2025, See Hup Seng continued to strengthen its position as a trusted partner for premier shipyards in Singapore, underscoring its proven capabilities and long-standing industry relationships. Leveraging its expertise and operational scale, the subsidiary is well-placed to capture new opportunities and expand its footprint in regional markets, supporting the Group's broader strategy for sustainable growth.

SUSTAINABILITY REPORT

SOLAR ENERGY

SHS Holdings entered the solar energy sector in 2016, responding to the global shift toward renewable energy and the growing demand for clean, affordable, and energy-efficient solutions. Today, the Solar business represents a significant contributor to the Group's performance, accounting for approximately one-third of its revenue and profit.

Through its subsidiary Sinenergy Power International Pte Ltd, the Group focuses on solar energy development and EPC (Engineering, Procurement, and Construction) works. In FY2025, Sinenergy continued to deliver innovative rooftop photovoltaic systems for both residential and commercial customers in Singapore, reinforcing its role as a trusted partner in advancing sustainable energy adoption. With a proven track record and expanding capabilities, the subsidiary is well-positioned to capture new opportunities in Singapore and regional markets, supporting SHS Holdings' commitment to environmental stewardship and long-term growth.

ALUMINIUM MANUFACTURING AND RECYCLING

Following the acquisition of the Tidal Group in China in 2025, SHS Holdings Ltd has established its presence in the aluminium manufacturing and recycling sector through Guangxi Tidal Precision Technology Co., Ltd. and Nanning Tidal Aluminium Co., Ltd.. This segment focuses on the production of precision aluminium components and the processing and recycling of aluminium materials, supporting more efficient use of resources and circular economy principles.

SUSTAINABILITY REPORT

REPORTING PRACTICE

REPORTING PRINCIPLES

The FY2025 Report has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards covering the period from 1 January 2025 to 31 December 2025 ("**Reporting Period**"). The GRI has been chosen due to its global recognition as a sustainability reporting standard and for representing the global best practices for reporting on economic, environmental, and social topics. The GRI Content Index section of the Report provides a detailed reference to the relevant GRI Standards. The Group has adopted the GRI reporting principles of Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness, and Verifiability.

This Report met the requirements of Catalist Rule 711A and 711B on sustainability reporting, as established by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Board has reviewed and approved the reported information, including the material topics. Furthermore, the Group has mapped its sustainability efforts according to the 2030 Agenda for Sustainable Development by incorporating the United Nations Sustainable Development Goals ("**UN SDGs**"), emphasising the Group's contributions to sustainable development.

The Group's climate-related disclosures were also guided by the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"). Following the publication of the International Sustainability Standards Board ("**ISSB**") Standards – International Financial Reporting Standards ("**IFRS**") S1 and IFRS S2, collectively the IFRS Sustainability Disclosure Standards ("**SDS**"), the Group has conducted a gap analysis against its existing TCFD reporting and is in the process of aligning its climate-related disclosures to the ISSB Standards. The Group's transition is guided by the phased approach recommended by the Singapore Exchange Regulation in aligning it reporting of climate-related disclosures in accordance with ISSB Standards.

REPORTING SCOPE

This Report covers the Group's operations in Singapore. The Company and subsidiaries featured in this Report are:

S/N	ENTITY
1	See Hup Seng CP Pte Ltd ("**SHSCP**")
2	Hetat Holdings Pte Ltd ("**HH**")
3	Sinenergy Power International Pte Ltd ("**SPI**")

ASSURANCE

In FY2023, SHS Holdings initiated a preliminary, limited-scope internal audit of its sustainability reporting processes to strengthen governance and ensure data integrity. No internal audit was conducted in FY2024, as the Board and external auditors assessed that such a review was not required for the reporting period. For FY2025, the Group has not sought external assurance on its sustainability disclosures.

FEEDBACK

SHS Holdings values the views and opinions of its stakeholders and welcomes feedback on this Sustainability Report or any aspect of the Group's sustainability performance. Stakeholders are encouraged to share their feedback with the Sustainability Team by contacting the Group's Chief Executive Officer, Mr. Ng Han Kok Henry, at henry@shsholdings.com.sg.

SUSTAINABILITY REPORT

THE GROUP'S SUSTAINABILITY STORY

SUSTAINABILITY PHILOSOPHY

SHS Holdings believes that fulfilling its social, environmental, and ethical responsibilities is as critical as achieving business profitability. Strong corporate governance frameworks enable the Group to integrate sustainability into its operations while ensuring that stakeholder concerns are considered in decision-making.

The Group is committed to creating and delivering long-term economic value to stakeholders, reinforcing business resilience and supporting its ability to meet sustainability objectives.

As part of its sustainability approach, SHS Holdings prioritises embedding sustainable practices throughout its manufacturing and operational processes. This includes reducing environmental impact, improving resource efficiency, and driving innovation to lower carbon emissions. The Group focuses on pollution prevention, energy conservation, and responsible material usage to advance environmental stewardship.

Employee well-being remains a cornerstone of the Group's sustainability philosophy. SHS Holdings provides a safe and healthy workplace, supported by comprehensive safety training and robust risk management systems. Beyond safety, the Group invests in employee development, offering opportunities for skills enhancement and career growth.

In addition, SHS Holdings actively contributes to the community through charitable initiatives and social programs, reflecting its commitment to creating shared value for society.

SUSTAINABILITY GOVERNANCE

SHS Holdings understands that a strong sustainability governance framework is vital for maintaining accountability and transparency. The Board affirms that sustainability is a key driver of its long-term business success.

Sustainability Governance Structure

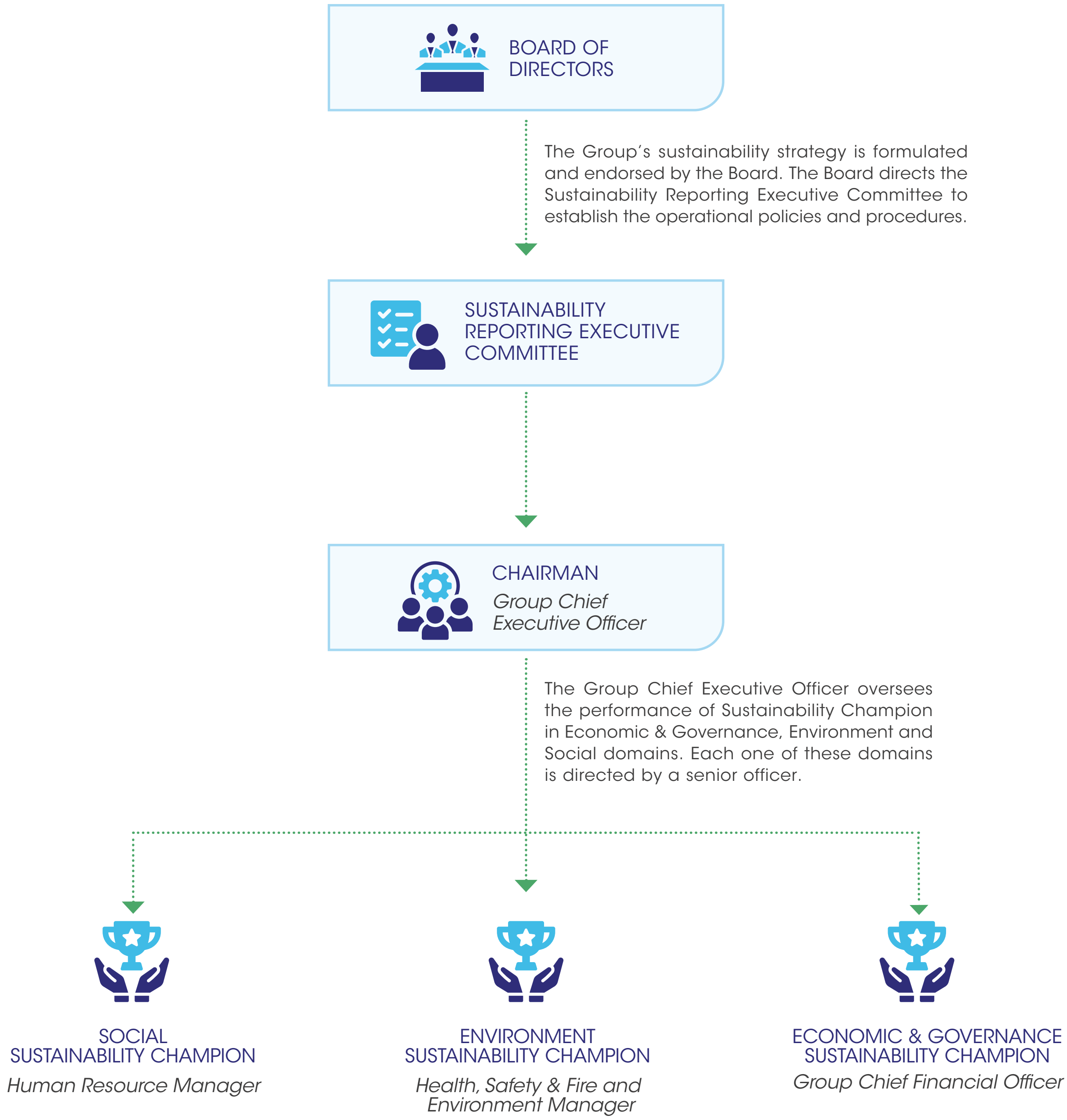
The Group demonstrates its commitment to sustainability at the Board level through the establishment of a Sustainability Reporting Force (the "**SRF**"), led by an Executive Director who also holds the position of Group Chief Executive Officer ("**CEO**"). The CEO collaborates with the Group's three appointed sustainability champions to ensure accuracy and comprehensiveness in the Group's Sustainability policies and procedures.

SUSTAINABILITY REPORT

The Board of Directors at SHS Holdings provides strategic leadership and oversight of the Group's business operations, including its sustainability agenda. To operationalise this commitment, the Sustainability Reporting Executive Committee ("**SREC**") has been established with a formal Terms of Reference ("**TOR**") to drive the development and implementation of sustainability strategies across the organisation.

In FY2025, the SREC continued to strengthen data collection processes across all material ESG factors to enhance accuracy and transparency. Building on previous efforts, the Committee also focused on aligning the Group's sustainability reporting framework with the IFRS Sustainability Disclosure Standards (IFRS S1 and S2), ensuring readiness for global best practices in climate-related and general sustainability disclosures.

Looking ahead, the Board will evaluate these recommendations and allocate the necessary resources and budgets to ensure effective execution of sustainability initiatives. This governance structure underscores SHS Holdings' commitment to accountability, transparency, and continuous improvement in its sustainability journey.



SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

SHS Holdings recognises that stakeholder engagement plays a critical role in shaping its sustainable business practices. By maintaining open communication and collaboration across the value chain, the Group ensures that stakeholder feedback informs its sustainability strategies and decision-making processes.

As part of its engagement framework, SHS Holdings identifies key stakeholders who have an interest in or may be impacted by its activities. These include employees, customers, communities, government agencies and regulators, as well as shareholders and investors. The Group is committed to fostering constructive dialogue to address material issues proactively and uphold transparency.

For the FY2025 assessment, SHS Holdings partnered with an external ESG consultant to enhance the credibility of its materiality assessment and strengthen its sustainability initiatives. This collaboration supports the Group's goal of aligning its practices with global standards and stakeholder expectations. The following table outlines the Group's key stakeholders, engagement platforms, areas of concern, and corresponding responses.

STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREAS OF CONCERN	FREQUENCY
Employees	• Safe and conducive workplace. • Fair labour practices and Compensation.	• Trainings • Grievance/feedback channels • Regular reviews and appraisals • Intranet/VPN/Email platforms for policies, news and benefits	• At least once a year for appraisal or as when required.
Customers	• Product quality and innovation • Product compliance to all relevant regulations • Timely follow-up on customer feedback • Ability to offer competitive and cost-efficient solutions which are safe and environmentally responsible	• Feedback channels such as email and telephone communications. • Client meetings • Corporate website, email and newsletters.	• Continuously ask for feedback about quality or as when required.
Community	• Mitigation of adverse implications of projects • Communication regarding future developmental planning relating to projects.	• Environmental and social impact study.	• When required
Shareholders and Regulators	• Business resilience and financial performance • Business strategy and direction • Corporate governance and compliance • Transparent and timely communication of information	• Results announcements and news releases • Corporate website and email • Annual General Meeting (AGM)	• At least 4 times through announcements and AGM or as when required
Suppliers	• Clear two-way communication channels • Timely feedback regarding materials/services provided	• Inspections and quality site visits • Quotations and requests for supplier's proposal • Raw material specifications discussion meetings	• Continuously for feedback about quality or as when required.

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

Conducting a materiality assessment enables the Group to prioritise sustainability issues that are most significant to its business, ensuring that the strategies set forth in the report are impactful and meaningful for stakeholders. The Group's FY2025 materiality assessment is conducted based on the GRI Stakeholder Impact Assessment, where sustainability topics are identified based on their significance to stakeholders and external impacts.

The Group identifies and prioritises key sustainability issues ("**Material Topics**") that are of concern to the Group's stakeholders, considering the impact on the business, economy, environment, and people through the materiality assessment process. The results of the materiality assessment contribute to the development of Group's sustainability strategy, initiatives, and goals.

This methodology comprises the following key steps:

Step 1: Review and Identify	Step 2: Prioritise	Step 3: Validate
Material Topics previously identified were reviewed to ensure that they remain relevant, while considering any potential changes in impacts based on feedback from stakeholders and external developments.	Material Topics were prioritised according to their significance to the Group's business and their potential impact on its stakeholders.	The Material Topics were reviewed by the Sustainability Reporting Executive Committee and subsequently validated and approved by the Board.

The Group's 10 Material Topics remain consistent with FY2024, validated through enhanced stakeholder engagement and Board approval. Based on the Group's FY2025 materiality assessment, the following key sustainability topics were identified as most material to the Group's business and are ranked accordingly. Grouped under the EESG pillars, the Group's material topics are as follows:

Highly Critical Material Issues	Critical Material Issues	Moderate Material Issues
Energy Management	Water Consumption	Waste Management
Greenhouse Gas ("**GHG**") Emissions	Compliance in Products and Services Safety	
Employment	Economic Performance	
Occupational Health and Safety		
Anti-corruption		
Compliance with Laws and Regulations		
Cybersecurity/Data Security		

Environmental *Social* *Governance* *Economic*

SUSTAINABILITY *REPORT*

CONTRIBUTION TO SUSTAINABILITY DEVELOPMENT GOALS

SHS Holdings believes that long-term business success is inseparable from environmental stewardship, social responsibility, and economic resilience. Guided by this philosophy, the Group aligns its operations and strategic priorities with the United Nations Sustainable Development Goals (UN SDGs), contributing to global efforts to address critical challenges such as climate change, inequality, and responsible resource consumption.

The Group strives to create meaningful impact for the planet, its people, and all stakeholders. Its initiatives reflect a commitment to embedding sustainability across its businesses and building a more inclusive and resilient future.

The highlights below demonstrate how SHS Holdings' actions support this global agenda and reinforce its dedication to sustainable growth.

FOCUS	MATERIAL TOPIC	UN SDG	THE GROUP'S CONTRIBUTION
Focus 1: Business Integrity	Compliance with Laws and Regulations	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	The Group upholds robust governance frameworks and proactive risk management to ensure ethical, transparent, and resilient operations. It remains committed to full compliance with all applicable laws, regulations, and industry standards, reinforcing accountability and integrity across its business activities.
	Anti-corruption		The Group enforces strict anti-corruption policies and training to maintain integrity across all operations.
	Cybersecurity/Data Security		The Group prioritises robust data protection and cybersecurity measures to safeguard sensitive information and maintain trust. By implementing advanced security protocols and continuous monitoring systems, SHS Holdings ensures that the personal and business data of its customers and employees remain secure. This commitment not only mitigates cyber risks but also reinforces the Group's responsibility to uphold privacy, protect stakeholder interests, and maintain operational resilience in an increasingly digital environment.

SUSTAINABILITY *REPORT*

FOCUS	MATERIAL TOPIC	UN SDG	THE GROUP'S CONTRIBUTION
	Economic Performance	8 DECENT WORK AND ECONOMIC GROWTH	The Group drives sustainable economic growth by embedding responsible practices into its operations. By focusing on long-term value creation, SHS Holdings not only strengthens its financial performance but also contributes to job creation and enhances the quality of life for the communities it serves. Through innovation and efficiency, the Group ensures that its growth benefits stakeholders while supporting broader social and economic development.
Focus 2: Health and Safety	Occupational Health and Safety	3 GOOD HEALTH AND WELL-BEING	SHS Holdings places employee well-being at the core of its operations, recognising that a safe and healthy workforce is essential for sustainable growth. The Group maintains rigorous workplace safety standards and implements a comprehensive Health and Safety Management System to minimise risks and protect its people. Beyond compliance, SHS Holdings adopts proactive measures to embed a culture of safety across all business units, ensuring that employees are equipped with the knowledge and resources to work confidently and securely.
Focus 3: Human Capital	Employment	10 REDUCED INEQUALITIES	The Group is committed to fostering an inclusive workplace that values diversity and equal opportunity. The Group actively hires talent from varied backgrounds, recognising that a diverse workforce drives innovation and strengthens organisational resilience. Beyond recruitment, SHS Holdings provides employees with fair access to training, career development, and advancement opportunities, ensuring that every individual can contribute meaningfully and grow within the organisation. This approach reflects the Group's belief that empowering people is essential to building a sustainable and forward-looking business.

SUSTAINABILITY REPORT

FOCUS	MATERIAL TOPIC	UN SDG	THE GROUP'S CONTRIBUTION
Focus 4: Environmental Sustainability	GHG Emissions	13 CLIMATE ACTION	The Group is committed to reducing its greenhouse gas ("**GHG**") emissions as part of its climate action strategy. The Group actively monitors and reports emissions across its operations, identifying opportunities to improve energy efficiency and adopt low-carbon technologies. By implementing targeted initiatives, SHS Holdings aims to minimise its carbon footprint and contribute to global efforts to mitigate climate change.
	Energy Consumption		Energy efficiency remains a key priority for SHS Holdings. The Group continuously evaluates its energy usage across all facilities and implements measures to optimise consumption. Through the adoption of energy-efficient technologies and operational improvements, SHS Holdings seeks to reduce overall energy demand, lower costs, and support its transition toward sustainable energy solutions.
	Waste Consumption		SHS Holdings recognises the importance of responsible waste management in reducing environmental impact. The Group adopts a structured approach to minimise waste generation, promote recycling, and ensure proper disposal in compliance with regulatory standards. By embedding waste reduction practices into its operations, SHS Holdings strives to conserve resources and advance circular economy principles.
	Water Consumption		Water stewardship is integral to SHS Holdings' sustainability agenda. The Group monitors water usage across its operations and implements conservation measures to reduce consumption. By investing in efficient systems and promoting responsible practices, SHS Holdings aims to safeguard water resources and support long-term environmental sustainability.

SUSTAINABILITY *REPORT*

FOCUS	MATERIAL TOPIC	UN SDG	THE GROUP'S CONTRIBUTION
Focus 5: Quality	Compliance in Products and Services Safety	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	SHS Holdings places the highest priority on ensuring that all products and services meet stringent safety and quality standards. The Group adheres to relevant laws, regulations, and industry best practices to safeguard customers, employees, and end-users. By embedding compliance into its operational processes and conducting regular reviews, SHS Holdings reinforces its commitment to delivering safe, reliable, and high-quality solutions that protect stakeholders and uphold trust.

SUSTAINABILITY TARGETS AND PERFORMANCE HIGHLIGHTS

To track its sustainability progress and foster continuous improvement, the Group has conducted an internal review to ensure its targets are closely aligned with overall sustainability objectives. Following this review, the Group has updated its targets, which will serve as key performance measures moving forward. We will disclose our performance against these revised targets commencing next year. The Group assesses and discloses its performance against these targets annually, with details as follows:

FOCUS	MATERIAL TOPICS	TIME HORIZON	TARGETS
Focus 1: Business Integrity	Compliance with Laws and Regulations	Perpetual	Zero incidents of non-compliance with SGX-ST listing rules or the Code of Corporate Governance. To maintain the Group's overall compliance record and have zero public legal cases brought against the Group.
	Anti-Corruption		Zero reported corruption incidents.
	Cybersecurity/ Data Security		Zero reported cybersecurity breaches.
	Economic Performance	Perpetual	To strengthen the Group's market position by consistently delivering high-quality products and services, thereby enhancing stakeholder confidence and supporting sustainable long-term growth.
Focus 2: Health and Safety	Occupational Health and Safety	Perpetual	Achieve and maintain: • 0 Fatality rate, • an accident frequency rate under 3, • an accident severity rate under 250, and 0 environmental incidents.

SUSTAINABILITY REPORT

FOCUS	MATERIAL TOPICS	TIME HORIZON	TARGETS
Focus 3: Human Capital	Employment	Perpetual	Maintain at least a 50% rate of training for all employees. Establish 2 and maintain healthy lifestyle programs for employees. Establish and maintain 3 employee recognition events and incentive recognition events.
Focus 4: Environmental Sustainability	GHG Emissions	Short-term	Reduce GHG intensity by 3% from baseline FY2025 levels.
		Medium-term	Reduce GHG intensity by 5% from baseline FY2025 levels.
		Long-term	Reduce GHG intensity by 7% from baseline FY2025 levels.
	Energy Consumption	Short-term	Reduce energy consumption intensity by 3% from baseline FY2025 levels.
		Medium-term	Reduce energy consumption intensity by 5% from baseline FY2025 levels.
		Long-term	Reduce energy consumption intensity by 7% from baseline FY2025 levels.
	Waste Consumption	Short-term	Increase proportion of waste recycled by 3% from baseline FY2025 levels.
		Medium-term	Increase proportion of waste recycled by 5% from baseline FY2025 levels.
		Long-term	Increase proportion of waste recycled by 7% from baseline FY2025 levels.
	Water Consumption	Short-term	Reduce water consumption intensity by 3% from baseline FY2025 levels.
		Medium-term	Reduce water consumption intensity by 5% from baseline FY2025 levels.
		Long-term	Reduce water consumption intensity by 7% from baseline FY2025 levels.
Focus 5: Quality	Compliance in Products and Services Safety	Perpetual	To maintain zero violations of legal and statutory requirements.

SUSTAINABILITY REPORT

CLIMATE-RELATED DISCLOSURES

SHS Holdings is progressively transitioning from the Task Force on Climate-related Financial Disclosures (TCFD) framework to the International Sustainability Standards Board's (ISSB) IFRS Sustainability Disclosure Standards. This phased adoption reflects the Group's commitment to global best practices and enhances the consistency, transparency, and comparability of its climate-related and sustainability reporting. By aligning with IFRS S1 and S2, SHS Holdings strengthens its ability to provide stakeholders with clear, decision-useful information and reinforces its leadership in responsible business practices.

GOVERNANCE STRUCTURE

The Board of Directors holds ultimate responsibility for overseeing the Group's sustainability strategy and performance. It endorses the Group's sustainability direction and ensures that climate-related risks and opportunities are integrated into long-term business planning.

The Group Chief Executive Officer ("**CEO**"), serving as Chairman, provides leadership in driving sustainability across all domains. The CEO oversees the performance of Sustainability Champions appointed for Economic & Governance, Environmental, and Social areas. Each domain is led by a senior officer: the Group Chief Financial Officer as Economic & Governance Sustainability Champion, the Health, Safety & Fire and Environment Manager as Environmental Sustainability Champion, and the Human Resource Manager as Social Sustainability Champion.

The Sustainability Reporting Executive Committee supports the Board by formulating operational policies and procedures, monitoring progress, and recommending improvements to sustainability practices, targets, and climate-related initiatives.

Currently, the Group does not assign individual Key Performance Indicators (KPIs) linked to sustainability outcomes but intends to explore the implementation of such measures in the coming years.

Further details are provided in the section '*Sustainability Governance Structure*' above.

GROUP STRATEGY

In FY2025, SHS Holdings advanced its climate resilience efforts by conducting a comprehensive review of its qualitative climate risk assessment for properties in Singapore. Rather than focusing solely on risks, the exercise adopted a balanced approach – identifying both potential challenges and emerging opportunities linked to climate change that could shape the Group's future operations.

This review was guided by senior management, who evaluated the Group's exposure to climate-related impacts and prioritised actions to strengthen long-term resilience. Building on these insights, the Group established short-, medium-, and long-term targets for material topics, ensuring that sustainability objectives are embedded into business strategy. In addition to these time-bound goals, SHS Holdings introduced "Perpetual Targets" for critical areas such as maintaining zero incidents of non-compliance with customer health and safety regulations, reflecting its unwavering commitment to operational integrity.

To deepen its understanding of future scenarios, the Group undertook a climate scenario analysis, leveraging models developed by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). This forward-looking exercise enables SHS Holdings to anticipate how different climate pathways could influence its operations and to prepare adaptive strategies that safeguard business continuity. Details of the scenarios considered are outlined in the following sections.

SUSTAINABILITY REPORT

SCENARIO ANALYSIS ON CLIMATE-RELATED RISK AND OPPORTUNITIES (CRROs)

The Group's climate scenario analysis is based on three pathways based on research by the IPCC, IEA, and **Coupled Model Intercomparison Project** ("**CMIP**") as described below.

- **Low-Emission (Paris-Aligned)**[1] – This scenario combines the IPCC SSP1-1.9 pathway with the IEA Net Zero Emissions by 2050 ("**NZE 2050**") scenario. It represents a 1.5°C world with rapid decarbonisation, strong international coordination and extensive investment in renewable energy. The IEA NZE 2050 provides energy-system and carbon-price assumptions that help the Group assess transition risks and opportunities, such as rising carbon prices and access to green-finance instruments.

- **Intermediate (Moderate Transition)**[2] – This scenario draws on the IPCC SSP2-2.6 pathway and the IEA STEPS/APS scenarios. It portrays moderate progress towards decarbonisation and gradual regulatory tightening, consistent with approximately 2°C warming. It allows the Group to evaluate exposure to transitional risks such as rising energy and compliance costs under partial regional adoption of low-carbon policies.

- **High-Emission (Business-as-Usual)**[3] – Based on the IPCC SSP5-8.5 pathway, this scenario assumes continued reliance on fossil fuels and limited global coordination on climate action, leading to severe physical impacts. The Group uses this scenario to test the resilience of its operations against physical climate risks projected under the CMIP6 model framework, including higher ambient temperatures.

	LOW-EMISSION (PARIS-ALIGNED)	INTERMEDIATE (MODERATE TRANSITION)	HIGH-EMISSION (BUSINESS-AS-USUAL)
IPCC Pathway	SSP1-1.9/RCP 1.9	SSP2-2.6/RCP 2.6	SSP5-8.5/RCP 8.5
Brief Description	Rapid global decarbonisation consistent with limiting warming to 1.5°C through stringent carbon pricing, renewable-energy expansion.	Slower and uneven progress towards decarbonisation, with moderate climate-policy advancement and fragmented market expectations.	Minimal policy intervention, continued fossil-fuel reliance, and high energy demand leading to ~4°C warming by 2100.
Rationale for Selection	Tests resilience of the Group's business under a Paris-aligned transition with ambitious regulation and high sustainability demand.	Represents a central, regionally realistic case reflecting gradual policy development and partial technology uptake across ASEAN markets.	Assesses exposure to severe physical risks – heat stress, flooding, and supply-chain disruption – under weak policy coordination.

1 "IPCC AR6 Assessment Report" IPCC (https://www.ipcc.ch/assessment-report/ar6/) and https://www.iea.org/reports/global-energy-and-climate-model

2 "IPCC AR6 Assessment Report" IPCC (https://www.ipcc.ch/assessment-report/ar6/), https://www.iea.org/reports/global-energy-and-climate-model/stated-policies-scenario-steps, and https://www.iea.org/reports/global-energy-and-climate-model/announced-pledges-scenario-aps#abstract

3 "IPCC AR6 Assessment Report" IPCC (https://www.ipcc.ch/assessment-report/ar6/) and https://wcrp-cmip.org/cmip-phases/cmip6/

SUSTAINABILITY REPORT

	LOW-EMISSION (PARIS-ALIGNED)	INTERMEDIATE (MODERATE TRANSITION)	HIGH-EMISSION (BUSINESS-AS-USUAL)
Key Assumptions	• Strong international policy coordination. • Steep rise in carbon prices. • Low-carbon technologies widely adopted.	• Gradual carbon-price increases. • Uneven regional policy adoption. • Moderate renewable-energy growth.	• High global energy demand met largely by fossil fuels. • Limited emissions regulation. • Frequent extreme weather events. • Rising energy costs for cooling.
Underlying Model/ Data Source	IPCC AR6 Scenario Database (SSP1-1.9); IEA Net Zero Emissions by 2050 (NZE 2050).	IPCC AR6 Scenario Database (SSP2-2.6); IEA STEPS/APS assumptions.	IPCC AR6 Scenario Database (SSP5-8.5); NOAA and CMIP6 physical-risk projections.

CLIMATE-RELATED RISKS AND OPPORTUNITIES MANAGEMENT

Scenario analysis serves as a strategic tool for SHS Holdings to anticipate and address factors that may influence its operations under varying climate conditions. This approach deepens the Group's understanding of climate-related risks and opportunities, offering insights into how different scenarios could shape its business trajectory.

To build a robust foundation for climate-risk management, the Group implemented a structured process to identify, assess, and prioritise material risks relevant to its operations. The process began with determining disclosure topics most applicable to the industry using the Sustainability Accounting Standards Board ("**SASB**") framework. These topics were then refined to reflect SHS Holdings' business model and operating context. Within each topic, climate-related risk categories were reviewed, and a preliminary list of potential transition and physical risks was compiled.

To evaluate these risks, the Group engaged key management personnel through an internal survey, including representatives from Human Resources, Business Development, Procurement, and Operations. Each participant assessed the identified risks across two dimensions – likelihood and impact – using a six-point numerical scale. The results were mapped onto a likelihood–impact matrix, enabling the Group to prioritise high-scoring risks for deeper analysis and integration into its climate-risk mitigation strategies.

SUSTAINABILITY *REPORT*

The associated risks and opportunities and the respective mitigation measures are shown in the table below:

CRROs		DESCRIPTION
Transition Risk		
Increased carbon pricing	**Risk Description**	The Group's engineering, fabrication, corrosion prevention and energy-related operations consume fuel and electricity, resulting in Scope 1 and Scope 2 GHG emissions. Rising carbon prices, including direct fuel-related carbon taxes and indirect pass-through costs from electricity and material suppliers, may increase operating expenditure and procurement costs across the Group's business segments. Singapore's carbon tax is S$25/t$CO_2$e for 2024-2025 and S$45/tCO_2e for 2026-2027, which reinforces this exposure.[4]
	Impact of Risk	Higher carbon-related costs may increase operating expenses, reduce project margins and affect the Group's competitiveness, particularly for fixed-price contracts and energy-intensive operations.
	Time Horizon	Medium Term
	Existing or Planned Mitigation Actions	The Group continues to monitor energy use and GHG emissions across operations to identify potential cost exposure. Energy efficiency measures, equipment maintenance and optimisation of operational processes are being implemented to reduce fuel and electricity consumption where practicable. The Group also reviews procurement options and monitors regulatory developments to support forward planning.
Enhanced emissions-reporting obligations and increased compliance costs	**Risk Description**	As an SGX-listed issuer, the Group may face increased compliance requirements as climate-related disclosure standards evolve. This includes greater requirements around GHG data collection, internal governance, reporting processes, and assurance readiness.
	Impact of Risk	Increased reporting obligations may result in higher administrative and compliance costs, greater demand on management time, and the need for improvements in data systems and internal controls. Non-compliance or weak disclosures may also affect stakeholder confidence.
	Time Horizon	Short to Medium Term
	Existing or Planned Mitigation Actions	The Group has established sustainability governance structures and continues to strengthen its processes for ESG data collection and climate-related reporting. Management is monitoring evolving SGX and other relevant reporting requirements, and internal coordination across business units is being enhanced to improve the quality and consistency of disclosures.

[4] National Environment Agency: Carbon Tax (https://www.nea.gov.sg/our-services/climate-change-energy-efficiency/climate-change/carbon-tax)

SUSTAINABILITY REPORT

CRROs		DESCRIPTION
Changing customer preference	**Risk Description**	Customer demand is gradually shifting towards lower-carbon products, energy-efficient solutions, and contractors or service providers with stronger sustainability credentials. Failure to respond to these evolving preferences may reduce the attractiveness of the Group's offerings in certain markets.
	Impact of Risk	The Group may face reduced demand for more carbon-intensive services, pressure on pricing, or missed growth opportunities if its products and services are not aligned with customer expectations and market trends.
	Time Horizon	Medium term
	Existing or Planned Mitigation Actions	The Group is expanding its energy-related business and continues to offer solar EPC and related clean energy solutions to meet changing market demand. It also seeks to maintain quality and operational reliability across its business segments while monitoring customer needs and market developments.
Physical Risks		
Rising mean temperatures	**Risk Description**	Higher average temperatures may affect outdoor worksites, project execution and workforce health and safety, particularly in engineering, construction and corrosion prevention activities that involve prolonged exposure to heat. Increased cooling requirements may also raise electricity consumption at certain facilities. The Group also recognises that some of its businesses face front-line health and safety risks and that worker safety remains a priority.
	Impact of Risk	Rising temperatures may lower labour productivity, increase the risk of heat-related incidents, disrupt project timelines and contribute to higher operating costs.
	Time Horizon	Medium to Long Term
	Existing or Planned Mitigation Actions	The Group implements workplace health and safety measures, including heat stress management practices, where relevant. Operational planning and site management practices are used to reduce exposure during extreme heat conditions, while maintenance and monitoring of equipment and facilities support operational resilience. The Group has also stated that it will continue to strengthen skills training and health and safety programmes.

SUSTAINABILITY *REPORT*

CRROs		DESCRIPTION
Opportunity		
Increased demand for renewable energy sources and development of new markets	**Opportunity Description**	The transition to a lower-carbon economy is expected to support greater demand for renewable energy generation, distributed solar systems and related engineering services. This creates business opportunities for the Group's energy segment, which is involved in solar energy development, EPC and related solutions.
	Impact of Opportunity	Increased market demand may support revenue growth, strengthen the Group's market position in clean energy solutions and diversify earnings streams.
	Time Horizon	Medium to Long Term
	Existing or Planned Mitigation Actions	The Group continues to build capabilities in solar EPC, energy solutions and related services, while leveraging its existing track record in solar installations and development projects to pursue suitable business opportunities.
Enhanced operational processes and use of lower-emission energy sources	**Opportunity Description**	Improvements in operational efficiency, equipment performance and energy management may help the Group reduce fuel and electricity consumption. Where feasible, the use of lower-emission energy sources may further support emissions reduction and cost optimisation.
	Impact of Opportunity	Improved operational processes may lower energy-related costs, enhance resource efficiency and support progress towards the Group's sustainability objectives and stakeholder expectations.
	Time Horizon	Short to Medium Term
	Existing or Planned Mitigation Actions	The Group is monitoring energy use and has implemented selected energy efficiency and equipment maintenance initiatives. It will continue to assess opportunities to enhance process efficiency and adopt lower-emission technologies or energy sources where operationally and commercially viable. Existing initiatives include a solar rooftop arrangement at the Hetat office building to offset part of electricity consumption.

STRATEGIC RESILIENCE ASSESSMENT

SHS Holdings intends to systematically assess the resilience of its core business strategies to ensure their robustness across various climate scenarios. As this is the Group's first year adopting the IFRS S2 framework, the resilience evaluation is planned for completion in FY2026.

METRICS AND TARGETS

Refer to Greenhouse Gas Emissions section for detailed review of the Group's performance measures.

SUSTAINABILITY REPORT

FOCUS 1: BUSINESS INTEGRITY

The Group places strong emphasis on integrity and transparency in all business dealings. Its Board and management ensure adherence to the 2018 Code of Corporate Governance and the accompanying Practice Guidance (published on 14 December 2023), which serve as the organisation's ethical framework. Clear policies and procedures are in place to guide operations, set expectations for employee conduct, and manage risks, thereby upholding accountability and compliance with applicable laws and regulations.

Corporate governance is a core value of the Group. It maintains a zero-tolerance stance toward corruption and fraud, supported by established policies such as the "Whistle Blowing Policy" and the "Code of Conduct Policy." These measures reinforce the Group's commitment to ethical practices and responsible business conduct across all levels of the organisation.

ANTI-CORRUPTION (GRI 205) & COMPLIANCE WITH LAWS AND REGULATIONS (GRI 2-27)

Impact on SHS Holdings

Corruption is a key risk in the construction industry, particularly in developing markets, as it can lead to significant financial and reputational damage for the Group. To mitigate such risks, the Group emphasises strong governance and ethical practices, which serve as the foundation for trust, resilience, and sustainable growth. Effective governance enhances stakeholder confidence, attracts long-term investors, and strengthens market reputation, while weak governance can result in legal challenges, financial setbacks, and erosion of trust.

Management Approach

To reinforce its commitment to sound governance, the Group has implemented policies that promote integrity, accountability, and transparency across all operations and business interactions. These measures ensure compliance with applicable laws and uphold the highest standards of corporate governance. In addition, the Group provides communication and training on its Anti-Corruption Policies and Procedures to strengthen awareness and foster ethical practices among employees and stakeholders.

The Group has maintained full compliance with all applicable laws and regulations, with no instances of non-compliance or failure to adhere. These include international declarations, conventions, and treaties; national, regional, and local regulations; binding voluntary agreements with regulatory authorities; and voluntary agreements or covenants applicable through legislation or regulation.

Our Performance

In FY2025, the Group reported no incidents of non-compliance and continued to strengthen its governance framework to uphold transparency, accountability, and ethical conduct across all levels of the organisation.

For more information on its corporate governance practices and risk management framework, please refer to the Statement of Corporate Governance in the Group's Annual Report 2025.

ECONOMIC PERFORMANCE (GRI 201)

Impact on SHS Holdings

SHS Holdings recognises the strong link between sustainable practices and economic performance. The Group understands that financial outcomes directly impact employees, business partners, shareholders, and other stakeholders, making economic resilience essential for long-term success.

A robust economic growth framework enables the Group to innovate and pursue new opportunities, driving expansion and operational growth. Conversely, a weak economic position limits the Group's ability to capitalise on opportunities and may erode investor and stakeholder confidence.

Management Approach

SHS Holdings considers sustainability an integral part of its core business strategy, essential for achieving long-term economic resilience. Rather than treating sustainability as a separate initiative, the Group positions it as a key driver of value creation, enabling adaptability to shifting market conditions and operational challenges. The Group embeds environmental, social, and governance (ESG) principles into its business decision-making.

SUSTAINABILITY REPORT

This integrated approach aligns growth with stakeholder expectations, improves operational efficiency, and reinforces the Group's commitment to responsible practices. SHS Holdings firmly believes that sustainability-led strategies are fundamental to delivering consistent financial performance while making a positive impact on society and the environment.

Our Performance

In FY2025, the Group generated S$262.2 million of economic value (FY2024: S$83.0 million), representing an increase of 215.9% from FY2024. This significant growth was mainly attributable to the contribution from the Tidal operations in Guangxi, China, which were acquired on 16 June 2025 and contributed to the Group's results for approximately six months during FY2025.

For a more in depth look into the Group's financial performance and results, please refer to its FY2025 Financial Statements.

DATA SECURITY/CYBERSECURITY

Impact on SHS Holdings

The Group encounters both significant opportunities and potential risks. While information technology enables automation and efficiency across many processes, it also introduces vulnerabilities. Data breaches and cybersecurity incidents can have severe and crippling consequences for the organisation, impeding business operations and leaking sensitive information. For this reason, safeguarding data and prioritising cybersecurity remain fundamental pillars of the Group's commitment to Business Integrity.

Management Approach

The Group is committed to maintaining a strong governance framework that guides the responsible use of information technology. This approach ensures that all information assets are safeguarded and fully protected.

Our Performance

In FY2025, the Group experienced zero data breaches. The Group aims to maintain its record going forward.

SUSTAINABILITY *REPORT*

FOCUS 2: HEALTH & SAFETY

The Group places the safety of its employees as its highest priority. Recognising the health and safety risks inherent in certain business operations, particularly at frontline work sites, the Group implements comprehensive worker safety programmes across all locations. Even as the world moves beyond the COVID-19 pandemic, the Group continues to uphold stringent health and safety protocols.

All operations comply fully with legislated workplace health and safety standards. Oversight of these matters is managed by the Health, Safety & Fire Environment (HSE) Committee, which ensures that workplace safety remains a core focus throughout the organisation.

OCCUPATIONAL HEALTH AND SAFETY (GRI 403)

Impact on SHS Holdings

SHS Holdings regards occupational health and safety ("**OHS**") as vital across its diverse operations in structural steel and façade engineering, corrosion prevention, and solar energy services. Employees involved in activities such as steel fabrication, grit blasting, painting, handling coating systems, solar panel installation, and site maintenance may face physical, ergonomic, and environmental hazards. These exposures can result in work-related injuries, illnesses, reduced productivity, and service disruptions. Additionally, such incidents may cause psychological stress for staff and impact contractors, visitors, and clients. Failure to manage these risks properly could lead to regulatory non-compliance, reputational damage, and higher operational or healthcare costs.

Conversely, strong OHS performance delivers considerable benefits. A safe and healthy work environment enhances employee well-being, reduces absenteeism, boosts morale, and optimises service delivery. Employees who feel secure and supported contribute to greater operational stability, higher efficiency, and elevated customer satisfaction. Proactive safety measures reduce the likelihood of accidents, facilitate smoother operations, and strengthen stakeholder confidence. Robust management of occupational health and safety is therefore essential to the Group's resilience and sustainable long-term growth.

Management Approach

The Group's Board and senior management recognise that health and safety risks are inherent in its operations, particularly at construction sites. To address these risks, the Group has established a Health, Safety & Fire and Environment (HSE) Committee, which oversees all workplace safety matters. The committee is tasked with identifying and mitigating operational hazards, investigating incidents, and conducting safety briefings for employees.

The Group ensures full compliance with legislated workplace health and safety regulations and industry standards. These include, but are not limited to, the Workplace Safety and Health Act 2006 and its subsidiary legislations under the Ministry of Manpower, the Fire Safety Act enforced by the Singapore Civil Defence Force, and SS 679 – a standard for worksites involved in construction activities. Furthermore, SHS Holdings has undergone audits by the Building and Construction Authority, Ministry of Health, and Ministry of Manpower, achieving full compliance in all areas.

The table above provides an overview into SHS Holdings' comprehensive health and safety programme. The programme includes toolbox meetings to address operational hazards and preventive measures, weekly briefings led by the HSE coordinators to reinforce safe work practices and share accident case studies, and monthly inspections to identify and resolve potential risks. The Group also conducts annual HSE campaigns featuring refresher training for equipment operators, safety quizzes, and fire safety drills. In addition, SHS Holdings undergoes rigorous safety audits,

SUSTAINABILITY REPORT

including the annual ISO surveillance audit and the Green and Gracious Builder Scheme audit, which benchmarks its commitment to workplace safety, environmental responsibility, and social accountability during project execution.

In FY2025, the primary contributors to work-related injuries include minor cuts, bruises, and finger injuries. Whenever such an incident occurs, a thorough investigation is conducted to identify its root cause. Based on these findings, relevant risk assessments and safe work procedures are reviewed, updated, and communicated to all employees. Corrective and preventive measures are then implemented to address the issue. The Group remains dedicated to continuously minimizing both the frequency and severity of work-related incidents.

Our Performance

During the Reporting Period, the Group maintained zero (FY2024: zero) incidents of non-compliances with regulatory standards related to the health and safety of employees.

Methodology

The rates presented in the following tables are calculated by dividing each performance indicator by total hours worked and standardising the result to 200,000 hours worked, in accordance with commonly applied occupational health and safety reporting practices.

Work-Related Injuries

No rates were calculated for performance indicators that have zero cases.

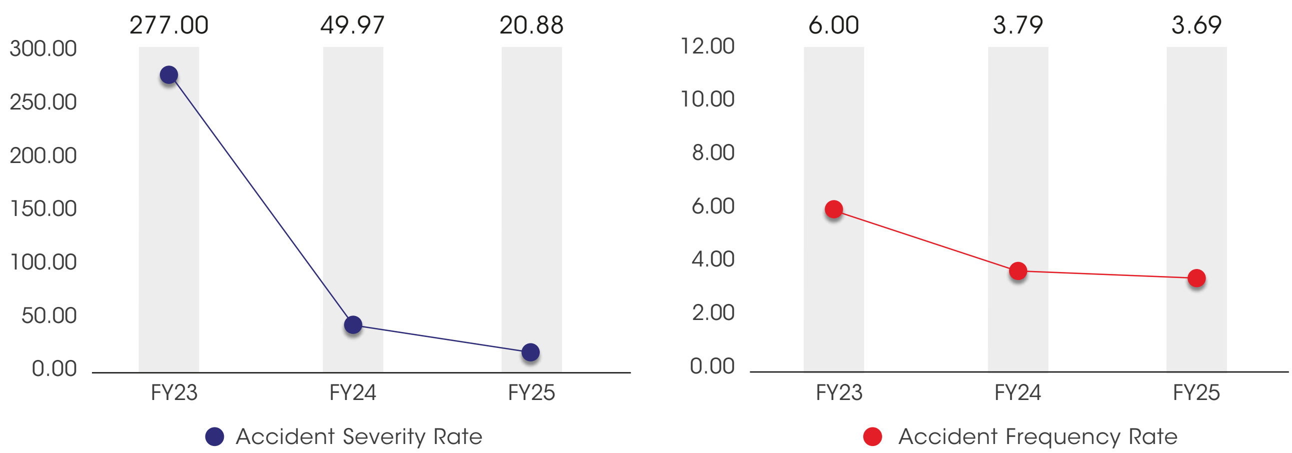
All Employees

PERFORMANCE INDICATOR	FY2023	FY2024	FY2025
No. Fatalities as a Result of Work-related Injury	0	0	0
No. High-consequence Work-related Injuries	0	0	0
No. of Recordable Work-related Injuries Excluding High-consequence Work-related Injuries	3	5	3
No. Hours Worked	1,699,820	1,320,860	813,996
Rate of Recordable Work-related Injuries Excluding High-consequence Work-related Injuries[5]	1.74	3.79	3.69
Accident Frequency Rate	6.00	3.79	3.69
Accident Severity Rate	277.00	49.97	20.88

Work-Related Ill Health

No rates were calculated for performance indicators that have zero cases.

Accident Frequency Rate and Accident Severity Rate



[5] The rate of recordable work-related injuries excluding high-consequence work-related injuries is calculated based on the number of such injuries divided by the total hours worked, multiplied by 1,000,000 hours worked.

SUSTAINABILITY *REPORT*

FOCUS 3: HUMAN CAPITAL

WORKFORCE DIVERSITY (GRI 2-7, GRI 401)

SHS Holdings is committed to attracting and retaining talent while prioritising the well-being of its employees. Recognising that its workforce is integral to the Group's success, SHS Holdings invests in skills development and career growth initiatives, ensuring that its workforce remains competitive in as the industry landscape evolves.

Impact on SHS

A diverse and skilled workforce enables the Group to overcome any challenges that it may face due to the evolving industry and economy. Diversity brings a board range of perspectives, experiences and capabilities, strengthening the Group's ability to innovate and adapt to regulatory and market changes.

Conversely, a lack of diversity could limit strategic thinking, reduce competitiveness and deter top talent from joining the Group, hence impacting long-term growth and resilience.

Management Approach

SHS Holdings recognises that its employees form the backbone of operational success and are essential to the Group's long-term sustainability. Employment practices are regularly reviewed to align with local labour laws, regulatory requirements, and fair-employment guidelines.

The Group places strong emphasis on employee health, safety, and well-being while continuing to invest in talent development programmes that provide opportunities for professional growth. These initiatives enhance technical skills and strengthen workforce capability over time. SHS Holdings upholds a firm commitment to equal opportunity and enforces a zero-tolerance policy against discrimination based on race, gender, religion, or any other protected characteristic, ensuring fair access to advancement and participation in the workplace.

The Group's Business Code of Conduct reinforces these principles by outlining clear standards on non-discrimination, diversity, equal employment opportunities, and protection against harassment. It serves as a guide for managers and employees to maintain an inclusive and respectful work environment. Responsibility for implementing these practices rests with the Human Resources team and operational leaders, who monitor workforce trends, recruitment outcomes, and employee feedback to evaluate effectiveness and identify areas for improvement. SHS Holdings remains committed to strengthening its employment and diversity practices through enhanced training, deeper engagement, and fostering a resilient and inclusive workforce across all business operations.

Our Performance

In FY2025, the Group has total of 317 employees which represents a 12.2% decrease in total employees. The table below provides a year-on-year comparison for the Group's diversity number for the past three years.

Methodology

All rates in the following tables were calculated by dividing the number of new hires or turnovers by the average number of employees, based on headcount at the beginning and end of the fiscal year.

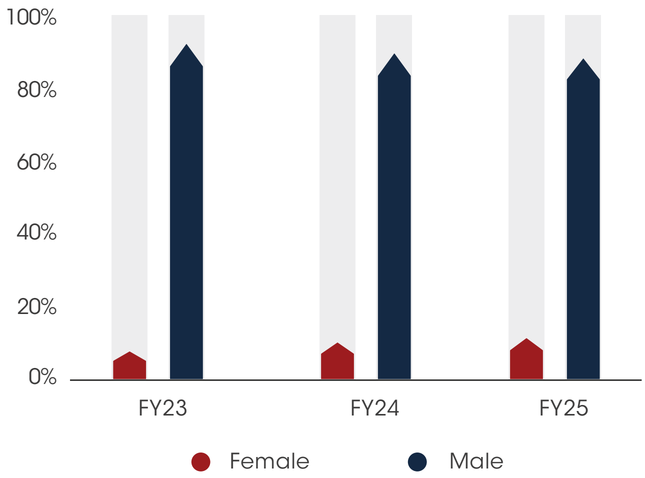
SUSTAINABILITY *REPORT*

Employment Profile:

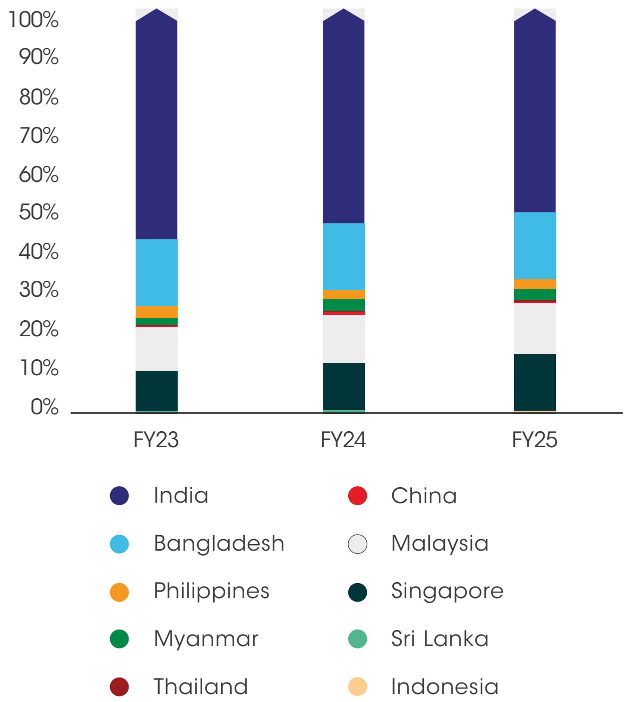
PERFORMANCE INDICATOR	FY2023		FY2024		FY2025	
	HEADCOUNT	PERCENTAGE	HEADCOUNT	PERCENTAGE	HEADCOUNT	PERCENTAGE
Total Number of Employees	438	100%	361	100%	317	100%
By Gender						
Male	403	92.0%	324	89.8%	282	89.0%
Female	35	8.0%	37	10.2%	35	11.0%
By Age Group						
Under 30 Years Old	132	30.1%	88	24.4%	73	23.0%
Between 30- and 50-Years Old	257	58.7%	216	59.8%	190	60.0%
Above 50 Years Old	49	11.2%	57	15.8%	54	17.0%
By Region						
India	251	57.3%	192	53.2%	160	50.5%
Bangladesh	71	16.2%	58	16.1%	52	16.4%
Philippines	13	3.0%	9	2.5%	8	2.5%
Myanmar	8	1.8%	11	3.0%	9	2.8%
Thailand	1	0.2%	1	0.3%	1	0.3%
China	1	0.2%	2	0.6%	1	0.3%
Malaysia	47	10.7%	43	11.9%	40	12.6%
Singapore	45	10.3%	44	12.2%	44	13.9%
Sri Lanka	1	0.2%	1	0.3%	1	0.3%
Indonesia	–	–	–	–	1	0.3%

SUSTAINABILITY REPORT

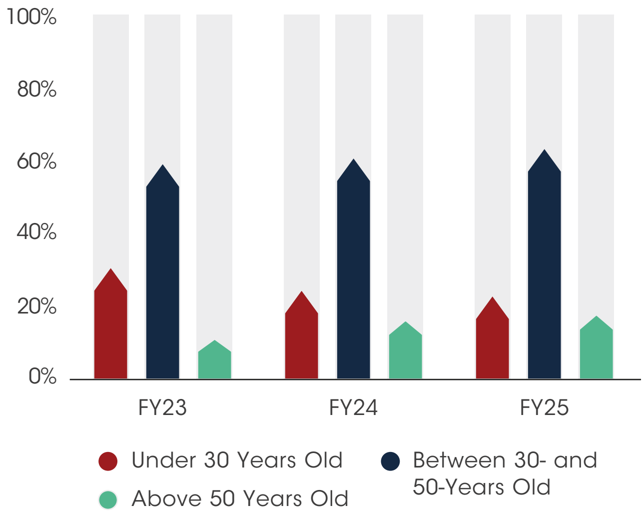
Total Number of Employees by Gender



Total Number of Employees by Region



Total Number of Employees by Age Group



SUSTAINABILITY REPORT

Employees by Employment Type and Contract Type:
The Group employees are all full-time and permanent. There are no part-time, temporary or non-guaranteed hours employees.

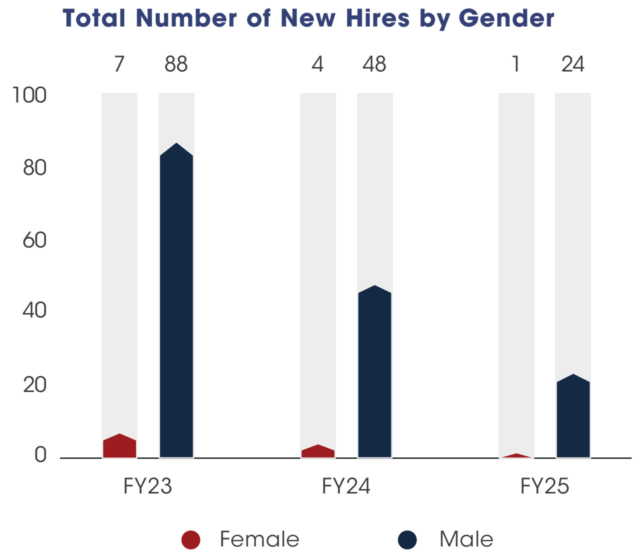
New Employee Hires and Turnovers
The Group saw a total of 25 new hires in FY2025, a decrease of 52% from FY2024. During the same period, the Group had 69 turnover, a decrease of 47% from FY2024.

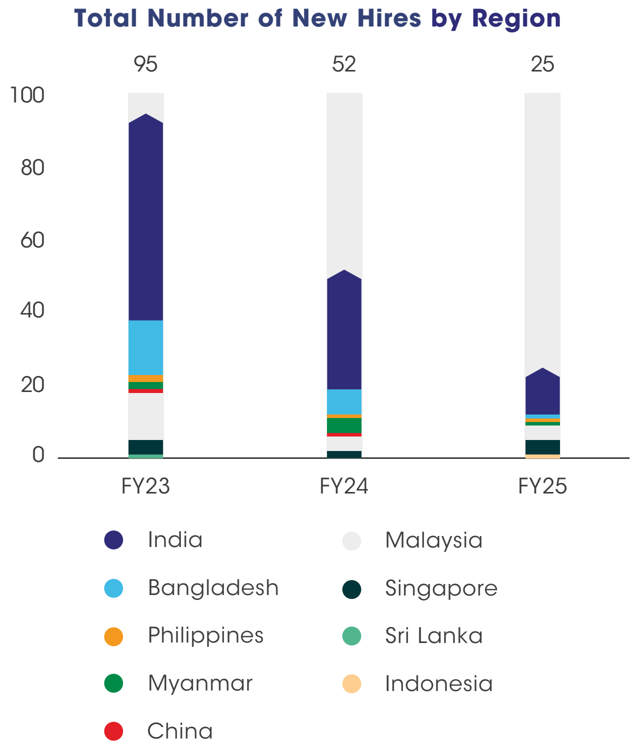
Total number of new hires and rate of new hires[6]:

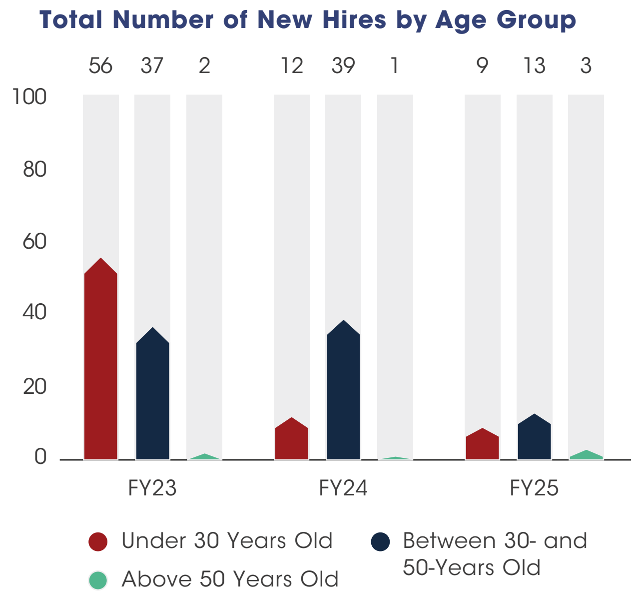
PERFORMANCE INDICATOR	FY2023		FY2024		FY2025	
	HEADCOUNT	RATE OF NEW HIRES	HEADCOUNT	RATE OF NEW HIRES	HEADCOUNT	RATE OF NEW HIRES
Total Number of Employees	438	–	361	–	317	–
Total Number of New Hires	95	22%	52	13%	25	8%
By Gender						
Male	88	22%	48	13%	24	8%
Female	7	20%	4	11%	1	3%
By Age Group						
Under 30 Years Old	56	42%	12	14%	9	11%
Between 30- and 50-Years Old	37	14%	39	18%	13	6%
Above 50 Years Old	2	4%	1	2%	3	5%
By Region						
India	57	22%	33	15%	13	7%
Bangladesh	15	21%	7	11%	1	2%
Philippines	2	15%	1	9%	1	12%
Myanmar	2	25%	4	42%	1	10%
China	1	100%	1	67%	–	–
Malaysia	13	28%	4	9%	4	10%
Singapore	4	9%	2	4%	4	9%
Sri Lanka	1	100%	–	–	–	–
Indonesia	–	–	–	–	1	100%

6 Rates of new hires are calculated by dividing the number of new hires in each category by the average employee population in the corresponding category for the relevant periods (i.e. by gender, age group, and region, as applicable).

SUSTAINABILITY REPORT







SUSTAINABILITY REPORT

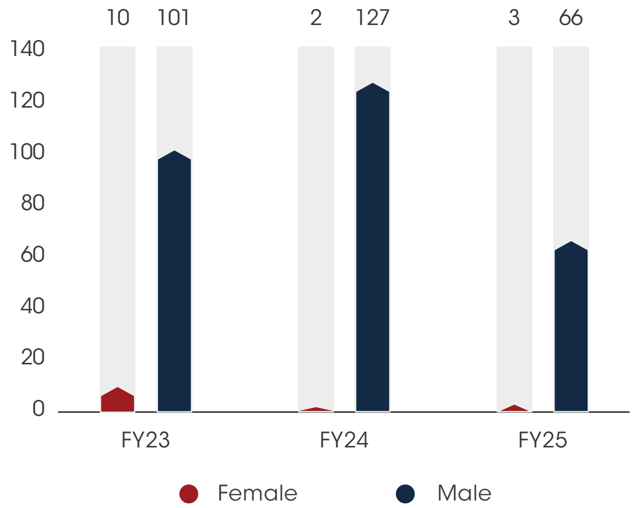
Total number of employee turnover and rate of turnover[7]:

PERFORMANCE INDICATOR	FY2023		FY2024		FY2025	
	HEADCOUNT	RATE OF TURNOVER	HEADCOUNT	RATE OF TURNOVER	HEADCOUNT	RATE OF TURNOVER
Total Number of Employees	438	–	361	–	317	–
Total Number of Turnover	111	23%	129	32%	69	20%
By Gender						
Male	101	25%	127	35%	66	22%
Female	10	29%	2	6%	3	8%
By Age Group						
Under 30 Years Old	37	28%	41	47%	21	26%
Between 30- and 50-Years Old	68	26%	82	38%	39	19%
Above 50 Years old	6	12%	6	11%	9	16%
By Region						
India	65	26%	92	42%	45	26%
Bangladesh	16	23%	20	31%	7	13%
Philippines	3	23%	5	45%	2	24%
Myanmar	4	50%	1	11%	3	30%
China	–	–	–	–	1	67%
Malaysia	13	28%	8	18%	5	12%
Singapore	10	22%	3	7%	6	14%

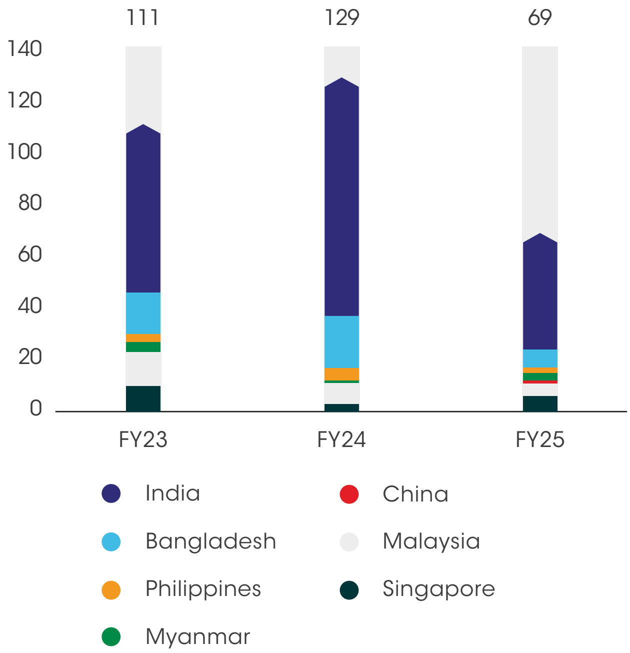
7 Rates of employee turnover are calculated by dividing the number of employee turnover in each category by the average employee population in the corresponding category for the relevant periods (i.e. by gender, age group, and region, as applicable).

SUSTAINABILITY *REPORT*

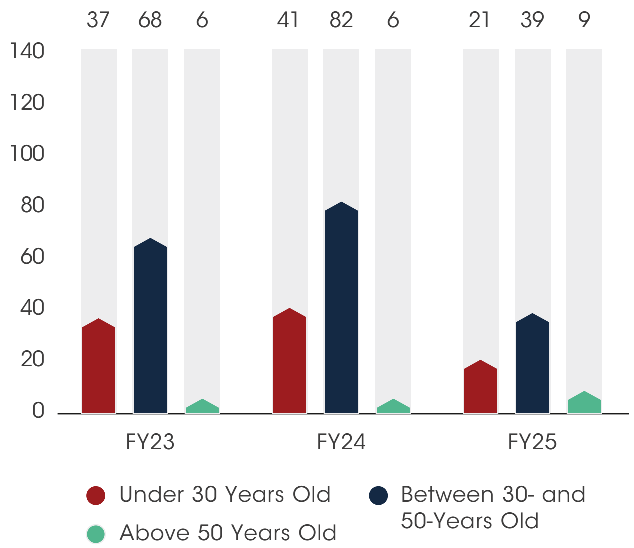
Total Number of Turnover by Gender



Total Number of Turnover by Region



Total Number of Turnover by Age Group



There were zero reported incidents of discrimination in FY2025 (FY2024:0), and the Group strives to maintain its performance in this aspect.

GOVERNANCE STRUCTURE AND COMPOSITION (GRI 2-9)

SHS Holdings recognises that board diversity is fundamental to effective governance and supports balanced, well-informed decision-making. A diverse Board brings a wide range of perspectives, experience, and expertise, enabling stronger oversight of the Group's strategy and operations. The Board comprises individuals with varied professional backgrounds, ages, and tenures, and remains committed to principles of fair representation and inclusion. This diversity enhances the Board's ability to respond to evolving stakeholder expectations and reinforces its capacity to guide SHS Holdings toward sustainable long-term growth.

Further details on the Group's Board diversity can be found in the Corporate Governance section of the FY2025 Annual Report.

SUSTAINABILITY REPORT

FOCUS 4: ENVIRONMENT SUSTAINABILITY

SHS Holdings acknowledges the urgent need to address the impacts of climate change and is committed to reducing its environmental footprint across all business operations. The Group actively pursues strategies that minimise environmental impact while exploring opportunities to develop businesses that contribute to environmental improvement. By leveraging its sustainable competitive advantages, SHS Holdings aims to create value through initiatives that support climate resilience and promote long-term sustainability.

WATER AND EFFLUENTS (GRI 303)

Impact on SHS Holdings

Water consumption is an integral aspect of SHS Holdings' operations, particularly in steel fabrication, corrosion prevention, and construction activities. Inefficient water management can result in higher operational costs, regulatory non-compliance, and reputational risks. Excessive water use or improper discharge may also lead to environmental degradation and strain on local water resources. Conversely, responsible water management enhances operational efficiency, supports sustainability performance, and ensures compliance with environmental regulations. By implementing measures such as water recycling, monitoring usage, and adopting efficient technologies, the Group can reduce costs, minimize environmental impact, and strengthen its reputation as a responsible corporate citizen.

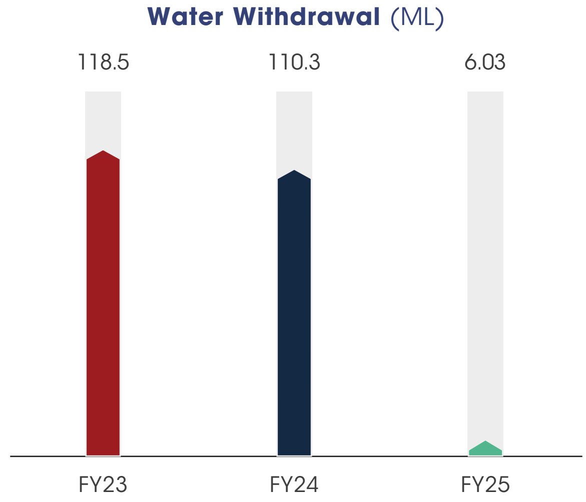
Management Approach

SHS Holdings adopts a systematic approach to water management by monitoring water usage across all operations and implementing programmes to reduce consumption and promote reuse. The Group invests in water-efficient technologies and process optimisation to minimise freshwater demand during steel fabrication and corrosion prevention activities. Initiatives include installing closed-loop water recycling systems, rainwater harvesting for non-potable applications, and using high-efficiency spray systems to reduce water wastage. Wastewater is treated and discharged in compliance with government regulations, ensuring minimal environmental impact. Regular audits and reporting enhance transparency and adherence to environmental standards.

Our Performance

In FY2025, the Group's water withdrawal was a total of 6.03 which represents a 95% decrease in water withdrawal from FY2024.

Water Withdrawal



A significant underground water leak was identified at SHS and rectified in FY2025. The reduction in water usage for 2025 is primarily attributable to the resolution of this issue.

WASTE MANAGEMENT (GRI 306)

Impact on SHS Holdings

Waste generation is an inherent aspect of SHS Holdings' operations, particularly in steel fabrication, corrosion prevention, and construction activities. Improper waste management could lead to increased operational costs, regulatory non-compliance, and reputational risks. Additionally, hazardous waste such as copper slag and paint poses environmental and health risks if not handled responsibly. Efficient waste management is therefore critical for cost control, sustainability performance, and compliance with environmental regulations.

SUSTAINABILITY *REPORT*

Management Approach

SHS Holdings adopts a systematic approach to waste management by tracking waste across all operations and implementing programmes for proper disposal and recycling. The Group invests in software solutions to optimise raw material usage and minimise wastage during steel fabrication. Non-hazardous waste such as steel, aluminium, and grit is recycled, while hazardous waste like copper slag and paint is safely incinerated through licensed waste vendors in compliance with government regulations. Regular audits and reporting ensure transparency and adherence to environmental standards.

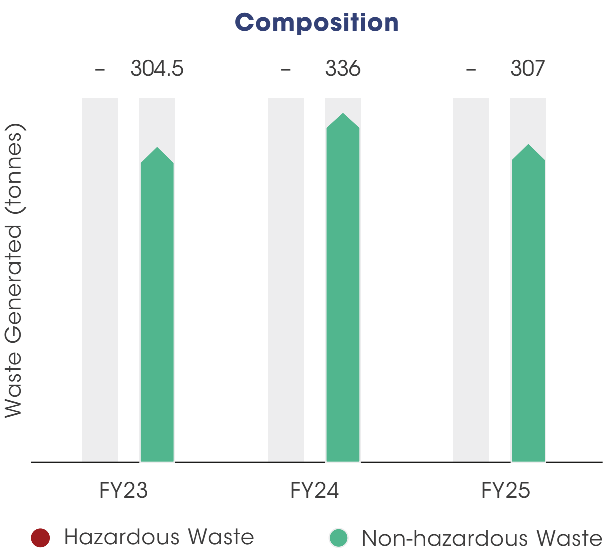
Our Performance

In FY2025, SHS Holdings generated 307 tonnes of waste, of which approximately 74% was diverted or recycled. Compared to FY2024, the Group saw a 9% decrease in waste generated. These figures demonstrate SHS Holdings' commitment to enhancing waste segregation, recycling practices, and transparency in environmental reporting.

In FY2025, the Group enhanced its tracking capabilities and is therefore able to report waste composition with greater granularity. The total weight of waste generated, the amount diverted from disposal, and the volume sent for disposal are detailed below.

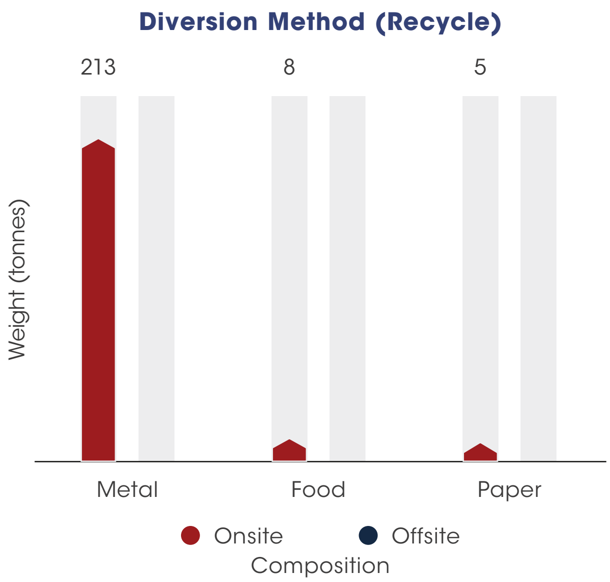
Waste Generation by Composition:

Composition	FY2023 Waste Generated (tonnes)	FY2024 Waste Generated (tonnes)	FY2025 Waste Generated (tonnes)
Hazardous Waste	–	–	–
Non-hazardous Waste	304.5	336	307
Total	**304.5**	**336**	**307**



Waste Disposal by Diversion Method in FY2025:

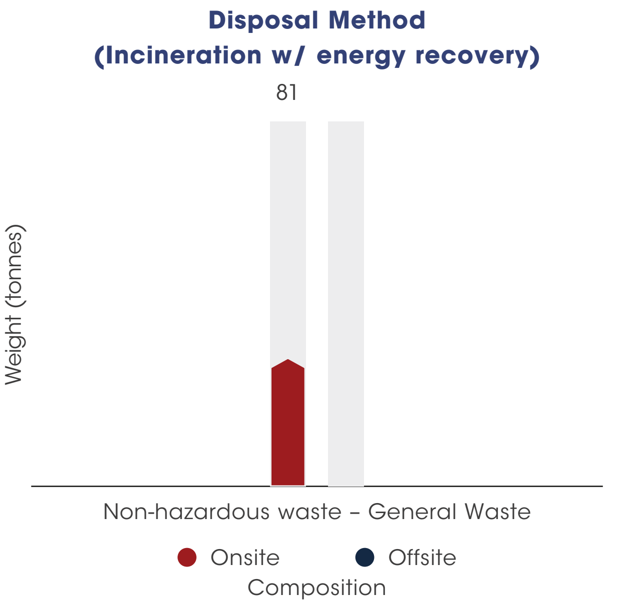
Diversion Method	Composition	Onsite/ Offsite	Weight (tonnes)
Recycle	Metal	Onsite	213
	Food	Onsite	8
	Paper	Onsite	5
Grand Total	**-**		**226**



SUSTAINABILITY REPORT

Waste Directed to Disposal in FY2025:

Disposal Method	Composition	Onsite/ Offsite	Weight (tonnes)
Incineration w/energy recovery	Non-hazardous waste – General Waste	Offsite	81
Grand Total	–	–	81



This strategic approach enables SHS to implement comprehensive waste management practices and to develop effective strategies for waste reduction and diversion. Looking ahead, the Group remains committed to advancing waste reduction initiatives across all operational sites.

ENERGY MANAGEMENT (GRI 302)

Being in the manufacturing industry, it is imperative that the Group manages its energy usage as its operations can largely affect the surrounding communities. Hence, to minimise the impact of its business operations, the Group is committed to reducing its energy and fuel consumption.

Impact on SHS Holdings

Energy management is a critical factor influencing SHS Holdings' operational efficiency and environmental performance. Poor energy efficiency in its industrial operations can result in higher operating costs, increased GHG emissions, and greater exposure to regulatory risks as carbon-related compliance requirements tighten. On the other hand, effective energy management through initiatives such as optimizing energy use and adopting renewable sources like solar power reduces the Group's carbon footprint, stabilizes long-term energy costs, and enhances its resilience against volatile fossil fuel prices. These efforts strengthen environmental stewardship and support the Group's commitment to sustainable growth and competitiveness in a low-carbon economy.

Management Approach

SHS Holdings recognises that cultivating a culture of environmental responsibility is essential for addressing environmental challenges effectively. To embed this mindset across the organisation, the Board and management prioritise continuous education and engagement. In FY2025, the Group will strengthen initiatives such as targeted training programs and workplace campaigns that encourage employees to adopt energy-saving practices and reduce resource consumption. These efforts reflect SHS Holdings' commitment to integrating sustainability into everyday operations and fostering collective accountability for environmental stewardship.

Additionally, the Group has enhanced its energy consumption tracking methods to obtain a better understanding of its energy usage patterns and consumption habits. In the near future, the Group plans to use this information to optimise its energy usage and efficiency, reducing its energy consumption.

SUSTAINABILITY REPORT

Our Performance

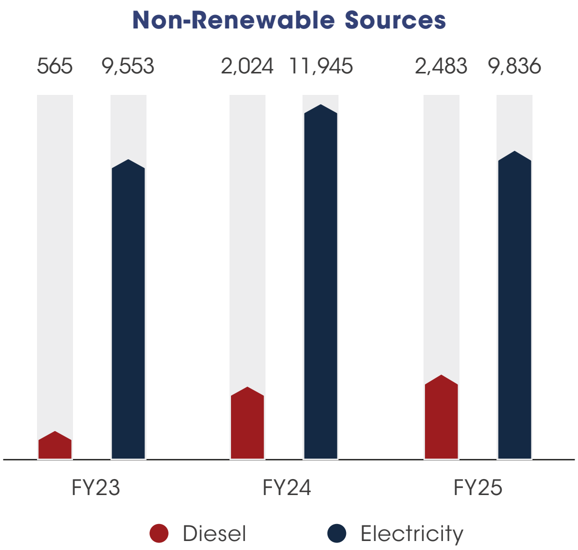
Energy Consumption Methodology

In FY2025, the Group's total energy consumption within the organisation was 12,319 gigajoules ("**GJ**") (FY2024: 12,899 GJ).

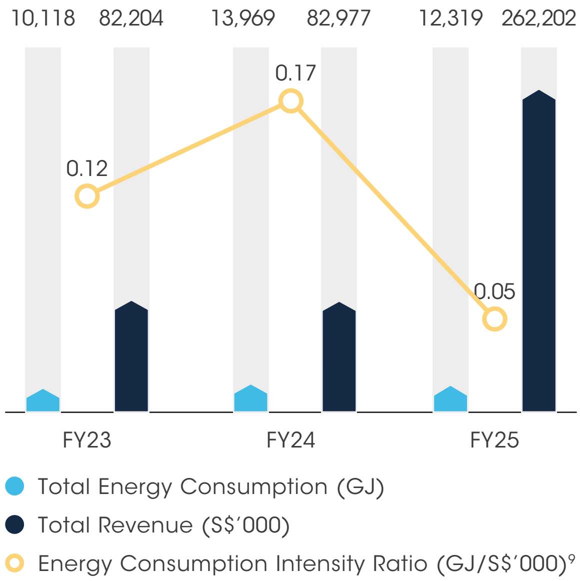
SHS Holdings tracks fuel and electricity consumption using standardised methodologies to ensure accuracy and consistency. Diesel usage is calculated by aggregating transaction-level data in litres and converting it into joules based on recognised conversion factors from the World Nuclear Association[8]. Electricity consumption, as reported by the utility provider in megawatt-hours (MWh), is converted using the standard factor of 3.6×10^9 joules per MWh. These processes enable the Group to maintain reliable energy data for performance monitoring and sustainability reporting.

Energy Consumption in Gigajoules (GJ):

	FY2023	FY2024	FY2025
Non-Renewable Sources			
Diesel	565	2,024	2,483
Electricity	9,553	11,945	9,836
Total	**10,118**	**13,969**	**12,319**



Energy Consumption Intensity in Gigajoules/ Revenue (GJ/S$'000):



The Group remains firmly committed to identifying and implementing initiatives that reduce energy consumption. It will continue to strengthen its monitoring and measurement systems to track progress, while sustaining energy-saving practices such as switching off lights during non-operational hours and maintaining air-conditioning at 25 degrees Celsius to minimise its carbon footprint.

GREENHOUSE GAS EMISSION (GRI 305)

As the world increasingly experiences the effects of climate change through more frequent extreme weather events such as droughts, floods, and heatwaves, the Group remains committed to minimising its environmental impact and creating long-term value for its business, stakeholders, and communities. In alignment with global and national efforts to reduce GHG emissions, the Group continues to monitor its emission levels to identify key areas for meaningful reduction.

Impact on SHS Holdings

Proper management of GHG emissions delivers substantial benefits for SHS Holdings. Effective strategies such as energy efficiency improvements, renewable energy adoption, and process optimisation enable the Group to comply with climate regulations, reduce operational costs, and strengthen its reputation as a responsible

[8] https://world-nuclear.org/information-library/facts-and-figures/heat-values-of-various-fuels
[9] The energy consumption intensity ratio is calculated using total Group revenue as the denominator, while energy consumption included in the numerator relate solely to the Group's Singapore operations. The Group intends to progressively expand the energy consumption boundary to include its China operations in future reporting periods.

industry leader. These actions also contribute to global climate objectives and enhance stakeholder confidence, creating long-term value for the business and society.

In contrast, inadequate GHG emission management can lead to significant challenges, including regulatory penalties, escalating carbon-related costs, and reputational damage. Poor oversight may also result in operational inefficiencies and missed opportunities for innovation, ultimately weakening competitiveness and eroding stakeholder trust. For these reasons, robust emissions management remains a cornerstone of SHS Holdings' sustainability strategy and business resilience.

Management Approach

The table below presents the Group's direct GHG emissions, measured in metric tonnes of carbon dioxide equivalent (tCO_2e), based on the fuel usage of diesel-powered vehicles owned by the Group.

The following disclosure in this section includes CO_2, CH_4, and N_2O emissions for Scope 1 and 2 calculations.

GHG Emissions Methodology

Scope 1

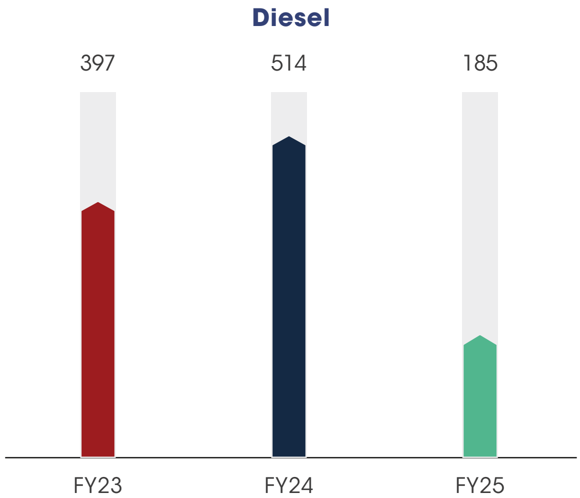
SHS Holdings calculates diesel consumption by aggregating transaction-level data and converting volumes from litres to kilograms using standard fuel density values. The resulting emissions of CO_2, CH_4, and N_2O are then expressed as carbon dioxide equivalent ("**CO_2e**") by applying emission factors and Global Warming Potentials ("**GWP**")[9] published by the Intergovernmental Panel on Climate Change ("**IPCC**")[10]. This methodology ensures consistency with internationally recognised standards and supports accurate reporting of the Group's greenhouse gas emissions.

Scope 2

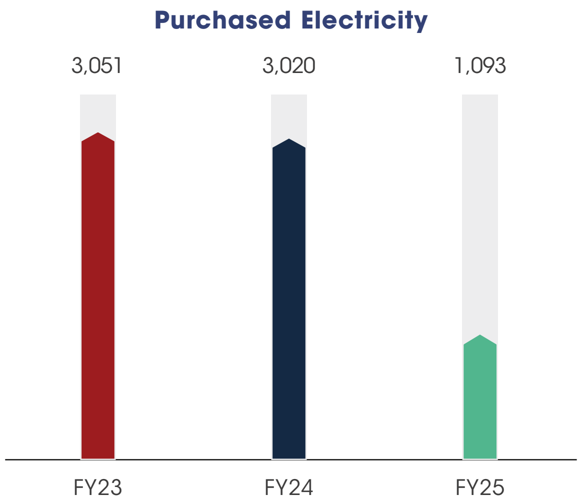
Purchased electricity data, provided by the utility supplier in megawatt-hours (MWh), is converted to CO_2e using the emission factor published by Energy Market Authority[11], which discloses the nationwide average emission factor for Singapore. The Group's indirect (Scope 2) emissions primarily comprise electricity consumption and are calculated using the location-based method in accordance with the Greenhouse Gas Protocol.

Our Performance

Direct (Scope 1) GHG Emissions[12] in tCO_2e by Source:



Indirect (Scope 2) GHG emissions[13] in tCO_2e:



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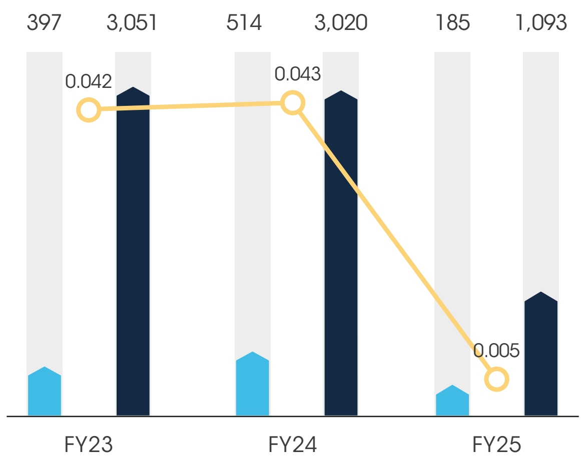
9 https://ghgprotocol.org/sites/default/files/2024-08/Global-Warming-Potential-Values%20%28August%202024%29.pdf
10 https://www.ipcc-nggip.iges.or.jp/EFDB/main.php
11 https://www.ema.gov.sg/resources/singapore-energy-statistics/chapter2
12 Scope 1 emissions are calculated from the consumption of diesel, expressed in metric tonnes of CO_2 equivalent ("**tCO_2e**"). Emission factors for direct energy consumption are taken from the IPCC 2006 emission factor database.
13 Scope 2 emissions are calculated from the consumption of purchased electricity, expressed in metric tonnes of CO_2 equivalent ("**tCO_2e**"). Emission factors for indirect energy consumption are taken from the IEA Emission Factors (2023) and Singapore Energy Statistics 2023 published by the Energy Market Authority in Singapore.

SUSTAINABILITY *REPORT*

Total GHG Emission Intensity:

	FY2023	FY2024	FY2025
Scope 1 GHG Emissions (tCO_2e)	397	514	185
Scope 2 GHG Emissions (tCO_2e)	3,051	3,020	1,093
Total GHG Emissions (tCO_2e)	3,448	3,534	1,278
Total Revenue (S$'000)	82,204	82,977	262,202
Emission Intensity Ratio (tCO_2e/total Revenue (S$'000))	0.042	0.043	0.005



In FY2025, the Group has formulated several initiatives to reduce greenhouse gas emissions in its operations. During the year, the Group installed solar photovoltaic panels at its office premises to partially offset grid electricity consumption. The solar panels generate renewable energy for day-to-day operations, reducing reliance on fossil fuel-based electricity and contributing to a corresponding reduction in Scope 2 GHG emissions.

During the Reporting Period, the Group's GHG emissions intensity decreased by 89% due to the increase in revenue in FY2025.

In addition to tracking energy usage and emissions from its internal operations, the Group is also mindful of the energy consumption and emissions generated by its stakeholders, including suppliers and customers. The Group will continue to refine the current assessment to identify additional significant sources of energy consumption beyond its operations and aims to develop a system for measuring Scope 3 GHG emissions.

FOCUS 5: QUALITY

COMPLIANCE IN PRODUCTS AND SERVICES SAFETY (GRI 302)

Impact on SHS Holdings

For SHS Holdings, strong compliance with product and service safety standards is fundamental to maintaining customer trust and safeguarding its reputation. When safety protocols are diligently implemented, the Group minimizes risks of accidents, regulatory breaches, and costly recalls, reinforcing stakeholder confidence and supporting long-term business resilience. Conversely, failure to uphold these standards can result in serious consequences, including harm to customers, legal liabilities, regulatory penalties, and reputational damage. In severe cases, non-compliance may lead to operational disruptions or product withdrawals, significantly affecting profitability and market competitiveness.

Management Approach

SHS Holdings is committed to delivering products and services that meet stringent health and safety standards. The Group adheres to international and local requirements, including ISO, Swedish Standards Institute, British Standards, Singapore Building Council Authority, and other recognised industry benchmarks. To ensure quality across its supply chain, SHS Holdings implements strict supplier management practices: new suppliers are screened and qualified under the Group's purchasing policy, evaluated for reputation, certifications, and performance, and subject to annual reviews to maintain consistent quality standards.

Our Performance

In FY2025, the Group maintained its track record of zero violations of legal and statutory requirements.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement of use	SHS Holdings Ltd has reported with reference to the GRI Standards for the period from 1 January 2025 to 31 December 2025.
GRI used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	Not applicable

GRI STANDARD	DISCLOSURE CONTENT	SECTION REFERENCE/REMARKS	PAGE REFERENCE
GRI 2: General Disclosures 2021			
2-1	Organisational details	Organisation Profile	17 – 18
2-2	Entities included in the organisation's sustainability reporting	Reporting Scope	19
2-3	Reporting period, frequency and contact point	Reporting Principles and Statement of Use	19
2-4	Restatements of information	No restatements	N/A
2-5	External assurance	SHS has not sought external assurance for this reporting period and may consider it in the future.	19
2-6	Activities, value chain and other business relationships	Annual Report 2025	17 – 18
2-7	Employees	Focus 3: Human Capital, Employees	40
2-8	Workers who are not employees	SHS does not employ worker who are not employees	N/A
2-9	Governance structure and composition	Annual Report 2025	Reference to Corporate Governance Report
2-10	Nomination and selection of the highest governance body	Annual Report 2025	
2-11	Chair of the highest governance body	Annual Report 2025	
2-12	Role of the highest governance body in overseeing the management of impacts	Board Statement; Sustainability Governance Structure	16; 20 – 21
2-13	Delegation of responsibility for managing impacts	Board Statement; Sustainability Governance Structure	16; 20 – 21
2-14	Role of the highest governance body in sustainability reporting	Board Statement; Sustainability Governance Structure	16, 20 – 21

SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE CONTENT	SECTION REFERENCE/REMARKS	PAGE REFERENCE
2-15	Conflicts of interest	Annual Report 2025	Reference to Corporate Governance Report
2-16	Communication of critical concerns	Annual Report 2025; Reporting Practice: Feedback	Reference to Corporate Governance Report; 19
2-17	Collective knowledge of the highest governance body	Annual Report 2025	Reference to Corporate Governance Report
2-18	Evaluation of the performance of the highest governance body	Annual Report 2025	
2-19	Remuneration policies	Annual Report 2025	
2-20	Process to determine remuneration	Annual Report 2025	
2-21	Annual total compensation ratio	The Group does not disclose against this metric due to confidentiality constraints.	N/A
2-22	Statement on sustainable development strategy	The Group's Sustainability Story	20
2-23	Policy commitments	Focus 1: Business Integrity; Focus 2: Health & Safety; Focus 3: Human Capital; and Focus 4: Environment Sustainability	35 – 51
2-24	Embedding policy commitments	Focus 1: Business Integrity; Focus 2: Health & Safety; Focus 3: Human Capital; and Focus 4: Environment Sustainability	35 – 51
2-25	Processes to remediate negative impacts	Annual Report 2025: Corporate Governance Report	Reference to Corporate Governance Report
2-26	Mechanisms for seeking advice and raising concerns	Reporting Practice: Feedback	19
2-27	Compliance with laws and regulations	Focus 1: Business Integrity, Anti-corruption & Compliance with laws and Regulations	35
2-28	Membership associations	Not applicable. No reportable memberships of associations.	N/A

SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE CONTENT	SECTION REFERENCE/REMARKS	PAGE REFERENCE
2-29	Approach to stakeholder engagement	Stakeholder Engagement and Materiality Assessment	22; 23
2-30	Collective bargaining agreements	Not applicable. No collective bargaining agreements.	N/A
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Stakeholder Engagement and Materiality Assessment	22; 23
3-2	List of material topics	Stakeholder Engagement and Materiality Assessment	22; 23
Topic Specific Disclosures			
Focus 1: Business Integrity			
3-3	Management of material topics	Focus 1: Business Integrity	35 – 36
205-2	Communication and training about anti-corruption policies and procedures	Focus 1: Business Integrity, Anti-Corruption	35 – 36
205-3	Confirmed incidents of corruption and actions taken	Focus 1: Business Integrity, Anti-Corruption	35 – 36
201-1	Direct economic value generated and distributed	Focus 1: Business Integrity, Economic Performance	35 – 36
Focus 2: Health and Safety			
3-3	Management of material topics	Focus 2: Health and Safety	37 – 38
403-1	Occupational health and safety management system	Focus 2: Health and Safety, Occupational Health and Safety	37 – 38
403-2	Hazard identification, risk assessment, and incident investigation	Focus 2: Health and Safety, Occupational Health and Safety	37 – 38
403-5	Worker training on occupational health and safety	Focus 2: Health and Safety, Occupational Health and Safety	37 – 38
403-8	Workers covered by an occupational health and safety management system	Focus 2: Health and Safety, Occupational Health and Safety	37 – 38
403-9	Work-related injuries	Focus 2: Health and Safety, Occupational Health and Safety	37 – 38
403-10	Work-related ill health	Focus 2: Health and Safety, Occupational Health and Safety	37 – 38

SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE CONTENT	SECTION REFERENCE/REMARKS	PAGE REFERENCE
Focus 3: Human Capital			
3-3	Management of material topics	Focus 3: Human Capital	39 – 45
401-1	New employee hires and employee turnover	Focus 3: Human Capital. Workforce Diversity	42 – 45
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Focus 3: Human Capital. Workforce Diversity	39
Focus 4: Environmental Sustainability			
3-3	Management of material topics	Focus 4: Environment Sustainability	46 – 51
302-1	Energy consumption within the organisation	Focus 4: Environment Sustainability, Energy Management	48 – 49
302-3	Energy intensity	Focus 4: Environment Sustainability, Energy Management	48 – 49
303-3	Water withdrawal	Focus 4: Environment Sustainability, Water and Effluents	46
305-1	Direct (Scope 1) GHG emissions	Focus 4: Environment Sustainability, Greenhouse Gas Emissions	49 – 51
305-2	Energy indirect (Scope 2) GHG emissions	Focus 4: Environment Sustainability, Greenhouse Gas Emissions	49 – 51
305-4	GHG emissions intensity	Focus 4: Environment Sustainability, Greenhouse Gas Emissions	49 – 51
306-1	Waste generated and significant waste-related impacts	Focus 4: Environment Sustainability, Waste Management	46 – 48
306-3	Waste generated	Focus 4: Environment Sustainability, Waste Management	46 – 48
306-4	Waste diverted from disposal	Focus 4: Environment Sustainability, Waste Management	46 – 48
306-5	Waste directed to disposal	Focus 4: Environment Sustainability, Waste Management	46 – 48

SUSTAINABILITY REPORT

IFRS S2 DISCLOSURES INDEX

IFRS S2 PARA.	REQUIREMENTS	PAGE REFERENCE
Governance		
5	Governance processes for managing climate risks & opportunities	Page 29
6 (a-c)	Board oversight, frequency of updates, and integration with strategy	
7 (a-c)	Management roles, responsibilities, and reporting lines	
Strategy		
9	Identify and describe climate-related risks and opportunities	Pages 29 – 31
11 (a-c)	Describe how climate-related risks and opportunities influence business model and strategy	
12 (a-c)	Disclose resilience of strategy to different climate scenarios	
13	Explain how climate considerations are integrated into overall business planning and decision-making	
14 (a-b)	Describe how transition and adaptation plans support strategy and targets	
Risk Management		
15 (a-b)	Process for identifying and assessing climate-related risks	Pages 32 – 34
16 (a-b)	Process for prioritising and managing identified risks	
17	How climate-related processes are integrated into overall risk-management framework	
18	Connection or consistency with existing internal-control and governance systems	
Metrics and Targets		
19-21	Metrics used to assess climate-related risks and opportunities	Pages 34
23 (a-c)	Quantified GHG emissions (Scope 1, 2, 3) and calculation methodology	
24	Cross-industry metrics (e.g. internal carbon price, remuneration linkage)	
25-26	Climate-related targets (unit, base year, period, progress tracking)	
27-28	How targets are derived, monitored, and aligned with strategy	

FINANCIAL *CONTENTS*

CORPORATE GOVERNANCE *REPORT*

SHS Holdings Ltd. (the "Company") is committed to maintain a high standard of measures, practices and transparency in the disclosure of material information.

The report sets out the Company's corporate governance practices for the financial year ended 31 December 2025, with specific reference to the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore (the "MAS") on 6 August 2018 (the "2018 CG Code"). The Board is pleased to inform that the Company is substantially in compliance with the principles and provisions of the 2018 CG Code and reasons for any deviation are explained below.

A. BOARD MATTERS

The Board's Conduct of its 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. To fulfil this role, the Board is responsible for setting the Group's corporate governance practices and overall strategic direction, reviewing key management performance, reviewing the operational and financial performance of the Group to enable the Group to meet its objective and maximizing return for shareholders at an acceptable level of risk.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and works with the Management to make objective decisions in the interest of the Group.

Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company, as soon as practicable after the relevant facts have come to his knowledge. Where a director has a conflict or potential conflict of interest in relation to any matter, he is required to immediately declare his interest, recuse himself and refrain from participating in discussions regarding a transaction or proposed transaction in which he has an interest or is conflicted, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he would abstain from voting in relation to the conflict-related matters.

Board Approval

In addition to its statutory responsibilities, matters which specifically requires the Board's approval are:

(a) corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisition and disposal of assets;

(b) annual Budget and Capital Expenditure;

(c) board appointments/reappointments taking into consideration the remuneration packages of Executive Directors, Group Chief Executive Officer ("CEO") and Key Management Personnel;

(d) material acquisition and disposal of assets;

(e) the Group's half-year and full-year financial results announcement;

(f) the Company's annual report and audited financial statements;

CORPORATE GOVERNANCE REPORT

(g) convening of shareholders' meeting;

(h) interested person transactions of material nature;

(i) adequacy of internal controls, risk management, financial reporting and compliance;

(j) assumption of corporate governance responsibilities;

(k) share issuance, dividends and any other return to shareholders; and

(l) matters involving a conflict of interests of Directors and substantial shareholders.

The Board has delegated to Management the authority to approve transactions in the ordinary course of business within a set of approval matrix. Transactions falling outside this set of approval matrix would then be approved by the Board.

Board and Board Committees

For more effective and efficient management, the Board has established a number of Board committees to assist in the execution of the Board's responsibilities. Those committees include the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). The duties, authorities and accountabilities of each committee are set out in their respective terms of reference. Further information on the roles and responsibilities as well as a summary of the activities of each of the AC, NC and RC are set out in the Principles throughout this Corporate Governance Report.

The Board and the various committees, as at the date of this report, comprise the following members:

Name	Date of first appointment	Date of last re-election	Board Appointment whether executive/ non-executive/ independent	Board Committees as Chairman or member	Due to re-election/ re-appointment at forthcoming Annual General Meeting
Teng Choon Kiat	14 February 2018	29 May 2025	Executive Chairman	–	N/A
Ng Han Kok, Henry	3 January 2014	29 April 2024	Executive Director	–	29 June 2026
Chua San Lye	29 April 2024	29 May 2025	Lead Independent Director	Chairman of NC and member of AC and RC	29 June 2026
Oong Wei Yuan, Ron	30 September 2022	29 May 2025	Independent Director	Chairman of RC and member of AC and NC	N/A
Kong Chee Keong	9 February 2026	N/A	Independent Director	Chairman of AC and member of NC and RC	29 June 2026

CORPORATE GOVERNANCE REPORT

Board Meetings

The Board meets regularly to oversee the business and affairs of the Group. The schedule of all the Board and the Board Committee meetings for the calendar year is provided to all the Directors in advance. Besides the scheduled meetings, ad-hoc meetings are convened as and when warranted by specific circumstances, and as deemed appropriate by the Board members. The Board also ensures that the structure of the practices of the Board provides for sound corporate governance.

The Constitution of the Company allows Board meetings to be conducted by way of a teleconference or by means of similar communication equipment whereby all persons participating in the meeting are able to hear each other.

The number of Board and Board committee meetings held in the financial year ended 31 December 2025 ("FY2025") and the attendance of each Director are as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee	General Meeting
No. of meetings held	3	3	1	1	3
Directors	No. of meetings attended				
Teng Choon Kiat	2	3*	2*	1*	1
Ng Han Kok, Henry	3	3*	1*	1*	1
Chua San Lye	3	3	1	1	3
Oong Wei Yuan, Ron	3	3	2	1	1
Lee Gee Aik(1)	1	1	1	1	2
Ang Kim Hwa, Kelvin(2)	2	2	Nil	Nil	Nil
Kong Chee Keong(3)	Nil	Nil	Nil	Nil	Nil

(1) Mr Lee Gee Aik resigned as an Independent Director on 29 May 2025 and relinquished his positions as Chairman of the AC and NC and a member of the RC.

(2) Mr Ang Kim Hwa, Kelvin was appointed as an Independent Director on 6 June 2025 and Chairman of the AC and a member of the NC and RC on 6 June 2025. Mr Ang resigned as an Independent Director on 10 February 2026 and relinquished his positions as Chairman of the AC and a member of the NC and RC.

(3) Mr Kong Chee Keong was appointed as an Independent Director on 9 February 2026 and Chairman of the AC and a member of the NC and RC on 10 February 2026.

* Attendance by invitation.

Directors' Induction, Training and Development

All Directors receive appropriate training to develop their individual skills, knowledge and competence necessary to be effective in their roles. It is our policy to provide new Directors with a detailed and thorough induction to familiarize them with the business, operations and financial performance; meeting with key management personnel and an overview of their responsibility; briefed on governance practices, including board processes, policies on disclosure of interests in securities, prohibitions on dealings in the Company's securities and restrictions on disclosure of price-sensitive information. In addition, for new Directors who do not have prior experience as a director of a public listed company in Singapore, they will also attend the mandatory training courses organized by the Singapore Institute of Directors ("SID") or other accredited training institutions or organisations in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties.

CORPORATE GOVERNANCE REPORT

The Company will issue a formal letter of appointment, which sets out the Director's duties and obligations, to each Director upon appointment.

Mr Kong Chee Keong, who was appointed on 9 February 2026 as an Independent Director of the Company, has prior experience as a director of a public listed company in Singapore.

All Board members are encouraged to receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time. The Board is mindful of the best practice in the 2018 CG Code to initiate training programmes for Directors to meet their relevant training needs. In this regard, the Company is supportive of the Directors' participation in industry conferences and seminars, and will fund the Directors' attendance at any course or training programme in connection with their duties as Directors.

During the financial year:

(a) The external auditor, Forvis Mazars LLP regularly briefed the AC on changes in accounting standards that affects the Group; and

(b) The Board is regularly updated on the business activities and strategies of the Group during Board meetings. Such update would also include any significant developments, issues or risks affecting the Group.

<u>Access to Information</u>

Directors are updated regularly on the latest corporate governance, changes in listing rules and regulations, performance, business conditions and outlook of the Group. Directors have separate and independent access to senior management, the Company Secretary and internal and external auditors of the Group at all times and are encouraged to speak to other employees to seek additional information if they so require.

To assist the Board in its discharge of its duties and responsibilities, all Directors are provided with complete, adequate and timely information prior to the Board meetings. The annual calendar of the Board activities is planned in advance. The Board papers are dispatched to the Directors before the Board meetings so that Directors have sufficient time to consider the background and explanatory information relating to matters to be tabled and discussed at relevant Board meetings. Management also provides the Executive Directors with monthly management accounts, and information on major development and material transaction are circulated to Directors when they arise.

The Company Secretary (or his/her authorised nominee) attends the Board and Board Committees meetings, prepares the minutes, development of the agenda for the various meetings and assists in coordination and liaison between the Board, the Board Committees and Management. The role of the Company Secretary includes responsibility for ensuring that the Board procedures are followed and applicable rules and regulations are complied with. The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practice and processes. Under the direction of the Chairman, the Company Secretary ensures good information flows within the Board and its Board Committees and between Management and Non-Executive Independent Directors. The appointment and removal of the Company Secretary is subject to the approval of the Board as stipulated in the Company's Constitution.

CORPORATE GOVERNANCE REPORT

Should Directors, whether as a group or individually, need independent professional advice to fulfil their duties, such advice may be obtained from external advisers and the cost of which will be borne by the Company.

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.

Board Composition

As at the date of this report, the Board comprises five (5) Directors, two (2) whom are Executive Directors and three (3) are Non-Executive Independent Directors.

As a group, the Directors bring with them a broad range of expertise and experience in areas of accounting and finance, legal and governance, business and management, industry and strategic management. The biographies of all Board members are set in section under "Board of Directors".

The Independent Directors contribute their skills, knowledge and experience during Board discussions and deliberations and provide the Executive Directors with their diverse and objective insights and perspectives of issues brought to the Board. The Independent Directors also aid in developing the Group's strategic process, reviewing the performance of management in achieving agreed goals and objectives, monitoring the reporting of performance and operating as an appropriate check and balance. The Independent Directors meet on their own without management presence when the circumstances call for it and provide feedback to the Executive Chairman and Group CEO.

Continuous Board Renewal, Succession Planning and Board Diversity

Each year, the Board reviews its composition and size, taking into account, among other things, the scope and nature of the Group's business and operations and the benefits of various aspects of diversity, including but not limited to gender, age, cultural and nationality and educational background and professional experience in order to maintain an appropriate balance and mix of skills, independence, experience and background of the Board. To this end, the Board adopted a Board Diversity Policy with the objective of ensuring that it incorporates an appropriate level of diversity of thought, including diversity in skills, experience, age, culture, nationality and gender.

The Company has embarked on the progressive renewal of the Board since 2022 to replace certain Directors who had served on the Board for more than nine years, taking into consideration board diversity in these appointments. In considering new appointments, the Board, through the NC, reviews core competencies such as legal and accounting expertise, business acumen, executive remuneration experience, familiarity with regulatory requirements, and knowledge of risk management, audit and internal controls, while taking into account the Board Diversity Policy.

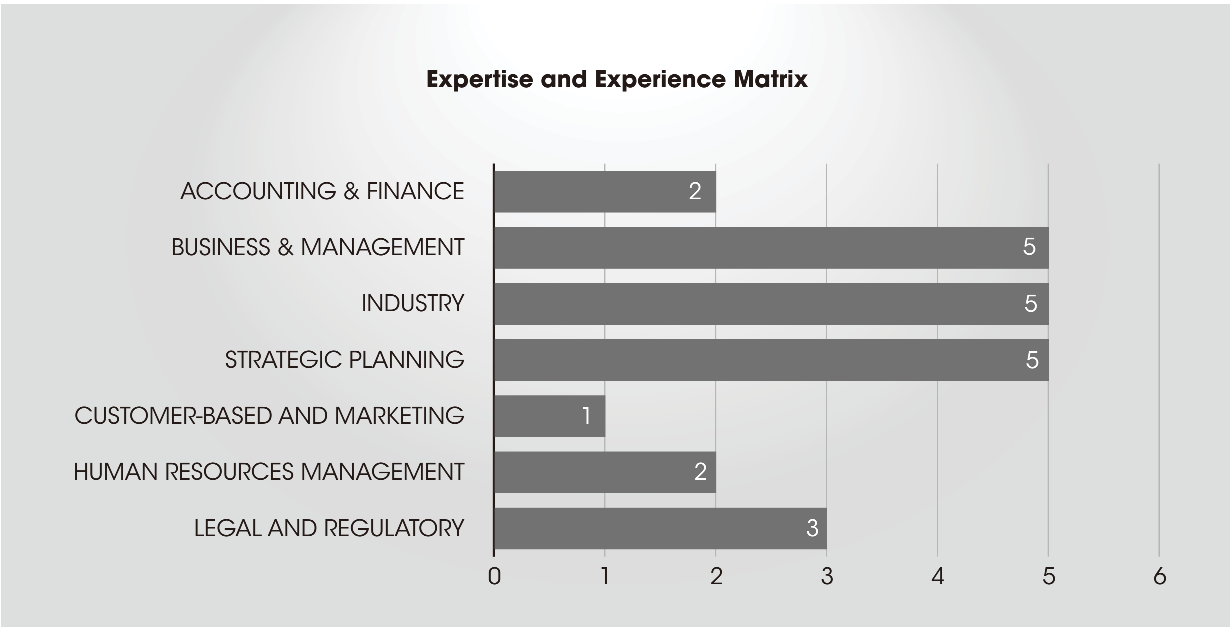
The Board remains committed to identifying suitable candidates to join the Board as part of its renewal process. In this regard, the NC and the Board consider, among other things, the annual review of the Board's core competency matrix, the Board's profile and the Board Diversity Policy to identify the desired competencies and aspects of diversity in potential candidates.

CORPORATE GOVERNANCE REPORT

The Board is, in particular, committed to pursuing gender diversity in relation to its composition. The NC will ensure that female candidates are included for consideration whenever it seeks to identify a new Director to the Board. While there is currently no fixed timeline for appointing a female Director, the Board and the NC will ensure that female candidates are included in their search for new Directors as part of their efforts to further enhance the various aspects of diversity by selecting a suitable female candidate to join the Board. Notwithstanding this, the Board believes that diversity is not limited to a person's gender or individual characteristics, and a new Director will continue to be selected on the basis of his or her skills, experience, knowledge, insight and relevance to the Board.

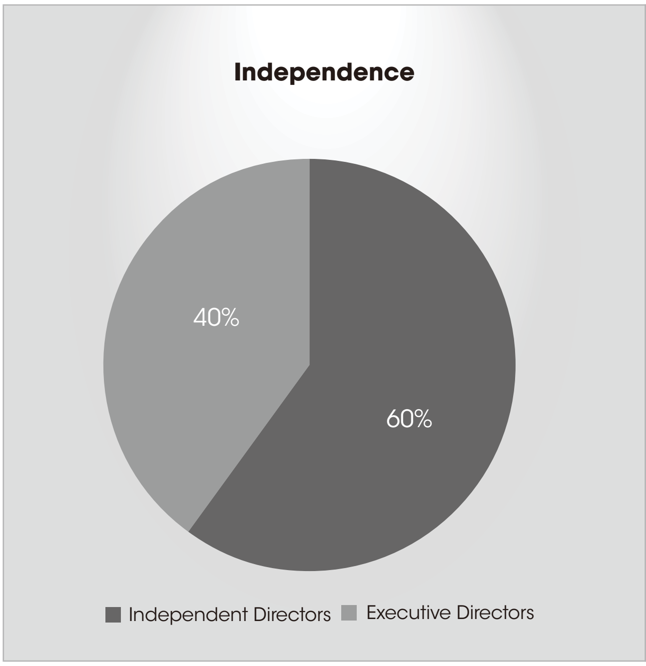
During the financial year, there were changes to the composition of the Independent Directors. Mr Lee Gee Aik, who ceased to be independent at the conclusion of the last AGM held on 29 May 2025, resigned as an Independent Director on 29 May 2025. Following his resignation, Mr Ang Kim Hwa, Kelvin was appointed as an Independent Director on 6 June 2025 and concurrently assumed the roles of Chairman of the AC and a member of the NC and RC on the same date; he subsequently resigned as an Independent Director on 10 February 2026. Mr Kong Chee Keong was appointed as an Independent Director on 9 February 2026 and assumed the roles of Chairman of the AC and a member of the NC and RC on 10 February 2026.

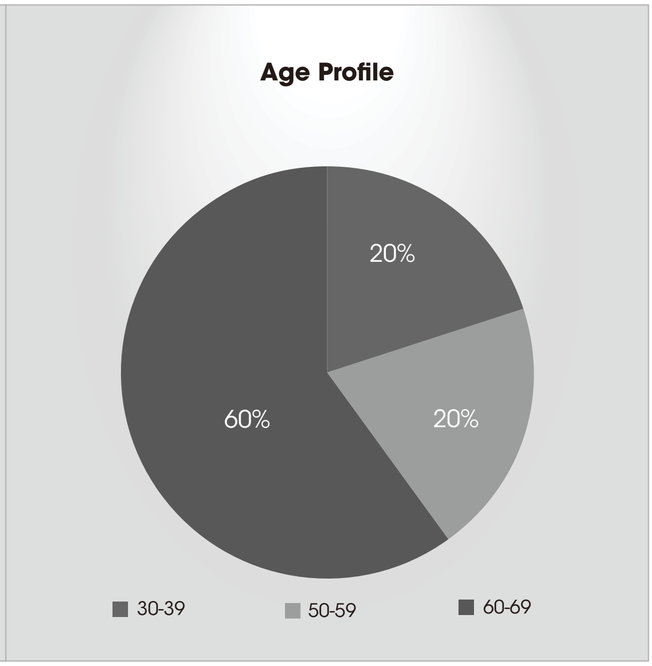
A core competency matrix is used to assist the NC and Board in identifying gaps when reviewing the Board composition annually. The current Board comprises members with the following core competencies:

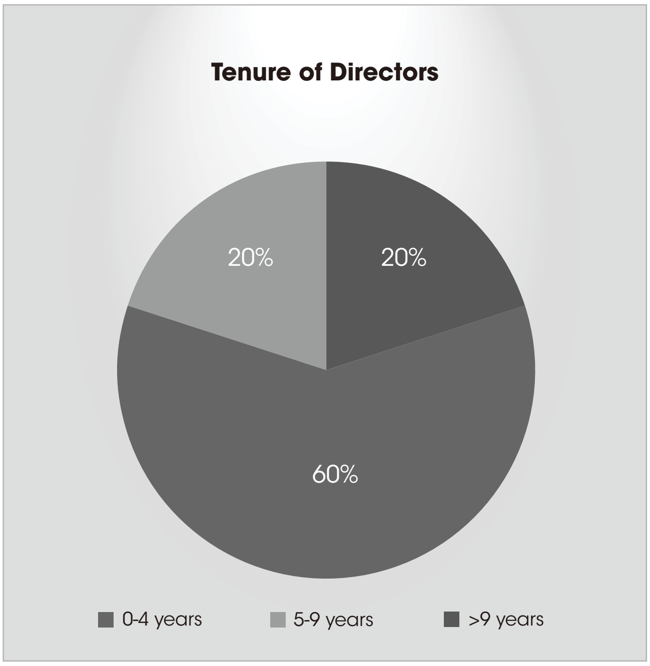


CORPORATE GOVERNANCE REPORT

In addition to the diverse core competencies possessed by current Group's Board members, the Board has also achieved the following aspects of diversity:







CORPORATE GOVERNANCE REPORT

In order to maintain or enhance its balance and diversity, the NC adopts the following process to consider Board appointment/re-appointment and make recommendations to the Board:

- developing a framework of desired competencies and diversity of the Board;
- assessing current competencies and diversity of the Board;
- developing desired profiles of new directors;
- initiating search for new directors including external search, if necessary;
- shortlisting and interviewing potential candidates for director;
- recommending appointments and retirements to the Board; and
- re-election at general meeting.

Overall, the Board is of the view that given the current scope and size of the Group's business and operations, the size of the present Board size and composition, on a holistic basis, provide an appropriate balance and mix of skills, independence, experience, knowledge and other relevant aspects of diversity, including age, skills and experience. The Board believes that the diversity embodied in the current Board composition helps to avoid groupthink, foster constructive debate and facilitate effective decision-making in the best interests of the Group, and is consistent with the intent of the Board Diversity Policy and the 2018 CG Code.

Independence

The Board, through the NC, has also assessed the independence of each of the Directors for the financial year under review. Based on the declarations of independence provided by each of the Non-Executive Independent Directors and taking into account the guidance under Provision 2.1 of the 2018 CG Code, the NC has also assessed the independence of Mr Chua San Lye, Mr Oong Wei Yuan, Ron and Mr Kong Chee Keong is of the view that they do not have any relationships and are not faced with any of the circumstances identified in the 2018 CG Code and SGX-ST Listing Rule 210(5)(d)(i) to (iv) which may impair their independent judgement and accordingly they are deemed independent. Each member of the NC and the Board has recused himself from the NC's and the Board's deliberations respectively on his own independence.

The Chairman and the Group CEO of the Company are separate persons. Both the Chairman, Mr Teng Choon Kiat, and Group CEO, Mr Ng Han Kok, Henry, are not independent as they are substantial shareholders of the Company and hold executive appointments in the Company. Where the Chairman is not independent, independent directors should make up a majority of the Board. Currently, the three (3) Non-Executive Independent Directors make up the majority of the Board in accordance with Provision 2.2 of the 2018 CG Code, which requires independent directors to make up a majority of the Board where the Chairman of the Board is not independent, and Provision 2.3 of the 2018 CG Code, which requires non-executive directors to make up a majority of the Board. The Company also has appointed Mr Chua San Lye as Lead Independent Director.

The Non-Executive Independent Directors, led by the Lead Independent Director, would meet without the presence of the Management or Executive Directors at the Board meeting as and when circumstances warrant such meetings. Thereafter, the Non-Executive Independent Directors would feedback to the Executive Directors on any concerns or feedbacks raised by them during such meetings.

CORPORATE GOVERNANCE REPORT

Chairman and Chief Executive Officer

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

The Chairman and Group CEO are separate individuals and are not related. The respective roles of the Chairman and the Group CEO are kept separate to ensure there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Board has set out in writing the division of responsibilities between the Chairman and Group CEO as well as the Lead Independent Director.

The Chairman, Mr Teng Choon Kiat plays a pivotal role in providing strong leadership and vision. Mr Teng is responsible for managing the development of the Board and ensuring the Board's effectiveness on all aspects of its role. In addition, he leads the Directors of the Company in carrying out their collective responsibilities of supervising the management of the business and affairs of the Company, to ensure integrity and effectiveness of the Company's governance process. Being a member of the senior management team, Mr Teng is updated with the Group's business and provides support to the Group CEO. Mr Teng works closely with the Board to implement policies that are set by the Board to realize the Group's vision, and also promotes a culture of openness and debate at the Board level. He encourages constructive relations within the Board and between the Board and Management.

The Group CEO, Mr Ng Han Kok, Henry is answerable to the Board for every aspect of the management and administration of the Company. Mr Ng is responsible for making strategic proposals to the Board and implementing the Group's strategies and policies as well as the Board's decisions. Mr Ng assumes the executive responsibility for the day-to-day management of the Group, with support of the senior management team. He leads the development of the Group's business including identifying and managing the business risks and opportunities and review the performance of its businesses.

The Board has appointed Mr Chua San Lye as the Lead Independent Director given that the Chairman is considered not independent. The Lead Independent Director is available to shareholders where they have concerns and for which contact with the Chairman or Management are inappropriate or inadequate.

Board Membership

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.

As at the date of this report, the NC comprises Mr Chua San Lye as Chairman, Mr Oong Wei Yuan, Ron and Mr Kong Chee Keong as members, all three members are Non-Executive Independent Directors. Mr Chua San Lye was appointed as the Chairman of the NC on 6 June 2025 in place of Mr Lee Gee Aik, who vacated his position as the Chairman of the NC following his resignation as an Independent Director of the Company on 29 May 2025. Mr Ang Kim Hwa, Kelvin was appointed as a member of the NC on 6 June 2025. Mr Kong Chee Keong was appointed as a member of the NC in place of Mr Ang Kim Hwa, Kelvin, who vacated his position as a member of the NC following his resignation as an Independent Director of the Company, with effect from 10 February 2026. The NC met once during the financial year under review.

The NC is regulated by a set of written terms of reference and has been updated to be in line with the 2018 CG Code. These include:

(a) Reviewing succession plans for Directors, in particular, the Chairman, the Group CEO, and key management personnel;

CORPORATE GOVERNANCE REPORT

(b) Evaluating the performance of the Board and its Board Committees and Individual Director and proposing objective performance criteria for Board's approval;

(c) Determining annually if a director is independent pursuant to the provisions set forth in the 2018 CG Code and Listing Rules;

(d) Evaluating if a director is able to and has been adequately carrying out his duties as a Director of the Company when the Director concerned holds multiple Board representations; and

(e) Reviewing training and professional development programmes for the Board.

In accordance with Article 90 of the Company's Constitution, one-third of the Directors (other than the Managing Director) who are eligible for re-election must retire by rotation at every AGM.

By virtue of Article 96 of the Company's Constitution, any person so appointed by the Directors to fill a casual vacancy or as an additional Director shall hold office only until the next AGM and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The NC has recommended the nomination of (i) Mr Ng Han Kok, Henry and Mr Chua San Lye, who are retiring pursuant to Article 90 of the Company's Constitution; and (ii) Mr Kong Chee Keong, who is retiring pursuant to Article 96 of the Company's Constitution, to be re-elected as Directors of the Company at the forthcoming AGM. The Directors had duly abstained from making recommendations on their own nominations. The Board has accepted the NC's recommendation and accordingly, the above-mentioned Directors will be offering themselves for re-election at the forthcoming AGM.

Shareholders are provided with relevant information on the candidates for re-election on pages 183 to 184 of this Annual Report.

<u>Nomination and Selection of Directors</u>

The NC is responsible for identifying candidates and reviewing all nominations for the appointment and re-appointment of Directors and Board Committee members. When the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC will source for new candidates with the desired competencies. External help may be engaged to source for potential candidates if considered necessary. Where required, the NC may also tap on its networking contacts to assist with identifying and shortlisting of candidates. Directors and Management may also make recommendations. The NC will meet shortlisted candidates for an interview before making its recommendation to the Board for consideration and approval.

When reviewing a nomination for a proposed Board appointment, the NC will consider the following criteria:

(a) a determination of the candidate's independence;

(b) the qualifications and expertise required or expected of a new Board member taking into account the current Board size, structure, composition, diversity of skill competencies and gender, age, and progressive renewal of the Board;

(c) culture, gender and age diversity;

***CORPORATE GOVERNANCE** REPORT*

(d) whether the candidate would be able to commit time to his appointment having regard to his other Board appointments and principal commitments; and

(e) other prescribed factors under the Board Diversity Policy.

Review of Directors' Independence

The NC conducts an annual review of each director's independence and takes into consideration the relevant provisions in the 2018 CG Code and SGX-ST Listing Rules. The NC has ascertained that, save for Mr Teng Choon Kiat and Mr Ng Han Kok, Henry, all Directors are considered independent according to the criteria. Directors must also immediately report any changes in their external appointments which may affect their independence.

Directors' Time Commitment

The NC has guidelines addressing competing time commitments faced when Directors serve on multiple listed company boards or have other principal commitments. Each Director is required to disclose to the NC his board representation, whenever there are changes to his directorship. In this respect, the Company's current policy stipulates that if a Director is a full-time employee of another listed company or a major corporation, he should not hold more than five other directorships on unrelated listed companies and/or major corporations.

For the financial year ended 31 December 2025, the NC was of the view that each Director has given sufficient time and attention to the affairs of the Company and has been able to discharge his duties as Director of the Company effectively. The NC noted that based on the attendance of Board and Board Committee meetings during the financial year under review, all the Directors were able to participate in such meetings to carry out their duties. All the Directors had also responded promptly to board matters outside of meetings. In this regard, the NC is satisfied that all the Directors have been able to and had adequately carried out their duties as Directors of the Company for the financial year under review notwithstanding their multiple directorships where applicable and other principal commitments, where applicable.

Key Information on Directors

The profiles and key information of the Directors are set out on pages 9 to 13 of this Annual Report. Additional information on Directors seeking for re-election as required under SGX-ST Listing Rule 720(6) is also appended to the Notice of AGM.

Board Performance

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.

Board Evaluation

The NC undertakes a process to assess the effective of the Board and its Board Committees. Directors are requested to complete a Board and Board Committees Evaluation Questionnaires to assess the overall effectiveness of the Board and the Board Committees. To ensure confidentiality, the Company Secretary compiles the Directors' responses to the Board Evaluation Questionnaires on a collective basis and presents the results to the NC. The results of the evaluation exercise are considered by the NC to assess and further enhance the effectiveness of the Board and/or the Board Committees.

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The NC, having reviewed the performance of the Board in terms of its roles and responsibilities and the conduct of its affairs as a whole, is of the view that the Board and the Board Committees have operated efficiently, the Board has met its performance objectives and each Director has contributed to the overall effectiveness of the Board in the financial year under review.

No external consultant was involved in the Board and Board Committee Evaluation process in the financial year under review.

Board Performance Criteria

On an annual basis, the NC assesses the performance and effectiveness of the Board as a whole as well as the contribution of each individual Director. The assessment process involves evaluation against a set of objectives, quantitative and qualitative performance criteria proposed by the NC and approved by the Board.

The assessment parameters include evaluation of the Board's composition, size and diversity, attendance at meetings of the Board and Board Committees, contributions and participation at meetings, ability to make informed decisions and level of comprehension of legal, accounting and regulatory requirements affecting the Group. The annual evaluation exercise also provides an opportunity to obtain constructive feedbacks from each Director or whether the Board's procedures and processes had allowed him to discharge his duties effectively and to propose changes which may be made to enhance the Board effectiveness.

Individual Director Evaluation

Individual Director self-assessment is also conducted to provide performance feedback which can help individuals to evaluate their own skills and performance as Directors and motivate them to be more effective contributors. The Board is cognizant that Individual Director Evaluations are an important complement to the evaluation of a board's overall performance and the results of the Individual Director self-assessment are also compiled by the Company Secretary and discussed by the NC.

The assessment of Group CEO's performance is undertaken by the Board and the results are reviewed by the NC and Board. Feedback is also provided to the Group CEO by the NC Chairman and the NC will also report the same to the Board.

B. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedures 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.

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.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

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

As at the date of this report, the RC comprises Mr Oong Wei Yuan, Ron as Chairman, Mr Chua San Lye and Mr Kong Chee Keong as members. All three members are Non-Executive Independent Directors. Mr Kong Chee Keong was appointed as a member of the RC in place of Mr Ang Kim Hwa, Kelvin who vacated his position as a member of the RC following his resignation as an Independent Director of the Company, with effect from 10 February 2026.

The RC met once during the financial year under review.

The RC is guided by its terms of reference which is in line with the 2018 CG Code and its responsibilities of the RC include:

(a) recommending to the Board the fees framework for Non-Executive Independent Directors;

(b) recommending to the Board the framework of remuneration for Executive Chairman, Group CEO, Executive Director and key management personnel (who are not Directors);

(c) determine and setting specific remuneration packages (such as annual increments, variable bonuses, long-term incentive awards and other incentive awards or benefits-in-kind) for Executive Chairman, Group CEO, Executive Director and key management personnel in accordance with the approved remuneration framework and ensuring that an appropriate proportion of their remuneration is structured so as to link rewards to corporate and individual performance;

(d) reviewing the remuneration packages of employees who are related to any Director, substantial shareholder or the Group CEO; and

(e) reviewing the Company's obligations to ensure that contracts of service of Group CEO and key management personnel contain fair and reasonable termination clauses which are not overly generous.

Remuneration of Executive Directors and Top Five Key Management Personnel

The RC's recommendations are made in consultation with the Chairman (except for his own remuneration in which he would abstain) and submitted for endorsement by the entire Board. Annual reviews of the compensation of Directors are also carried out by the RC to ensure that the remuneration of Executive Directors and key management personnel commensurate with their performance and value-add to the Group, giving due regard to the financial and commercial performance and business needs of the Group.

The Company adopts a remuneration policy for Executive Directors and key management personnel comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the Company and individual performance. For the purpose of assessing the performance of the Executive Directors and key management personnel, specific Key Performance Indicators ("KPI") are clearly set out for each financial year and such KPIs comprise both quantitative and qualitative factors. The RC recommends for the Board's endorsement a framework of remuneration which covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share options, and benefits-in-kind and specific remuneration packages for each Director.

CORPORATE GOVERNANCE REPORT

Having reviewed and considered the variable components of Executive Directors and key management personnel, the Company is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel except in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company.

The RC, from time to time and where necessary, seeks advice from external remuneration consultants in framing the remuneration policy and determining the level and mix of remuneration for Executive Directors and key management personnel.

For the financial year ended 31 December 2025, the Executive Directors, Mr Teng Choon Kiat (who is also the Executive Chairman) and Mr Ng Han Kok, Henry (who is also the Group CEO), did not receive Directors' fees.

The RC has access to both internal and external expert advice on human resource matters whenever there is a need to consult. The RC, from time to time, reviews the reasonableness of termination clauses stated in the contracts of service of Executive Directors and key management personnel. No remuneration consultants were engaged for the financial year under review.

Non-Executive Independent Directors' Remuneration

Non-Executive Directors receive Directors' fees, in accordance with their contributions, taking into account factors such as responsibilities, effort and time spent for serving on the Board and Board Committees. Directors' fees recommended by the Board are subject to the approval of the shareholders at the forthcoming AGM. No Director is involved in deciding his own remuneration. The RC and the Board are of the view that the remuneration of the Directors is appropriate and not excessive taking into account factors such as effort and time spent, and the increasingly onerous responsibilities of the Directors.

(A) Remuneration of Directors

The following table sets out the breakdown of remuneration paid to each Individual Director and Group CEO by the Company and its subsidiaries for the financial year ended 31 December 2025 are set out below:

	Breakdown (in terms of percentage)				
Name of Director	**Fees %**	**Salary %**	**Bonus %**	**Others[1] %**	**Total (in dollars) S$**
Teng Choon Kiat	–	68	29	3	482,224
Ng Han Kok, Henry	–	69	29	2	436,406
Lee Gee Aik[2]	100	–	–	–	40,549
Chua San Lye[3]	100	–	–	–	38,000
Oong Wei Yuan, Ron	100	–	–	–	34,000
Ang Kim Hwa, Kelvin[4]	100	–	–	–	19,335

(1) Includes employer contribution to the Central Provident Fund and benefits-in-kind such as club memberships, transport allowance and use of company vehicles, etc.

(2) Mr Lee Gee Aik resigned as an Independent Director on 29 May 2025.

(3) Mr Chua San Lye was re-designated as the Lead Independent Director and appointed as the Chairman of the Nominating Committee on 6 June 2025.

(4) Mr Ang Kim Hwa, Kelvin was appointed and resigned as an Independent Director and as the Chairman of the Audit Committee on 6 June 2025 and 10 February 2026.

(B) Remuneration of Key Management Personnel

A breakdown showing the level and mix of each key management personnel's remuneration for FY2025 is as follows:

Name of Key Management Personnel	Salary %	Bonus %	Others[1] %	Total %
From S$250,001 to S$350,000				
Weng Feng Jung, Willie	62	29	9	100
Chua Kok Keong	56	38	6	100
Below S$250,000				
Sng Shie Kiat	63	13	24	100
Phang Ching Siong	64	21	15	100
Terence Lim Peng Chuan	78	7	15	100

(1) Includes employer contribution to the Central Provident Fund and benefits-in-kind such as club memberships, transport allowance and use of company vehicles, etc.

The annual aggregate remuneration paid to (i) Executive Directors; and (ii) top 5 key management personnel (who are not Directors or the CEO of the Company), of the Company in the financial year ended 31 December 2025 is disclosed under Note 31 of the Notes to Financial Statements.

There were no termination, retirement and post-employment benefits paid to any Directors and the top 5 key management personnel for the year ended 31 December 2025. In addition, the RC was satisfied that the service contracts with the key management personnel do not contain termination clauses that are overly generous.

The Company does not have any employees who is an immediate family member of a Director, CEO or substantial shareholder whose remuneration exceeds S$100,000 during the year.

Fees for Non-Executive Independent Directors for the financial year ending 31 December 2026 are subject to approval of shareholders at the AGM on 29 June 2026.

The Company does not have any long-term incentive scheme or schemes involving the offer of shares or grant of options.

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C. 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 Company has an Enterprise Risk Management Framework in place for the Group. The key risks were identified and classified under five categories, namely, Strategic Risks, Financial Risks, Operational Risks, Compliance Risks and IT Risks. Action plans were in place to mitigate these risks. The said Framework has been reviewed by the AC and approved by the Board. The AC and the Board will continually assess the adequacy and effectiveness of the risk management framework and processes.

The Board is responsible for the overall internal control framework and is fully aware of the need to put in place a system of internal controls within the Group to safeguard the interests of the shareholders and the Group's assets.

Both the Company's internal auditors, BakerTilly Consultancy (Singapore) Pte. Ltd., and external auditors, Forvis Mazars LLP (to the extent as required by them to form an audit opinion on the statutory financial statements) have conducted an annual review of the adequacy and effectiveness of the Group's key internal controls, including financial, operational and compliance controls and risk management. Any areas of review where the existing control can be enhanced to enable the process to operate more effectively and efficiently, together with recommendation for improvement are reported to the AC. A copy of the report is also issued to the relevant department for its follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

During the financial year, the Group's external and internal auditors had conducted an annual review of the adequacy and effectiveness of the Group's internal controls that address financial, operational, information technology and compliance risks. Such reviews have been reported to the AC.

The Board has received assurance from the Group CEO and CFO (or its equivalent) that, as at 31 December 2025, the financial records have been properly maintained, and the financial statements give a true and fair view of the Group's operations and finances.

The Board has also received assurance from the Group CEO and other key management personnel that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2025 to address the risks that the Group considers relevant and material to its operations.

The Board has noted that there are no findings of material internal controls weaknesses by the Group's external auditors, Forvis Mazars LLP, as part of their annual audit of the Group's financial statements and the Group's internal auditors, BakerTilly Consultancy (Singapore) Pte. Ltd. arising from their internal audit work.

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors and reviews performed by Management, as well as the assurances set out above, the Board, with the concurrence of the AC, is of the view that the Company's system of risk management and internal controls (including financial, operational, compliance and information technology controls) were adequate and effective as at 31 December 2025 to address risks which the Company considers relevant and material to its operations.

CORPORATE GOVERNANCE *REPORT*

Management alone does not guarantee that business undertakings will not fail. However, by identifying and managing risks that may arise, the Group can make more informed decisions and benefit from a better balance between risk and reward. This will help protect and also create shareholders' value.

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

As at the date of this report, the AC comprises Mr Kong Chee Keong as Chairman, Mr Chua San Lye and Mr Oong Wei Yuan, Ron as members. Mr Ang Kim Hwa, Kelvin was appointed as the Chairman of the AC on 6 June 2025 in place of Mr Lee Gee Aik, who vacated his position as the Chairman of the AC following his resignation as an Independent Director of the Company on 29 May 2025. Mr Kong Chee Keong was appointed as the Chairman of the AC in place of Mr Ang Kim Hwa, Kelvin, who vacated his position as the Chairman of the AC following his resignation as an Independent Director of the Company, with effect from 10 February 2026. All three members are Non-Executive Independent Directors.

The majority of the AC, including the Chairman, has accounting or related financial management expertise or experience. The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities. None of the AC members were previous partners of directors of the Company's external auditors, Forvis Mazars LLP, within the last two years or hold any financial interest in the external auditors.

The AC has the explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of, management and full discretion to invite any Director or senior manager to attend its meetings. The AC has adequate resources to enable it to discharge its responsibilities properly.

As a sub-committee of the Board, the AC provides a channel of communication between the Board, Management, the internal and external auditors with regards to findings and recommendations arising from internal and external audits.

During the financial year, the AC met with the Group's external auditors and the internal auditors to review the audit plans and the reports of the external auditors and internal auditors. The Group's external auditors are Forvis Mazars LLP and Group's internal auditors are BakerTilly Consultancy (Singapore) Pte. Ltd. The AC has also evaluated the adequacy of the internal controls system of the Company with the auditors and discussed their findings with the Management. The AC reviewed the half year and full-year results announcements before their submission to the Board for approval.

The AC met with the internal auditors and external auditors without the presence of management in respect of FY2025 audit to review matters that might be raised privately.

The AC is guided by its terms of reference which sets out its responsibilities. The terms of reference are in line with the 2018 CG Code. Specifically, the duties of the AC include:

(a) recommending to the Board the appointment, re-appointment or discharge of the external auditors, and approving the remuneration and terms of engagement of the external auditors and in this connection, considering the independence and objectivity of the external auditors annually;

(b) assisting the Board in discharging its statutory responsibilities on financial and accounting matters;

(c) reviewing the financial and operating results and accounting policies of the Group;

(d) reviewing the significant financial reporting issues and judgments relating to financial statements for each financial year, interim and annual results announcement of financial statements before their submission to the Board for approval and the external auditors' report on the financial statements;

(e) reviewing the adequacy and effectiveness of the Group's internal controls (financial, operational, compliance and information technology controls) and risk management via reviews carried out by the internal auditors;

(f) considering and reviewing the assistance given by Management of the Group to the external and internal auditors;

(g) reviewing the external audit plans and the review the report of the external auditors' examination and evaluation of the Group's internal controls system and remedial actions taken by management on external auditors' recommendations for improvement of internal control weaknesses;

(h) reviewing the audit plans and reports of the internal auditors and considering the remedial actions taken by management on internal auditors' recommendations for improvement of the Group's internal controls system;

(i) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and internal audit;

(j) reviewing interested person transactions on semi-annually basis;

(k) meeting with the external and internal auditors without the presence of the Company's Management annually; and

(l) ensuring that the nature and extent of non-audit services provided by external auditors would not affect their independence as external auditors of the Company.

During the financial year, the AC has carried out the above duties as provided in their terms of reference.

Apart from the duties listed above, the AC shall 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 law, rule or regulation which has or is likely to have a material impact on the Company's results of operations and/or financial position. Each member of the AC shall abstain from voting on any resolution in respect of matters in which he is interested.

To create an environment for open discussion on audit matters, the AC met with the external and internal auditors without the presence of the Company's Management during the financial year.

In the review of the financial statements for the financial year ended 31 December 2025, the AC has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements and considered the clarity of key disclosure in the financial statements. The AC reviewed, amongst other matters, the significant matters identified by external auditor and have been included in the Independent Auditor's Report to the Shareholders of the Company under "Key Audit Matters". Following the review, the AC was satisfied that those matters have been properly addressed and recommended the Board to approve the audited financial statements of the Group for the financial year ended 31 December 2025. The Board has on 8 June 2026 approved the financial statements for the financial year ended 31 December 2025.

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The Company has complied with SGX-ST Listing Rules 712 and 716 in engaging Forvis Mazars LLP, as the external auditors of the Company which is registered with the Accounting and Corporate Regulatory Authority. Forvis Mazars LLP is the external auditors of the Company and of its Singapore subsidiaries.

In line with SGX-ST Listing Rule 1207(6), the AC has reviewed the amount of non-audit services rendered to the Group by the external auditors during the financial year and noted that there are no non-audit services provided during the financial year. The aggregate amount of the audit and non-audit fees paid/payable to the external auditors is found in Note 5 in the Financial Statements of this Report.

In reviewing the performance of the external auditors and formulating its recommendation on the re-appointment of Forvis Mazars LLP for the financial year ending 31 December 2026, the AC has considered the overall adequacy and quality of the firm's resources, the experience and expertise of the audit partners and other senior members of the engagement team, and the efficiency and effectiveness of the engagement team in carrying out their work. The AC had also considered the quality of the audit services rendered, scope of audit plan and audit findings presented during the year, as well as the information provided by Forvis Mazars LLP under the Audit Quality Indicators Disclosure Framework. On this basis, the AC has recommended the re-appointment of Forvis Mazars LLP at the upcoming AGM. The auditors, Forvis Mazars LLP, have indicated their willingness to accept re-appointment.

Internal Audit ("IA")

The Group's IA function has been outsourced to BakerTilly Consultancy (Singapore) Pte. Ltd. The internal auditor has unrestricted access to the AC as well as documents, records, properties and personnel of the Company and the Group, where relevant to their work. The internal auditor reports directly to the Chairman of the AC. The AC also reviews and approves the annual internal audit plan and resources to ensure that the internal auditor has adequate resources to perform its functions. The AC approves the hiring, removal and evaluation of the internal auditor.

The Group's IA function is independent of the external audit. The internal auditor is a corporate member of Singapore chapter of the Institute of Internal Auditors ("IIA"), and staffed with professionals with relevant qualifications and experience. Our engagement with BakerTilly Consultancy (Singapore) Pte. Ltd. stipulates that its work shall comply with the relevant International Standards for the Professional Practice of Internal Auditing set by IIA. The appointment, assessment, and compensation of the internal auditor are approved by AC. On an annual basis, the AC has also reviewed and is satisfied with the adequacy and effectiveness of the Group's IA function and that the IA function has maintained its independence from the activities that they audit.

During the year, the internal auditor conducted its audit reviews according to Internal Audit Plan ("Audit Plan") which was approved by the AC. The Audit Plan also incorporates the audit of key risk areas identified under the Group Risk Management Framework. The IA function would submit a report to the AC on the key audit findings and actions to be taken by Management. Key findings are also highlighted at AC meetings for discussion and follow-up actions. The AC monitors the timely and proper implementation of the required corrective, preventive or improvement measures to be undertaken by Management.

CORPORATE GOVERNANCE REPORT

Whistle-Blowing Policy

The Company has put in place a whistle-blowing framework which provides employees and any other person with well-defined defined and accessible channels, including direct access to the Chairman of the AC or the Company Secretary, to raise concerns about possible irregularities in matters of financial reporting or other matters in confidence relating to any misconduct or wrongdoing relating to the Group and its officers. The whistle-blowing policy defines the processes clearly to ensure independent investigation of such matters and permits whistle-blowers to report directly. The whistle-blowing policy aims to encourage the reporting of such matters in good faith. The person who has reported a suspicion of fraudulent activities or malpractices in good faith ("whistle blower") and in compliance with the provisions of the whistle-blowing policy shall not be prejudiced in his position in any way as a result of such reporting, and the identity of the whistle blower will be kept confidential. The whistle blower who has, not himself or herself, engaged in serious misconduct or illegal conduct shall be protected from any forms of harassment, retaliation, and in the case of an employee of the Group, any adverse employment or career advancement consequence or discrimination, including but not limited to demotion, dismissal or reduction of compensation or privileges of employment. The details of the whistle-blowing policy and reporting mechanisms have been made available to all employees.

The AC is in charge of overseeing and monitoring the whistle-blowing function and handling of matters being reported through the whistle-blowing system, including ensuring that any investigation and follow-up procedures are taken, if any. The AC reports to the Board on such matters at the Board meetings, or as and when necessary. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary.

There were no whistle-blowing reports received by the AC in the financial year under review.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights and Conduct of General Meetings

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.

Engagement with Shareholders

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.

Engagement with Stakeholders

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.

<u>Disclosure of Information on Timely Basis</u>

In line with the continuous disclosure obligations of the Company pursuant to the SGX-ST Listing Rules and the Companies Act 1967, the Board's policy is that all shareholders should be equally informed of all major developments that impact the Group.

CORPORATE GOVERNANCE *REPORT*

Any major or material developments are first disseminated via SGXNet followed by a press release, whenever necessary.

The Company ensures that all material and price sensitive information which may affect the price or value of the Company's shares is disseminated to the public on a comprehensive, accurate and timely basis via SGXNet and not selectively disclosed.

The Company's website at www.shsholdings.com.sg provides updated information to shareholders and investors on its corporate development.

The Company also observes obligations of continuing disclosure under the SGX-ST Listing Manual. The Company has received signed undertakings from all its Directors and executive officers pursuant to Rule 720(1) of the SGX-ST Listing Manual.

Conduct of General Meetings

The Company's AGM for the financial year ended 31 December 2025 will be conducted in physical mode.

Shareholders are given the opportunity to submit questions and concerns to the Directors, Management and external auditors in advance of the AGM. All substantial and relevant questions received from shareholders by the question submission deadline will be addressed by the Company via SGXNet and on our corporate website. At each general meeting, each distinct issue is proposed as a separate resolution.

The Company's Constitution allows a shareholder to appoint not more than two proxies to attend and vote in the shareholder's place at the general meetings of shareholders. The proxy need not be a member of the Company. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a CPF agent bank may attend and vote at each general meeting of shareholders. Voting in absentia by mail, facsimile or email is currently not permitted to ensure proper authentication of the identity of shareholders and their voting intent.

Voting at general meetings of shareholders are conducted by poll thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis.

The Company conducts poll voting for all the resolutions to be passed at general meetings for greater transparency in the voting process. An independent scrutineer firm is also present to validate the votes for each general meeting. The results of all votes for and against each resolution are tallied and instantaneously displayed at the meeting. The voting results are announced via SGXNet and on the Company's website following each general meeting.

The Company Secretary prepares minutes of general meetings which include the Company's responses to the questions received from shareholders. These minutes are made available to shareholders via SGXNet and on our corporate website.

Stakeholders Engagement

Apart from the SGXNet, the investment community can also access announcements, half-yearly financial reports, annual reports and other corporate information on the dedicated Investor Relations section of our corporate website at http://shsholdings.com.sg/home.html.

CORPORATE GOVERNANCE REPORT

In keeping with our commitment to keep our shareholders and the market abreast of the Group's progress on the sustainability front, our sustainability report for the financial year ended 31 December 2025 is set out on pages 16 to 56 of this Annual Report.

DIVIDEND POLICY

The Group has a policy which governs how much to pay out to shareholders in dividends. The Group usually declares total annual dividend at the rate of approximately 25-40% of the net profit after tax in accordance with the consolidated financial statements. For the financial year ended 31 December 2025, no dividend has been declared or recommended, in view of the Group's net loss for the financial year and its accumulated retained losses brought forward.

SECURITIES TRANSACTIONS

The Company has a clear policy on the trading of its share by Directors and executives within the Group. The Company has adopted its own internal Code of Best Practices on Securities Transactions (the "Securities Transactions Code"). The Securities Transactions Code provides guidance to Directors and executives of the Group with regard to dealing in the Company's shares. It emphasizes that the law on insider trading is applicable at all times, notwithstanding the window periods for dealing in the shares. The Securities Transactions Code also enables the Company to monitor such share transactions by requiring employees to report to the Company whenever they deal in the Company's shares.

According to the Company's Securities Transactions Code, the Company, its Directors and officers should not deal in the Company's securities during the following "prohibited dealing" periods:

- the period commencing two weeks before the announcement of the Company's business and financial updates for the first and third quarters of its financial year and ending after announcement of the announcement of the relevant business and financial updates (in the event that the Company so decides to announce);

- the period commencing two weeks before the AC and/or Board meetings convened for the purposes of reviewing the financial updates for the first and third quarters of its financial year and ending after the conclusion of the AC and/or Board meetings; and

- the period commencing one month before the announcement of the Company's half-year and full year financial statements and ending after the announcement of the relevant financial statements.

Directors and officers are also advised to adhere the following rules at all times:

(a) observe insider trading laws and not to deal in the Company's securities while in possession of any unpublished material price-sensitive information; and

(b) not to deal in the Company's securities on short term considerations.

In addition, Directors are required to notify the Company of any dealings in the Company's securities within two (2) business days whenever they deal in the Company's securities and the Company will make the necessary announcements in accordance with the requirements of the SGX-ST Listing Manual.

The Company has complied with the Securities Transactions Code.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are carried out on a normal commercial term and will not be prejudicial to the interests of the Company and its minority shareholders.

Details of the interested person transactions for the financial year ended 31 December 2025 as required under Rule 907 of the SGX-ST Listing Manual are set out as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Entraco Marine Engineering Pte Ltd	Wholly-owned subsidiary of Teng Choon Kiat, Director and Controlling Shareholder of the Company	SGD989.28	–
	Total	SGD989.28	–

The AC has reviewed and is satisfied that the transactions are conducted at arm's length and on terms that are fair and reasonable. The AC and the Board are satisfied that the terms of the above transactions are not prejudicial to the interests of the Company or its minority shareholders.

The Company did not have a shareholders' mandate pursuant to SGX-ST Listing Rule 920 during the financial year ended 31 December 2025.

MATERIAL CONTRACTS

There were no material contracts between the Company and its subsidiaries involving the interests of the Chairman, Group CEO, Directors and controlling shareholders that are still subsisting at the end of the financial year or if not then subsisting, entered into since the end of previous financial year.

DIRECTORS' STATEMENTS

The directors present their statement to the members together with the audited consolidated financial statements of SHS Holdings Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025.

1. Opinion of directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position 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 for the financial year ended in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) 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:

Teng Choon Kiat	Executive Chairman
Ng Han Kok, Henry	Executive Director and Group Chief Executive Officer
Chua San Lye	Lead Independent Director
Oong Wei Yuan, Ron	Independent Director
Kong Chee Keong	Independent Director (Appointed on 9 February 2026)

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year had no interest in the share and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as stated below:

	Direct interest		Deemed interest	
	At 1 January 2025	At 31 December 2025	At 1 January 2025	At 31 December 2025
The Company				
Ordinary shares				
Teng Choon Kiat	–	–	160,967,600	160,967,600
Ng Han Kok, Henry	21,537,700	21,537,700	94,146,953	94,146,953

DIRECTORS' STATEMENTS

4. Directors' interests in shares and debentures (Continued)

By virtue of Section 7 of the Act, Mr. Teng Choon Kiat is deemed to have interest in all wholly owned subsidiaries of the Company.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the directors of the Company state that, according to the Register of the Directors shareholdings, the directors' interests as at 20 May 2026 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2025.

5. Share options

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries as at the end of the financial year.

6. Audit Committee

The Audit Committee ("AC") comprises the following non-executive independent directors at the date of this statement:

Kong Chee Keong (Chairman) (Appointed on 10 February 2026)
Chua San Lye
Oong Wei Yuan, Ron

The AC carried out its functions in accordance with Section 201B (5) of the Act, the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance and assists the Board of Directors (the "Board") in the execution of its corporate governance responsibilities within its established terms of reference.

The duties of the AC, amongst others, include:

(a) review the audit plans of the internal and external auditors of the Company, and review the internal auditors' evaluation of the adequacy of the Group's and 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;

(b) review the half yearly announcement of financial statements and annual financial statements and the auditors' report on the annual consolidated financial statements of the Company and its subsidiaries before their submission to the Board;

(c) review the effectiveness of the Group's and the Company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditors;

DIRECTORS' *STATEMENTS*

6. Audit Committee (Continued)

(d) meet with the external and internal auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

(e) review 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;

(f) review the cost effectiveness and the independence and objectivity of the external auditors;

(g) review the nature and extent of non-audit services provided by the external auditors;

(h) recommend to the Board the external auditors to be nominated, approve the compensation of the external auditors and review the scope and results of the audit;

(i) report actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate;

(j) review interested persons transactions in accordance with the requirements of the SGX-ST Listing Manual; and

(k) undertake such other functions and duties as may be agreed to by the AC and the Board.

The AC convened three meetings during the financial year. The AC has also met with internal and external Auditors, without the presence of the Company's management, at least once a year.

The AC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board that the auditors, Forvis Mazars LLP, be nominated for re-appointment as external auditors at the forthcoming Annual General Meeting of the Company.

Further details regarding the AC are disclosed in the Report on Corporate Governance included in the Company's Annual Report.

7. Independent auditors

The auditors, Forvis Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

Teng Choon Kiat Director	**Ng Han Kok, Henry** Director

Singapore
8 June 2026

INDEPENDENT *AUDITORS' REPORT*

TO THE MEMBERS OF SHS HOLDINGS LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of SHS Holdings Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set up on page 91 to 183.

In our opinion, the accompanying financial statements of the Group and the statement of financial position 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)s") 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 of the financial performance, changes in equity and cash flows of the Group for the financial 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 Auditors' 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") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have 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 financial year. 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHS HOLDINGS LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Matter	**Audit response**
Revenue from construction contracts **We refer to Note 2.4, Note 3.2 and Note 4(a) to the financial statements.**	
In accordance with SFRS(I) 15 *Revenue from Contracts with Customers*, the analysis of whether the construction contracts comprise one or more performance obligations, determination of whether variable consideration is allocated to one or more performance obligations, and whether the performance obligations are satisfied over time or at a point in time, are areas requiring significant judgements and estimates by the Group. One of the Group's significant revenue streams is derived from construction contracts in relation to engineering & construction services amounting to S$29,958,000. Revenue from these construction contracts is recognised over time on a cost-to-cost basis. The determination of the percentage of completion involves the use of significant management judgements and estimates to measure the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, which in turn may have a material impact on the amount of contract balances, contract revenues and contract profits recognised during the financial year. Accordingly, we determined this as a key audit matter.	Our audit procedures included, and were not limited to, the following: • Understood and evaluated the Group's design and implementation of its system of internal controls relating to revenue recognition, with a focus on key controls relevant to audit; • Agreed the variation orders sum to the approved variation orders by customers; • Tested the costs incurred for projects on a sample basis by checking that the costs are properly allocated to their respective contracts and that these costs are directly attributable to costs supported by suppliers' invoices or other supporting documents; • Reviewed and assessed the estimated costs-to-complete for significant ongoing construction contracts by evaluating the reasonableness of the subcontractors' expenses, estimated labour hours, estimated labour rates, materials costs, and overhead expenses; • Evaluated the reasonableness of the management's budgets by comparing budgeted contract costs against actual contract costs for completed projects; • Obtained an understanding of the Group's consideration of SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* in their application of the corresponding requirements of the standard and assess the appropriateness thereof; • Checked the arithmetical accuracy of the revenue recognised based on the input method computations;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHS HOLDINGS LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Matter	**Audit response**
Revenue from construction contracts **We refer to Note 2.4, Note 3.2 and Note 4(a) to the financial statements.** (Continued)	
	• Reviewed the completeness and appropriateness of corresponding disclosures made in the financial statements; and • Reviewed the contracts for any penalty and liquidated damages clauses and discussed with management on the progress of significant projects to determine whether there are any changes such as delays, penalties, overruns where it is probable that total contract costs will exceed total contract revenue and require the recognition of a loss allowance on such projects.
Impairment assessment of goodwill **We refer to Note 2.3, Note 3.2 and Note 14 to the financial statements.**	
As at 31 December 2025, the carrying amount of goodwill arising from the past acquisition of Hetat Holdings Pte Ltd is S$6.0 million and from the current year acquisition of Guangxi Tidal Precision Technology Co., Ltd. and Nanning Tidal Aluminium Co., Ltd is S$7.4 million. The goodwill has been allocated to the relevant cash-generating unit ("CGU") within the Engineering & Construction and Commodities segments. As part of the goodwill annual impairment testing, management prepares value-in-use ("VIU") calculations to determine the recoverable amount of the CGUs. Following the impairment testing, no impairment of goodwill was recognised during the year. The VIU calculations are based on discounted cash flow forecasts of the CGUs, the preparation of which requires management to use assumptions and estimates relating to revenue growth rates, budgeted gross margins, terminal growth rates and discount rates for the respective CGU. These assumptions are inherently subjective, and may be affected by uncertainties in future market or economic conditions. Accordingly, we determined this as a key audit matter.	Our audit procedures included, and were not limited to, the following: • We assessed the appropriateness of the CGUs as identified by management based on our understanding of the Group's business and structure; • We discussed with management on their planned strategies, revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers, and obtained the list of secured and tendered contracts; • Together with our internal valuation expert, we evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's key assumptions and estimates applied in the VIU model, with comparison to recent performance, trend analysis, market expectations, and historical accuracy of the plans and forecasts; and • We reviewed the sensitivity analysis to assess the impact on the recoverable amount of the CGUs subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHS HOLDINGS LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Matter	**Audit response**
Impairment assessment of long-term receivables **We refer to Note 2.16, Note 3.2 and Note 17 to the financial statements.**	
As at 31 December 2025, the Group's gross long-term receivables amounted to approximately $11.2 million, against which an allowance for expected credit losses ("ECL") of approximately $4.0 million was recognised. The long-term receivables were assessed by management to be credit-impaired, and the loss allowance was measured based on lifetime ECL. In determining the ECL, management exercised significant judgement and estimates in assessing the recoverability of the receivables, including estimating the amount and timing of future cash flows expected to be recovered from the counterparties. Such estimates considered, amongst others, the financial condition of the counterparties, historical repayment patterns, ongoing negotiations, available collateral (if any), and other relevant forward-looking information. As the determination of the ECL requires significant judgement by management, and in consideration of the significance of long-term receivables to the Group, we consider management's assessment and application of SFRS(I) 9 *Financial Instruments* to the impairment assessment of long-term receivables as a key audit matter.	Our audit procedures included, and were not limited to, the following: • We reviewed the appropriateness of the bases of the Group for determining the loss rates considering the historical payment trends of the counterparties, adjusted for the Group's outlook of the macro-economic environment and conditions in which its customers operate in and considered subsequent receipts, where applicable; • We evaluated the assumptions used by the management in assessing the impairment allowances; • We compared the management's assumptions for the impairment allowances to our own independent assessments; and • We reviewed the appropriateness of corresponding disclosures made in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHS HOLDINGS LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Matter	**Audit response**
Accounting for business combination **We refer to Note 2.3, Note 3.2 and Note 33 to the financial statements.**	
On 16 June 2025, the Company's wholly-owned subsidiary, SHS Capital Pte. Ltd, a Singapore incorporated entity, through its subsidiary Guangxi XinXin Technology Co., Ltd. ("GXTC") completed the acquisition of the entire equity interest of Guangxi Tidal Precision Technology Co., Ltd. ("GTPT") and Nanning Tidal Aluminium Co., Ltd ("NTAC") for a total consideration of S$24.7 million. Management engaged an external valuer to conduct a purchase price allocation ("PPA") to determine the fair value of identifiable assets acquired and liabilities assumed at the date of acquisition. Based on the PPA, the Group recognised the resulting goodwill from the acquisition of S$7.2 million. The acquisition is considered a material transaction during the financial year and involved significant judgements and estimates with regards to the valuation process. Hence, we determined this as a key audit matter.	Our audit procedures included, and were not limited to, the following: • We obtained and reviewed the agreements in relation to acquisitions; • We assessed the competence, capabilities and objectivity of the management's expert; • Together with our internal valuation expert, we obtained an understanding of that management expert's work and evaluated the appropriateness of that management expert's work; and • We reviewed the appropriateness and adequate of disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

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 identified above 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 on the other information that we obtained prior to the date of this report, 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHS HOLDINGS LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Continued)

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 FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide 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.

Auditors' Responsibility 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT *AUDITORS' REPORT*

TO THE MEMBERS OF SHS HOLDINGS LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibility for the Audit of the Financial Statements (Continued)

- 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 the 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 financial year and are therefore the key audit matters. We describe these matters in our auditors' 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.

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 the subsidiaries incorporated in Singapore of which we are auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lai Keng Wei.

FORVIS MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
8 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 S$'000	2024 S$'000
Revenue	4	**262,202**	82,977
Cost of sales		**(253,017)**	(71,139)
Gross profit		**9,185**	11,838
Other income		**4,627**	3,100
Selling and distribution expenses		**(794)**	(904)
Administrative expenses		**(7,676)**	(7,485)
Other operating expenses		**(11,171)**	(3,830)
(Impairment losses)/reversal of impairment losses on financial assets, net		**(4,574)**	929
Finance costs		**(2,061)**	(822)
Share of loss of associate, net of tax		*	*
(Loss)/profit before income tax	5	**(12,464)**	2,826
Income tax (expenses)/credit	6	**(632)**	427
(Loss)/profit for the year		**(13,096)**	3,253
Other comprehensive income, net of tax:			
Items that will not be reclassified subsequently to profit or loss:			
Net fair value changes on equity instruments at fair value through other comprehensive income ("FVOCI")		**14,013**	1,848
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		**(34)**	120
Other comprehensive income for the year, net of tax		**13,979**	1,968
Total comprehensive income for the year		**883**	5,221
(Loss)/profit for the year attributable to:			
Equity holders of the Company		**(13,071)**	3,202
Non-controlling interest		**(25)**	51
		(13,096)	3,253
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**923**	5,156
Non-controlling interests		**(40)**	65
		883	5,221
(Loss)/Earnings per share for the year (cents per share):			
Basic and diluted	7	**(2.14)**	0.50

* Amount less than S$1,000

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

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group 2025 S$'000	Group 2024 S$'000	Company 2025 S$'000	Company 2024 S$'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	**102,697**	36,107	**285**	33
Right-of-use assets	9	**28,893**	3,251	**709**	872
Investment property	10	**-**	–	**5,029**	6,200
Investments in subsidiaries	11	**-**	–	**34,227**	34,227
Investment in associate	12	**64**	64	**-**	–
Other financial assets	13	**4,896**	20,597	**4,896**	20,597
Intangible assets	14	**14,059**	6,000	**-**	–
Other receivables and prepayment	17	**7,135**	–	**-**	–
Total non-current assets		**157,744**	66,019	**45,146**	61,929
Current assets					
Cash and bank balances	15	**37,274**	38,284	**12,129**	14,424
Other financial assets	13	**29,594**	–	**29,594**	–
Inventories	16	**13,090**	8,024	**-**	–
Trade and other receivables	17	**115,541**	50,461	**697**	660
Contract assets	4(b)	**6,791**	10,369	**-**	–
Amounts due from subsidiaries	18	**-**	–	**62,746**	61,461
Land held for development	19	**-**	4,229	**-**	–
Total current assets		**202,290**	111,367	**105,166**	76,545
Total assets		**360,034**	177,386	**150,312**	138,474
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	20	**119,539**	13,767	**1,616**	1,462
Contract liabilities	4(b)	**3,883**	6,384	**-**	–
Amounts due to bankers	21	**1,142**	1,513	**-**	–
Term loans	22	**17,039**	6,342	**-**	–
Lease liabilities	23	**418**	303	**180**	169
Provision for income tax		**1,266**	661	**392**	–
Total current liabilities		**143,287**	28,970	**2,188**	1,631
Non-current liabilities					
Trade and other payables	20	**18,922**	–	**-**	–
Term loans	22	**22,564**	2,849	**-**	–
Lease liabilities	23	**29,269**	3,496	**687**	867
Deferred income	24	**4,458**	–	**-**	–
Deferred tax liabilities	25	**2,009**	2,026	**755**	860
Total non-current liabilities		**77,222**	8,371	**1,442**	1,727
Total liabilities		**220,509**	37,341	**3,630**	3,358
Equity					
Share capital	26	**155,547**	155,547	**155,547**	155,547
Treasury shares	27	**(11,529)**	(11,524)	**(11,529)**	(11,524)
Asset revaluation reserve	28	**18,327**	18,329	**8,582**	8,582
Fair value reserve	28	**6,281**	(8,212)	**5,457**	(8,550)
Foreign currency translation reserve	28	**(287)**	(274)	**-**	–
Other reserve	28	**-**	–	**3,297**	3,297
Accumulated losses	28	**(29,122)**	(14,283)	**(14,672)**	(12,236)
Equity attributable to owners of the Company		**139,217**	139,583	**146,682**	135,116
Non-controlling interests		**308**	462	**-**	–
Total equity		**139,525**	140,045	**146,682**	135,116
Total liabilities and equity		**360,034**	177,386	**150,312**	138,474

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

CONSOLIDATED STATEMENT OF *CHANGES IN EQUITY*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Attributable to equity holders of the Company								
	Share capital S$'000	**Treasury shares S$'000**	**Asset revaluation reserve S$'000**	**Fair value reserve S$'000**	**Foreign currency translation reserve S$'000**	**Accumulated losses S$'000**	**Total S$'000**	**Non-controlling interest S$'000**	**Total equity S$'000**
Group									
At 1 January 2025	**155,547**	**(11,524)**	**18,329**	**(8,212)**	**(274)**	**(14,283)**	**139,583**	**462**	**140,045**
Total comprehensive income for the year									
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(13,071)**	**(13,071)**	**(25)**	**(13,096)**
Other comprehensive income, net of tax	**-**	**-**	**-**	**14,013**	**(19)**	**-**	**13,994**	**(15)**	**13,979**
	-	**-**	**-**	**14,013**	**(19)**	**(13,071)**	**923**	**(40)**	**883**
Transactions with owners of the Company									
Dividend paid (Note 29)	**-**	**-**	**-**	**-**	**-**	**(1,398)**	**(1,398)**	**-**	**(1,398)**
Transfer of reserves	**-**	**-**	**-**	**480**	**-**	**(480)**	**-**	**-**	**-**
Purchase of treasury shares	**-**	**(5)**	**-**	**-**	**-**	**-**	**(5)**	**-**	**(5)**
Total contributions and distributions	**-**	**(5)**	**-**	**480**	**-**	**(1,878)**	**(1,403)**	**-**	**(1,403)**
Changes in ownership interests in subsidiary									
Effects of acquiring part of non-controlling interests in a subsidiary	**-**	**-**	**(2)**	**-**	**6**	**110**	**114**	**(114)**	**-**
Total changes in ownership interests in subsidiary	**-**	**-**	**(2)**	**-**	**6**	**110**	**114**	**(114)**	**-**
At 31 December 2025	**155,547**	**(11,529)**	**18,327**	**6,281**	**(287)**	**(29,122)**	**139,217**	**308**	**139,525**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Attributable to equity holders of the Company								
	Share capital S$'000	Treasury shares S$'000	Asset revaluation reserve S$'000	Fair value reserve S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Total S$'000	Non-controlling interest S$'000	Total equity S$'000
Group									
At 1 January 2024	155,547	(11,524)	18,329	(10,060)	(380)	(15,751)	136,161	397	136,558
Profit for the year	–	–	–	–	–	3,202	3,202	51	3,253
Other comprehensive income, net of tax	–	–	–	1,848	106	–	1,954	14	1,968
Total comprehensive income for the year	–	–	–	1,848	106	3,202	5,156	65	5,221
Transactions with owners of the Company									
Dividends paid (Note 29)	–	–	–	–	–	(1,734)	(1,734)	–	(1,734)
Total contributions and distributions	–	–	–	–	–	(1,734)	(1,734)	–	(1,734)
At 31 December 2024	155,547	(11,524)	18,329	(8,212)	(274)	(14,283)	139,583	462	140,045

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

CONSOLIDATED STATEMENT CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 S$'000	2024 S$'000
Cash Flows from Operating Activities			
(Loss)/Profit before income tax		**(12,464)**	2,826
Adjustments for:			
Depreciation of property, plant and equipment	8	**5,361**	4,107
Depreciation of right-of-use assets	9	**733**	340
Amortisation of grant income		**(135)**	–
Interest expense		**2,061**	822
Interest income	5	**(823)**	(967)
Impairment loss on advances to supplier		**4,058**	–
Dividend income	5	**(1,997)**	–
Allowance for inventory obsolescence		**14**	10
Property, plant and equipment written off		**8**	*
Provision for foreseeable loss		**165**	–
Loss/(gain) on disposal of property, plant and equipment	8	**47**	(12)
Gain on disposal of asset held for sale		**-**	(831)
Gain on disposal of land held for development	5	**(143)**	–
Write down of land held for development		**-**	847
Share of loss of associate, net of tax		*	*
Impairment losses on financial assets/(reversal of impairment losses) on financial assets, net		**4,574**	(929)
Unrealised foreign exchange gain, net		**(310)**	(310)
Operating cash flows before working capital changes		**1,149**	5,903
Changes in working capital:			
Inventories		**(2,262)**	(2,148)
Receivables, contract assets and prepayments		**(48,956)**	(4,981)
Payables and contract liabilities		**57,020**	4,052
Cash generated from operations		**6,951**	2,826
Interest received		**536**	967
Income tax paid		**(285)**	(323)
Net cash generated from operating activities		**7,202**	3,470
Cash Flows from Investing Activities			
Acquisition of subsidiaries, net of cash acquired	33	**(5,885)**	–
Dividend received		**1,997**	–
Purchase of other financial assets		**(36)**	–
Purchase of property, plant and equipment	8	**(2,973)**	(707)
Proceeds from disposal of property, plant and equipment		**36**	12
Proceeds from disposal of asset held for sale		**-**	4,227
Proceeds from land held for development		**4,372**	–
Proceeds from disposal of other financial assets		**156**	–
Net cash (used in)/generated from investing activities		**(2,333)**	3,532

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

CONSOLIDATED STATEMENT *CASH FLOWS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 S$'000	2024 S$'000
Cash Flows from Financing Activities			
Dividends paid		**(1,398)**	(1,734)
Drawdown of term loans		**12,908**	3,200
Repayment of term loans		**(15,026)**	(2,225)
Drawdown of trust receipts		**4,257**	6,537
Repayment of trust receipts		**(4,628)**	(9,825)
Interest paid		**(989)**	(576)
Purchase of treasury shares		**(5)**	–
Acquisition of additional interest in a subsidiary from non-controlling interests	11	**(40)**	–
Fixed deposits withdrawn		**-**	11,629
Payment of lease liabilities		**(958)**	(531)
Repayments of bills payable		**-**	(11,629)
Net cash used in financing activities		**(5,879)**	(5,154)
Net (decrease)/increase in cash and cash equivalents		**(1,010)**	1,848
Cash and cash equivalents at the beginning of year		**38,284**	36,407
Effects of exchange rate changes on the balances of cash held in foreign currencies		**-**	29
Cash and cash equivalents at the end of the year	15	**37,274**	38,284

* Amount less than S$1,000

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

CONSOLIDATED STATEMENT CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Reconciliation of liabilities arising from financing activities

			Non-cash changes			
Group	**1 January 2025 S$'000**	**Financing cash flows S$'000**	**Acquisition arising from business combinations S$'000**	**Accretion of interests S$'000**	**Currency alignment S$'000**	**31 December 2025 S$'000**
Liabilities						
Term loans	**9,191**	**(3,051)**	**31,249**	**1,257**	**957**	**39,603**
Amounts due to bankers	**1,513**	**(427)**	**-**	**56**	**-**	**1,142**
Lease liabilities	**3,799**	**(958)**	**26,494**	**279**	**73**	**29,687**

			Non-cash changes			
Group	**1 January 2024 S$'000**	**Financing cash flows S$'000**	**Addition S$'000**	**Accretion of interests S$'000**	**Currency alignment S$'000**	**31 December 2024 S$'000**
Liabilities						
Term loans	8,216	525	–	450	–	9,191
Amounts due to bankers	16,430	(15,043)	–	126	–	1,513
Lease liabilities	4,048	(531)	33	246	3	3,799
Asset						
Pledged deposits	11,629	(11,629)	–	–	–	–

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

SHS Holdings Ltd. (the "Company") (Registration Number 197502208Z) is a public limited liability company incorporated and domiciled in Singapore and listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") with its registered office and principal place of business is at 19 Tuas Avenue 20, Singapore 638830.

The principal activities of the Company are investment holding and those of grit blasting and painting. The principal activities of the subsidiaries and associate are set out in Note 11 and Note 12, respectively.

The consolidated financial statements of the Group, and the statement of financial position of the Company for the financial year ended 31 December 2025 were authorised for issue by the Board of Directors at the date of the Directors' Statement.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including the related interpretations of SFRS(I)s ("SFRS(I) INTs") and are prepared on a historical cost basis except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("SGD" or "S$"), which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("S$'000), unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2025. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

SFRS(I)s and SFRS(I) INTs issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I)s and SFRS(I) INTs that are relevant to the Group were issued but not yet effective:

SFRS(I)	**Title**	**Effective date (annual periods beginning on or after)**
SFRS(I) 9, SFRS(I) 7	Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Various	Annual improvements to SFRS(I)s – Volume 11	1 January 2026
SFRS(I) 18	Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19	Subsidiaries without public accountability: Disclosures	1 January 2027
SFRS(I) 9, SFRS(I) 7	Amendments to SFRS(I) 9 and SFRS(I) 7: *Contracts Referencing Nature-dependent Electricity*	1 January 2026
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards, with the exception of SFRS(I) 18 *Presentation and Disclosure in Financial Statements* ("SFRS(I) 18"), will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

SFRS(I) 18, effective for annual periods beginning on or after 1 January 2027, replaces SFRS(I) 1-1 *Presentation of Financial Statements* and introduces new requirements for presentation and disclosure in financial statements. SFRS(I) 18 mandates a new structure for the statement of profit or loss and also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. As a consequential result of SFRS(I) 18 requirements, all entities are required to use the operating profit subtotal, instead of profit or loss, as the starting point for presenting operating cash flows under the indirect method. The classification of cash flows from dividends and interests in either operating, investing and financing cash flows is also fixed.

SFRS(I) 18 will apply retrospectively. The Group is still in the process of assessing the corresponding impact on the primary financial statements and notes to the financial statements.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (Continued)

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* ("SFRS(I) 3") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), which are recognised and measured at the lower of cost and fair value less costs to sell.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations (Continued)

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits respectively*;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations (Continued)

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity

2.4 Revenue recognition

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. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Construction contracts

The Group provides engineering and construction services and generates revenue under construction contracts with customers. Such contracts are entered into before construction begins. For engineering and construction contracts whereby, the Group is contractually restricted from redirecting to another customer and has an enforceable right to payment for performance completed to date, revenue is recognised over time on a cost-to-cost method, i.e. based on the construction costs incurred to date as a proportion of estimated total construction costs to be incurred. The Group has determined that the cost-based input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition (Continued)

(a) Construction contracts (Continued)

The Group accounts for contract modifications arising from change orders to modify the scope or price of the contract as separate contracts if the modification adds distinct goods or services at their standalone selling prices. For contract modifications that add distinct goods or services but not at their standalone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and is recognised as a cumulative adjustment to revenue at the date of modification.

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 for the Group's right to consideration for the work performed under the contract but not billed to the customer. Conversely, a contract liability is recognised when the Group received advance consideration from customer or progress billings issued in excess of the Group's rights to consideration under the contract. Contract assets are transferred to trade receivables when the rights to the consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs the work under the contract.

(b) Services rendered – grit blasting, painting and solar photovoltaic (PV) system Installation

The Group provides the services of grit blasting, painting and solar photovoltaic (PV) system installation. Revenue is recognised over time based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation.

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 for the Group's right to consideration for the work performed under the contract but not billed to the customer. Conversely, a contract liability is recognised when the Group received advance consideration from customer or progress billings issued in excess of the Group's rights to consideration under the contract. Contract assets are transferred to trade receivables when the rights to the consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs the work under the contract.

(c) Sales of goods – including blasting equipment, solar power equipment and aluminium products

Revenue on the sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. Revenue is not recognised to the extent there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition (Continued)

(d) Sale of aluminium products

Revenue from the sale of aluminium products, including trading and manufactured products, is recognised at a point in time when control of the goods is transferred to the customer, generally upon delivery of the goods and acceptance by the customer, or in accordance with the applicable contractual terms.

The amount of revenue recognised is based on the transaction price specified in the contract, net of trade discounts, rebates, returns and sales taxes. Where contracts contain variable consideration, revenue is recognised only to the extent that it is highly probable that a significant reversal will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Retirement benefits costs

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations.

(i) Republic of Singapore (Singapore)

The Singapore companies in the Group make contributions to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution pension scheme.

(ii) The People's Republic of China (PRC)

Pursuant to the relevant regulations of the PRC government, the subsidiary in the PRC has participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiary in the PRC is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund its retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiary in the PRC. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above.

Contributions under the Scheme are charged to the consolidated profit or loss as incurred. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.8 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities that at the time of the transaction affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Income tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2.9 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

2.10 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

Exchange differences arising from foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Foreign currency transactions and translation (Continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.11 Property, plant and equipment

Leasehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Leasehold land and buildings are revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Any revaluation increase arising from the revaluation of such leasehold land and building is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such leasehold land and building is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

At the end of the financial year, a transfer of the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is made from the revaluation reserve to accumulated profits.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Property, plant and equipment (Continued)

Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

Construction in progress

The cost of construction-in-progress represents all costs, including borrowing costs, incurred on the construction of the assets. The accumulated costs will be reclassified to the appropriate property, plant and equipment account when the construction is completed. No depreciation is provided on construction-in-progress as these assets are not yet available for use.

When the asset is ready for its intended use, the related costs are transferred to the appropriate category within property, plant and equipment, and depreciation commences accordingly.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost or valuation of assets over the estimated useful lives of the assets as follows:

Leasehold buildings	Over the term lease
Leasehold land	Over the term lease
Leasehold improvements	2-10 years
Machinery and yard equipment	3-10 years
Motor vehicles	5-10 years
Office, computer equipment, furniture & fittings	2-10 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 9.

No depreciation is charged on construction-in-progress as they are not yet in use as at the end of the financial year.

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 estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to accumulated profits directly.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Investment property

Investment property held for long-term rental yields and/or for capital appreciation, is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using a straight-line method to allocate the depreciable amount over the estimated useful life of 11.33 years. The residual value, useful life and depreciation method of investment property is reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are included in profit or loss when the changes arise.

Upon its disposal or retirement, the difference between the net disposal proceeds and the carrying amount of the investment property is recognised in profit or loss.

2.13 Intangible assets

Acquired intangible assets are initially measured at cost. The cost of intangible assets acquired in a business combination is initially measured at their fair value at the acquisition date. Subsequent to initial recognition, the intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Acquired intangible assets have either finite or indefinite useful life.

Intangible assets with finite useful life are amortised over its useful life, using its straight-line method, over the following bases:

- Technical know-how 10 years

The amortisation charge is recognised in profit or loss and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal, with any gain or loss arising from the derecognition of an intangible asset, being the difference between the net disposal proceeds and the carrying amount of the asset, recognised in profit or loss.

2.14 Investment in associate

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of those policies, and generally accompanying a shareholding of 20% or more of the voting power.

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate identifiable assets and liabilities is accounted as 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 associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Investment in associate (Continued)

The results and assets and liabilities of the associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under SFRS(I) 5 from the date on which the investees become classified as held for sale. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment

The Company has accounted for its investment in associate at cost less any accumulated impairment in its separate financial statements.

2.15 Impairment of non-financial assets excluding goodwill

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows 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.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Impairment of non-financial assets excluding goodwill (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.16 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") in Note 2.4.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL") depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost include Trade and other receivables, cash and cash equivalents and unquoted corporate bonds.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost (Continued)

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, and recognised in interests income.

Financial assets held at FVOCI

Investments in quoted corporate bonds are debt instruments and are subsequently measured at FVOCI as these are held within a business model whose objective is achieved by both collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and selling the financial assets. Gains or losses are recognised in other comprehensive income, except for impairment gains or losses, foreign exchange gains or losses and interest which are recognised in profit or loss. Upon derecognition cumulative fair value changes recognised in other comprehensive income is recycled to profit or loss.

At initial recognition, the Group may make an irrevocable election to classify its investment in equity instruments, for which the equity instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies, as subsequently measured at FVOCI so as to present subsequent changes in fair value in other comprehensive income. The election is made on an investment-by-investment basis. The group has elected to designate investments in unquoted equity instruments at FVOCI. Upon derecognition cumulative fair value changes are transferred to accumulated profits.

Dividends from equity instruments are recognised in profit or loss only when the Group’s right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, unless the dividend clearly represents a recovery of part of the cost of investment.

NOTES TO THE *FINANCIAL STATEMENTS*
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVOCI, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost and debt instruments measured at FVOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 34.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Treasury shares

Own equity instruments that 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 and the consideration, if reissued, is recognised in the capital reserve.

Financial liabilities

Initial recognition and measurement

All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

NOTES TO THE *FINANCIAL STATEMENTS*
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Initial recognition and measurement (Continued)

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis in finance costs. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see note 2.23 below). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Financial guarantee contracts

The Company has issued corporate guarantees to banks for banking facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Development properties

Development properties are held or developed 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.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period 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 inventory recognised in profit or loss on disposal is 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.

Development properties are classified as current assets in the financial statements. Where proceeds on pre-sale received and receivable exceed the amounts recoverable, they are classified as current liabilities.

2.18 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash at bank and on hand, and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.19 Non-current assets held for sale

Non-current assets are classified as held-for-sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable with the asset (or disposal group) being available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to be completed within one year from the date of classification.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Non-current assets held for sale (Continued)

They are measured at the lower of the carrying amount and fair value less costs to sell. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

Depreciation and amortisation for a non- current asset ceases once it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

2.20 Leases

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

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 *Leases*. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee’s incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Leases (Continued)

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

<u>Short-term leases and leases of low-value assets</u>

The Group applies the short-term lease recognition exemption to its short-term leases of office space, staff accomodation and office equipment (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 of office equipment 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.

<u>The Group as a lessor</u>

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

NOTES TO THE *FINANCIAL STATEMENTS*
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Leases (Continued)

The Group as a lessor (Continued)

At the lease commencement date, the Group assesses and classifies each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

A provision is recognised for onerous contracts when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it and is measured at the lower of the cost of fulfilling it and any expected cost of terminating it. In determining the cost of fulfilling the contract, the Group includes both the incremental costs and an allocation of others costs that relate directly to fulfilling contracts. Before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets used in fulfilling the contract.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Government grant

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 expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

Non-monetary government grant is recognised at nominal amount.

2.23 Contingencies

A contingent liability is:

(i) 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

(ii) a present obligation that arises from past events but is not recognised because:

(a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) 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.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which 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 management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3.1 Critical judgements made in applying the Group's accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 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.

<u>Revenue from construction contracts</u>

Construction contract revenue is recognised over time by reference to the Group's progress towards completing the performance obligation in the contract. Management has determined that a cost-based input method for these services provides a faithful depiction of the Group's performance in transferring control of the goods and services promised to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the contract. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the performance obligation within the contract.

The estimated total contract costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and technical expertise of the project managers 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 the development of similar construction contracts, analysed by different construction contract types and geographical areas.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For the financial year ended 31 December 2025, the Group recorded revenue of S$29,958,000 (2024: S$35,974,000) from its construction contracts.

NOTES TO THE *FINANCIAL STATEMENTS*
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Impairment assessment on goodwill

Management assesses for indicators of impairment of goodwill at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which goodwill is allocated. The value-in-use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The assumptions and estimates used are inherently subjective, and may be affected by uncertainties around future market or economic conditions.

The carrying amount of the goodwill is disclosed in Note 14.

Valuation of leasehold land and buildings

The Group carries its leasehold land and buildings at fair value, with changes in fair values being recognised in other comprehensive income. The Group engaged independent real estate valuation experts to assess the fair value as at 31 December 2025 and 31 December 2024.

The fair value of the leasehold land and buildings is determined by independent real estate valuation experts using market comparable approach by referring to market evidence of recent transactions for similar properties. These estimates are based on local market conditions existing at the end of each reporting date.

The key assumptions used to determine the fair value of the leasehold land and buildings are disclosed in Note 35.

Valuation of unquoted equity investments

The Group's and the Company's other financial assets comprised unquoted equity investments which are measured at fair value through other comprehensive income ("FVOCI"). These unquoted equity investments, comprising mainly equity securities held in various investee companies, are measured at fair value using valuation techniques that applied inputs for which there is limited market information. The valuation techniques used include the adjusted net asset value approach, which references to the adjusted net asset values of the investee companies.

The information about the valuation techniques and key unobservable inputs used in deriving the fair value of the unquoted equity investments is disclosed in Note 35.

Lease liabilities – Options to purchase for Guangxi Tidal Precision Technology Co., Ltd. factory

Arising from the business combination, a subsidiary of the Group has a lease arrangement which includes an option to purchase ("OTP") in respect of a factory property located at No 1 Puling Road, Yongning District, Nanning City, People's Republic of China.

The OTP confers upon the subsidiary an exclusive right, but not an obligation, to acquire the property during the stipulated option period, subject to the terms and conditions set out in the agreement.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Lease liabilities – Options to purchase for Guangxi Tidal Precision Technology Co., Ltd. factory (Continued)

As at the reporting date, the purchase consideration remains subject to final determination and adjustment in accordance with the agreed valuation methodology, the terms of the OTP and the definitive sale and purchase agreement to be executed upon expiry of the lease term. Accordingly, the consideration recognised is based on management's current best estimate, taking into account the prevailing facts and circumstances available at the reporting date.

The exercise of the OTP is conditional upon the fulfilment of certain conditions precedent, including, amongst others, satisfactory completion of due diligence procedures, receipt of relevant regulatory approvals (where applicable), issuance of the relevant sale permit and satisfaction of other agreed contractual conditions. Upon exercise of the OTP, the parties intend to enter into a definitive sale and purchase agreement incorporating the finalised commercial terms and conditions.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

The carrying amounts of the right-of-use assets and lease liabilities are disclosed in Note 9 and Note 23 to the financial statements, respectively.

Impairment of investments in subsidiaries

The Company carries significant investments in subsidiaries at the end of the reporting period. Management exercises significant judgement in determining whether there is any indication that the subsidiaries may have been impaired or an impairment loss recognised on the subsidiaries in prior periods may no longer exist or may have decreased.

This exercise requires management to consider both internal and external sources of information. The indicators of impairment in the investments and intangible assets include but are not limited to significant adverse changes on the entities, significant increase in market interest rates and a worse than expected economic performance of the investments and intangible assets during the financial year. In contrast, the indicators of a reversal of impairment include but are not limited to significant favourable changes on the entities, significant decrease in market interest rates and a better than expected economic performance of the investments during the financial year.

Following an evaluation of the above, management concluded that there are no indications of impairment as at the reporting date and accordingly, no impairment assessment was required.

The carrying amounts of investments in subsidiaries is disclosed in Note 11 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Business combinations

During the financial year, the Group had through its subsidiary, Guangxi XinXin Technology Co., Ltd., completed the acquisition of 100% equity interests in Guangxi Tidal Precision Technology Co., Ltd. and Nanning Tidal Aluminium Co., Ltd. The acquisition was accounted for using the acquisition method involving a Purchase Price Allocation ("PPA") exercise.

The Group engaged an external professional valuer to perform the PPA exercise, which involves the fair valuation of assets acquired and liabilities assumed and the identification and valuation of intangible assets. The identification of such assets acquired and liabilities assumed and their measurement at fair value and the determination of the resulting goodwill is inherently judgemental and requires significant amount of management estimation. The fair values of the identifiable assets acquired and liabilities assumed of Guangxi Tidal Precision Technology Co., Ltd. and Nanning Tidal Aluminium Co., Ltd. and the resulting goodwill are disclosed in Note 33 to the financial statements.

4. REVENUE

(a) Disaggregation of revenue from contract with customers

The Group's revenue is disaggregated by principal geographical areas, major products and service lines and timing of transfer of good or service as follows:

	Principal geographical market	
	2025	**2024**
	S$'000	**S$'000**
Group		
Singapore		
Engineering & construction services	**29,958**	35,974
Service rendered – grit blasting and painting	**9,289**	12,016
Solar photovoltaic system installation services	**7,104**	11,289
Sale of blasting equipment goods	**996**	2,289
Sale of solar power equipment goods	**5,381**	5,562
	52,728	67,130
Rest of Southeast Asia[(i)]		
Sale of solar power equipment goods	**4,718**	6,244
Sale of blasting equipment goods	**1,557**	202
	6,275	6,446
The People's Republic of China		
Sale of aluminium products	**203,140**	9,369
Others[(ii)]		
Sale of blasting equipment goods	**59**	32
Total revenue	**262,202**	82,977

(i) Rest of Southeast Asia includes Malaysia, Brunei, Philippines and Indonesia

(ii) Others include Greece, Netherlands, Pakistan and Sri Lanka.

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. REVENUE (CONTINUED)

(a) Disaggregation of revenue from contract with customers (Continued)

	Major products or service lines and timing of transfer of good or service	
	2025	**2024**
	S$'000	**S$'000**
Group		
At a point in time		
Sale of solar power equipment goods	**10,099**	11,806
Sale of blasting equipment goods	**2,612**	2,523
Sale of aluminium products	**203,140**	9,369
	215,851	23,698
Over time		
Engineering & construction services	**29,958**	35,974
Service rendered – grit blasting and painting	**9,289**	12,016
Solar photovoltaic system installation services	**7,104**	11,289
	46,351	59,279
Total revenue	**262,202**	82,977

(b) Contract balances

	Group	
	2025	**2024**
	S$'000	**S$'000**
Contract assets	**6,791**	10,369
Trade receivables	**86,812**	22,411
Contract liabilities	**3,883**	6,384

Significant changes in the contract assets and contract liabilities balances are disclosed as follows:

	Group	
	2025	**2024**
	S$'000	**S$'000**
Contract assets		
Contract assets reclassified to trade receivables	**(10,904)**	(9,802)
Changes in measurement of progress	**7,326**	10,904
Impairment losses on contract assets, net	**-**	(370)
Contract liabilities		
Revenue recognised from amounts included in contract liabilities at the beginning of the year	**6,384**	3,727

NOTES TO THE *FINANCIAL STATEMENTS*
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. REVENUE (CONTINUED)

(b) Contract balances (Continued)

Expected credit loss on contract assets

Management estimates the loss allowance on contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction industry. None of the contract assets at the end of the reporting period is past due. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the impairment loss on contract assets.

The Group's credit risk exposure in relation to contract assets is set out in the provision matrix as presented below. The Group's loss allowance is based on past due as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments.

	Group	
	2025	**2024**
	S$'000	**S$'000**
Expected credit loss rate	**7.30%**	4.91%
Contract assets – gross carrying amount	**7,326**	10,904
Less: Allowance for expected credit loss	**(535)**	(535)
Net carrying amount	**6,791**	10,369

The movement in allowance for expected credit losses of contract assets computed based on lifetime ECL is as follows:

	Group	
	2025	**2024**
	S$'000	**S$'000**
At 1 January	**535**	165
Charge during the year	**-**	370
At 31 December	**535**	535

The Group has applied the practical expedient not to disclose information about its remaining performance obligations if:

- The performance obligation is part of a contract that has an original expected duration of one year or less; or

- The Group recognises revenue to which the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging/(crediting) the following:

	Group	
	2025	**2024**
	S$'000	**S$'000**
Included in cost of sales		
Cost of inventories sold	**17,111**	32,363
Sub-contractor fees	**11,093**	14,872
Expenses relating to short-term leases	**2,159**	2,096
Depreciation of property, plant and equipment	**3,807**	3,426
Depreciation of right-of-use assets	**111**	111
Staff costs		
– Salaries and wages	**5,317**	5,642
– Defined contribution plans	**152**	108
– Foreign workers levy	**1,193**	1,384
Included in other income		
Interest income	**(823)**	(967)
Dividend income from other financial assets	**(1,997)**	–
Government grants	**(135)**	–
Gain on disposal of property, plant and equipment	**-**	(12)
Gain on disposal of asset held for sale#	**-**	(831)
Gain on disposal of land held for development (Note 19)	**(143)**	–
Scrap sales and service income	**(157)**	(111)
Rental income – operating leases	**(924)**	(955)
Included in administrative expenses		
Directors' fees	**132**	192
Directors' remuneration:		
– Salaries and bonus	**892**	1,321
– Defined contribution plans	**26**	31
Staff costs		
– Salaries and bonus	**5,251**	4,590
– Defined contribution plans	**549**	450
– Staff welfare	**67**	61

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. (LOSS)/PROFIT BEFORE INCOME TAX (CONTINUED)

	Group	
	2025	**2024**
	S$'000	**S$'000**
Included in other operating expenses		
Audit fees paid/payable to auditors of the Company*	**250**	237
Other auditors:		17
– Network firms	**76**	–
– Non-network firms	**-**	17
Depreciation of property, plant and equipment	**1,554**	681
Depreciation of right-of-use assets	**622**	229
Allowance for inventory obsolescence	**14**	10
Expenses relating to short-term leases	**537**	58
Foreign exchange loss/(gain)	**1,135**	(1,055)
Provision for foreseeable loss	**165**	–
Loss on disposal of property, plant and equipment	**47**	–
Write down of land held for development	**-**	847
Included in impairment losses/(reversal) of impairment losses on financial assets, net		
Impairment loss on contract assets, net	**-**	370
Impairment losses/(reversal of impairment losses) on financial assets, net	**4,574**	(1,299)
Included in finance cost		
Term loans	**1,257**	450
Trust receipts	**56**	126
Accretion expense on deferred consideration	**469**	–
Lease liabilities	**279**	246

* Non-audit fees of S$80,000 (2024: S$Nil) were paid/payable to the auditor of the Company for the financial year ended 31 December 2025.

\# During the financial year ended 31 December 2023, a subsidiary of the Group entered into a conditional sales and purchase agreement with a third party, for the sale of a freehold land in Malaysia and the deposit was received subsequent to year end. Accordingly, the freehold land was classified as held for sale at the end of the financial year 2023.

In December 2024, the disposal was completed, resulting in a gain on disposal of S$831,000 was recognised in profit or loss.

NOTES TO THE *FINANCIAL STATEMENTS*
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. INCOME TAX (EXPENSE)/CREDIT

Major components of income tax for the financial years ended 31 December were:

	Group	
	2025	**2024**
	S$'000	**S$'000**
Current income tax:		
– Current year	**(542)**	(449)
– (Under)/over provision in respect of prior year	**(154)**	177
	(696)	(272)
Deferred tax:		
– Origination and reversal of temporary differences	**64**	699
Income tax (expense)/credit	**(632)**	427

A reconciliation between taxation and the product of accounting (loss)/profits multiplied by the Singapore statutory income tax rate of 17% (2024: 17%) for the years ended 31 December 2025 and 2024 is as follows:

	Group	
	2025	**2024**
	S$'000	**S$'000**
(Loss)/Profit before income tax	**(12,464)**	2,826
Tax at statutory tax rate of 17% (2024: 17%)	**(2,119)**	480
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(545)**	32
Non-deductible expenses	**4,866**	744
Non-taxable items	**(1,395)**	(566)
Singapore statutory tax exemption	**(87)**	(79)
Corporate income tax rebate	**(40)**	(144)
Deferred tax assets not recognised*	**24**	–
Utilisation of previously unrecognised deferred tax assets	**(226)**	(574)
Under/(over) provision of current income tax in prior year	**154**	(177)
Others	**-**	(143)
Income tax expense/(credit)	**632**	(427)

* Deferred tax assets not recognised mainly relates to unutilised tax losses and capital allowances carried forward as disclosed in Note 25.

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2024: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

7. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the Group's (loss)/profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted (loss)/earnings per share is calculated by dividing the Group's (loss)/profit for the year 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.

The (loss)/profit and share data used in the calculation of basic and diluted (loss)/earnings per share for the years ended 31 December are as follows:

	Group	
	2025	**2024**
	S$'000	**S$'000**
(Loss)/profit for the year attributable to owners of the Company used in calculation of earnings per share	**(13,071)**	3,202

	Group	
	2025	**2024**
Weighted average number of ordinary shares (excluding treasury shares) used in the calculation of basic and diluted (loss)/earnings per share	**610,353,412**	610,403,412
Basic and diluted (loss)/earnings per share (cents per share)	**(2.14)**	0.50

8. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land S$'000	Leasehold buildings S$'000	Leasehold improvements S$'000	Machinery & yard equipment S$'000	Motor vehicles S$'000	Office, computer equipment, furniture and fittings S$'000	Construction in progress S$'000	Total S$'000
2025								
Cost								
At 1 January	-	36,005	786	17,492	2,036	2,596	-	58,915
Acquisition of subsidiaries	5,547	2,888	5,056	10,422	168	254	42,697	67,032
Additions	-	-	201	160	100	245	2,267	2,973
Disposals/Written off	-	-	(23)	(256)	(122)	(67)	-	(468)
Transfer	-	1,518	4,940	10,422	-	-	(16,880)	-
Currency alignment	167	106	206	426	8	8	1,141	2,062
At 31 December	5,714	40,517	11,166	38,666	2,190	3,036	29,225	130,514
Representing:								
Cost	-	-	11,166	38,666	2,190	3,036	29,225	84,283
Valuation	5,714	40,517	-	-	-	-	-	46,231
Total	5,714	40,517	11,166	38,666	2,190	3,036	29,225	130,514
Accumulated depreciation								
At 1 January	-	3,397	543	15,379	1,142	2,347	-	22,808
Depreciation charge for the year	65	3,514	264	1,204	191	123	-	5,361
Disposals/Written off	-	-	(23)	(165)	(122)	(67)	-	(377)
Currency alignment	1	1	3	16	2	2	-	25
At 31 December	66	6,912	787	16,434	1,213	2,405	-	27,817
Net carrying amount								
At 31 December	5,648	33,605	10,379	22,232	977	631	29,225	102,697

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8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Leasehold buildings S$'000	Leasehold improvements S$'000	Machinery & yard equipment S$'000	Motor vehicles S$'000	Office, computer equipment, furniture and fittings S$'000	Total S$'000
2024						
Cost						
At 1 January	36,005	902	17,525	1,783	3,406	59,621
Additions	–	206	75	337	89	707
Disposals/Written off	–	(323)	(109)	(88)	(996)	(1,516)
Currency alignment	–	1	1	4	97	103
At 31 December	36,005	786	17,492	2,036	2,596	58,915
Representing:						
Cost	–	786	17,492	2,036	2,596	22,910
Valuation	36,005	–	–	–	–	36,005
Total	36,005	786	17,492	2,036	2,596	58,915
Accumulated depreciation						
At 1 January	–	843	15,093	1,096	3,275	20,307
Depreciation charge for the year	3,397	22	394	131	163	4,107
Disposals/Written off	–	(323)	(109)	(88)	(996)	(1,516)
Currency alignment	–	1	1	3	(95)	(90)
At 31 December	3,397	543	15,379	1,142	2,347	22,808
Net carrying amount						
At 31 December	32,608	243	2,113	894	249	36,107

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold improvements S$'000	Motor vehicles S$'000	Furniture and fittings S$'000	Office and computer equipment S$'000	Total S$'000
Cost					
At 1 January 2024	404	409	1,021	471	2,305
Disposals/Written off	(116)	–	(57)	(368)	(541)
At 31 December 2024	288	409	964	103	1,764
Addition	179	33	–	81	293
At 31 December 2025	**467**	**442**	**964**	**184**	**2,057**
Accumulated depreciation					
At 1 January 2024	404	368	1,021	468	2,261
Depreciation charge	–	11	–	2	13
Disposals/Written off	(116)	(1)	(57)	(369)	(543)
At 31 December 2024	288	378	964	101	1,731
Depreciation charge	17	13	–	11	41
At 31 December 2025	**305**	**391**	**964**	**112**	**1,772**
Net carrying amount					
At 31 December 2025	**162**	**51**	**-**	**72**	**285**
At 31 December 2024	–	31	–	2	33

Details of the leasehold land and buildings of the Group are as follows:

Property Address	Description	Tenure
81 Tuas South Street 5, Singapore 637651 (i)	Single story detached factory with ancillary 2-storey warehouse, and a 3-storey annexe office block	30 years leasehold from 1999 with an option to renew for an additional 1 year
19 Tuas Avenue 20, Singapore 638830	Single-storey factory block with mezzanine office and a 3-storey ancillary office block	20 years leasehold from 2020
Liujing Industrial Park, Liujing Town, No 7 Jingchun Road, Hengzhou City, Nanning City, Guangxi Zhuang Autonomous Region, China (ii)	Land and buildings comprise production factories, warehouses, staff accommodation and office buildings held for use in production, storage and administrative activities of the Group	50 years leasehold from 30 May 2022

(i) The leasehold buildings of the Company located at 81 Tuas South Street 5 Singapore 637651 is leased to certain subsidiaries of the Group and third party to earn rental income. Accordingly, the leasehold building is classified as an investment property on the statement of financial position of the Company as disclosed in Note 10.

(ii) The leasehold buildings of the Group located at Liujing Industrial Park, Liujing Town, No 7 Jingchun Road, Hengzhou City, Nanning City, Guangxi Zhuang Autonomous Region, China, China is still under construction and expected to be complete within the next two to three years' time.

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8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Leasehold land and buildings carried at revalued amounts

The Group carries its leasehold land and buildings at fair value, with changes in fair values being recognised in other comprehensive income. The Group engaged real estate valuation experts to assess fair value as at 31 December 2025 and 31 December 2024 for its leasehold land and buildings. The fair value of the leasehold land and buildings is determined by independent real estate valuation experts using market comparable approach by referring to market evidence of recent transactions for similar properties.

For one leasehold property with a shortened remaining lease term, the recoverable amount has been assessed as the higher of value-in-use and fair value less costs of disposal. Value-in-use is determined by discounting the estimated future cash flows expected to arise from the continued use of the asset.

Key assumptions and valuation inputs used in determining fair value and recoverable amount are disclosed in Note 35.

Assets pledged as a security

As at 31 December 2025, leasehold building of the Group located in Singapore with carrying amounts of S$21,215,319 (2024: S$32,607,660) are mortgaged to secure the credit facilities of the Group (Note 22).

As at 31 December 2025, leasehold land, buildings and factory equipment, including assets under construction, held by the Group's subsidiaries and located at Liu Jing Industrial Park and No. 1 Puling Road, Yongning District, Nanning City, People's Republic of China, with an aggregate carrying amount of RMB229,467,000 (equivalent to S$42,155,000) (2024: Nil), were mortgaged to secure the credit facilities granted to the Group's subsidiaries (Note 22).

9. RIGHT-OF-USE ASSETS

The Group has lease contracts for office spaces, warehouses, factory premises, lands and staff accommodation in respect of its operations. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets unless permission is obtained from the landlord and the Group maintains the leased assets in good condition.

The Group also has certain leases of machinery and staff accommodation with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.

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9. **RIGHT-OF-USE ASSETS** (CONTINUED)

(a) Carrying amount of right-of-use assets

	Group		Company	
	2025	**2024**	**2025**	**2024**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Leased assets				
Office space and warehouse	**18**	36	**-**	–
Lands for factory and office	**2,893**	3,215	**709**	872
Factory premises and land	**25,982**	–	**-**	–
	28,893	3,251	**709**	872

(b) Movement during the year

	Group		Company	
	2025	**2024**	**2025**	**2024**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cost:				
At 1 January	**5,485**	5,532	**1,845**	1,845
Addition	**-**	44	**-**	–
Acquisition of subsidiaries	**26,308**	–	**-**	–
Lease modification	**-**	(94)	**-**	–
Currency alignment	**72**	3	**-**	–
At 31 December	**31,865**	5,485	**1,845**	1,845
Accumulated depreciation:				
At 1 January	**2,234**	1,977	**973**	809
Depreciation	**733**	340	**163**	164
Lease modification	**-**	(85)	**-**	–
Currency alignment	**5**	2	**-**	–
At 31 December	**2,972**	2,234	**1,136**	973
Carrying amounts:				
At 31 December	**28,893**	3,251	**709**	872

(c) Lease liabilities

The carrying amounts of lease liabilities and the movement during the year are disclosed in Note 23 and the maturity analysis of lease liabilities is disclosed in Note 34.

(d) Amounts recognised in profit or loss

	Group	
	2025	**2024**
	S$'000	**S$'000**
Depreciation of right-of-use assets	**733**	340
Interest expense on lease liabilities	**279**	246
Expenses relating to short-term leases	**2,696**	2,154

(e) Total cash outflow

In 2025, the Group had total cash outflows for leases of S$958,000 (2024: S$2,146,000).

10. INVESTMENT PROPERTY

	Company	
	2025	**2024**
	S$'000	**S$'000**
Cost:		
At 1 January and 31 December	**14,400**	14,400
Accumulated depreciation:		
At 1 January	**8,200**	7,029
Depreciation charge	**1,171**	1,171
At 31 December	**9,371**	8,200
Carrying amounts:		
At 31 December	**5,029**	6,200

The Group's leasehold buildings located at 81 Tuas South Street 5 is leased to certain subsidiaries of the Group and a third party to earn leasing revenue. The fair value of the leasehold building as at 31 December 2025 is approximately S$5,700,000 (2024: S$7,000,000).

Rental income recognised for the financial year ended 31 December 2025 amounted to S$1,219,000 (2024: S$1,218,000). Direct operating expenses arising from the investment property that generated the rental income during the financial year were considered not material.

At the end of the reporting period, the investment property of the Company is mortgaged to secure the credit facilities of the Group (Note 22).

11. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025	**2024**
	S$'000	**S$'000**
Unquoted equity shares, at cost		
Hetat Holdings Pte. Ltd.	**45,300**	45,300
See Hup Seng CP Pte. Ltd.	**8,097**	8,097
SHS Capital Pte. Ltd.	*	*
Sinenergy Power International Pte. Ltd.	**100**	100
Guangxi Xiang Tong Technology Co, Ltd.	**1,000**	1,000
	54,447	54,447
Less: Allowance for impairment loss	**(20,220)**	(20,220)
	34,227	34,227

* Amount less than S$1,000

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Impairment assessment of investments in subsidiaries

The movement in allowance for impairment losses in respect of investment in subsidiaries is as follows:

	Company	
	2025	**2024**
	S$'000	**S$'000**
At 1 January	**20,220**	20,220
Addition	**6,427**	–
Reversal	**(6,427)**	–
At 31 December	**20,220**	20,220

During the financial year, the Company assessed whether there were any indications that its investments in subsidiaries may be impaired or that impairment losses recognised in prior years may no longer exist or may have decreased.

Reversal of impairment loss – Hetat Holdings Pte. Ltd.

During the financial year, there were indications that the impairment loss previously recognised in respect of the Company's investment in Hetat Holdings Pte. Ltd. ("Hetat") may no longer exist or may have decreased, following the sustained profitability of Hetat and its subsidiaries over the past two financial years. Accordingly, the Company carried out a review of the recoverable amount of its investment in Hetat. The recoverable amount was determined based on its value-in-use.

Impairment loss – See Hup Seng CP Pte. Ltd.

During the financial year, the Company identified impairment indicators in respect of its investment in See Hup Seng CP Pte. Ltd. ("CP"). Accordingly, the Company carried out an impairment assessment to estimate the recoverable amount of the investment. The recoverable amount was determined based on its value-in-use.

The key assumptions applied in determining the recoverable amounts of the investments in Hetat and CP are as follows:

- Cash flow projections covering a 5 year period; and
- Cash flow beyond the 5 year period were extrapolated using an estimated long-term growth rate which did not exceed the long-term average growth rate of the country in which the subsidiary investments are located.

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11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Impairment assessment of investments in subsidiaries (Continued)

Impairment loss - See Hup Seng CP Pte. Ltd. (Continued)

The significant inputs are set out in the table as follows:

	2025	
	Hetat	**CP**
Average revenue growth rate	**3.0%**	**3.0%**
Terminal growth rate	**2.0%**	**2.0%**
Discount rate	**8.94%**	**8.17%**

Arising from the impairment assessment, a reversal of impairment loss of S$6,427,000 was recognised in other income of the Company for the financial year ended 31 December 2025.

Arising from the impairment assessment of the investment in CP, the recoverable amount of the investment was assessed to be lower than its carrying amount. Accordingly, an impairment loss of S$6,427,000 was recognised in other operating expenses in the Company's statement of profit or loss for the financial year ended 31 December 2025, resulting in the investment in CP being fully impaired.

The reversal of impairment loss and impairment loss recognised have been eliminated when preparing the consolidated financial statement of the Group and hence do not have an impact to the consolidated financial statements. Management has also considered possible reasonable changes in the respective key assumptions and concluded that it will not result in any significant changes.

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11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Composition of the Group

Name of company	Principal activities	Country of incorporation and principal place of business	Effective equity held by the company 2025 %	2024 %
Held by the Company				
Hetat Holdings Pte. Ltd.*	Investment holding	Singapore	**100**	100
See Hup Seng CP Pte. Ltd.*	Provision for corrosion prevention services	Singapore	**100**	100
SHS Capital Pte. Ltd.*	Investment holding	Singapore	**100**	100
Sinenergy Power International Pte. Ltd.*	Investment holding	Singapore	**100**	100
Guangxi Xiang Tong Technology Co., Ltd**	Trading of commodities	The People's Republic of China	**100**	100
Held by subsidiaries				
Hetat Holdings Pte. Ltd.				
Hetat Pte. Ltd.*	Engineering and project management for steel, glass and aluminium contracts	Singapore	**100**	100
Hetat Design Studio Pte. Ltd.*	General contractors (Building construction including major upgrading works)	Singapore	**100**	100

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11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Composition of the Group (Continued)

Name of company	Principal activities	Country of incorporation and principal place of business	Effective equity held by the company 2025 %	2024 %
Held by subsidiaries (Continued)				
Hetat Holdings Pte. Ltd. (Continued)				
Hetat Engineering & Construction Sdn. Bhd.****	Modular construction, manufacturing, engineering and project management for steel, glass and aluminium contracts	Malaysia	**100**	100
Hetat (M) Sdn. Bhd.****	Engineering and project management for steel, glass and aluminium contracts	Malaysia	**100**	100
Xiang Tong (Shanghai) International Trading Co. Ltd****	Import and export of construction materials and provision of design services	People's Republic of China	**100**	100
See Hup Seng CP Pte. Ltd.				
SHS Special Coating Pte. Ltd.*	Grit blasting and painting	Singapore	**100**	100
SHS System Pte. Ltd.*	Tank coating, grit blasting and painting	Singapore	**100**	100
Gardella Singapore Coating Pte. Ltd.*	Dormant	Singapore	**100**	100
Lesoon Equipment Pte. Ltd.*	Trading and manufacturing of blasting and painting equipment	Singapore	**100**	98.2
Speedo Corrosion Control Pte. Ltd.*	Tank coating, grit blasting and painting	Singapore	**100**	100

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11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Composition of the Group (Continued)

Name of company	Principal activities	Country of incorporation and principal place of business	Effective equity held by the company 2025 %	2024 %
Held by subsidiaries (Continued)				
Lesoon Equipment Pte. Ltd.				
Speedlock Equipment Sdn.Bhd.****	Trading and manufacturing of blasting and painting equipment	Malaysia	**100**	98.2
Sinenergy Power International Pte. Ltd.				
Sinenergy Pte. Ltd.*	Engineering and project management for electrical works	Singapore	**95**	95
Hua Sheng Energy Pte. Ltd.*	Trading of electrical wiring accessories	Singapore	**100**	100
Sinenergy TL Energy Joint Stock Company****	Dormant	Vietnam	**65**	65
Sinenergy Sdn. Bhd.****	Investment holding	Malaysia	**100**	100
Hua Sheng Energy Pte Ltd.				
PT Hua Sheng Energy****	Trading of electrical wiring accessories	Indonesia	**67**	67
Sinenergy Sdn. Bhd.				
Sinenergy Renewables Sdn. Bhd.****	Engineering and project management for electrical works	Malaysia	**100**	100
SHS Capital Pte. Ltd.				
SHS Ferny Pty Ltd***	Investment holding	Australia	**100**	100
Bellfield Pte. Ltd.*	Trading of commodities	Singapore	**100**	100
Guangxi Xinxin Technology Co. Ltd.**	Investment holding	The People's Republic of China	**100**	–

NOTES TO THE FINANCIAL STATEMENTS

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11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Composition of the Group (Continued)

Name of company	Principal activities	Country of incorporation and principal place of business	Effective equity held by the company 2025 %	2024 %
Held by subsidiaries (Continued)				
Guangxi Xinxin Technology Co. Ltd.				
Guangxi Tidal Precision Technology Co., Ltd.**	Specialise in precision aluminium production	The People's Republic of China	**100**	–
Nanning Tidal Aluminium Co., Ltd.**	Specialise in aluminium recycling production	The People's Republic of China	**100**	–

* Audited by Forvis Mazars LLP, Singapore.

** Audited by member firm of Forvis Mazars LLP

*** Exempted from audit under the laws of the country of incorporation. Reviewed by Forvis Mazars LLP, Singapore for group consolidation purposes.

**** Audited by other firms of certified public accountants for statutory purposes.

***** Exempted from audit under the laws of the country of incorporation.

Incorporation of subsidiaries and additional investments

In 2025, the Company's wholly-owned subsidiary, See Hup Seng CP Pte. Ltd., acquired an additional 1.8% equity interest in Lesoon Equipment Pte. Ltd. from its non-controlling interest for a cash consideration of S$40,000. The Group's effective equity interest in Lesoon Equipment Pte. Ltd. increased from 98.2% to 100%. The Group's effective equity interest in Speedlock Equipment Sdn. Bhd., a wholly-owned subsidiary of Lesoon Equipment Pte. Ltd., also increased from 98.2% to 100%.

In April 2024, the Company's wholly-owned subsidiary, Sinenergy Power International Pte. Ltd. incorporated a subsidiary, Sinenergy Sdn. Bhd., in Malaysia, with a cash investment of S$2,848, equivalent to RM10,000.

In April 2024, the subsidiary, Sinenergy Sdn. Bhd. incorporated a subsidiary, Sinenergy Renewables Sdn. Bhd., in Malaysia, with a cash consideration of S$2,848, equivalent to RM10,000.

In August 2024, the Company's wholly-owned subsidiary, SHS Capital Pte. Ltd. incorporated a wholly-owned subsidiary, Guangxi Xinxin Technology Co. Ltd. in the People's Republic of China. for a cash consideration of S$1,000,000.

NOTES TO THE *FINANCIAL STATEMENTS*

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11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries

On 16 June 2025, the Company's wholly-owned subsidiary, SHS Capital Pte. Ltd., through its subsidiary, Guangxi XinXin Technology Co., Ltd., completed the acquisition of 100% equity interests in Guangxi Tidal Precision Technology Co., Ltd. and Nanning Tidal Aluminium Co., Ltd., both incorporated in the People's Republic of China. Further details of the acquisition are disclosed in Note 33 on Business Combinations.

Non-controlling interests

The Group has no individual subsidiaries that have material non-controlling interests for the financial years ended 31 December 2025 and 2024.

12. INVESTMENT IN ASSOCIATE

	Group	
	2025	**2024**
	S$'000	**S$'000**
Unquoted equity shares, at cost	**1,110**	1,110
Share of post-acquisition reserves	**(865)**	(865)
Less: Allowance for impairment loss	**(181)**	(181)
	64	64

The movement in allowance for impairment loss in respect of investment in an associate is as follows:

	Group	
	2025	**2024**
	S$'000	**S$'000**
At 1 January and 31 December	**181**	181

Details of the associate are as follows:

Name of company (Country of incorporation and place of business)	**Principal activities**	**Cost 2025 S$'000**	**Cost 2024 S$'000**	**Effective equity interest held 2025 %**	**Effective equity interest held 2024 %**
Yokomori Singapore Pte. Ltd. (Singapore)	Manufacturing of steel structural components	**1,110**	1,110	**30**	30

NOTES TO THE *FINANCIAL STATEMENTS*

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12. INVESTMENT IN ASSOCIATE (CONTINUED)

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

	2025 S$'000	2024 S$'000
Statement of financial position		
Current assets	**236**	237
Current liabilities	**(24)**	(24)
Net assets	**212**	213
Proportion of Group's ownership	**30%**	30%
Carrying amount of the investment	**64**	64
Statement of profit or loss		
Revenue	**-**	–
Loss for the year representing total comprehensive income for the year	**(1)**	(1)

13. OTHER FINANCIAL ASSETS

	Group		Company	
	2025 S$'000	2024 S$'000	2025 S$'000	2024 S$'000
Equity investments measured at fair value through other comprehensive income (FVOCI)				
Equity securities in investee companies				
– Quoted	**29,594**	–	**29,594**	–
– Unquoted	**4,896**	20,597	**4,896**	20,597
	34,490	20,597	**34,490**	20,597
Presented as:				
Current	**29,594**	–	**29,594**	–
Non-current	**4,896**	20,597	**4,896**	20,597
	34,490	20,597	**34,490**	20,597

The Group has elected to carry the equity investments at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

Information about the fair value measurement of the other financial assets is disclosed in Note 35.

13. OTHER FINANCIAL ASSETS (CONTINUED)

The movement in other financial assets is as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	S$'000	**S$'000**	**S$'000**	**S$'000**
At 1 January	**20,597**	14,322	**20,597**	14,322
Capitalisation of loans to investment in investee	**-**	4,427	**-**	4,427
Addition	**25,313**	–	**25,313**	–
Fair value gain recognised in other comprehensive income	**14,013**	1,848	**14,007**	1,848
Disposals	**(25,433)**	–	**(25,427)**	–
At 31 December	**34,490**	20,597	**34,490**	20,597

During the financial year ended 31 December 2024, the Group capitalised the outstanding loan amount due from an investee to further subscribe to additional shares in the investee.

During the current financial year, SED Energy Holdings Plc (formally known as SeaBird Exploration Plc) ("SED Energy"), a company listed on Euronext Oslo Børs, acquired 100% of the issued share capital of Energy Drilling Pte Ltd ("Energy Drilling") through a share-for-share arrangement. Pursuant to the arrangement, the shareholders of Energy Drilling surrendered their shares in Energy Drilling in exchange for newly issued ordinary shares in SED Energy. Following the completion of the transaction, Energy Drilling became a wholly owned subsidiary of SED Energy.

Prior to the completion of the transaction, the Company held 4,569,986 ordinary shares in Energy Drilling, representing approximately 3.14% of the issued share capital of Energy Drilling. The investment in Energy Drilling was classified as an equity investment designated at fair value through other comprehensive income as the investment was held for long term capital appreciation.

Upon completion of the share-for-share arrangement on 26 May 2025, the Company surrendered its shares in Energy Drilling and received 20,246,614 newly issued ordinary shares in SED Energy, representing approximately 2.79% of the issued share capital of SED Energy. Accordingly, the Company derecognised its equity investment in Energy Drilling and recognised a new equity investment in SED Energy.

The quoted market price of the SED Energy shares on the completion date was NOK6.14 per share, equivalent to SGD0.7810 per share. Accordingly, the fair value of the SED Energy shares received and recognised on the completion date amounted to approximately SGD15.81 million.

Immediately before derecognition, the Company's investment in Energy Drilling was remeasured to fair value. The resulting fair-value gain of approximately SGD4,461,000 was recognised in other comprehensive income. The cumulative fair-value loss of approximately SGD1,750,000 previously recognised in the fair value reserve in respect of the Energy Drilling shares was not reclassified to profit or loss upon derecognition.

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13. OTHER FINANCIAL ASSETS (CONTINUED)

At the date of initial recognition of the SED Energy shares, the Company made an irrevocable election to present subsequent changes in the fair value of the investment in other comprehensive income. Management assessed that the SED Energy shares were not held for trading as the Company intended to retain the investment for long term capital appreciation.

On 11 September 2025, the Company entered into a share buyback agreement with Globalfund Capital Pte. Ltd. ("Globalfund"). Pursuant to the agreement, the Company surrendered its 1,815,663 ordinary shares in Globalfund in exchange for 8,043,373 ordinary shares in SED Energy.

The quoted market price of the SED Energy shares on the completion date was NOK9.08 per share, equivalent to SGD1.18185 per share. Accordingly, the fair value of the SED Energy shares received amounted to SGD9.506 million.

Immediately before derecognition, the carrying amount of the Company's investment in Globalfund was remeasured from SGD4.43 million to its fair value of SGD9.51 million. The resulting fair-value gain of SGD5.08 million was recognised in other comprehensive income.

The Globalfund derecognised its investment in Globalfund upon completion of the share buyback arrangement. The cumulative fair-value gain recognised in other comprehensive income in respect of the Globalfund shares amounted to SGD1.77 million at the date of derecognition. In accordance with SFRS(I) 9, the cumulative gain was not reclassified to profit or loss upon derecognition.

At the date of initial recognition of the SED Energy shares, the Company made an irrevocable election to present subsequent changes in the fair value of the investment in other comprehensive income. The SED Energy shares are held for capital appreciation over the medium to long term and are not held for trading.

14. INTANGIBLE ASSETS

		Group	
	Goodwill S$'000	**Technical know-how S$'000**	**Total S$'000**
At cost			
At 1 January 2024 and 31 December 2024	6,000	–	6,000
Acquisitions via business combination	7,210	691	7,901
Currency re-alignment	158	–	158
At 31 December 2025	13,368	691	14,059
Accumulated amortisation			
At 1 January 2024, 31 December 2024 and 31 December 2025	–	–	–
Net carrying amount			
At 31 December 2025	**13,368**	**691**	**14,059**
At 31 December 2024	6,000	–	6,000

14. INTANGIBLE ASSETS (CONTINUED)

For the purpose of impairment testing, goodwill arising from a business combination is allocated to the cash-generating unit ("CGU") expected to benefit from the synergies of the business combination. The carrying amount of goodwill attributable to the Group's business segment is as follows:

	Group	
	2025	**2024**
	S$'000	**S$'000**
Engineering and Construction segment		
Hetat Holdings Pte. Ltd.	**6,000**	6,000
Commodities segment		
Guangxi XinXin Technology Co., Ltd.	**7,368**	–
	13,368	6,000

The recoverable amounts of the Engineering and Construction Segment and the Commodities Segment were determined based on value-in-use calculations, using cash flow projections derived from management-approved budgets and forecasts over five-year.

The pre-tax discount rate applied to the cash flow projections and the forecasted growth rate used to extrapolate cash flow projections are as follows:

	Group 2025		Group 2024	
	Singapore	**People's Republic of China**	**Singapore**	**People's Republic of China**
Revenue growth rate	**3%**	**1%**	2%	–
Terminal growth rate	**2%**	**2%**	2%	–
Pre-tax discount rate	**10%**	**12%**	12%	–

15. CASH AND BANK BALANCES

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following amounts as at 31 December

	Group		Company	
	2025	**2024**	**2025**	**2024**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cash at bank and on hand	**23,600**	20,434	**1,529**	675
Fixed deposits	**3,510**	–	**3,510**	–
Short-term bank deposits	**10,164**	17,850	**7,090**	13,749
Cash and bank balances/cash and cash equivalents	**37,274**	38,284	**12,129**	14,424

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. CASH AND BANK BALANCES (CONTINUED)

Fixed deposits and short-term bank deposits of the Group and the Company bear effective interest rates ranging from 1.2% to 4.3% (2024: 3.2% to 5.5%) per annum and have tenures ranging from approximately 30-63 days (2024: 30 to 60 days).

In 2024, pledged deposits are for a tenure of 6 months which have been pledged to banks to secure bank facilities for one of the subsidiaries of the Group (Note 22). These fixed deposits bear effective interest rates ranging from 2.1% to 3.3% per annum.

16. INVENTORIES

	Group	
	2025	**2024**
	S$'000	**S$'000**
Statement of financial position		
Finished goods	**8,139**	7,112
Work in progress	**3,909**	–
Construction materials and consumables	**1,170**	1,026
Less: Allowance for inventory obsolescence	**(128)**	(114)
	13,090	8,024
Statement of profit or loss		
Inventories recognised as an expense of cost of sales	**17,111**	32,363
Inclusive of:		
– Allowance for inventory obsolescence	**14**	10

The movement in allowance for inventory obsolescence is as follows:

	Group	
	2025	**2024**
	S$'000	**S$'000**
At 1 January	**114**	104
Charge of during the year	**14**	10
Currency re-alignment	*	*
At 31 December	**128**	114

* – Amount less than S$1,000.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025	**2024**	**2025**	**2024**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Trade receivables:[a]				
– Third parties	**88,330**	23,438	**11**	–
– Related companies	**162**	155	**-**	–
Less: Allowance for expected credit loss	**(1,680)**	(1,182)	**-**	–
Net trade receivables	**86,812**	22,411	**11**	–
Other receivables:				
Sundry debtors	**2,869**	1,750	**531**	560
Advances to subcontractors/ suppliers[b]				
– third parties	**5,417**	20,008	**-**	–
– related company	**-**	4,058	**-**	–
Less: Impairment loss on advances to suppliers	**(4,058)**	–	**-**	–
Long-term non-trade receivables[c]	**11,159**	–	**-**	–
Other receivables due from third parties[b]	**16,958**	–	**-**	–
Refundable deposits	**474**	536	**211**	167
Deposits for performance bond	**521**	521	**-**	–
Interest receivable	**16**	–	**16**	–
Advances to staffs	**61**	18	**-**	–
Prepayments[d]	**4,383**	965	**28**	16
Sales tax and value added tax ("VAT") receivable	**2,782**	823	**-**	17
Tax recoverable	**37**	16	**-**	–
Less: Allowance for expected credit loss	**(4,755)**	(645)	**(100)**	(100)
Total other receivables	**35,864**	28,050	**686**	660
Total trade and other receivables	**122,676**	50,461	**697**	660
Presented as:				
Current	**115,541**	50,461	**697**	660
Non-current	**7,135**	–	**-**	–
	122,676	50,461	**697**	660

(a) Trade receivables are non-interest bearing and the generally have credit terms ranging from 30-90 days (2024: 30 to 90 days) from the invoice date. They are initially recognised at the transaction price, which represent their fair values at initial recognition.

(b) Advances to sub-contractors/suppliers are mainly to support on-going projects and material procurement. During the financial year, the Company entered into commercial settlement agreements with a supplier. Under these agreements, the amounts due from this supplier of RMB92,308,000 equivalents to S$16,958,000 was novated to Nanning Tidal Investment Co., Ltd. and its related company as part of a security arrangement. Accordingly, this amount has been reclassified from advances from suppliers to other receivables due from third parties in year 2025 and the amount are unsecured, non-interest bearing and repayable on demand.

(c) Long-term non-trade receivables are unsecured, non-interest bearing and repayable on 31 December 2028.

(d) Prepayments refer to amounts paid in advance for the purchase of property, plant and equipment, and for operating expenses.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL is as follows:

	Group	
	2025	**2024**
	S$'000	**S$'000**
At 1 January	**1,182**	1,741
Impairment loss recognised during the year	**565**	–
Reversal of impairment loss recognised during the year	**(95)**	(62)
Written off during the year	**-**	(504)
Currency re-alignment	**28**	7
At 31 December	**1,680**	1,182

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses (ECL). The Group has recognised a loss allowance of 100% against all trade receivables over 1 year and 9 months past due (credit-impaired) because historical experience has indicated that these trade receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group's credit risk exposure in relation to trade receivables from contracts with customers are set out in the provision matrix as presented below. The Group's loss allowance is based on past due as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments.

	Current	**Past due more than 1 to 90 days**	**Past due more than 91 to 270 days**	**Past due more than 271 days to 1 year & 9 months**	**Past due more than 1 year & 9 months**	**Total**
31 December 2025						
Expected credit loss rates	**0.3%**	**0.1%**	**31.7%**	**31.8%**	**100%**	
Total gross carrying amounts (S$'000)	**12,897**	**70,662**	**2,301**	**1,597**	**1,035**	**88,492**
Loss allowance (S$'000)	**(41)**	**(40)**	**(56)**	**(508)**	**(1,035)**	**1,680**
31 December 2024						
Expected credit loss rates	0.007%	0.001%	0.173%	15.23%	100%	
Total gross carrying amounts (S$'000)	14,454	4,691	2,308	1,136	1,004	23,593
Loss allowance (S$'000)	(1)	*	(4)	(173)	(1,004)	(1,182)

* Amount less than $1,000

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

Other receivables

Expected credit losses

The movement in allowance for expected credit losses of other receivables computed based on 12-month ECL is as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	S$'000	**S$'000**	**S$'000**	**S$'000**
At 1 January	**645**	5,407	**100**	5,056
Additions	**4,104**	–	**-**	–
Reversal during the year	**-**	(1,237)	**-**	(1,418)
Written off during the year	**(189)**	(3,538)	**-**	(3,538)
Currency re-alignment	**195**	13	**-**	–
At 31 December	**4,755**	645	**100**	100

For the purpose of impairment assessment for other receivables, the loss allowance is measured at an amount equal to 12-month ECL which reflects the low credit risk of the exposures. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

The long-term receivables were assessed by management to be credit-impaired, and the loss allowance was measured based on lifetime ECL. In determining the ECL, management exercised significant judgement and estimates in assessing the recoverability of the receivables, including estimating the amount and timing of future cash flows expected to be recovered from the counterparties. Such estimates considered, amongst others, the financial condition of the counterparties, historical repayment patterns, ongoing negotiations, available collateral (if any), and other relevant forward-looking information.

18. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2025	**2024**
	S$'000	**S$'000**
Current		
Amounts due from subsidiaries – non-trade	**89,302**	94,567
Less: Allowance for expected credit loss	**(26,556)**	(33,106)
	62,746	61,461

The non-trade balances due from/(to) subsidiaries are unsecured, repayable on demand and are to be settled in cash. These balances are non-interest bearing, except for certain amounts due from subsidiaries amounting to S$3,410,000 (2024: S$7,260,000), which bear effective interest rates ranging from 2% to 3.5% (2024: 2% to 3.5%) per annum.

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18. AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONTINUED)

Expected credit losses

The movement in allowance for expected credit losses of amounts due from subsidiaries computed based on 12-month ECL is as follows:

	Company	
	2025	**2024**
	S$'000	**S$'000**
At 1 January	**33,106**	33,106
Written off during the year	**(6,550)**	–
At 31 December	**26,556**	33,106

19. LAND HELD FOR DEVELOPMENT

	Group	
	2025	**2024**
	S$'000	**S$'000**
Land, at lower cost and net realisable value	**-**	4,229

Details of the Group's land held for development are as follows:

Description and location	**Land area (sqm)**	**Tenure**
180, 182 and 184 Ferny Avenue, Surfers Paradise, Australia	1,055	Freehold

The Group engaged an independent real estate valuation expert to assess the fair value of the land as at 31 December 2024. The fair value has been determined based on market evidence of most recent transactions for land in the same vicinity. Based on the assessment, a write down of land held for development amounting S$847,000 was recognised to profit or loss.

During the current financial year, the Group disposed of land held for development for a consideration of A$5,250,000 (equivalent to S$4,372,000). Arising from this disposal, a gain on disposal of land held for development amounting to S$143,000 was recognised in profit or loss for the year.

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20. TRADE AND OTHER PAYABLES

	Group		Company	
	2025	**2024**	**2025**	**2024**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Trade payables[(a)]				
– third parties	**93,434**	8,282	**–**	–
– related company	**57**	50	**45**	39
Accrued operating expenses	**1,992**	2,280	**525**	700
Retention sums payable	**812**	1,054	**–**	–
Other payable[(b)]	**18,312**	–	**–**	–
Sundry creditors[(c)]	**1,446**	1,852	**568**	656
Provision for foreseeable loss	**165**	–	**–**	–
Payable – deferred consideration[(d)]	**19,767**	–	**–**	–
Employee benefits payables	**1,228**	–	**–**	–
Interest payables	**7**	–	**–**	–
Foreign workers' tax withheld	**68**	67	**66**	67
Advances from customer	**4**	–	**–**	–
Deposit payables	**799**	–	**412**	–
Sales tax and VAT tax payables	**370**	182	**–**	–
Trade and other payables	**138,461**	13,767	**1,616**	1,462
Presented as:				
Current	**119,539**	13,767	**1,616**	1,462
Non-current	**18,922**	–	**–**	–
	138,461	13,767	**1,616**	1,462

(a) Trade payables are normally settled on terms ranging from 0 to 90 days (2024: 14 to 90 days) and are non-interest bearing.

(b) Other payable pertains to a legal dispute relating to matters preceding the Group's acquisition of Nanning Tidal Aluminium Co., Ltd. ("NTAC"). The legal proceedings concern a dispute with a construction vendor in relation to construction work at NTAC's facility in China. The construction work, which remains in progress, has a total contract value of approximately RMB203 million, of which RMB44.7 million has been paid to date. The vendor has unilaterally ceased work and initiated legal action to seek payment of RMB99,681,000 (equivalent to S$18,312,000 as progress payments allegedly owing by NTAC.

(c) Sundry creditors are unsecured, non-interest bearing and are repayable on demand.

(d) The balance consideration payable relates to the acquisition of new subsidiaries as disclosed in Note 33. The amount is unsecured, bears interest at 5% per annum, and is repayable within five years from 17 June 2025.

21. AMOUNTS DUE TO BANKERS

	Group	
	2025	**2024**
	S$'000	**S$'000**
<u>Current – Secured</u>		
Trust receipts	**1,142**	1,513

The trust receipts are secured (Note 22) and bear interest at effective interest rates ranging from 2.4% to 4.9% (2024: 5.00% to 5.54%) per annum.

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22. TERM LOANS

	Group	
	2025	2024
	S$'000	S$'000
Current – Secured		
Term loan I	**-**	1,150
Term loan II	**-**	978
SGD term loan	**941**	–
RMB term loans	**12,391**	–
Money market line loan	**-**	4,214
Revolving credit facility	**3,707**	–
	17,039	6,342
Non-current – Secured		
SGD term loan	**2,151**	–
RMB term loans	**20,413**	2,849
	22,564	2,849
Total term loans, secured	**39,603**	9,191

Term loan I with a principal amount of S$11,500,000 is repayable over 59 fixed monthly principal instalments commencing in April 2018 and the loan was further extended by 5 years until March 2028. The loan bears interest at effective interest rates ranging from 4.65% to 4.79% (2024: 4.65% to 5.62%) per annum. The term loan was used to finance the construction of the leasehold building held by the Group. During the financial year, the loan was fully repaid by the Group.

Term loan II with a principal amount of S$5,000,000 is repayable over 60 fixed monthly principal instalments, commencing in September 2020. The loan bears interest at effective interest rates of 2.5% (2024: 2.50%) per annum. The term loan is used for working capital purposes. During the financial year, the loan was fully repaid by the Group.

The SGD-denominated term loan bears effective interest rates ranging from 1.8% to 2.5% (2024: Nil) per annum and is repayable within the next three years. The term loan is utilised to finance the leasehold building held by the Group.

The RMB-denominated term loans bear effective interest rates ranging from 3.5% to 6.5% per annum and are repayable within one to three years. The loans are part of the liabilities assumed in the business combinations and primarily utilised for working capital, factory construction and equipment financing purposes.

Money market line loan with a principal amount of S$4,200,000 (2024: S$4,200,000) is rolled over on monthly basis. The rollover loan bears interest at effective interest rates ranging from 4.6% to 4.79% (2024: 4.79% to 5.60%) per annum. The term loan is used for working capital purposes. During the financial year, the loan was fully repaid by the Group.

The revolving credit facility is rolled over on a three-month basis. The facility bears effective interest rates ranging from 2.1% to 2.5% (2024: Nil) per annum and is utilised for working capital purposes.

22. TERM LOANS (CONTINUED)

The credit facilities (including trust receipts (Note 21) of the Group are generally secured by the following:

- ❖ first legal mortgage over property located at No. 19 Tuas Avenue 20, Singapore 638830 (Note 8);
- ❖ first deed of debenture duly executed, incorporating a fixed and floating charge over the present and future undertaking, assets, revenues and rights of a subsidiary of the Group;
- ❖ corporate guarantee from the Company to its subsidiaries for a total of S$34.9 million (2024: S$28.4 million);
- ❖ personal guarantee from the legal representative and general manager of the China subsidiaries of the Group;
- ❖ first legal mortgage over properties located in Nanning and Beijing owned by Nanning Tidal Investment Co., Ltd. (the "Vendor") and its related company, in respect of the newly acquired subsidiary, Guangxi Tidal Precision Technology Co., Ltd., securing a loan amount of RMB42,000,000 equivalent to S$7,715,800;
- ❖ corporate guarantee provided by the previous owner company (the "Vendor") in respect of a total amount of RMB123,874,000 equivalent to S$22,522,000; and
- ❖ first legal mortgage over the equipment, leasehold land and buildings of the subsidiaries of the Group amounting to RMB229,457,000 equivalent to S$42,155,000 (Note 8).

23. LEASE LIABILITIES

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	S$'000	**S$'000**	**S$'000**	**S$'000**
At 1 January	**3,799**	4,048	**1,036**	1,195
Additions	**-**	45	**-**	–
Acquisition of subsidiaries	**26,494**	–	**-**	–
Accretions of interest	**279**	246	**60**	70
Payments	**(958)**	(531)	**(229)**	(229)
Lease modification	**-**	(12)	**-**	–
Currency realignment	**73**	3	**-**	–
At 31 December	**29,687**	3,799	**867**	1,036
Presented as:				
Current	**418**	303	**180**	169
Non-current	**29,269**	3,496	**687**	867
	29,687	3,799	**867**	1,036

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23. LEASE LIABILITIES (CONTINUED)

The Group/Company as a lessor

The Group/Company has entered into operating leases on one of its leasehold buildings/investment properties. These leases are negotiated for terms ranging from 1 to 5 years.

The future minimum lease receivable under non-cancellable operating leases contracted for at the reporting date are as follows:

	Group		Company	
	2025 S$'000	2024 S$'000	2025 S$'000	2024 S$'000
Not later than one year	**2,385**	869	**1,218**	1,218
Later than one year but not later than 5 years	**2,914**	1,785	**4,009**	4,872
Less than 5 years	**-**	–	**-**	355
	5,299	2,654	**5,227**	6,445

24. DEFERRED INCOME

	Group	
	2025 S$'000	2024 S$'000
Government Grant		
At 1 January	**-**	–
Acquisitions of subsidiaries	**4,457**	–
Amortisation	**(135)**	–
Currency re-alignment	**136**	–
At 31 December	**4,458**	–

Arising from the business combination, a subsidiary of the Group obtained an approved government-assisted loan with no fixed repayment date amounting to RMB25,000,000 (equivalent to S$4,457,000) in January 2025, in respect of its recycled aluminium processing production project at the Group's facility located at Liujing Industrial Park, Liujing Town, No. 7 Jingchun Road, Hengzhou City, Nanning City, Guangxi Zhuang Autonomous, China.

25. DEFERRED TAX LIABILITIES

	Fair value adjustments S$'000	Temporary differences on property, plant and equipment S$'000	Total S$'000
Group			
At 1 January 2024	2,677	48	2,725
Original of temporary differences	(717)	18	(699)
At 31 December 2024	1,960	66	2,026
Acquisition of subsidiaries	47	–	47
Original of temporary differences	(42)	(22)	(64)
At 31 December 2025	**1,965**	**44**	**2,009**
Company			
At 1 January 2024	1,555	22	1,577
Original of temporary differences	(717)	–	(717)
At 31 December 2024	838	22	860
Original of temporary differences	(83)	(22)	(105)
At 31 December 2025	**755**	**-**	**755**

Deferred tax liabilities relate to temporary differences arising from the revaluation of leasehold buildings and the excess of net book value over tax written down value of property, plant and equipment.

Unrecognised tax losses and capital allowances

As at 31 December 2025, the Group has unutilised tax losses of approximately S$1,858,000 (2024: S$3,905,000) and unutilised capital allowances of approximately S$2,462,000 (2024: S$2,321,000) which can be carried forward and used to offset against future taxable profits of those entities in the Group in which the losses and capital allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and capital allowances is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which the entities in the Group operate. The unutilised tax losses have no expiry date.

The deferred tax assets arising from these unutilised tax losses and capital allowances of approximately S$729,000(2024: S$588,000) have not been recognised at the end of the reporting period.

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 29).

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26. SHARE CAPITAL

	Group and Company			
	2025		2024	
	No. of ordinary shares	S$'000	No. of ordinary shares	S$'000
Issued and fully paid, with no par value				
At the beginning and end of financial year	**678,109,912**	**155,547**	678,109,912	155,547

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, except for treasury shares, at General Meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

27. TREASURY SHARES

	Group and Company			
	2025		2024	
	Number of ordinary shares	S$'000	Number of ordinary shares	S$'000
Issued and fully paid, with no par value				
At beginning of the financial year	**67,706,500**	**(11,524)**	67,706,500	(11,524)
Share buy-back during the year	**50,000**	**(5)**	–	–
At end of the financial year	**67,756,500**	**(11,529)**	67,706,500	(11,524)

At 31 December 2025, the Group and Company hold a total of 67,756,500 shares (2024: 67,706,500 shares) amounting to S$11,529,000 (2024: S$11,524,000).

During the financial year ended 31 December 2025, the Company repurchased 50,000 shares at S$0.121 per share, which were held as treasury shares.

28. RESERVES

	Group		Company	
	2025	2024	2025	2024
	S$'000	S$'000	S$'000	S$'000
Accumulated losses	**(29,122)**	(14,283)	**(14,672)**	(12,236)
Asset revaluation reserve	**18,327**	18,329	**8,582**	8,582
Fair value reserve	**6,281**	(8,212)	**5,457**	(8,550)
Foreign currency translation reserve	**(287)**	(274)	**-**	–
Other reserve	**-**	–	**3,297**	3,297

28. RESERVES (CONTINUED)

Other reserve

The other reserve of the Company arose from an internal restructuring of certain group entities transferred from the Company to be held by a wholly owned subsidiary of the Company in 2015. The amount represented the difference between the carrying amount of the net assets of the transferred group of entities and the consideration transferred.

Asset revaluation reserve

The asset revaluation reserve represents the revaluation surplus in respect of leasehold buildings of the Group as disclosed in Note 8.

The movements in the asset revaluation reserve during the financial year are as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	S$'000	**S$'000**	**S$'000**	**S$'000**
At 1 January	**18,329**	18,329	**8,582**	8,582
Effects of acquiring part of non-controlling interest in a subsidiary	**(2)**	–	**-**	–
At 31 December	**18,327**	18,329	**8,582**	8,582

Fair value reserve

The fair value reserve represents the cumulative fair value changes, net of tax, of equity investments at FVOCI until they are disposed.

The movements in the fair value reserve during the financial year are as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	S$'000	**S$'000**	**S$'000**	**S$'000**
At 1 January	**(8,212)**	(10,060)	**(8,550)**	(10,398)
Net fair value gain on equity instrument at FVOCI	**14,013**	1,848	**14,007**	1,848
Transfer of reserve	**480**	–	**-**	–
At 31 December	**6,281**	(8,212)	**5,457**	(8,550)

Foreign currency translation reserve

The foreign currency translation reserve represents the accumulated exchange differences arising from the translation of the financial statements of the Group's foreign operations whose functional currencies are different from that of the Group's presentation currency.

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28. RESERVES (CONTINUED)

Foreign currency translation reserve (Continued)

The movements in the foreign currency translation reserve during the financial year are as follows:

	Group	
	2025	**2024**
	S$'000	**S$'000**
At 1 January	**(274)**	(380)
Exchange differences on translation	**(19)**	106
Effects of acquiring part of non-controlling interest in a subsidiary	**6**	–
At 31 December	**(287)**	(274)

29. DIVIDENDS

	Group	
	2025	**2024**
	S$'000	**S$'000**
Declared and paid during the financial year:		
– One-tier final exempt dividend of S$0.00229 per ordinary share in respect of the financial year ended 31 December 2024	**1,398**	–
– One-tier final exempt dividend of S$0.00284 per ordinary share in respect of the financial year ended 31 December 2023	**-**	1,734
	1,398	1,734
Proposed but not recognised as a liability as at 31 December:		
– One-tier final exempt dividend of S$0.00229 per ordinary share in respect of the financial year ended 31 December 2024	**-**	1,398

30. COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments

The Group and the Company have uncalled capital commitments amounting to S$2.0 million (2024: S$2.0 million) in relation to the uncalled capital of certain equity investments (classified under other financial assets) at the end of the reporting period.

As at 31 December 2025, the Company had contractual commitments amounting to SGD11.68 million (2024: Nil) in respect of the ongoing construction of factories. The amount represents the outstanding balance of the contracted construction costs that had not been recognised in the financial statements as at the reporting date.

Other commitments

The Company has given an undertaking to provide continued financial support to certain subsidiaries for the next twelve months from the date of authorisation of these subsidiaries' financial statements.

Arising from the business combination, two subsidiaries of the Group have provided joint and several guarantees in favour of two banks in respect of a loan granted to a related company of the Vendor (Note 33), with a loan principal amount of RMB14,000,000 equivalent to S$2,571,900.

30. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

Corporate guarantees.

The corporate guarantees executed by the Company for certain subsidiaries of the Group for the credit facilities granted as set out in Note 21 and 22 have not been recorded at fair value, as management does not consider material the difference in the interest rates, by comparing the actual rates charged by the banks with these corporate guarantees made available, with the estimated rates that the banks would have charged had those corporate guarantees not been made available.

The Company has also executed a corporate guarantee of US$1,296,000 (2024: US$1,296,000) for credit facilities granted to an investee in which the Group holds certain equity interest.

The corporate guarantees are subject to impairment assessment. The Company has assessed that its subsidiaries and the investee have strong financial capacity to meet the contractual cash flow obligations in the near future and henceforth does not expect significant credit losses arising from these corporate guarantees.

Performance guarantees – secured

At the end of the reporting period, performance guarantees (banks and insurance company) issued by certain subsidiaries to customers in respect of project works amounted to S$5,886,000 (2024: S$6,407,680).

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) An entity is related to the Group and the Company if any of the following conditions applies: (Continued)

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's and Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into transactions with related parties during the financial year, on terms agreed between the parties, as shown below.

	Group	
	2025	**2024**
	S$'000	**S$'000**
Sales to a related company	**1**	553
Professional fees paid to firms in which directors are the partners of the firm	**-**	(18)
Logistics storage management services	**-**	(12)

Compensation of directors and key management personnel

	Group	
	2025	**2024**
	S$'000	**S$'000**
Compensation of executive directors and key management:		
Salaries and other short-term employee benefits	**1,841**	1,931
Defined contribution plans	**115**	108
	1,956	2,039
Directors' fees to non-executive directors	**132**	192
	2,088	2,231
Comprise amounts paid/payable to:		
Directors of the Company	**1,051**	1,215
Key management personnel	**1,037**	1,016
	2,088	2,231

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32. SEGMENT INFORMATION

Segment information reported externally was analysed on the basis of the types of goods supplied and services provided by the Group's operating divisions. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance of the Group. The Group's reportable operating segments are as follows:

Engineering & Construction ("EC")

The engineering & construction segment is in the business of designing, engineering and construction of steel, aluminium and glass structures, and design and construction services including major upgrading works.

Corrosion Prevention ("CP")

The corrosion prevention segment provides coating services to marine, oil and gas, construction and infrastructure industries.

Solar Energy ("Solar")

The solar energy segment specialises in solar energy development and engineering and project management for electrical works.

Trading and Manufacturing of Commodities ("Commodities")

The trading and manufacturing segment specialises in promoting and selling of metals and aluminium-related products including the business of newly acquired China entities engaging in precision aluminium manufacturing and aluminium recycling activities.

Others

Others segment consists of property development business, warehousing, corporate head office and strategic investments.

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32. SEGMENT INFORMATION (CONTINUED)

Segment revenues and results

	Engineering & Construction		Corrosion Prevention		Solar Energy		Trading and Manufacturing of Commodities		Others		Total	
	2025 S$'000	2024 S$'000	2025 S$'000	2024 S$'000	2025 S$'000	2024 S$'000	2025 S$'000	2024 S$'000	2025 S$'000	2024 S$'000	2025 S$'000	2024 S$'000
Segment revenue	**29,958**	35,974	**11,901**	14,539	**17,203**	23,095	**203,140**	9,369	**-**	–	**262,202**	82,977
Results												
Segment results	**2,331**	3,611	**756**	1,480	**2,390**	3,212	**(1,459)**	(110)	**(2,562)**	(232)	**1,456**	7,961
Allowance for inventory obsolescence	**-**	–	**(7)**	(10)	**(6)**	–	**-**	–	**-**	–	**(13)**	(10)
Write down of land held for development	**-**	–	**-**	–	**-**	–	**-**	–	**-**	(847)	**-**	(847)
Provision for foreseeable loss	**(165)**	–	**-**	–	**-**	–	**-**	–	**-**	–	**(165)**	–
Impairment loss on advances to suppliers	**-**	–	**-**	–	**-**	–	**(4,058)**	–	**-**	–	**(4,058)**	-
(Impairment loss)/reversal of impairment loss on financial assets and contract assets, net	**-**	(180)	**(79)**	(265)	**(14)**	(44)	**(4,481)**	–	**-**	1,418	**(4,574)**	929
Finance costs	**(520)**	(711)	**(62)**	(72)	**(27)**	(38)	**(1,452)**	(1)	**-**	–	**(2,061)**	(822)
Share of loss of associate, net of tax											*****	*
Other income											**4,627**	3,100
Central administrative expenses and directors' remuneration											**(7,676)**	(7,485)
(Loss)/profit before income tax											**(12,464)**	2,826
Tax (expense)/credit											**(632)**	427
(Loss)/profit for the year											**(13,096)**	3,253
Other information												
Depreciation of property, plant and equipment	**(1,892)**	(1,939)	**(2,006)**	(1,979)	**(177)**	(178)	**(1,286)**	–	**-**	(11)	**(5,361)**	(4,107)
Depreciation of right-of-use assets	**(159)**	(159)	**(181)**	(181)	**-**	–	**(393)**	–	**-**	–	**(733)**	(340)
Gain on fair value of equity investments	**-**	–	**-**	–	**-**	–	**-**	–	**14,013**	–	**14,013**	1,848
Gain on disposal of asset held for sale	**-**	831	**-**	–	**-**	–	**-**	–	**-**	–	**-**	831
Gain on disposal of land held for development	**143**	–	**-**	–	**-**	–	**-**	–	**-**	–	**143**	–
Addition to property, plant and equipment	**(140)**	(672)	**(296)**	(12)	**(5)**	(23)	**(1,409)**	–	**-**	–	**(2,973)**	(707)

* Amount below S$1,000.

32. SEGMENT INFORMATION (CONTINUED)

Segment revenues and results (Continued)

Revenue reported above represents revenue generated from external customers. Intersegment sales for the current financial year were S$808,900 (2024: S$2,106,672). The accounting policies of the reportable segments are the same as the Group's accounting policies set out in Note 2. Segment results represent the profit/(loss) earned by each segment without allocation of central administration costs and directors' remuneration, share of loss of associate and other income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment asset and liabilities

	Group	
	2025	**2024**
	S$'000	**S$'000**
Segment assets		
Engineering & Construction	**59,055**	70,826
Corrosion Prevention	**22,364**	26,210
Solar Energy	**13,829**	12,783
Trading and manufacturing of Commodities	**217,471**	23,474
Others	**47,315**	44,093
Total segment assets	**360,034**	177,386
Segment liabilities		
Engineering & Construction	**17,369**	23,557
Corrosion Prevention	**2,293**	2,978
Solar Energy	**5,339**	3,585
Trading and manufacturing of Commodities	**190,616**	3,044
Others	**1,617**	1,490
Total segment liabilities	**217,234**	34,654
Add: Unallocated liabilities		
– Provision for income tax	**1,266**	661
– Deferred tax liabilities	**2,009**	2,026
Consolidated liabilities	**220,509**	37,341

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32. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are primarily carried out in Singapore. The Group's revenue from external customers and information about its non-current assets by geographical locations are detailed below.

	Group's revenue from external customers		Group's non-current assets[i]	
	2025	**2024**	**2025**	**2024**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Singapore	**52,728**	67,130	**41,391**	45,387
Rest of Southeast Asia[ii]	**6,275**	6,446	**38**	20
The People's Republic of China	**203,140**	9,369	**111,418**	15
Others[iii]	**59**	32	**-**	–
	262,202	82,977	**152,847**	45,422

(i) Non-current assets exclude other financial assets.
(ii) Rest of Southeast Asia includes Malaysia, Brunei, Philippines and Indonesia
(iii) Others include Greece, Netherlands, Pakistan and Sri Lanka.

33. BUSINESS COMBINATIONS

On 16 June 2025 (the "Completion Date"), the Company's wholly owned subsidiary, SHS Capital Pte. Ltd., a company incorporated in Singapore, through its subsidiary, Guangxi XinXin Technology Co., Ltd. ("GXTC"), completed the acquisition of the 100% equity interests in Guangxi Tidal Precision Technology Co., Ltd. ("GTPT") and Nanning Tidal Aluminium Co., Ltd. ("NTAC") from Nanning Tidal Investment Co., Ltd. (the "Vendor").

GTPT and NTAC are both based in Nanning, the People's Republic of China, and are principally engaged in aluminium-related businesses. GTPT is principally engaged in precision aluminium manufacturing, while NTAC is principally engaged in aluminium recycling.

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(a) Purchase consideration

	RMB'000	**Equivalent to S$'000**
Cash paid	32,949	5,874
Fair value of deferred consideration	105,335	18,780
Total purchase consideration	138,284	24,654

Deferred consideration	**RMB'000**	**Equivalent to S$'000**
Contractual cash flows payables	117,433	20,937
Less: Unamortised finance charges	(12,098)	(2,157)
Fair value of deferred consideration at acquisition date	105,335	18,780

33. BUSINESS COMBINATIONS (CONTINUED)

(a) Purchase consideration (Continued)

The total purchase consideration for the acquisition, before discounting, amounted to RMB150,382,000. This includes deferred revenue arising from government-assisted loans of RMB25,000,000 and a provision for social securities of RMB4,849,000, and interest payable of RMB23,466,000 which were assumed as part of the acquisition, subject to the fulfilment of the relevant obligations.

During the financial period, the Group has paid cash consideration of RMB32,949,000 (equivalent to S$5,991,000) to the Vendor.

Pursuant to the Sale and Purchase Agreement dated 4 September 2024, the remaining consideration of RMB93,967,000 (equivalent to S$16,753,000) is payable within five years from the completion date. The timing of settlement is at the discretion of GXTC. The outstanding balance bears interest at 5% per annum from the completion date, resulting in total interest of approximately RMB23,466,000 (equivalent to S$4,184,000).

Deferred consideration

The fair value of the total consideration inclusive of the finance cost as at the acquisition date was estimated to amount to RMB150,382,000 equivalent to S$26,812,000 discounted at 2.4% per annum. This is a Level 3 fair value measurement.

The deferred consideration represents the remaining purchase consideration payable to the Vendor in accordance with the Sale and Purchase Agreement. The liability includes a significant financing component arising from the extended payment terms and is initially recognised at fair value based on the present value of the expected future cash flows.

Subsequently, the deferred consideration is measured at amortised cost using the effective interest method. The unwinding of the discount is recognised as finance costs in profit or loss over the repayment period.

As at the reporting date, an amount of S$469,867 (Note 5) relating to the unwinding of the discount has been recognised as finance costs in profit or loss. The total deferred consideration payable to the Vendor of S$19,767,000 is included within trade and other payables.

33. BUSINESS COMBINATIONS (CONTINUED)

(b) Fair values of the identifiable assets and liabilities of GTPT and NTAC as at the date of acquisition

	S$'000
ASSETS	
Non-current assets	
Property, plant and equipment	67,032
Right-of-use assets	26,308
Intangible asset	691
Other receivables	12,952
Total non-current assets	106,983
Current assets	
Cash and cash equivalents	106
Inventories	2,818
Trade and other receivables	15,228
Total current assets	18,152
Total assets	125,135
Non-current liabilities	
Term loans	21,461
Lease liabilities	25,735
Deferred income	4,457
Deferred tax liability	46
Total non-current liabilities	51,699
Current liabilities	
Trade and other payables	45,251
Term loans	9,788
Lease liabilities	759
Provision for income tax	194
Total current liabilities	55,992
Total liabilities	107,691
Net identifiable assets acquired	17,444
Add: Goodwill	7,210
Consideration transferred for the business	24,654

(b) Identifiable assets acquired and liabilities assumed:

Goodwill arising from the acquisition is primarily attributable to the expected synergies arising from the integration of the acquired businesses with the Group's existing aluminium-related operations, the anticipated benefits from enhanced operational scale and the future growth opportunities arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

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33. BUSINESS COMBINATIONS (CONTINUED)

(c) The net cash outflow resulting from the acquisition is presented below:

	S$'000
Cash paid	5,991
Less: Cash and bank balances in subsidiary acquired	(106)
Net cash outflow on acquisition during the financial year ended 31 December 2025	**5,885**

From the date of acquisition, GTPT and NTAC have contributed S$198,791,000 and S$7,450,000 to the revenue and loss net of tax of the Group respectively. If the combination has taken place at the beginning of the financial year, the Group's revenue and loss, net of tax would have been approximately S$366,998,770 and S$13,753,800 respectively.

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. These risks include credit risk, market risks (including foreign currency risk and interest rate risk) and liquidity risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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. 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.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group generally does not require collateral. The Group reviews the recoverable amount of each trade receivable and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts.

At the reporting date, the Group does not have significant credit risk exposure to any individual customer's balance of trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings. The Group's maximum exposure to credit risk arises from the carrying amount of the respective recognised financial assets as present on the consolidated statement of financial position. In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks by the Company. The Company's maximum exposure in this respect is the maximum amount the Company is liable to pay if the guarantees are called on as disclosed in Note 30.

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34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Credit risk (Continued)

Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on their shared credit risk characteristics and numbers of days past due. The contract assets have substantially the same risk characteristics as the trade receivables from the same type of customers. Therefore, the Group has concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Further details on the loss allowance of the Group's and the Company's credit risk exposure in relation to contract assets and trade receivables are disclosed in Note 4(b) and Note 17, respectively.

Cash and bank balances and other receivables

The cash and bank balances are entered into with banks and financial institutions that have high credit-ratings.

Impairment on cash and bank balances and other receivables has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances and other receivables have low credit risk based on the external credit ratings of the counterparties. The loss allowance of the Group's cash and bank balances and other receivables is immaterial at the end of the reporting period.

Credit risk grading guideline

Management has established the Group's internal credit risk grading to the different exposures according to their degree of default risk. The internal credit risk grading which is used to report the Group's credit risk exposure to key management for credit risk management purposes is as follows:

Category	Description	Basis of recognising ECL
Performing	The counterparty has a low risk of default and does not have any past due amounts	12-months ECL
Under-performing	There has been a significant increase in credit risk since initial recognition	Lifetime ECL (not credit impaired)
Non-performing	There is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Asset is written off

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34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Credit risk (Continued)

Credit risk exposure

Group	Internal credit rating	ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
2025					
Trade receivables	Note 1	Lifetime ECL (simplified)	**88,492**	**(1,680)**	**86,812**
Contract assets	Note 1	Lifetime ECL (simplified)	**7,326**	**(535)**	**6,791**
Other receivables	Performing	12-month ECL	**28,101**	**(731)**	**27,370**
Long-term non-trade receivables	Non-performing	Lifetime ECL (credit-impaired)	**11,156**	**(4,021)**	**7,135**
2024					
Trade receivables	Note 1	Lifetime ECL (simplified)	23,593	(1,182)	22,411
Contract assets	Note 1	Lifetime ECL (simplified)	10,904	(535)	10,369
Other receivables	Performing	12-month ECL	4,629	(645)	3,984

Note 1: The Group has applied the simplified approach to measure the loss allowance based on lifetime ECL. The details of the loss allowance for these financial assets are disclosed in Notes 4 and 17, respectively.

The credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

Company	Internal credit rating	ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
2025					
Trade receivables	Note 1	Lifetime ECL (simplified)	**11**	**-**	**11**
Other receivables	Performing	12-month ECL	**786**	**(100)**	**686**
Amounts due from subsidiaries	Performing	12-month ECL	**62,746**	**-**	**62,746**
Amount due from subsidiaries	Non-performing	Lifetime ECL (credit-impaired)	**26,556**	**(26,556)**	**-**
2024					
Other receivables	Performing	12-month ECL	760	(100)	660
Amounts due from subsidiaries	Performing	12-month ECL	61,461	–	61,461
Amounts due from subsidiaries	Non-performing	Lifetime ECL (credit-impaired)	33,106	(33,106)	–

Note 1: The Company has applied the simplified approach to measure the loss allowance based on lifetime ECL. The details of the loss allowance for these financial assets are disclosed in Notes 17 and 18, respectively.

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34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Credit risk (Continued)

Loss allowance of financial guarantees

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These financial guarantees are subject to the impairment requirements under SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial standing to meet the contractual cash flow obligations in the near future and henceforth does not expect significant credit losses arising from these financial guarantees.

Market risks

Foreign currency risk

The Group has transactional currency exposure arising from sales or purchases that are denominated in foreign currencies. Exposure to foreign currency risk is monitored on an ongoing basis by the Group to ensure that the net exposure is kept to an acceptable level.

The foreign currency which these transactions are denominated is mainly the United States Dollar ("US$") and Chinese renminbi ("RMB"). The Group does not hedge foreign currency exposure using derivative financial instruments. The Group manages foreign currency risk by close monitoring of the timing of inception and settlement of the foreign currency transactions.

In relation to its overseas investments in foreign subsidiaries whose net assets are exposed to currency translation risks and which are held for long term investment purposes, the differences arising from such translation are recorded under other comprehensive income and foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

The Group's and the Company's significant exposure to foreign currency risk in relation to US$ and RMB based on the information provided to key management at the end of the reporting period is as follows:

	2025		2024	
	US$'000	**RMB'000**	**US$'000**	**RMB'000**
Group				
Financial assets				
Cash and bank balances	**13,047**	**2,742**	17,160	1,012
Trade and other receivables*	**430**	**92,708**	1,657	8
	13,477	**95,450**	18,817	1,020
Financial liabilities				
Trade and other payables and accrual*	**2,497**	**126,310**	–	2,642
Currency exposure	**10,980**	**(30,860)**	18,817	(1,622)
Company				
Financial assets				
Cash and bank balances	**7,154**	**-**	13,940	–
Trade and other receivables*	**430**	**-**	–	–
Amounts due from subsidiaries	**-**	**-**	11,204	–
Currency exposure	**7,584**	**-**	25,144	–

* Financial assets exclude advances to sub-contractors/suppliers and staff, prepayments and tax recoverable and sales tax receivable. Financial liabilities exclude foreign workers' tax withheld and sales tax payable.

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Market risks (Continued)

Foreign currency risk (Continued)

Sensitivity analysis

If the S$ strengthens by 5% against the US$ and RMB at the reporting date and assuming that all other variables including tax remain constant, the profit before tax of the Group and the Company will (decrease)/increase by:

	US$		RMB	
	2025	**2024**	**2025**	**2024**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Group				
Profit before income tax	**(589)**	(941)	**(385)**	81
Company				
Profit before income tax	**(407)**	(1,257)	**-**	–

A 5% weakening of S$ against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Interest rate 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 interest rates. The Group's exposure to interest rate risk arises primarily from borrowings.

The Group is exposed to interest rate risk because the Group obtain credit facilities from banks and financial institutions. The Group's policy is to obtain the most favourable interest rates available. The risk is also managed by maintaining an appropriate mix of fixed and floating rate borrowings. Surplus funds are placed with reputable banks.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Market risks (Continued)

Interest rate risk (Continued)

The table below sets out the Group's exposure to interest rate risk.

Group	Fixed Rates Less than 1 year S$'000	Fixed Rates 1 to 5 years S$'000	Fixed Rates Over 5 years S$'000	Variable Rates Less than 1 year S$'000	Variable Rates 1 to 5 years S$'000	Non-interest bearing S$'000	Total S$'000
2025							
Financial assets							
Cash and bank balances	**13,674**	**-**	**-**	**-**	**-**	**23,600**	**37,274**
Trade receivables	**-**	**-**	**-**	**-**	**-**	**86,812**	**86,812**
Other receivables*	**-**	**-**	**-**	**-**	**-**	**27,242**	**27,242**
Total financial assets	**13,674**	**-**	**-**	**-**	**-**	**137,654**	**151,328**
Financial liabilities							
Trade payables and accruals	**-**	**-**	**-**	**-**	**-**	**95,483**	**95,483**
Other payables*	**842**	**18,924**	**-**	**-**	**-**	**22,774**	**42,540**
Term loans	**12,392**	**20,414**	**-**	**4,648**	**2,149**	**-**	**39,603**
Lease liabilities	**418**	**27,532**	**1,737**	**-**	**-**	**-**	**29,687**
Amounts due to bankers	**-**	**-**	**-**	**1,142**	**-**	**-**	**1,142**
Total financial liabilities	**13,652**	**66,870**	**1,737**	**5,790**	**2,149**	**118,257**	**208,455**

Group	Fixed Rates Less than 1 year S$'000	Fixed Rates 1 to 5 years S$'000	Fixed Rates Over 5 years S$'000	Variable Rates Less than 1 year S$'000	Variable Rates 1 to 5 years S$'000	Non-interest bearing S$'000	Total S$'000
2024							
Financial assets							
Cash and bank balances	17,850	–	–	–	–	20,434	38,284
Trade receivables	–	–	–	–	–	22,411	22,411
Other receivables*	–	–	–	–	–	2,162	2,162
Total financial assets	17,850	–	–	–	–	45,007	62,857
Financial liabilities							
Trade payables and accruals	–	–	–	–	–	10,612	10,612
Other payables*	–	–	–	–	–	2,906	2,906
Term loans	978	–	–	5,364	2,849	–	9,191
Lease liabilities	303	1,590	1,906	–	–	–	3,799
Amounts due to bankers	–	–	–	1,513	–	–	1,513
Total financial liabilities	1,281	1,590	1,906	6,877	2,849	13,518	28,021

* Financial assets exclude advances to sub-contractors/suppliers and staff, prepayments, tax recoverable and sales tax receivable. Financial liabilities exclude foreign workers' tax withheld and sales tax payable.

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Market risks (Continued)

Interest rate risk (Continued)

Sensitivity analysis

At the reporting date, if the interest rates had been 100 (2024: 100) basis points higher/lower with all other variables held constant, the Group's profit before tax would have been S$79,000 (2024: S$97,000) lower/higher, arising mainly as a result of higher/lower interest expenses on floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting their short-term 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.

Analysis of financial liabilities by remaining contractual maturities

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

	Carrying amount S$'000	Contractual cash flows S$'000	Less than 1 year S$'000	1 to 5 years S$'000	Over 5 years S$'000	Total S$'000
Group						
2025						
Trade and other payables and accruals*	**138,023**	**140,355**	**119,557**	**20,798**	**-**	**140,355**
Term loans	**39,603**	**39,891**	**17,138**	**22,753**	**-**	**39,891**
Amounts due to bankers	**1,142**	**1,142**	**1,142**	**-**	**-**	**1,142**
Lease liabilities	**29,687**	**33,302**	**1,423**	**29,683**	**2,196**	**33,302**
	208,455	**214,690**	**139,260**	**73,234**	**2,196**	**214,690**
2024						
Trade and other payables and accruals*	13,518	13,518	13,518	–	–	13,518
Term loans	9,191	9,493	6,493	3,000	–	9,493
Amounts due to bankers	1,513	1,513	1,513	–	–	1,513
Lease liabilities	3,799	5,440	531	2,429	2,480	5,440
	28,021	29,964	22,055	5,429	2,480	29,964

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Liquidity risk (Continued)

	Carrying amount S$'000	Contractual cash flows S$'000	Less than 1 year S$'000	1 to 5 years S$'000	Over 5 years S$'000	Total S$'000
Company						
2025						
Trade and other payables and accruals*	**1,616**	**1,616**	**1,616**	**-**	**-**	**1,616**
Lease liabilities	**867**	**992**	**229**	**763**	**-**	**992**
	2,483	**2,608**	**1,845**	**763**	**-**	**2,608**
2024						
Trade and other payables and accruals*	1,462	1,462	–	–	–	1,462
Lease liabilities	1,036	1,221	229	992	–	1,221
	2,498	2,683	229	992	–	2,683

* Trade and other payables and accruals exclude foreign workers' tax withheld and sales tax payable

The table below shows the maximum amount of the financial guarantees that are allocated to the earliest period in which these financial guarantees could be called.

	Carrying amount S$'000	Less than 1 year S$'000	Total S$'000
Group			
2025			
Financial guarantees			
– third party	**-**	**2,545**	**2,545**
– investee	**-**	**1,666**	**1,666**
	-	**4,211**	**4,211**
2024			
Financial guarantees			
– investee	–	1,760	1,760
	–	1,760	1,760

NOTES TO THE *FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Liquidity risk (Continued)

	Carrying amount S$'000	Less than 1 year S$'000	Total S$'000
Company			
2025			
Financial guarantees			
– subsidiaries	**-**	**34,900**	**34,900**
– investee	**-**	**1,666**	**1,666**
	-	**36,566**	**36,566**
2024			
Financial guarantees			
– subsidiaries	–	28,432	28,432
– investee	–	1,760	1,760
	–	30,192	30,192

The amount included for financial guarantee contracts is the maximum amount the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparties to the guarantees based on the earliest date on which the Company may be required to pay. Based on management's expectation at the reporting date, the Company consider that it is unlikely that such an amount will be payable under the arrangement.

35. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value hierarchy

The Group categories fair value measurements 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

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Assets measured at fair value

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

	S$'000 Fair value measurements at the reporting date using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Group				
2025				
Non-financial asset:				
Leasehold land	**-**	**-**	**5,714**	**5,714**
Leasehold buildings	**-**	**-**	**33,604**	**33,604**
Financial asset:				
Other financial assets – transfer from level 3	**29,594**	**-**	**-**	**29,594**
Other financial assets	**-**	**-**	**4,896**	**4,896**
2024				
Non-financial asset:				
Leasehold buildings	–	–	32,608	32,608
Financial asset:				
Other financial assets	–	–	20,597	20,597

	S$'000 Fair value measurements at the reporting date using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Company				
2025				
Non-financial asset:				
Investment property	**-**	**-**	**5,029**	**5,029**
Financial asset:				
Other financial assets – transfer from level 3	**29,594**	**-**	**-**	**29,594**
Other financial assets	**-**	**-**	**4,896**	**4,896**
2024				
Non-financial asset:				
Investment property	–	–	6,200	6,200
Financial asset:				
Other financial assets	–	–	20,597	20,597

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Assets measured at fair value (Continued)

Transfers between Level 1 and 3

In 2025, the Group transferred certain other financial assets from Level 3 to Level 1 of the fair value hierarchy following the investee company merged with a company listed on a stock exchange, which resulted in the availability of quoted prices in an active market.

There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial years ended 31 December 2024.

Level 3 fair value measurement

(i) 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	Valuation Technique	Significant unobservable input	Relationship of unobservable input to fair value
Leasehold land and buildings (excluding investment property)(1)	Direct comparison method	Selling price per square metre	The lower the selling price per square metre of comparable properties, the lower the valuation
Investment(2) property (2024)	Direct comparison method	Selling price per square metre	The lower the selling price per square metre of comparable properties, the lower the valuation
Investment property (2025)(2)	Value-in-use	Expected cash inflows	If expected cash flows were 5% higher or lower, the FV would increase/decrease
Other financial assets – unquoted equity investments(3)	Adjusted net asset method	Fair values of underlying assets and liabilities of the investee	The lower the adjusted net asset value, the lower the valuation

(1) If the above unobservable input was 5% higher/lower while all the other variables were held constant, the fair value of the leasehold buildings would increase/decrease by S$1,714,000 (2024: S$1,320,000).

(2) If the above unobservable input was 5% higher/lower while all the other variables were held constant, the fair value of the other financial assets would increase/decrease by S$251,000 (2024: S$310,000).

(3) If the above unobservable input was 5% higher/lower while all the other variables were held constant, the fair value of the other financial assets would increase/decrease by S$245,000 (2024: S$1,030,000).

***NOTES TO THE** FINANCIAL STATEMENTS*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Level 3 fair value measurement (Continued)

(ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Unquoted equity investment	
	2025	**2024**
	S$'000	**S$'000**
Group		
At 1 January	**20,597**	14,322
Capitalisation of loan into investment in investee	**-**	4,427
Fair value gain recognised in OCI, net	**9,732**	1,848
Disposal	**(25,433)**	–
At 31 December	**4,896**	20,597

	Leasehold land and buildings	
	2025	**2024**
	S$'000	**S$'000**
Group		
At 1 January	**32,608**	36,005
Acquisition of subsidiaries	**8,435**	–
Transfer from construction in progress	**1,518**	–
Depreciation	**(3,579)**	(3,397)
Currency realignment	**271**	
At 31 December	**39,253**	32,608

Valuation policies and procedures

The Group has an established control framework with respect to the measurement of fair values. This framework includes the finance team that reports directly to the Chief Financial Officer, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. if third party information is used as a reference to measure fair value, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy the resulting fair value estimate should be classified.

For all significant financial reporting valuations using valuation models with significant unobservable inputs, the Group will engage external valuation experts who 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. For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed by the finance team along with the appropriateness and reliability of the inputs.

Significant valuation issues are reported to the Audit Committee.

NOTES TO THE *FINANCIAL STATEMENTS*
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Assets and liabilities not measured at fair value

The carrying amounts of lease liabilities approximate their fair values as the implicit interest rates approximate the market interest rates prevailing at the financial year end.

The carrying amounts of floating rate loans and borrowings approximate their fair values as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of fixed rate loans and borrowings approximate their fair values as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements.

The carrying amounts of the Group's and the Company's current financial assets and current financial liabilities approximate their fair values due to their short-term nature.

36. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to ensure it maintains healthy capital ratios in order to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2024.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2025 and 2024.

Management reviews the capital structure of the Group and makes adjustment to it, in light of changes in economic conditions. Management considers the cost of capital and the risks associated with each class of capital. The Group monitors capital using the net debt-to-equity ratio. The Group includes within net debt, loans and borrowings, trade payables and accruals, other payables and lease liabilities, less cash and bank balances. Equity includes all capital and reserves of the Group that are managed as capital.

	Group	
	2025	**2024**
	S$'000	**S$'000**
Net debt	**171,619**	(10,014)
Equity	**139,525**	140,045
Net debt to equity ratio	**123%**	N.M

N.M. – Not meaningful as the Group's cash and bank balances exceeded its liabilities included within net debt as at 31 December 2024.

37. SUBSEQUENT EVENTS

Military conflict in the Middle East

The military conflict in the Middle East that began on 28 February 2026 which resulted in increased uncertainty over regional security, supply chain reliability, and economic conditions. The Group and the Company primarily operate in Asia Pacific and do not currently expect the military conflict in the Middle East to have any direct significant adverse impact on the Group's and the Company's results in the coming financial year. However, as the situation is still evolving, the full effect of the conflict remains uncertain and the Group and the Company are therefore unable to provide a quantitative estimate of its potential impact on the Group and the Company. The Group and the Company will be monitoring the situation and may consider implementing appropriate measures to mitigate the adverse impact of the military conflict in the Middle East on the Group's and the Company's operation.

Disposal of quoted equity investment

On 24 March 2026, the Company completed the disposal of its entire shareholding in SED Energy, a company listed on Euronext Oslo Børs, through an off-market block trade to investors via Arctic Securities AS. The Company disposed of 28,289,977 ordinary shares in SED Energy at a price of NOK7.80 per share, equivalent to approximately SGD1.018 per share. The disposal resulted in gross sale proceeds of approximately SGD28.8 million.

Prior to the completion of the disposal, the Company received a cash dividend of approximately SGD0.98 million in respect of its entire shareholding in SED Energy.

Following the completion of the disposal, the Company fully divested its entire shareholding in SED Energy and SED Energy ceased to be an investment of the Company. The disposal and the receipt of the dividend occurred after the reporting period and have therefore not been recognised in the financial statements for the financial year ended 31 December 2025.

STATISTICS OF SHAREHOLDINGS
AS AT 20 MAY 2026

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	363	18.06	4,078	0.00
100 – 1,000	123	6.12	80,751	0.01
1,001 – 10,000	541	26.92	3,942,724	0.65
10,001 – 1,000,000	950	47.26	76,048,671	12.46
1,000,001 AND ABOVE	33	1.64	530,277,188	86.88
TOTAL	**2,010**	**100.00**	**610,353,412**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	207,353,267	33.97
2	STONE ROBERT ALEXANDER	50,271,000	8.24
3	DBS NOMINEES (PRIVATE) LIMITED	49,076,320	8.04
4	CITIBANK NOMINEES SINGAPORE PTE LTD	47,291,575	7.75
5	SBS NOMINEES PRIVATE LIMITED	43,042,526	7.05
6	NG HAN KOK	21,537,700	3.53
7	TAN SIEW SAN	16,923,400	2.77
8	LEE OON GIM	11,663,000	1.91
9	ONG ENG LOKE	11,552,000	1.89
10	MAYBANK SECURITIES PTE. LTD.	11,293,041	1.85
11	OCBC SECURITIES PRIVATE LIMITED	7,908,600	1.30
12	KHOO THOMAS CLIVE	5,584,700	0.91
13	NG HUNG KOON	4,947,000	0.81
14	CHIA BOON HOE LAWRENCE	4,506,900	0.74
15	KHOO SIN HOCK VICTOR	3,727,700	0.61
16	SEOW CHUAN BIN	3,382,800	0.55
17	TANG SEE CHANG @ TAN SAY CHAN	3,200,000	0.52
18	SIAH SIEW GEOK	2,943,600	0.48
19	VICTOR ENTERPRISES PTE LTD	2,337,800	0.38
20	TENG AH LAN	2,282,000	0.37
	TOTAL	**510,824,929**	**83.67**

STATISTICS OF SHAREHOLDINGS

AS AT 20 MAY 2026

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 20 May 2026)

	Direct Interest	%	Deemed Interest	%
Tidal New Energy Investment Pte. Ltd.	–	–	160,967,600[(1)]	26.37
Teng Choon Kiat	–	–	160,967,600[(2)]	26.37
Ng Han Kok	21,537,700	3.53	94,146,953[(3)]	15.42
Stone Robert Alexander	50,271,000	8.24	1,500,000[(4)]	0.25
Lim Peng Chuan Terence	–	–	31,030,700[(5)]	5.08
Khoo Thomas Clive	5,584,700	0.91	40,000,000[(6)]	6.55

Notes:

(1) Tidal New Energy Investment Pte. Ltd. ("Tidal") is deemed interested in the 160,967,600 shares registered under CGS International Securities Singapore Pte. Ltd. and held on behalf of Tidal.

(2) Teng Choon Kiat holds not less than 20% of the voting rights of Tidal. Accordingly, Teng Choon Kiat is deemed to be interested in the 160,967,600 shares held by Tidal in the Company.

(3) Ng Han Kok is deemed to be interested in (i) 250,000 shares held by his spouse; (ii) 43,042,526 shares registered under SBS Nominees Private Limited; (iii) 46,259,527 shares registered under CGS International Securities Singapore Pte. Ltd. and (iv) 4,594,900 shares registered under Maybank Securities Pte. Ltd.

(4) Held through OCBC Securities Private Limited.

(5) Held through Bank of Singapore of 30,000,000 shares and CPF Nominee of 1,030,700 shares.

(6) Held through DBS Nominees Pte Ltd.

Note: The above percentages are calculated based on the Company's number of issued shares (excluding 67,706,500 treasury shares) of 610,353,412.

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF THE PUBLIC

As at 20 May 2026, approximately 33.65% of the Company's shares (excluding treasury shares) are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

ADDITIONAL INFORMATION FOR DIRECTORS SEEKING FOR RE-ELECTION

Additional Information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Directors seeking for re-election

	Ng Han Kok, Henry	Chua San Lye	Kong Chee Keong
Date of Appointment	3 January 2014	29 April 2024	9 February 2026
Date of last re-appointment (if applicable)	29 April 2024	29 May 2025	NA
Age	64	65	58
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this re-appointment	The Board considered the Nominating Committee's recommendation and assessment of Mr Ng Han Kok, Henry's commitment in the discharge of his duties as a Director, inter alia, and is satisfied that he continues to possess the requisite experience and qualification to continue office as Group Chief Executive Officer.	The Board considered the Nominating Committee's recommendation and assessment of Mr Chua San Lye's independence and commitment in the discharge of his duties as an Independent Director, inter alia, and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.	The Board considered the Nominating Committee's recommendation and assessment of Mr Kong Chee Keong's independence and commitment in the discharge of his duties as an Independent Director, inter alia, and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive, leading role in developing business of the Group	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Group Chief Executive Officer	Lead Independent Director, Chairman of Nominating Committee and member of Audit and Remuneration Committees	Independent Non-Executive Director, Chairman of Audit Committee and member of Nominating and Remuneration Committees
Professional qualifications	Please refer to the section of the Company's Annual Report titled "Board of Directors" for further details.		
Working experience and occupation(s) during the past 10 years			
Shareholding interest in the listed issuer and its subsidiaries	21,537,700 ordinary shares in the Company (Direct interest) 94,146,953 ordinary shares in the Company (Deemed interest)	Nil	Nil

ADDITIONAL INFORMATION FOR *DIRECTORS SEEKING FOR RE-ELECTION*

	Ng Han Kok, Henry	**Chua San Lye**	**Kong Chee Keong**
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	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer – Yes/No	Yes	Yes	Yes
Other Principal Commitments Including Directorships Past (for the last 5 years) Present	Please refer to the section of the Company's Annual Report titled "Board of Directors" for further details.		
Responses to questions (a) to (k) under Appendix 7.4.1 of the SGX Listing Manual	Negative confirmation for Mr Ng Han Kok, Henry	Negative confirmation for Mr Chua San Lye	Negative confirmation for Mr Kong Chee Keong

NOTICE OF *ANNUAL GENERAL MEETING*

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ("**AGM**" or the "**Meeting**") of SHS Holdings Ltd. (the "**Company**") will be held at 19 Tuas Avenue 20, Singapore 638830 on Monday, 29 June 2026 at 10.00 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 for the year ended 31 December 2025 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To re-elect the following Directors retiring pursuant to Articles 90 and 96 of the Constitution of the Company:

   Mr Ng Han Kok, Henry **(Resolution 2)**
   Mr Chua San Lye **(Resolution 3)**
   Mr Kong Chee Keong **(Resolution 4)**

   See Explanatory Note (i)

3. To approve the payment of Directors' fees of up to S$130,000 for the financial year ending 31 December 2026, to be paid quarterly in arrears. (2025: S$209,800) **(Resolution 5)**

4. To re-appoint Forvis Mazars LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

5. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

6. **AUTHORITY TO ALLOT AND ISSUE SHARES**

   That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be and are hereby be authorised to:

   (a) (i) allot and issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (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,

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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

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments 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 in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per cent (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 to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed twenty per cent (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 that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total 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 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 the Listing Manual of the SGX-ST; and

    (c) any subsequent bonus issue, consolidation or subdivision of shares;

    provided that such adjustments in sub-paragraphs (2)(a) and (b) above are 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 the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

See Explanatory Note (ii) **(Resolution 7)**

By Order of the Board

Yoo Loo Ping
Company Secretary

Singapore, 12 June 2026

Explanatory Notes:

(i) Resolutions 2, 3 and 4 – Detailed information about the Directors of the Company can be found in the "**Board of Directors**" section of the Company's Annual Report, including their current directorships in other listed companies and other principal commitments held. Please also refer to the section titled "**Additional Information on Directors Seeking Re-Election**" appended to this Notice of Annual General Meeting for additional information on the retiring Directors.

Mr Ng Han Kok, Henry will, upon re-election as a Director of the Company, remains as Executive Director and considered non-independent.

Mr Chua San Lye will, upon re-election as a Director of the Company, remain as the Lead Independent Director, the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee, and will be considered independent.

Mr Kong Chee Keong will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee, and will be considered independent.

(ii) Resolution 7 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM 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 cent (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 cent (20%) may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) 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 Ordinary Resolution is passed after adjusting for new shares arising from (a) the conversion or exercise of any convertible securities; (b) share options or vesting of share awards, provided the options and awards were granted in compliance with the Listing Manual of the SGX-ST; and (c) any subsequent bonus issue, consolidation or subdivision of shares, provided such adjustments in sub-paragraphs (a) and (b) above are 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 the passing of this Ordinary Resolution.

Important Notes:

1. The AGM will be held in a wholly physical format. There will be no option for shareholders to participate virtually.

2. Members may participate in the AGM by:

   (a) attending the AGM in person;

   (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or

   (c) voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies)/corporate representative(s).

   For avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e. persons other than the Chairman of the Meeting) to vote at the AGM on their behalf.

   CPF and SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 18 June 2026, being seven (7) working days prior to the date of the AGM.

NOTICE OF *ANNUAL GENERAL MEETING*

3. A member who is not a relevant intermediary is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

   Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.

4. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

   Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory. If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. In the absence of specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the Chairman of the AGM will vote or abstain from voting at his/her discretion.

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if in hard copy by post, be lodged at the registered office of the Company at 19 Tuas Avenue 20, Singapore 638830; or

   (b) if by email, be received at proxyform@shsholdings.com.sg.

   in either case, no later than **10.00 a.m. on 27 June 2026**.

7. The Chairman of the Meeting, as a proxy, need not be a member of the Company.

8. Members may submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM, in the following manner by 19 June 2026:

   (a) in hard copy by post to the registered office of the Company at 19 Tuas Avenue 20, Singapore 638830; or

   (b) by email to meetings@shsholdings.com.sg.

   The Company will endeavour to address all substantial and relevant questions received from Shareholders by the 19 June 2026 deadline via SGXNet and on our corporate website by 24 June 2026.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (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), 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) 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.

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SHS HOLDINGS LTD.
(Company Registration Number 197502208Z)
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting ("**AGM**" or the "**Meeting**") and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPS or SRS monies to buy the Company's shares, the Annual Report is forwarded to them at the request of their CPF Agent Banks and SRS Operators and is sent solely **FOR INFORMATION ONLY**.
3. This proxy form is not valid for use CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. This proxy form may also be accessed at the URL https://www.sgx.com/securities/company-announcements.

PROXY FORM

(Please see notes overleaf before completing this Form)

*I/We, ____________________ (Name)

____________________ (NRIC/Passport No./Company Registration No.)

of ____________________ (Address)

being a *member/members of SHS Holdings Ltd. (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Share	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company at 19 Tuas Avenue 20 Singapore 638830 on 29 June 2026 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

(Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" a Resolution, please indicate with a "√ " in the space provided under "For" or "Against". If you wish to abstain from voting on a Resolution, please indicate with a "√ " in the space provided under "Abstain". Alternatively, please indicate the number of votes that your proxy is directed to vote "For" or "Against" or to abstain from voting.

No.	**Resolutions relating to:**	**For**	**Against**	**Abstain**
1	Directors' Statement and Audited Financial Statements for the year ended 31 December 2025			
2	Re-election of Mr Ng Han Kok, Henry as Director			
3	Re-election of Mr Chua San Lye as Director			
4	Re-election of Mr Kong Chee Keong as Director			
5	Approval of Directors' fees of up to S$130,000 for the financial year ending 31 December 2026			
6	Re-appointment of Forvis Mazars LLP as Auditors			
7	Authority to allot and issue shares			

Dated this ________ day of ____________________ 2026

Total number of Shares in:	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
Or, 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 appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member who is not a relevant intermediary is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be treated as representing one hundred per cent (100%) of the shareholding and any second named proxy as an alternate to the first named proxy.
4. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different shares or shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (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;

   (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.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting 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 Meeting.
6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) If in hard copy by post, be lodged at the registered office of the Company at 19 Tuas Avenue 20, Singapore 638830; or

   (b) if by email, be received at proxyform@shsholdings.com.sg,

   in either case, no later than 10.00 a.m. on 27 June 2026.
7. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) 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(ies) 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.
8. 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 Meeting, in accordance with Section 179 of the Companies Act 1967.

General:

The Company shall be entitled to reject the instrument appointing a proxy(ies) 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 a proxy(ies) (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing a proxy(ies)). In addition, in the case of members whose shares are entered against their names in the depository register, the Company may reject any instrument appointing a proxy(ies) lodged if such members are not shown to have shares entered against their names in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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 Annual General Meeting dated 12 June 2026.

SHS HOLDINGS LTD.

19 Tuas Avenue 20 Singapore 638830.

(65) 6515 6116

(65) 6515 6117

www.shsholdings.com.sg