



**MUN SIONG**  
ENGINEERING LIMITED

**PROGRESSING  
TOWARDS A  
SUSTAINABLE  
TOMORROW**

**ANNUAL REPORT 2025**

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## Our Philosophy



Our belief remains the same since our founding time - deliver the best timely and safe competitive solutions. We believe that credibility is the essence of every business. Thus, we strive to fulfill our clients' requirements, while adapting ourselves in different circumstances to deliver the best at all times.

## Our Vision



We will become the preferred and most trusted turnkey solution provider to customers, colleagues, investors, business partners, and the communities where we work and live.

## Our Mission



We dedicate ourselves to be the preferred service provider that thrives on cutting edge Technology, Safety, Quality and Competitive Solutions to achieve customer satisfaction.

# CORPORATE PROFILE



**Mun Siong Engineering Limited**, established in 1969, has over 56 years of industry leadership. As a Group, we specialize in providing comprehensive Turnkey Mechanical Services, Plant Maintenance, and a range of highly efficient, in-house specialized solutions. We are committed to integrating multi-disciplinary technical expertise with a strong focus on safety, efficiency, quality, and environmental sustainability. As a leading provider of construction and integrated maintenance services in both Asia and the USA, our Group serves a variety of industries, including oil & gas, petrochemical, energy, chemicals, power generation and construction. We offer a complete, one-stop solution for all our clients' needs, covering engineering, procurement, fabrication, construction, and maintenance services for process plants, alongside specialized products and tailored solutions.

# CORPORATE ROADMAP

## 1969

Incorporated Mun Siong Engineering Pte Ltd



## 2010

Listed on SGX mainboard: Mun Siong Engineering Limited

## 2019

- Incorporated HIMS Integrated Services Sdn Bhd in Malaysia
- Incorporated a Taiwan branch office



## 2000

Acquired OHM Engineering in 2000

## 2018

Integration of OHM Engineering E & I Services into Mun Siong



# CORPORATE ROADMAP

## 2022

- Incorporated Pegasus Advance Industrial Co Ltd in Kaohsiung, Taiwan
- Incorporated Pegasus Industrial Midwest LLC ("PIM") in USA



## 2025

Successfully delivered the BP Turnaround scope by PIM

## 2020

Incorporated Pegasus Advance Engineering Sdn Bhd in Malaysia



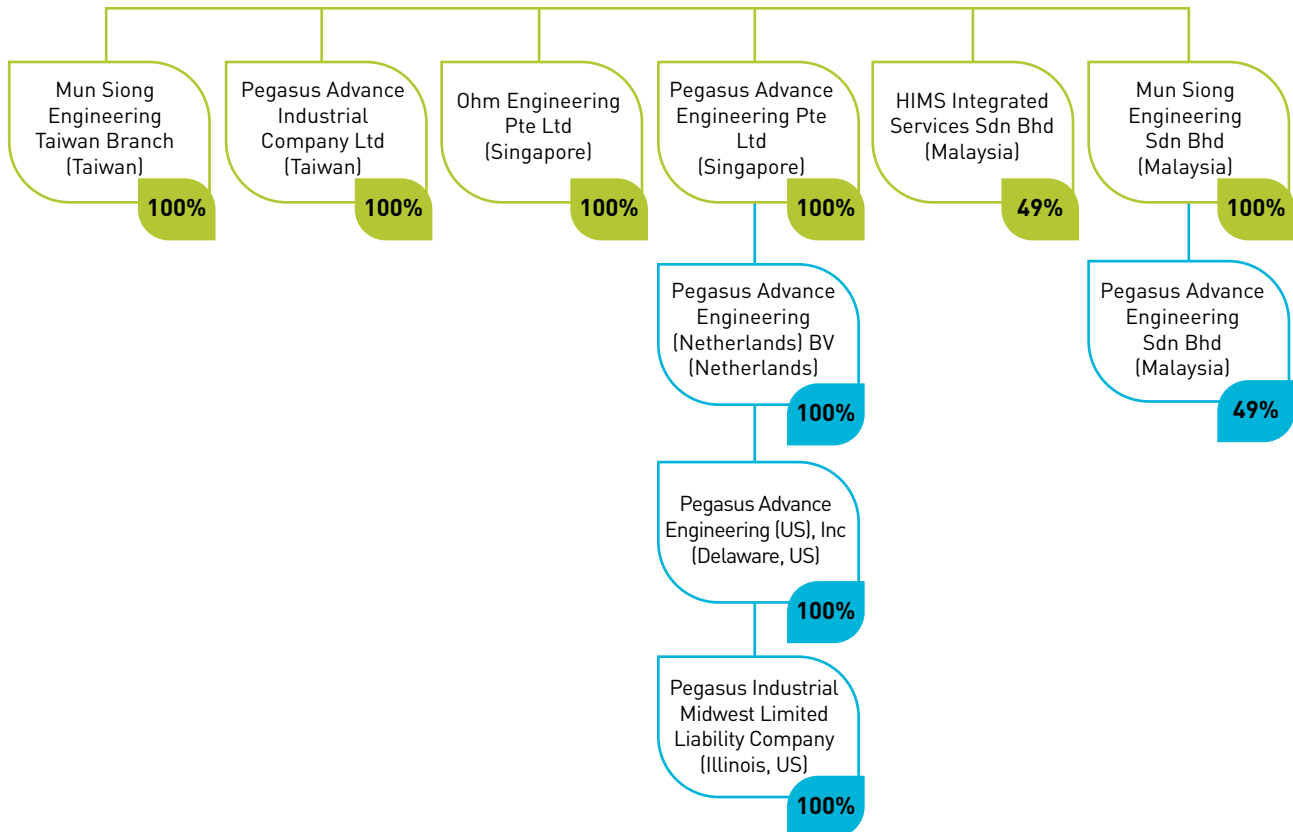
## 2024

PIM deliver 1st fabricated Bundle from the workshop

# CORPORATE STRUCTURE



**MUN SIONG**  
ENGINEERING LIMITED  
(Singapore)

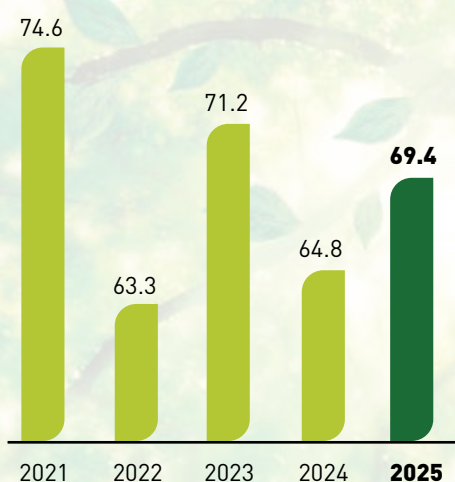


## OUR INTEGRATED SERVICES

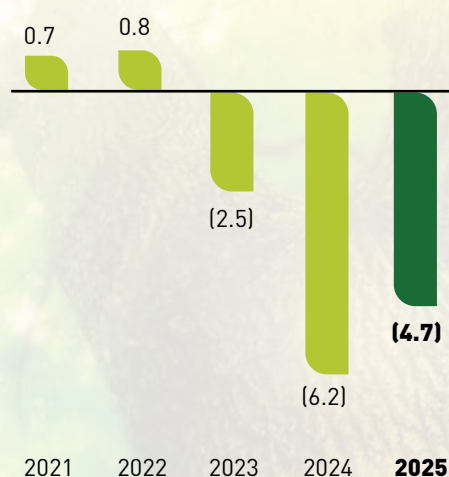
- Multi-Disciplinary Engineering Calculations and Design Consultancy
- In-House Quality Control and Quality Assurance Services
- Heat Exchanger Services: Retubing, repair, modification, and new fabrication
- On-Site Flange Refacing Services
- Semi Automated Ultra-High Pressure Cleaning Services
- Abrasive Water-Jet Cutting and Hydro Drilling Services
- Furnace, Boilers, and Fired-Heater Mechanical De-coking and Inspection Services
- Rotating Equipment Services: Removal, servicing, repair, overhauling, and installation
- Static and Dynamic Balancing Services
- Turnkey Heat Exchanger & Pressure Vessel Design and Fabrication
- Industrial Equipment Ultrasonic Cleaning Services
- Internal Tube Grit Blasting Cleaning Services
- Internal Tube Epoxy Coating Services
- Advanced Anti-Corrosion & Low Surface Energy Coatings (Curran International)
- Heat Exchanger Coil Cleaning (Conco Systems)
- Mechanical Seal Supply and Repair (STB GmbH)
- Trenchless Pipeline Rehabilitation (Primus Line)
- Thermoplastic Anti-Corrosion Coatings (Oxifree)
- Authorized Maintenance Provider for Waterous Pumps (Waterous)
- Milwaukee Tool for Battery Operated Power Tools (Milwaukee)
- Process Plant Shutdown Maintenance Projects, Turnaround Maintenance, and Project Management
- Tankage Rehabilitation and Demolition Services
- Scaffolding, Insulation, and Painting Services
- Emergency, Predictive, and Routine Maintenance Programs
- Structural Steel Services: Design, prefabrication, fabrication, and erection
- Steel Piping & Support Systems: Design, prefabrication, fabrication, and installation
- Atmospheric Storage Tank Solutions: Design, fabrication and construction
- Equipment Package/Skid Design, Fabrication, and Assembly
- Electrical Services: Transformer, switchgear, and control panel installation
- Instrumentation & Control Systems: Integrated design, installation, and construction
- Distributed Control System (DCS) & PLC Solutions: Installation, loop checking, testing, and pre commissioning
- Instrumentation & Control System Fabrication and Installation

## GROUP FINANCIAL HIGHLIGHTS

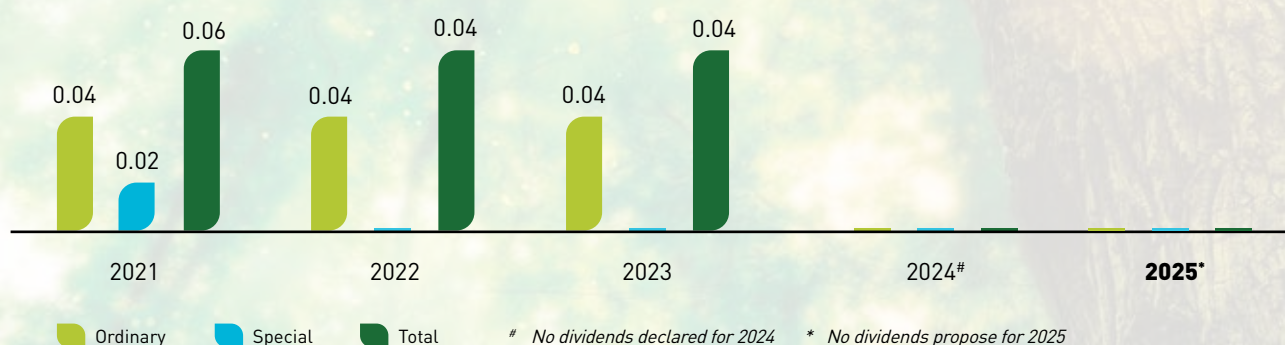
### GROUP REVENUE S\$ (M)



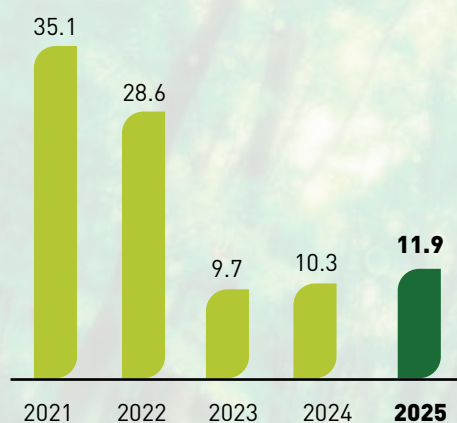
### GROUP PROFIT / (LOSS) BEFORE TAX S\$ (M)



### DIVIDEND RATE PER SHARE (CENTS)



### GROUP CASH AND CASH EQUIVALENTS S\$ (M)



### FINANCIAL CALENDAR FOR 2026/2027

27 February 2026	Announcement of FY2025 Results
27 April 2026	AGM for FY2025
6 August 2026 (tentative)	Announcement of half yearly results 2026
25 February 2027 (tentative)	Announcement of FY2026 Results

# JOINT MESSAGE FROM EXECUTIVE CHAIRLADY AND DEPUTY CHAIRMAN

**Dear Shareholders,**

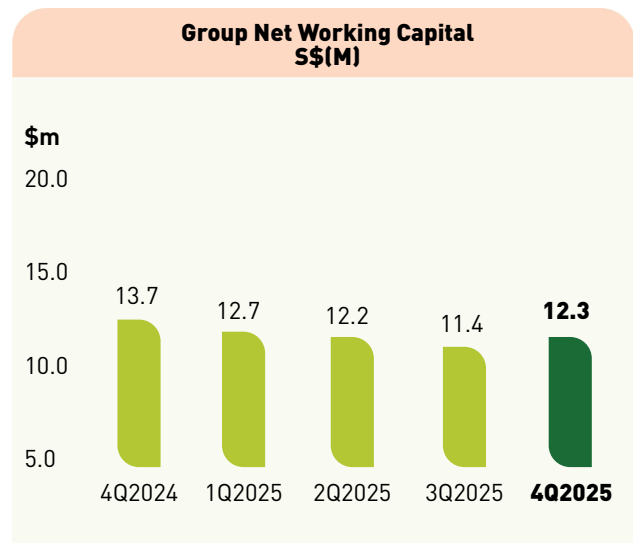
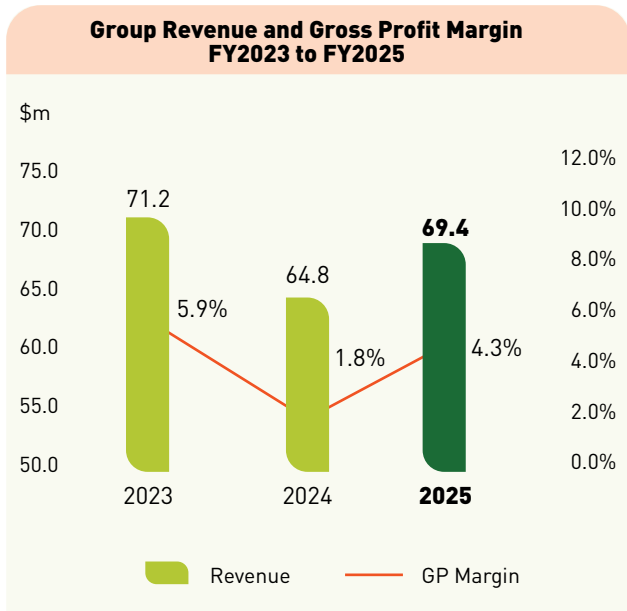
On behalf of the Board and Management, we are pleased to present the Annual Report of Mun Siong Engineering Limited for the financial year ended 31 December 2025 ("FY2025").

**A Year of Resilience Amid Market Headwinds**

FY2025 was marked by continued uncertainty in the global economic environment and persistent challenges across the oil and gas sector. Project scarcity, capital discipline among our clients, and margin compression required us to remain agile, disciplined, and focused on operational excellence.

Despite these headwinds, the Group achieved positive revenue growth during the year. For FY2025, we recorded a consolidated revenue of \$69.4 million, representing an increase of \$4.5 million or 7.0% as compared to the previous year. This growth, despite facing competitive pricing pressures, was driven primarily by increased work activities and extended services beyond the Group's traditional core industry. The Group has intensified its marketing efforts in other industries in recent years, and these initiatives are gradually gaining traction.

The Group maintained a continuous disciplined approach towards cost management and capital allocation. Operating margins remain low resulting in operating losses in certain months of the year. We continue to exercise prudent expense control and strengthened our working capital position. Cash balances and net working capital remained resilient, supported by effective receivables management and cost initiatives.



**Operating in a Geopolitical Energy Landscape**

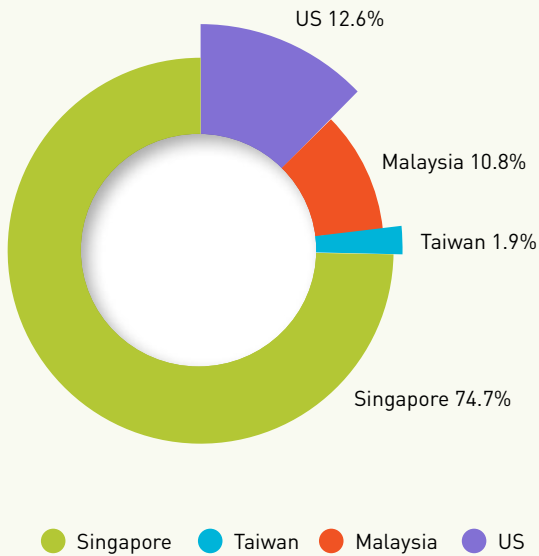
**Energy Market Outlook**

The global energy market continues to experience heightened volatility, influenced by evolving geopolitical developments and uncertainties surrounding global supply routes and energy security. These dynamics have contributed to fluctuations in crude oil prices and a cautious investment environment across the industry. In response, oil majors and refiners remain focused on disciplined capital allocation while prioritising operational reliability, safety and the efficient execution of maintenance and turnaround activities to safeguard production continuity.

Against this backdrop, demand for reliable engineering and maintenance services remains essential as asset owners seek to maximise operational uptime and extend the lifecycle of critical infrastructure. The Group remains committed to delivering safe, reliable and sustainable engineering solutions while creating long-term value for our clients, stakeholders and communities.

# JOINT MESSAGE FROM EXECUTIVE CHAIRLADY AND DEPUTY CHAIRMAN

**Revenue Contributions by Countries FY2025**



## Operational Performance Across Our Regions

### Singapore

Our Singapore operations demonstrated resilience, recording a revenue growth of \$5.6 million or 12.2% in FY2025 to \$51.8 million. The improvement was underpinned by increased work volume and the extension of services to clients beyond the traditional core process industry.

Gross profit and gross profit margin improved significantly in FY2025 as compared to FY2024, reflecting enhanced workforce deployment, tighter cost controls, and continuous monitoring of project execution.

Singapore remains our operational foundation and a benchmark for safety, quality, and execution excellence for the rest of the regions we operate in.

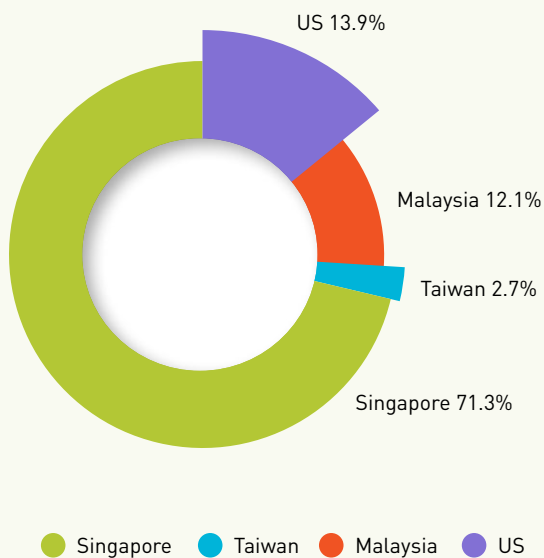
### Malaysia

The Malaysia segment faced a more challenging environment, with revenue decreasing by \$0.4 million or 5.0% from \$7.9 million in FY2024 to \$7.5 million in FY2025. During the year, our Malaysia operations experienced a lower volume of work activities as clients adopted a more cautious approach to maintenance and project scheduling due to focusing more on passing their reliability tests, amid heightened geopolitical uncertainties and volatility in the global energy market. This softer activity impacted labour utilisation and operational efficiency during certain periods. In addition, the Group made a provision for a foreseeable loss of \$0.2 million for a project, as the revised purchase order has yet to be finalised with the client.

Looking ahead, we are preparing for a Turnaround project tentatively scheduled for the end of 2026. This will represent both our first Turnaround campaign and the inaugural major Turnaround project undertaken by our Malaysia operations. While uncertainties and execution challenges may arise for a maiden project, experienced personnel from the rest of the Mun Siong Group will be deployed to provide technical guidance, project management oversight and operational support to facilitate effective execution.

Encouragingly, we secured projects from three new clients during the year. One of these clients has invited us to submit a tender for a new project, while another is currently in discussions with us on potential additional works, reflecting early progress in expanding our client base.

**Revenue Contributions by Countries FY2024**



# JOINT MESSAGE FROM EXECUTIVE CHAIRLADY AND DEPUTY CHAIRMAN

The Pengerang facilities remain a strategically important operational hub for the Group in Southeast Asia, strengthening our ability to support regional clients efficiently. We remain committed to pursuing opportunities aligned with our core competencies while enhancing operational execution and delivering safe, reliable and high-quality engineering and maintenance services across the region. With our established regional presence and experienced project teams, the Group is well positioned to support clients in an evolving energy landscape while continuing to create sustainable value for our stakeholders.

## United States

The US operations registered revenue of \$8.8 million and \$9.0 million in FY2025 and FY2024 respectively, a decline of \$0.2 million or 2.2%.

Our U.S. operations continue to build momentum in the competitive American market. We successfully executed a major Turnaround project for an existing customer (with processing capacity of 450,000 barrels per day) in the fourth quarter of 2025. This successful execution narrowed our significant operating losses incurred in the first half of 2025 in which the unilateral tariffs imposed in April 2025 caused one of our fabrication jobs to incur costs that were not budgeted for.

More significantly, starting in fourth quarter of 2025, we saw a substantial increase in non-turnaround revenue which we expect to continue into 2026. In addition, our existing customers have demonstrated growing confidence in our cleaning capabilities, as evidenced by the early award of two shutdown cleaning projects for execution in the first half of 2026.

We are happy to report that two new refinery operators, with refining capacities of more than 300,000 and 150,000 barrels per day respectively, have qualified us as their approved vendor for additional work. It was a long-drawn qualification process due to their stringent qualifications. With the addition of these two, our list of consistent repeat customers now includes 5 large plants with operating capacities ranging from 120,000 to upwards of 450,000 barrels per day. It should be noted that these customers were part our marketing plan when we set up the US operations. We will continue to intensify our efforts to attract more customers in the Midwest region.

## Taiwan

Taiwan operations executed small dollar value jobs throughout FY2025. It recorded revenue of \$1.3 million in FY2025 (FY2024: \$1.7 million).

The Taiwan Branch's three-year suspension was lifted in December 2025. During the suspension period, the Group maintained its relationship with the client through its wholly owned subsidiary, Pegasus Advance Industrial Company Limited ("PAI"), which continued to undertake smaller scale works in Taiwan.

Following the lifting of the suspension, the Taiwan Branch has resumed participation in project opportunities and is preparing to pursue projects expected to be released by the client in 2026, with execution anticipated to commence in 2027. The reinstatement of the Branch's eligibility marks an important step in re-establishing our operational presence in Taiwan and positions the Group to participate in upcoming maintenance and turnaround activities.

Taiwan remains an important market for the Group, and we will continue to strengthen our engagement with key clients while pursuing opportunities aligned with our engineering and maintenance capabilities. The resumption of the Branch's participation in project tenders is expected to support the Group's revenue pipeline and contribute to our regional growth in the coming years.

# JOINT MESSAGE FROM EXECUTIVE CHAIRLADY AND DEPUTY CHAIRMAN

## Strategic Priorities for 2026 and Beyond

Looking ahead, our priorities remain clear: intensify our marketing effort, to strengthen execution, optimize workforce deployment, and enhance cost competitiveness across all business units. At the same time, we will pursue growth across established and emerging segments, with a strategic focus on services where we have built deep expertise over the past decades and which are supported by stronger, more resilient demand fundamentals. We will continue to uphold prudent capital allocation, robust working capital management, and disciplined risk oversight to preserve and enhance shareholder value.

To better position ourselves to qualify for and secure larger and more complex project works, we remain firmly committed to maintain industry-leading safety and quality standards. We will uphold the highest standards across all projects, as safety remains non-negotiable and central to our operational culture.

## Looking Forward

While the near-term outlook remains constrained by limited visibility on large-scale project awards and continued margin pressures, the fundamentals of our industry remain sound. Energy infrastructure requires ongoing maintenance, turnarounds, and optimization to operate safely and efficiently.

With over 56 years of engineering excellence since our founding in 1969, Mun Siong Engineering has weathered numerous market cycles. We are confident that through disciplined execution, technological advancement, and financial resilience, we will emerge stronger and better positioned for sustainable growth.

Together, we remain focused on delivering excellence, strengthening client relationships, and creating long-term value for our shareholders.

## Commitment to Our People and Stakeholders

Our progress and improvements in FY2025 would not have been possible without the dedication and professionalism of our employees. Their commitment to safety, quality, and operational excellence forms the bedrock of our success.

On behalf of the Board, we wish to express our sincere gratitude to our management team and employees for their dedication and hard work during these challenging times. Your commitment to operational excellence and safety continues to be the foundation of our success.

We would like to thank KPMG LLP for their past professional audit services rendered to the Group and welcome our new auditor - CLA Global TS Public Accounting Corporation.

We would also like to thank our valued clients, business partners, and suppliers for their continued trust and confidence in Mun Siong Engineering. Your collaboration, steadfast support and reliability have enabled us to meet our commitments and continue delivering quality engineering solutions to the industries we serve.

Finally, we extend our appreciation to our fellow Board members for their guidance and oversight, and to our shareholders for your patience and support as we navigate this challenging market cycle.

Thank you for your continued confidence and support.

**Cheng Woei Fen**  
Executive Chairlady

**Quek Kian Hui**  
Executive Deputy Chairman  
and CEO

# BOARD OF DIRECTORS' PROFILE

## CHENG WOEI FEN

### Executive Chairlady

Madam Cheng was first appointed to the Board on 31 October 1981. She was last re-elected as a director on 30 April 2025.

She is responsible for charting the MSE Group roadmap, corporate direction as well as positioning and developing the Group business strategies. She is also the key contact to all our business and joint venture partners. She is currently the adviser to the Executive Committee.

Madam Cheng holds a degree in Business Administration from the then Singapore University. She is a pioneer member of the SGX Diversity Action Committee, and Council member of the Process Construction and Maintenance Productivity Committee.

## QUEK KIAN HUI

### Executive Deputy Chairman and Group Chief Executive Officer

Mr. Quek was first appointed to the Board on 16 June 2014. He served as an Executive Director before being designated as the Executive Deputy Chairman on 25 February 2021. He was last re-elected as a director on 25 April 2024. He was appointed as the Group Chief Executive Officer on 8 April 2024 and is currently the Chairman of the Executive Committee.

He brings to the Board business opportunities, knowledge and exposure in helping the Company to expand its market presence outside of Singapore. He is instrumental in the setting up of the Group's US operations.

Prior to joining MSE, Mr. Quek was involved in major projects for Chiyoda Singapore (Pte) Ltd.

Mr. Quek holds a Masters in Business Administration and a Bachelor of Science degree in Mechanical Engineering from Purdue University (USA).

## SEAH HAI YANG

### Non-Executive Lead Independent Director

Mr. Seah was appointed to the Board on 1 February 2024 and last re-elected on 25 April 2024. He is currently the Chairman of the Audit Committee and a member of both the Nominating Committee and Remuneration Committee.

He is both a founder and director of a consultancy company which provides accounting consultancy and corporate secretarial support services. Prior to establishing his own company, he held senior accounting and finance appointments in private and public companies in various industries. He was the Chief Financial Officer of the Company between 2013 to 2017 and the Head of Corporate Advisory with RHT Corporate Advisory Pte Ltd (a professional services provider) from 2017 to 2019. He is currently the non-executive independent director of Jumbo Group Limited.

Mr. Seah graduated from the National University of Singapore with an Accountancy Degree and is a Fellow of the Institute of Singapore Chartered Accountants. He is also a member of the Singapore Institute of Directors and had acted as the Company Secretary for several public listed companies in the SGX-ST.

# BOARD OF DIRECTORS' PROFILE

## MAH KAI LEONG

### Non-Executive Independent Director

Mr. Mah was first appointed on 4 March 2020 and last re-elected on 25 April 2024. He is the Chairman of the Remuneration Committee and a member of both the Audit Committee and the Nominating Committee.

He has almost 40 years of operational and management experience with Singapore Refining Company ("SRC"), which is in the Petroleum and Petrochemical industry. During his earlier days with SRC, he was involved in project management and refinery operational planning. He was later assigned to oversee Major Projects and Business Development. Before Mr Mah's retirement, he concurrently assumed the role of Deputy General Manager and Deputy CEO for more than six years at SRC. He was actively involved in the formation of Singapore Process Industry's productivity improvement blueprint. After his retirement in 2017, he was a consultant for an international EPC firm for approximately one year.

Mr. Mah holds a Bachelor of Engineering (Mechanical) from the University of Western Australia.

## ELAINE BEH PUR-LIN

### Non-Executive Independent Director

Ms. Beh was first appointed on 25 April 2022 and last re-elected on 21 April 2023. She is the Chairlady of the Nominating Committee and a member of both the Audit Committee and the Remuneration Committee.

She has been a lawyer for more than 30 years and has substantial experience in mergers and acquisitions and capital markets transactions. She is currently a consultant with Icon Law LLC. She is on the board of Abilities Beyond Limitations and Expectations Limited, and Marymount Centre. Currently, she is the lead independent director of Audience Analytics Limited and the non-executive independent director of Chasen Holdings Limited. She also serves as a committee member of the Yellow Ribbon Fund.

Ms. Beh holds a Bachelor of Law (Honors) degree from National University of Singapore. She is an advocate and solicitor of the Supreme Court of Singapore and a member of the Law Society of Singapore and the Singapore Institute of Directors.

## DAVID TAN CHAO HSIUNG

### Non-Executive Non-Independent Director

Mr. Tan was first appointed on 1 October 2012 and last re-elected on 30 April 2025. Prior to his re-designation to Non-Executive Non-Independent Director on 25 April 2024, he was formerly the Lead Independent Director and Chairman of the Audit Committee of the Company. He is currently a member of the Audit Committee, Nominating Committee and the Remuneration Committee.

He has over 30 years of senior management experience in the banking and finance industry and has held positions in both local and foreign financial institutions. Currently, he is the non-executive non-independent director of Powermatic Data Systems Limited. He is also the non-executive independent director of International Cement Group Ltd and Hock Lian Seng Holdings Limited.

Mr. Tan holds a Master of Commerce (Finance) from the University of New South Wales and a Bachelor of Economics from Macquarie University. He is also a Fellow of Certified Practising Accountant ("CPA") Australia.

# CORPORATE LEADERSHIP TEAM

## SEAN SAFAVINEJAD

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### Group Chief Operating Officer

Sean was appointed as the Group Chief Operating Officer on 13 March 2023. He is responsible for the management of the overall operations of the Group, including resource management, planning, execution, budgeting and control. He is also spearheading continuous improvement and productivity initiatives within the Group.

He brings more than 15 years of operational and management experience to the Group from his time with ExxonMobil Corporation, US ("ExxonMobil"), holding various appointments including as an Engineering Services Department Head, Business Operations Manager, and as a Mechanical Engineering Group Leader.

He holds a Master of Science in Electrical Engineering from the University of Illinois at Urbana-Champaign (USA) as well as a Master of Business Administration from the University of Chicago Booth School of Business (USA).

## EUGENE LIM POON KHENG

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### Group Chief Financial Officer

Eugene was appointed as our Group Finance Director on 2 July 2018. He was re-designated as the Group Chief Financial Officer on the 8 April 2024. He is responsible for overseeing the Group's corporate finance activities, investor relations and all aspects of the treasury, financial and accounting functions.

He has over 20 years in accounting, financial and corporate matters and has worked in various SGX listed organizations.

He graduated with a Bachelor of Commerce degree from University of Queensland, Australia and is a Fellow of Certified Practising Accountant ("CPA") Australia and a member of the Singapore Institute of Directors.

# CORPORATE GOVERNANCE REPORT

## INTRODUCTION

The Board of Directors (the “**Board**”) is committed to ensuring that the highest standards of corporate governance are practiced throughout Mun Siong Engineering Limited (the “**Company**”) and its related companies (subsidiaries and associated companies) (the “**Group**”), as this is a fundamental part of its responsibilities to protect and enhance shareholders’ value and the financial performance of the Group.

The Monetary Authority of Singapore issued the revised Code of Corporate Governance 2018 on 6 August 2018 and it was further revised on 11 January 2023 (the “**2018 Code**”). The accompanied Practice Guidance was also revised on 11 January 2023. The Company has adopted the practices based on the principles and provisions of the 2018 Code and as well as the accompanied Practice Guidance.

This Corporate Governance report describes the Group’s corporate governance practices and structures that were in place during the financial year ended 31 December 2025 (“**FY2025**”) with specific reference to the principles and provisions of the 2018 Code, and where applicable the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). In so far as any principles and/or provisions have not been complied with, the reason has been provided for on the deviations from the 2018 Code.

## BOARD MATTERS

### The Board’s Conduct of Affairs

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

The primary function of the Board is to provide leadership to the Group, protect and enhance the long-term value and returns for its shareholders. The Board oversees the Group’s affairs and is accountable to shareholders for the management of the Group’s business and its performance. To fulfill this role, the Board is responsible for the following:

- Providing entrepreneurial leadership, setting strategic objectives, and ensuring the necessary financial and human resources are in place for the Group to achieve these objectives;
- Establishing a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders’ interests and the Group’s assets;
- Reviewing and approving annual budgets, major funding proposals, investment and divestment proposals;
- Constructively challenging Management and monitoring its performance;
- Identifying the key stakeholder groups and recognizing that their perceptions affect the Group’s reputation;
- Setting the Group’s values (including value creation and innovations) and standards (including ethical standards), and ensuring that obligations to shareholders and others are understood and met;
- Overseeing sustainability strategies formulation and its disclosures pertaining to Environmental, Social and Governance (“**ESG**”) and adoption of the International Sustainability Standards Board-Climate Related Disclosure (“**ISSB**”) [replacement for the Task Force on Climate Related Financial Disclosures (“**TCFD**”)] framework;
- Overseeing internal control processes, financial reporting and compliance (with legislative and regulatory requirements), including the release of financial results and announcements of material transactions/developments; and
- Reviewing and endorsing corporate policies in keeping up with good corporate governance (including ethical standards) and business practices. The Board objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Group.

# CORPORATE GOVERNANCE REPORT

The Executive Committee (“**EXCO**” or “**Management**”) which comprises the Group Chief Operating Officer (“**COO**” or “**Group COO**”), Group Chief Financial Officer (“**CFO**” or “**Group CFO**”) and other Senior Management Executives (collectively “**Key Management Personnel**” or “**Senior Management**”) are responsible for the day-to-day operations and administration of the Company and Group and acts in accordance with the policies and objectives set by the Board. The Executive Committee is currently chaired by the Executive Deputy Chairman [who is also the Group Chief Executive Officer (“**CEO**” or “**Group CEO**”)] while the Executive Chairlady serves as the adviser to the Executive Committee. Management remains accountable to the Board and provides the Board, on an ongoing basis, complete, adequate and timely information (e.g. circulation of papers prior to Board or Board Committees’ meetings). This is to enable the Board to make informed decisions and to discharge their duties and responsibilities.

The Board and the Management fully appreciate that an effective and robust Board, whose members engage in open and constructive debate and challenge Management on its assumptions and proposals, is fundamental to good corporate governance. The Board of Directors has the appropriate competencies and diversity of experience to enable them to contribute effectively. They objectively raise issues and seek clarification, as and when necessary, from Management on matters pertaining to their area of responsibilities. The Board actively helps Management in the development of strategic proposals and has oversight on the effective implementation by Management to achieve the objectives set. All Directors are expected to exercise due diligence and independent judgement in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.

## **Conflict of interest between Director(s) and the Company**

Directors have a duty to act in the best interests of the Company and should ensure that their duties are not impaired in any way. As such, Directors should refrain from placing themselves in a situation where these interests, whether professional or personal, would likely to be directly or indirectly in conflict with the interests of the Company.

To protect the reputation of both the Director(s) and the Company, Directors should as far as possible also avoid situations which might reasonably appear to be a conflict of interest and could result in an appearance of impropriety. A conflict of interest exists where the Director’s personal or business interest interferes, or even appears to interfere, in any way with the interests of the Company. Directors have a duty to be free from the influence of any conflicting interest when they participate in Board or Board Committees deliberations or voting.

Directors owe a duty to the Company to advance the Company’s legitimate interests when the opportunity to do so arises. Directors are prohibited from (i) taking for themselves (or directing to family members, companies to which they are affiliated or to any third parties) personal business opportunities that arise through the use of the Company’s property, information or their position as directors; (ii) using Company’s property, information or their position as a director for personal gain; (iii) competing with the Company for business opportunities; (iv) using the Company’s property, information or their position as a director for improper purposes; or (v) causing detriment to the Company.

In any situation that involves a conflict of interest with Company, Directors must:

- (a) Promptly disclose such interest at a meeting of the Directors or by sending a written notice to the Company Secretary(ies) containing details of the interest and the nature of the conflict. Duty to disclose to the Board is non-delegable and the responsibility falls on the Director alone; and
- (b) Recuse themselves from participating in any discussion and decision on the matter.

If in doubt as to whether a particular interest might conflict with the interests of the Company, Directors should err on the side of caution and disclose the potential conflict to the Board even if there is the slightest possibility of a potential conflict.

# CORPORATE GOVERNANCE REPORT

Loans from the Company to Directors or person and companies associated with Directors are prohibited, except in the limited circumstances permitted under the Companies Act 1967.

On an annual basis, each Director is required to promptly disclose any conflict or potential conflict of interest to the Board. In addition, each Director is also required to submit details of his/her associates for the purpose of monitoring interested person transactions.

During FY2025, Madam Cheng Woei Fen, Executive Chairlady and controlling shareholder, extended two revolving credit loans to the Company as working capital for the Group. This is to supplement existing credit facilities extended by financial institutions. The Board discussed and deliberated, considering both the financial performance and needs of the Group, terms and conditions and interest cost, and concluded it is in the Company's interest to enter into the loan agreements with Madam Cheng Woei Fen. Madam Cheng Woei Fen recused herself and abstained from voting during this discussion. In addition, arising from the immediate family relationship between Madam Cheng Woei Fen and Mr Quek Kian Hui, Deputy Executive Chairman and substantial shareholder (mother and son relationship), Mr Quek Kian Hui also recused himself and abstained from voting. For details of the IPT Loans, please refer to page 44 of this annual report and the Company's announcement dated 28 February 2024.

During FY2025, save for the above disclosure, no Director had to recuse themselves and abstain from voting of any resolution.

## Directors' Orientation and Training

A formal letter of appointment is furnished to every newly appointed Director upon their appointment, explaining, among other matters, the roles, obligations, his duties and responsibilities as a member of the Board. No new Director was appointed in FY2025.

The Company will also conduct an orientation program for new Director(s) to familiarize himself/herself/themselves with the business activities of the Group, its strategic directions and corporate governance practices. If the Director has no prior experience as a director of a listed company, the Company will arrange training for the Director appropriate to the level of his prior experience in areas such accounting and finance, legal and industry knowledge. The Company will also arrange, where needed, for the Director to attend the Listed Company Director Program conducted by the Singapore Institute of Directors ("**SID**").

To keep pace with new laws, regulations, changing commercial risks and accounting standards, all Directors are encouraged to attend, at the Company's expense, relevant seminars conducted by external organizations to keep themselves abreast of the ongoing developments to enable them to discharge their duties as Board members.

The Company's Secretary(ies) and both the Internal and External Auditors, during the Board and the Board Committees meetings, will brief the Directors on the changes, updates and new developments issued by the relevant authorities like Singapore Exchange Regulation ("**SGX Regco**"), Monetary Authority of Singapore ("**MAS**") and Accounting and Corporate Regulatory Authority ("**ACRA**"). The Company will also circulate relevant news releases or articles, including those that relate to the Group's businesses, to the Board.

# CORPORATE GOVERNANCE REPORT

The details of the update sessions, seminars, conferences and training programs attended by the Directors collectively in FY2025 were:

1. The External Auditor briefed the Audit Committee and the Board on the developments in financial reporting and governance standards;
2. Attending seminars conducted by the Singapore Stock Exchange ("**SGX**"), SGX Regco, SID and ACRA to obtain updates on financial accounting standards, corporate governance standards, regulatory changes and understanding of the new Sustainability Reporting requirements, like the Audit and Risk Committee Seminar 2025 jointly organized by ACRA, SID and SGX Regco;
3. The Executive Chairlady and the Executive Committee updated the Board at each meeting on business and strategic developments pertaining to the Group's businesses; and
4. Both the External and Internal Auditors also briefed the Board on the new Sustainability Reporting ("**SR**") requirements issued by SGX Regco. The external SR Consultant, whom the Company has engaged, also regularly provides updates to the Board.

## BOARD APPROVAL

The Group has adopted internal guidelines governing matters that require the Board's approval which have been clearly communicated to the Management. The following matters require Board's approval:

- Corporate Strategies of the Group;
- Annual budgets (including capital expenditure) and business plans of the Group;
- Appointment of Directors and Key Management Personnel;
- Material acquisition and disposal of assets and investments;
- Corporate/financial structuring or corporate exercise;
- Incorporation of new entities;
- Approval of projects that exceed a certain percentage of the Group shareholders' funds;
- Issuance of shares (including preference shares), dividend payout and other returns to shareholders;
- Risk appetite and risk tolerance for the different categories of risk;
- Matters as specified under SGX-ST Listing Manual deemed as interested person transaction;
- Announcement of the Group's financial results (half year and full year), quarterly financial performance guidance updates and the release of the Annual Report; and
- Any other matters as prescribed under the relevant legislation and regulations, as well as the provision of the Constitution of the Company.

# CORPORATE GOVERNANCE REPORT

## Delegation by the Board and Board Meetings and Attendance

The Board has delegated specific responsibilities, in line with the 2018 Code, to three main committees, namely the Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”) (collectively, the “**Board Committees**”). Besides these, the Board has also set up a Board Sustainability Committee (“**BSC**”). Information on each of the Board Committees is set out below. All the Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. The terms of reference of the Board Committees are reviewed on a regular basis, along with the committee structures and membership, to ensure their continued relevance, taking into consideration the changes in the corporate governance and legal environment. The current terms of reference for the respective Board Committees are aligned with the 2018 Code. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board.

The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on these matters lies with the entire Board.

The Board held four formal meetings during the year. Fixed and optional meetings are scheduled at the start of each year and optional meetings convened as scheduled only when there are matters requiring the Board’s decision at the scheduled time. Ad-hoc meetings are called when there are pressing matters requiring the Board’s consideration and decision in between the scheduled meetings. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means such as teleconferencing, video conferencing or other similar means of communication. The Board and Board Committees also make decisions through circulating resolutions.

If the Director is unable to attend a Board or Board Committee’s meeting, he/she will still receive all the papers and materials for discussion at that meeting. He/she will review them and advise the Chairlady/Chairman of the Board or the Board Committees respectively of his/her views and comments on the matters to be discussed so that they can be conveyed to other members at the meeting.

The number of Board and Board Committees’ meetings held in the financial year and the attendance of Directors during these meetings are as follows:

	Board			Audit Committee			Nominating Committee			Remuneration Committee		
	Position	No. of meetings		Position	No. of meetings		Position	No. of meetings		Position	No. of meetings	
		Held	Attended		Held	Attended		Held	Attended		Held	Attended
<b>Executive Directors</b>												
Cheng Woei Fen	C	4	4	NA	4	4 <sup>#</sup>	NA	1	1 <sup>#</sup>	NA	1	1 <sup>#</sup>
Quek Kian Hui	M	4	4	NA	4	4 <sup>#</sup>	NA	1	1 <sup>#</sup>	NA	1	1 <sup>#</sup>
<b>Non-Executive Directors</b>												
Seah Hai Yang	M	4	4	C	4	4	M	1	1	M	1	1
Mah Kai Leong	M	4	4	M	4	4	M	1	1	C	1	1
Elaine Beh Pur-Lin	M	4	4	M	4	4	C	1	1	M	1	1
David Tan Chao Hsiung	M	4	4	M	4	4	M	1	1	M	1	1

Note:

C: Chairman; M: Member

# By invitation

# CORPORATE GOVERNANCE REPORT

## Board Sustainability Committee

The Board is fully dedicated to integrating sustainability, encompassing ESG and Climate Related Disclosures, into the Company and Group's operational strategies and long-term planning. To ensure effective oversight, the Board has established the Board Sustainability Committee, which focuses on guiding sustainability efforts and ensuring robust ESG reporting, including the adoption of the ISSB [replacement for TCFD] framework.

The Board Sustainability Committee is chaired by our Executive Chairlady, and its members include a Non-Executive Director, the Executive Deputy Chairman and CEO, and some Key Management Personnel of the Executive Committee. This committee is tasked with identifying, evaluating, monitoring, and managing the Group's key ESG issues, as well as implementing the ISSB Climate Related Disclosures. The Board Sustainability Committee is supported by the Sustainability Reporting Executive Committee ("**SREC**") and Sustainability Reporting Editorial Committee ("**SEC**"). The Board Sustainability Committee reports directly to the Board, ensuring alignment and accountability in the Group's sustainability initiatives. For further details, please refer to the Company's Sustainability Report FY2025 issued on 10 April 2026.

## **Access to Information and Management and Company Secretary(ies)**

All Directors will receive a set of Board papers prior to the Board meeting with sufficient time to enable them to obtain further explanations, where necessary, to be briefed properly and prepare for the meeting. This will include sensitive matters which may be tabled at the meeting itself or discussed without papers being distributed. The Board papers may include, amongst others, the following documents and details:

- Background or explanations on matters brought before the Board for decision (or approval) or for information purposes, including issues being dealt with by Management, and relevant budgets, forecast and projections. In respect of budgets, any material variance between the projections and actual results are disclosed and explained to the Board;
- Minutes of the previous Board meeting;
- Minutes of meetings of all Board Committees held since the previous Board Committees' meeting(s);
- Major operational and financial issues; and
- Statistics on key performance indicators including safety and incident records.

As part of good corporate governance, key matters requiring decisions are reserved for resolution at Board meetings rather than by circulation to facilitate discussions. Key analysts' reports on the Group, if any, are forwarded to the Board on an ongoing basis. In addition, the Board receives quarterly management accounts from Management which present a balanced and understandable assessment of the Group's financial performance and position as well as the prospects.

The Non-Executive Directors have separate and independent access to the Executive Committee, including the Executive Chairlady, the Executive Deputy Chairman and CEO, the COO, the CFO, Company Secretary(ies) and other Key Management Personnel in the Executive Committee, as well as the Group's Internal and External Auditors. Queries raised by individual Directors are directed to Management who will respond accordingly. Where relevant, the Non-Executive Directors' queries and Management's responses are circulated to all Board members for their information.

# CORPORATE GOVERNANCE REPORT

The Board has also approved a procedure for Directors, (whether as a full Board or in their individual capacity), in the furtherance of their duties to seek professional advice, where necessary, at the Company's expense. During the financial year, the Board has not engaged any external professionals for legal advice.

All Directors have separate and independent access to the Company Secretary(ies). The Company Secretary(ies) and/or their representatives are present at Board meetings and Board Committees' meetings to ensure that procedures are followed, and that applicable rules and regulations, including those of the Companies Act, Securities and Futures Act, the rules in the SGX-ST Listing Manual and the Constitution of the Company are complied with. They will also prepare minutes of the meetings in a timely manner. The minutes of meetings will be circulated respectively to the Board and Board Committees for their review and approval.

The Company Secretary(ies) and/or their representative will assist the Executive Chairlady and the Chairman/ Chairlady of each Board Committees in the development of the agendas for the Board and the various Board Committees' meeting respectively. They ensure good information flows both within and between the Board and Board Committees and between Management and Non-Executive Directors, advising the Board on all corporate governance matters, as well as facilitating orientation and assisting with professional development as required.

Under the Constitution of the Company, the appointment or removal of the Company Secretary(ies) are subject to the approval of the Board.

## Multiple Board Representations

All Directors are required to declare their board representations on an annual basis. When the Director has multiple board representations, the Nominating Committee will consider whether the Director is able to adequately carry out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

In addition to the above process, the Director must notify the Board first, prior to accepting any listed company board appointments or principal commitments. This will allow the Director to review his/her time commitment with the proposed new appointment and in the case of an Independent Director, to ensure that his/her independence will not be affected. The Nominating Committee noted that, excluding the directorship held in the Company, the number of listed company board representations currently held by:

- (a) Mr Seah Hai Yang is one;
- (b) Ms Elaine Beh Pur-Lin is two; and
- (c) Mr David Tan Chao Hsiung is three.

The Nominating Committee is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have other board representation or other principal commitments. There is presently no need to implement internal guidelines to address their competing time commitment and this matter will be reviewed on an annual basis by the Nominating Committee. At the same time, the Nominating Committee has recommended to the Board as a guide that Non-Executive Director should limit his/her other board representations in listed companies to six including that of the Company. For the financial year under review, no Director has exceeded such stipulation.

# CORPORATE GOVERNANCE REPORT

## Board Composition and Guidance

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

## Proportion of Non-Executive Directors

Currently, the Board comprises six members, of which two are Executive Directors, three are Non-Executive Independent Directors and one is Non-Executive Non-Independent Director. The Non-Executive Directors make up majority of the Board, and this is in line with Provision 2.3 of the 2018 Code.

## Board Independence

Rule 210(5) (c) of the SGX-ST Listing Manual also specifies that one-third (or 33%) of the Board must comprise of Independent Directors. The Company has satisfied this requirement as 50% or half of the Board comprises of Non-Executive Independent Directors, including independence from substantial shareholders (5% or more shareholders\*) of the Company. This is also in line with definition of "independent director" as specified under Provision 2.1 of the 2018 Code and Rule 210(5) (d) of the SGX-ST Listing Manual.

Each Independent Director is required to complete an Independent Director's declaration form annually to confirm his/her independence. The Nominating Committee reviews the independence status of each Non-Executive Director annually based on the definitions and guidelines of independence set out in the 2018 Code. The Non-Executive Independent Directors and their immediate family members have no relationship with the Company, its related corporations, its 5% or more shareholders\* or its officers. None of the Non-Executive Independent Directors have received payments of more than \$50,000 from the Company or from the Group of more than \$200,000 from a 5% or more shareholder\* during the year. The Nominating Committee has assessed and satisfied that all the three Non-Executive Independent Directors are independent in FY2025.

The Nominating Committee has also reviewed and deliberated on the Provision 2.2 of the 2018 Code which states that the "Independent Directors make up a majority of the Board where the Chairman (in our Company, Chairlady) is not independent". The Nominating Committee, with the concurrence of the Board, has opined that in view of the current Board's composition, there is a strong element of independence on the Board. Half of the Board (50%) is made up of Independent Directors, and the independence of each Director is reviewed annually by the Nominating Committee. Furthermore, the number of Executive Directors does not constitute majority or equal to the number of Independent Directors. Therefore, the Board is of the view that the practices adopted by the Company are consistent with the intent of Provision 2.2 of the 2018 Code in which there exists a strong element of independence from the Independent Directors.

The Nominating Committee reviews the size and composition of the Board and Board Committees annually to ensure that the Board and Board Committees have an appropriate level of independence and diversity of thought and background in their respective compositions to enable the Board and Board Committees to make decisions in the best interests of the Company. Currently, the Board Committees are chaired by the Non-Executive Independent Directors, and its members comprise majority of the Non-Executive Independent Directors. The Executive Directors are not members of the respective Board Committees. Each member of the Nominating Committee recused himself or herself from discussion and abstained from the Nominating Committee's deliberation on his/her own independence.

\* the term "5% or more shareholder" shall refer to a person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company. "Voting shares" exclude treasury shares.

# CORPORATE GOVERNANCE REPORT

Taking into consideration the nature of the Group's operations, the Nominating Committee and the Board believe the current size of the Board and Board Committees are adequate for effective decision-making. The Board and Board Committees can exercise objective judgement on corporate affairs and provide sufficient diversity of expertise to lead and govern the Company effectively. The Nominating Committee and the Board are satisfied that no individual member of the Board dominates the Board's decision making and that there are sufficient accountability and capacity for independent decision-making.

## **Rule 210 (5) (d) (iv) of the SGX-ST Listing Manual**

Under Rule 210 (5) (d) (iv) of the SGX-ST Listing Manual, the Singapore Exchange Regulation limit to nine years the tenure of independent director serving on the boards of listed issuers. None of the Company's Non-Executive Independent Directors, from the date of their first appointment to the end of FY2025, have reached the 9 years limit.

The Board recognizes that Independent Directors may over time develop significant insights into the Group's businesses and operations and can continue to provide noteworthy and valuable contributions objectively to the Board as a whole. The independence of the Independent Directors must be based on the substance of their professionalism, their integrity and objectivity, and not merely based on form, such as the number of years which they have served on the Board.

The Board, with the recommendations from the Nominating Committee, may invite the Non-Executive Independent Director who has served for more than 9 years from the date of his appointment [maximum tenure as specified under Rule 210 (5) (d) (iv)] to continue as a Non-Executive Non-Independent Director.

Mr David Tan Chao Hsiung, formerly the Chairman of the Audit Committee and Lead Independent Director of the Company, was redesignated to Non-Executive Non-Independent Director at the conclusion of the Annual General Meeting ("AGM") dated 25 April 2024. Notwithstanding Mr David Tan Chao Hsiung's status as a Non-Independent Director, he continues to demonstrate strong independence character and judgement in discharging his duties as a Director with utmost commitment in upholding the interests of the non-controlling shareholders. He has expressed individual viewpoints, debated issues and objectively scrutinized and challenges Management. He has sought clarification and amplification as they deemed necessary, including direct access to Management.

**The Company as at 16 March 2026, has 1,276 shareholders – for details on the spread of shareholdings please refer to page 120 of this Annual Report 2025.**

**The two largest shareholders (with direct interest) representing 62.8%<sup>(#)</sup> of the total issued ordinary shares (exclude treasury shares and subsidiary holdings, if any) are Executive Directors of the Company and immediate family members – the Executive Chairlady and Executive Deputy Chairman and CEO. The interests of minority shareholders are well represented through the Non-Executive Independent Directors, who make up majority of the Board as specified under Rule 210(5) (c) of the SGX-ST Listing Manual.**

# Both Executive Directors have a deemed interest of shares owned by their immediate family members; total interests (direct and deemed) is 69.0%.

# CORPORATE GOVERNANCE REPORT

## Board Composition and Diversity

The Company's Board Diversity Policy endorses the principle that its Board should have a balance of skills, knowledge, management experience and diversity of perspectives appropriate to its businesses so as to mitigate groupthink and foster constructive debate. The Company also recognizes that a diverse Board is an important element which will better support the Company's achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Board through the perspectives derived from the various skills, business experience, industry discipline and other aspects of diversity (such as gender and age) of the Directors.

The Nominating Committee considers all aspects of board diversity when reviewing and assessing the composition of the Board and when making recommendations to the Board for the appointment of Directors to arrive at an optimal balanced composition of the Board. The Board Diversity Policy also provides for the Nominating Committee to discuss and recommend annually to the Board, targets and timelines, for promoting and achieving diversity on the Board.

The Company has a skills matrix to help identify gaps in the Board. The matrix classifies operation skills, management experience and knowledge of the existing directors into broad categories such as industry knowledge, management expertise and professional skills in finance and accounting, risk management, legal, sustainability, corporate finance/mergers and acquisitions, digital/technology and human resources.

A description of the background of each Director is presented in the "Board of Directors' Profile" section of this Annual Report 2025. As a Group, the Directors bring with them a broad and diverse range of industry knowledge, expertise and working experience in areas such as business, management, operations, financial and accounting (including mergers and acquisitions and capital markets), risk management and legal which are relevant to the Group and its industry.

The Nominating Committee conducts its annual review of the composition of the Board, which comprises members of both genders and from different backgrounds whose core competencies, qualifications, skills and experiences meet the requirements of the Group. All Directors will submit to the Nominating Committee on an annual basis a completed Board Evaluation Questionnaire (including board diversity). The Nominating Committee has reviewed the completed Questionnaire for FY2025, is satisfied that the Board has the appropriate mix of expertise and experience and collectively possesses the necessary group core competencies to lead and govern the Group effectively.

The Board is also of the view that the present Board size and composition are appropriate for the current scope and nature of the Group's operations. It provides board diversity and allows for informed and constructive discussion and effective decision making at the Board meetings. The Board's decisions are undertaken on a unanimous basis, and no individual or group can dominate the Board's decision-making process.

There are also an appropriate balance and diversity of skills and experience on the Board. Although all the Directors are responsible for the Group's operations, the role of the Non-Executive Directors are particularly important in ensuring that the strategies proposed by Management are constructively challenged, discussed and examined, and take into account the long-term interests, not only of the shareholders, but also of employees, customers (or business partners), suppliers and the many communities in which the Group conducts its businesses in. The Non-Executive Directors also review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. The Board will, however, continue to review opportunities to refresh the Board with a view to expanding the skills, management experience and diversity of the Board as a whole.

# CORPORATE GOVERNANCE REPORT

Board Diversity Targets and Progress in FY2025	
Targets	Progress
(1) Independent Directors to constitute at least 50% of the Board.	Currently, the Board comprises 6 members, of which 3 of them are Non-Executive Independent Directors. The target is met as 50% of the Board consists of Independent Directors.
(2) To bring female representation on the Board to 25% by 2025 and 30% by 2030. This is in line with the recommendations made by the Singapore Council for Board Diversity.	As at 31 December 2025, the Company has 2 female Directors on its Board, representing 33.3%. The target has been achieved.
(3) Maintain age diversity with Directors' age ranging from below 50s to below 75s with majority of the Directors in the 60s to 70s range.	As at 31 December 2025, the Company has 2 directors under the age of 60 and 4 directors under the age of 75. The Board has continued to maintain this target.
(4) Achieving a balance of skills set on the Board to achieve the Company's strategic objectives	The Board has continued to maintain this target.

## Meeting of Independent Directors without Management

During the financial year, the Non-Executive Directors, led by the Lead Independent Director, have met several times (without the presence of Management) both formally and informally; notably, to discuss cessation and appointment of Key Management Personnel, remunerations of the Executive Directors and Key Management Personnel and feedback from both the Internal and External Auditors. Where appropriate, the Lead Independent Director will meet with the other Non-Executive Directors without the presence of the Executive Directors, and the Lead Independent Director will provide feedback and recommendations to the Executive Chairlady after such meetings.

## 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.***

## Separation of The Chairman and Chief Executive Officer ("CEO")

The roles of the Chairman and CEO are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Madam Cheng Woei Fen is the Executive Chairlady and oversees the overall strategic directions and expansion plans for the growth and development of the Group. As Chairlady of the Board, her responsibilities include leading the Board, promoting a culture of openness and debate at the Board, ensuring effective communication with shareholders, encouraging constructive relations between the Board and Management, facilitating the effective contribution of the Non-Executive Directors and promoting high standards of corporate governance and sustainability practices.

# CORPORATE GOVERNANCE REPORT

The CEO, Mr Quek Kian Hui (also our Deputy Executive Chairman), is responsible for the operations, business direction, strategic positionings and business expansion of the Group. Mr Quek Kian Hui is assisted by the COO and the Executive Committee. The Executive Committee is responsible for all operation matters including manpower resource planning, budgetary controls, commitments to new project works and tenders, finance and treasury functions and acts in accordance with the policies and objectives set by the Board. Mr Quek Kian Hui is the son of the Executive Chairlady.

All major proposals and decisions made by the two Executive Directors are discussed and reviewed by the Audit Committee. Their performance and appointments are reviewed periodically by the Nominating Committee, and their remuneration packages are reviewed periodically by the Remuneration Committee. As the Board Committees consist of majority of the Non-Executive Independent Directors, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place against a possible concentration of power and authority in any single individual or when a familial relationship exists between the Executive Chairlady and the CEO.

## **Role of Chairlady**

The Group's Executive Chairlady, Madam Cheng Woei Fen, plays an instrumental role in developing the business strategies of the Group and provides it with strong leadership and vision. She leads the Board in its review of the Group's business strategies in key markets (including identifying new markets), deployment and allocation of financial and human resources, corporate governance, human resource management and development and serves as a one of the key contact (the other is the Executive Deputy Chairman and CEO) to all business and joint venture partners. Besides management oversight of the Group's performance, she also ensures that each member of the Board and Management work well together with integrity and competency.

The Executive Chairlady ensures that the Board meetings are held as and when necessary. She leads the Board to ensure its effectiveness and approves the agenda of each Board meeting in consultation with the Management team and Company Secretary(ies). The Executive Chairlady reviews the Board papers before they are presented to the Board and ensures that Board members are provided with complete, adequate, accurate, timely and clear information. The management staff who have prepared the Board papers, or who can provide additional insight into the matters to be discussed, are invited to present at the relevant time during the Board meeting.

During the Board meetings, the Executive Chairlady will ensure that adequate time is available for discussion of all agenda items, in particular strategic issues. The Executive Chairlady monitors communications and relations between the Company and its shareholders, between the Board and Management, and between the Non-Executive and Executive Directors, with a view to encouraging a culture of openness and constructive dialogue amongst them. The Executive Chairlady works to facilitate the effective contributions of Non-Executive Directors. She also set guidelines and exercises the quality, quantity, accuracy and timeliness of information flow between the Board and the Management at the various meetings. She also plays a leading role in ensuring the Group's drive to achieve and maintain a high standard of corporate governance practices with the full support of the Board, the Company Secretary(ies) and the Management.

## **Appointment of Lead Independent Director**

In our Company, as the roles of the Executive Chairlady and CEO are held by two individuals who share close family ties, the Nominating Committee has determined that the Executive Chairlady is not independent. The Board has appointed Mr Seah Hai Yang, a Non-Executive Independent Director, as the Lead Independent Director. He will coordinate and lead the Non-Executive Directors (both independent and non-independent) and to provide a non-executive perspective and contribute towards a balance of viewpoints on the Board. Mr Seah Hai Yang is available to shareholders, where they have concerns, where contact through the normal channels of the Executive Chairlady, CEO or the CFO has failed to resolve an issue or for which such contact is inappropriate. There was no query received or request on any matters which required the Lead Independent Director's attention in FY2025.

# CORPORATE GOVERNANCE REPORT

## 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.***

The Nominating Committee comprises four Non-Executive Directors of which the majority (including the Chairlady) are Independent Directors:

Elaine Beh Pur-Lin (Chairlady)  
Seah Hai Yang  
Mah Kai Leong  
David Tan Chao Hsiung

The Nominating Committee held one formal and several informal meetings during the financial year.

The Chairlady of the Nominating Committee and majority of its members are considered independent pursuant to the definition of independent under the 2018 Code and the SGX-ST Listing Manual. Mr. Seah Hai Yang, who is the Lead Independent Director, is also a member of the Nominating Committee. The Nominating Committee is governed by the terms of reference endorsed by the Board which clearly set out its duties and responsibilities. Its responsibilities include the following:

1. Making recommendations to the Board on succession plans for the Directors, in particular, all Board appointments and appointment of Key Management Personnel. During the nomination and selection process for new Director(s), the Nominating Committee identifies the key attributes that an incoming Director should have, based on a matrix of the attributes of the existing Board and the requirements of the Group, taking into consideration age, gender as well as the diversity in their skill sets and experience. The Nominating Committee will also identify any gaps in the Board's skill set, considering the Group's strategy and business operations. The Nominating Committee seeks to refresh the Board membership progressively and in an orderly manner, to avoid losing institutional memory. After endorsement by the Board of key attributes, the Nominating Committee taps on the resources of Directors' personal contacts and recommendations of potential candidates and goes through a short-listing process. If candidates identified from this process are not suitable, executive recruitment agencies may be appointed to assist in the search process. Interviews are set up with potential candidates for the Nominating Committee to assess them before a decision is taken;
2. Making recommendations to the Board on the re-nomination of Directors at regular intervals and at least once every three years for each Director, as required by the Constitution of the Company. In its deliberations on the re-nomination of existing Directors, the Nominating Committee takes into consideration the Director's integrity, independence, mindedness, contribution and performance (including, if applicable, his contribution and performance as a Non-Executive Director). The assessment parameters include attendance record, preparedness, intensity of participation and candor at meetings of the Board and Board Committees as well as the quality of intervention and special contributions. The Executive Chairlady will give feedback to the Nominating Committee on the appointment of new Directors or retirement or resignation of existing Directors, following the outcome of an annual performance evaluation of individual Directors, and the Nominating Committee will take into consideration her views in this regard;
3. Reviewing the criterion in performance evaluation of the Board, the Board Committees, Directors and reviewing the professional development requirements for Directors; and
4. Determining the independence of Directors annually. In doing so, the Nominating Committee considers the definitions and guidelines of independence as set out under Provision 2.1 of the 2018 Code, Rule 210 (5) (d) of the SGX-ST Listing Manual, and any other salient factors. Following its annual review, the Nominating Committee has endorsed the independent status of the Non-Executive Independent Directors.

# CORPORATE GOVERNANCE REPORT

The Nominating Committee noted that the members of the Board Committees are experienced Directors who are also currently board members of other listed companies. In this respect, each will also have additional avenues on training and updates on professional development programs. The Nominating Committee will review the training needs of the Board and, where appropriate, recommend external training and seminars, or arrange for in-house briefings, to keep the members abreast of the updates and developments to enable them to fulfill their roles. The cost of professional development programs will be borne by the Company.

## Continuous Review of Directors' Independence

The Board recognizes the contribution of its Independent Directors who have developed deep insight into the Group's business and operations over time and who are therefore able to provide invaluable contributions to the Group. As such, the Board has not set a fixed term of office for each of its Independent Directors and to retain the services of the Directors, as necessary. With effect from 11 January 2023, the Singapore Exchange Regulation now limit to nine years the tenure of independent directors serving on the boards of listed issuers. The Board have complied with this ruling.

The independence of each Director is assessed and reviewed annually by the Nominating Committee, which will consider whether a Director has business relationships with the Group, its substantial shareholders (5% or more shareholders) and if so, whether such relationships could interfere or be reasonably be perceived to interfere, with the exercise of the Director's independent business judgement in the interest of the Group. No individual or small group of individuals dominates the Board's decision making. The assessment follows Provision 2.1 of the 2018 Code and Rule 210 (5) (d) of the SGX-ST Listing Manual.

The Board after taking into consideration the views of the Nominating Committee, is of the view that Mr. Seah Hai Yang, Mr. Mah Kai Leong and Ms. Elaine Beh Pur-Lin are considered independent and that, no individual or small group of individual dominates the Board's decision-making process.

## Directors' Time Commitments

The Nominating Committee ensures new Directors are aware of their duties and obligations. For re-nomination and re-appointment of Directors, the Nominating Committee takes into consideration the competing time and commitments faced by directors and their ability to devote appropriate time and attention to the Company and Group.

Each Director is required to confirm annually with the Nominating Committee as to whether he or she has any issue with competing time commitments which may impact his or her ability to provide sufficient time and attention to his or her duties as a Director of the Company. Based on the Directors' annual confirmation and the Directors' commitments and contributions to the Company, which are evident in their level of attendance and participation at the Board and Board Committees' meetings, the Nominating Committee and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as Directors of the Company in FY2025.

Please refer to the "Board of Directors' Profile" section of the Annual Report for the board membership and principal commitments of each Director.

Currently, none of the Directors have appointed alternates. If alternate Directors are appointed, it will be for a limited period and for exceptional cases such as medical emergencies.

## Re-Election of Directors at the forthcoming AGM

Pursuant to Regulation 108 of the Constitution of the Company, at least one-third of the Board is required to retire via rotation at each AGM. Accordingly, Ms. Elaine Beh Pur-Lin and Mr. Seah Hai Yang are the Directors retiring via rotation at the forthcoming AGM. The Nominating Committee, having considered the individual performance and contributions of Ms. Elaine Beh Pur-Lin and Mr. Seah Hai Yang, has recommended the retiring Directors for re-election at the forthcoming AGM. Both retiring Directors were not involved in the deliberation of their continued appointment with the Board.

# CORPORATE GOVERNANCE REPORT

Subject to being duly re-elected at the forthcoming AGM,

- (1) Ms. Elaine Beh Pur-Lin will remain as Non- Executive Independent Director, Chairlady of the Nominating Committee and a member of the Audit Committee and Nominating Committee; and
- (2) Mr. Seah Hai Yang will remain as Non-Executive Lead Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee.

Key information on Directors proposed to be re-elected to the Board are as follows:-

Name of Director	Ms Elaine Beh Pur-Lin
Age	59
Country of principal residence	Singapore
The Board's comments on this re-election (including rationale, selection criteria, and the search and nomination process):	The Board has accepted and approved the Nominating Committee's recommendation, who has reviewed and considered Ms. Elaine Beh Pur-Lin's contributions and performance as Non-Executive and Independent Director of the Company
Whether appointment is executive, and if so, the area of responsibility:	Non-Executive
Shareholding interest in the listed issuer and its subsidiaries	<u>The Company</u> Nil  <u>Subsidiaries of the Group</u> Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the SGX-ST Listing Manual has been submitted to the listed issuer	Yes
Principal Commitments including Directorships	<u>Past (for the last 5 years)</u> Acrometa Group Limited (f.k.a. Acromec Limited) Sanli Environment Limited SISTIC.COM Pte Ltd  <u>Present</u> Chasen Holdings Limited (Independent Director) Audience Analytics Limited (Lead Independent Director) Abilities Beyond Limitations and Expectations Limited Marymount Centre  <u>Other Principal Commitments</u> Icon Law LLC

# CORPORATE GOVERNANCE REPORT

<b>Name of Director</b>	<b>Mr. Seah Hai Yang</b>
Age	63
Country of principal residence	Singapore
The Board's comments on this re-election (including rationale, selection criteria, and the search and nomination process):	The Board has accepted and approved the Nominating Committee's recommendation, who has reviewed and considered Mr. Seah Hai Yang's contributions and performance as Non-Executive and Independent Director of the Company
Whether appointment is executive, and if so, the area of responsibility:	Non-Executive.
Shareholding interest in the listed issuer and its subsidiaries	<u>The Company</u> Nil  <u>Subsidiaries of the Group</u> Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the SGX-ST Listing Manual has been submitted to the listed issuer	Yes
Principal Commitments including Directorships	<u>Past (for the last 5 years)</u> RHT Corporate Advisory Pte. Ltd. RHT Corporate Advisory (HK) Limited Van Der Broeck's Consultancy Pte. Ltd. (voluntary struck off)  <u>Present</u> Jumbo Group Limited (Independent Director) Raintree Corporate Services Pte Ltd  <u>Other Principal Commitments</u> Nil

The retiring Directors have responded negative to items (a) to (k) as listed in Appendix 7.4.1 (Announcement of Appointment) of the SGX-ST Listing Manual for FY2025.

# CORPORATE GOVERNANCE REPORT

## 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.***

The Board has a process for assessing its effectiveness as a whole (including Board Committees) and for assessing the contribution by each Director to the effectiveness of the Board. The Board, through the Nominating Committee, uses its best efforts to ensure that Directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience, knowledge in the business, competencies in finance and accounting and management skills critical to the Group's businesses. It has also ensured that each Director, with his/her special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

The Nominating Committee has established a formal review process to assess the performance and effectiveness of the Board as a whole and of its Board Committees, as well as the contribution by the Executive Chairlady and each individual Directors to the effectiveness of the Board.

The Nominating Committee assesses the performance of the Board and its Board Committees, annually, using objective and appropriate criteria which were approved by the Board. On an annual basis, all Directors will complete a Board evaluation questionnaire. The questionnaire is designed to seek their views on the various aspects of the Board and its Board Committees performance and competencies to assess the overall effectiveness of the Board and its Board Committees. To ensure confidentiality, completed questionnaires are submitted to the Company Secretary for collation. The consolidated responses are presented to the Nominating Committee for review before submitting them to the Board for discussion and determining areas for improvement and enhancement of the effectiveness of the Board and its Board Committees.

Following the review in FY2025, the Board is of the view that the Board and its Board Committees operate effectively, and that each Director is contributing to the overall effectiveness of the Board and its Board Committees.

The Nominating Committee has not engaged any external facilitator in FY2025 to assist in the assessment of the performance of the Board and Board Committees.

## Board and Board Committee Evaluation Criterion

The performance criterion for the Board and Board Committees evaluations is in respect of its size and composition, independence, processes, information, accountability and performance in relation to discharging its principal functions as set out in their respective terms of reference.

The primary objective of the Board evaluation exercise is to create a platform for the Board and its Board Committees' members to provide constructive feedback on its procedures and processes and where necessary make changes to enhance the effectiveness of the Board and its Board Committees.

## Evaluation of the Executive Chairlady

The evaluation of the Executive Chairlady is undertaken by the Nominating Committee, and the results are reviewed by the Board.

The assessment of the Executive Chairlady is based on her ability to lead, whether she established proper procedures to ensure the effective functioning of the Board, and whether the time devoted to Board meetings were appropriate and are conducted in a manner that facilitates open communication and meaningful participation for effective discussion and decision making by the Board. She also ensured that the Board Committees formed were appropriate, with clear terms of reference, to assist the Board in the discharge of its duties and responsibilities.

# CORPORATE GOVERNANCE REPORT

## Individual Director Evaluation

Individual Director's performance is evaluated annually and informally on a continual basis by the Nominating Committee and the Executive Chairlady. The assessment of individual Directors (including Executive Chairlady) is done through peer assessments, whereby the assessment parameters for such individual evaluation are consolidated in the questionnaire together with the assessment of the effectiveness of the Board. Other factors taken into consideration by the Nominating Committee and the Executive Chairlady include the value of contributions to the development of strategies, availability at Board meetings (as well as informal contributions via email and telephone), interactive skills, industry and business knowledge and experience each Director possesses which are crucial to the Group's businesses.

The individual Director evaluation exercise assists the Nominating Committee in determining whether to re-nominate Directors who are due for retirement at the forthcoming AGM and in determining whether Directors with multiple board memberships can adequately discharge their duties as Directors of the Company.

Nonetheless, the retirement of a Director, when it happens, does not necessarily reflect the Director's performance or contributions to the Board, but may be driven by the need to be in compliance with the SGX-ST Listing Manual and/or to align the Board with the medium-term or long-term needs of the Group.

When deliberating on the performance of a particular Director who is also a member of the Nominating Committee, that member recuse from the discussions and abstains from voting to avoid any conflicts of interest.

## REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

***Principle 6: The Board has a formal and transparent procedure for developing policies on Director and Executive remuneration, and for fixing the remuneration packages of individual Directors and Key Management Personnel. No Director is involved in deciding his or her own remuneration.***

### Remuneration Committee

The Remuneration Committee comprises of four Non-Executive Directors of which the majority (including the Chairman) are Independent Directors:

Mah Kai Leong (Chairman)  
Seah Hai Yang  
Elaine Beh Pur-Lin  
David Tan Chao Hsiung

The Chairman of the Remuneration Committee and majority of its members are considered independent pursuant to the definition of independent under the 2018 Code and SGX-ST Listing Manual. The Remuneration Committee is principally responsible for assisting the Board to establish a formal and transparent process for developing policies on remuneration and development. The Remuneration Committee has adopted terms of reference approved by the Board which clearly sets out its duties and responsibilities including the following:

- Reviewing and recommending to the Board for endorsement, a framework of remuneration for the Board and Key Management Personnel. Key Management Personnel comprises the Executive Directors and members of the Executive Committee. The framework for Key Management Personnel covers all aspects of executive remuneration (including but not limited to Directors' fees, salaries, allowances, bonuses and benefits-in-kind; and
- Recommending the specific remuneration packages for each Executive Director and Key Management Personnel.

# CORPORATE GOVERNANCE REPORT

No Director is involved in deciding his/her own remuneration, except, in providing information and documents if specifically requested by the Remuneration Committee to assist in its deliberations.

In framing the Group's remuneration policy as described above, the Remuneration Committee may from time to time refer to market reports on average remuneration or seek external expert or independent professional advice in which the expenses will be borne by the Company. For FY2025, the Remuneration Committee has not sought external advice nor appointed remuneration consultants in considering the remuneration of Directors.

To further align the interest of Key Management Personnel with shareholders, the Company has put in place a performance share plan. This was approved and adopted by the shareholders in the FY2016 AGM held on 20 April 2017 for a maximum duration of 10 years from the date of adoption. During FY2025, the Company did not grant any shares under the Company's Performance Share Plan. Details of the plan are set out in the Directors' Statement on pages 52 to 53 of this Annual Report 2025.

## Level and Mix of Remuneration

***Principle 7: The level and structure of the remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.***

The Remuneration Committee seeks to establish and maintain an appropriate and competitive level of remuneration to attract, retain and motivate Key Management Personnel (persons having authority and accountability for planning, directing, and controlling the activities of the Group). The Remuneration Committee also ensures that the remuneration policies support the Group's objectives and strategies. In structuring the compensation framework, the Remuneration Committee takes into consideration the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

The Remuneration Committee reviews on an annual basis the remuneration of the Executive Directors and Key Management Personnel to ensure that their remuneration packages are commensurate with their performance and that of the Company/Group, giving due regards to the financial and commercial health and business needs of the Company/Group.

The Executive Directors do not receive Directors' fees but are remunerated as members of Management.

During FY2025, the Remuneration Committee also reviewed the current employment terms and conditions (including remuneration) of Executive Directors and Key Management Personnel. The Remuneration Committee is satisfied that the terms and conditions (including remuneration) for Executive Directors and Key Management Personnel are reasonable and within the specific mandates from the Board and are also in line with the Group's existing human resource policies. The Remuneration Committee also reviews the Company's obligations, in the event of termination of the Executive Directors and Key Management Personnel and is satisfied that their service contracts (if any) do not contain unfair and unreasonable termination clauses which are overly generous. The Remuneration Committee has recommended the aforesaid to the Board for adoption.

Provisions allowing the Company to reclaim incentive components of remuneration from the Executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company/Group have been incorporated into their service agreements (when entered into) and employment contracts. The extent of the claw-back on incentive component has been capped at up to the amount paid over the past three financial years. In addition, the Executive Directors owe fiduciary duties to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

# CORPORATE GOVERNANCE REPORT

The service agreements between the Company and the Executive Director (Madam Cheng Woei Fen) expired in FY2019. Should the Company enter into a service agreement with the Executive Director(s), it will be for a fixed appointment period and will not contain onerous removal/termination clauses. The Executive Directors' compensation currently comprises of salary and bonuses. The performance bonuses will be linked to the performance of the Group as a whole and individual performance. The former aligns with the interests of shareholders and link rewards to corporate goals and the latter with individual performance.

The remuneration package of Key Management Personnel comprises both fixed and variable components and benefits. The Company subscribes to linking executive remuneration to corporation (with the emphasis on enhancing shareholders' value and long-term success of the Group) and individual performance based on annual appraisal of employees and using performance indicators such as core values, competencies, key result areas, performance rating, and potential of the employees.

## (a) Fixed Component

Fixed pay comprises basic salary, statutory employer's contributions to the Central Provident Fund and fixed allowances. To ensure that Executive Directors and Key Management Personnel's remuneration are consistent and comparable with market practice, the Remuneration Committee also regularly benchmarks remuneration components against those of comparable companies, while continuing to be mindful that there is a general correlation between increased remuneration and performance improvements.

Since FY2022, there has been no salary increment for the Executive Chairlady.

## (b) Variable Component

This component comprises variable bonus based on the Group's and the individual's performance, as well as monthly variable component of the basic salary. To link rewards to performance, the more senior the executive is in the Group, the higher the percentage of the variable component against total compensation. A comprehensive and structured assessment of the performance of key executives, against selected key performance indicators, is undertaken each year. Performance bonuses payable to Executive Directors and Key Management Personnel are reviewed by the Remuneration Committee and approved by the Board to ensure alignment of their interests with those of shareholders.

Performance bonuses computed based on the audited results will only be paid to Executive Directors and Key Management Personnel in the following year. For example, the FY2022 performance bonuses were paid to Executive Directors and Key Management Personnel in 2023 based on the FY2022 audited results.

Since FY2023, no performance bonus was declared as the Group was in a net loss position.

## (c) Benefits

The benefits provided are consistent with market practice and include medical benefits, flexible benefits, overseas allowance and transport allowance. Eligibility for these benefits will depend on individual salary grade and length of service.

The MSE Performance Share Plan was approved by the shareholders at the AGM held on 20 April 2017 and adopted by the Company. The duration of the plan, commencing on the date of adoption, is for a maximum period of 10 years. The Company did not award any shares to any employee in FY2025. Details of the plan are set out in the Directors' Statement on pages 52 to 53 of this Annual Report 2025.

# CORPORATE GOVERNANCE REPORT

## Remuneration of Non-Executive Directors

Directors' fees are subject to approval by the shareholders at the AGM. Factors such as level of contribution, effort and time spent, and responsibilities and leadership of the Non-Executive Directors are considered when determining their level of fees. The Remuneration Committee is mindful that the remuneration for the Non-Executive Independent Directors should not be excessive that will compromise or reasonably be perceived to compromise their independence. No member of the Remuneration Committee is involved in deliberating and deciding in respect of any remuneration, compensation, or any form of benefits to be granted to him or her.

The total Directors' fees of up to \$153,000 for FY2026 (FY2025: \$153,000), are recommended by the Board to be tabled for approval by the shareholders at the forthcoming AGM.

## Disclosure on Remuneration

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

A substantial portion of the Group's key customers (or business partners) are from the process industry that operates processing plants and facilities. Our customers' capital expenditures and operating budgets are closely correlated to global crude oil prices – both supply and economic outlook are the main determinants. In addition, both interest rates and corporate taxes have a significant influence on the quantum.

The Group links its remuneration policy to the achievement of key performance indicators. Key performance indicators of the Group are orientated towards retention of customers (or business partners), given that the process industry is dominated by a small number of major players, which is highly correlated to the Group's profitability and long-term financial performance. These key performance indicators would include project costing (at the tendering stage), project management capabilities, timely completion of projects in accordance with customer's time schedule, achieving targeted profit margins and achieving safety standards set by customers (or business partners).

For the Executive Chairlady, Executive Deputy Chairman and CEO and Key Management Personnel, their variable or performance related bonuses, besides individual performance, are also based on the Group's profitability.

The Group does not have any policy to pay post-employment and retirement benefits to its employees, including its Executive Directors.

The Board exercises its discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the Group. The overall level of remuneration is not considered to be at a level which is likely to promote behaviour contrary to the Group's risk profile.

# CORPORATE GOVERNANCE REPORT

The remuneration of Directors and Key Management Personnel are set out below. The disclosure is provided to enable investors to understand the link between the remuneration paid to the Directors and Key Management Personnel and corporate and individual performance.

Remuneration table

	← Breakdown in percentage →					Total %
	Total Remuneration \$'000	Based/Fixed Salary %	Director's Fees %	Variable or Performance-related Income/Bonuses %	Benefits in kind %	
<u>Directors</u>						
Cheng Woei Fen	232	99.5	-	-	0.5	100.0
Quek Kian Hui	233	99.3	-	-	0.7	100.0
Seah Hai Yang	42	-	100.0	-	-	100.0
Mah Kai Leong	37	-	100.0	-	-	100.0
Elaine Beh Pur-Lin	37	-	100.0	-	-	100.0
David Tan Chao Hsiung	37	-	100.0	-	-	100.0

	← Breakdown in percentage →					Total %
	Based/Fixed Salary %	Variable or Performance-related Income/Bonuses %	Benefits in kind %	MSE PSP %		
<u>Top 5 Key Management Personnel</u>						
<b>\$250,000 to \$500,000</b>						
Sean Safavinejad	100.0	-	-	-	-	100.0
<b>Below \$250,000</b>						
Lim Poon Kheng, Eugene	99.5	-	0.5	-	-	100.0
Lin Yan	98.8	-	1.2	-	-	100.0
Teo Kheng Hock	98.0	-	2.0	-	-	100.0
Narayanan Parthasarathy#	91.9	-	8.1	-	-	100.0

MSE PSP: relates to the Company's Performance Share Plan approved by shareholders on 20 April 2017.

# resigned on February 2026

# CORPORATE GOVERNANCE REPORT

In line with the Group's financial performance for FY2025, based/fixed salary formed a substantial portion of the total remuneration of the Executive Directors (including that of the Executive Chairlady and Executive Deputy Chairman and CEO) and Key Management Personnel.

The total remuneration for the top 5 Key Management Personnel in FY2025 was \$1,262,000.

Save for the above disclosures for Madam Cheng Woei Fen and Mr Quek Kian Hui (son to Madam Cheng Woei Fen), there was no employee who was an immediate family member of a Director whose remuneration exceeded \$100,000 during the year under review.

## ACCOUNTABILITY AND AUDIT

## RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Board is responsible for the governance of risk and oversees the Company's risk management framework and policies and ensures that Management maintains a sound system of risk management and internal controls. The Board has delegated responsibility for risk governance to the Audit Committee. The Audit Committee will oversee the formulation and review, with the assistance from the Internal Auditor, the adequacy and effectiveness of the Group's management systems and internal controls and report to the Board annually on any internal control weaknesses.

Risk assessment and evaluation have become an essential part of the business planning and monitoring process. The Group has put in place a documentation on its risk profile which summaries the material risks faced by the Group and the countermeasures in place to manage or mitigate those risks. The Enterprise Risk Management ("ERM") manual or documentation was developed by Management with the assistance from the Internal Auditor in 2017. The ERM is reviewed from time to time to ensure the potential risks are appropriately identified and was last updated by Management in FY2025.

The documentation provides an overview of the Group's key risks, the appropriate risk tolerance limits set for the respective risks, their likelihood of occurrence and the consequential impact on the Group as a whole. Having identified the risks that affect the achievement of the Group's business objectives and/or financial performance, each business unit or department is required to document the mitigating and/or proposed actions in place in respect of each significant risk. It allows the Group to address the on-going changes and the challenges in the business environment, reduces uncertainties and facilitates the shareholder value creation process.

Having regard to the identified risks which the business is exposed to, the likelihood of such risks occurring and the risk tolerance accepted by the Group, the internal controls structure of the Group has been designed and put in place by the Group's business units and/or departments to provide reasonable assurance against material financial misstatements or loss, for the safeguarding of assets, for the maintenance of proper accounting records, for the provision of financial and other information with integrity, reliability and relevance and in compliance with applicable laws and regulations.

The Board acknowledges that it is responsible for the governance of the risks and the overall internal control framework but recognizes that no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risks of failure to achieve business objectives and can provide only reasonable and not absolute assurance against the occurrence of material errors or poor judgement in decision making.

# CORPORATE GOVERNANCE REPORT

The significant key framework and policies on risk management are summarized as follows:

## *Contract pricing and operational risks*

Contract pricing risk is the potential loss associated with tendering at prices below the cost of carrying out a project. The Group mitigates this risk by putting in place a stringent control process. The tender proposal is first drawn up by the Contracts Department and tabled for discussions with the tender evaluation team, whom is also the project execution team.

The Group has established a two tier approval process that is based on the project value as a percentage of the Group shareholders' funds. The first tier is the joint approval by the Executive Chairlady and CEO and the second tier is approval from the Board. In FY2025, arising from our business partners having smaller dollar value projects, the Board's approval was not required.

Operational risk relates to the costs of not being able to complete a project or work on time or at over budgeted cost/contract value. The Management of the Group manages this risk by holding regular meetings with the project execution team to discuss and solve issues that are being raised and observed from the site inspection on work progress. Each project will be assessed at the end of each financial year and if there is any foreseeable loss, an appropriate allowance provision will be made.

In the last five financial years (2020 to 2024), the Group reported only a provision for foreseeable loss (or onerous contracts) of \$42,000 in 2020. This amount was subsequently recovered from the customer (or business partner) in 2021. A provision for foreseeable loss of \$220,000 was made in FY2025 (FY2024: \$Nil) by the Malaysia operations as they have yet to receive the revised purchase order, due to changes in scope of work, from the business partner.

## *Safety risk*

The Group operates in an industry where safety ranks as one of its top priorities by the customers (or business partners). Breaches of safety regulations will result in heavy financial losses to the Group and severe operating restrictions imposed on the Group by customers (or business partners) and relevant regulatory authorities (for example the Ministry of Manpower). To ensure that the Group provides a reasonable and practicable safe working environment for our employees, the Group has a safety committee that ensures that the Group meets the safety requirements imposed by its customers (or business partners) and the relevant authorities. The Group also provides training to its staff regularly on safety procedures. The Audit Committee also reviews the safety records of the Group on a quarterly basis. Our in-house safety auditor carried out an audit on the Group's safety procedures in FY2024. We had implemented the recommendations based on his audit findings in FY2025.

## *Information system risk*

Information system risk is the potential cost to the Group caused by loss of information through either failure of hardware or software or malicious cyber-attacks. The Group has a disaster recovery plan and a maintenance program for its accounting and management information system. In the event of disruptions, there are assurances for recovery. This will minimize disruption to businesses and operations. In FY2024, an Independent IT firm carried out a cybersecurity audit on our information system. We implemented the IT recommendations based on their audit findings.

## *Credit risk*

Credit risk is the risk of financial loss to the Group, resulting from the failure of a customer to discharge its financial and contractual obligations to the Group. The Group has a standard procedure in place which includes the approval of credit applications, performing credit evaluations, setting credit limits and monitoring credit risks on a regular basis. Cash terms or advance payments are required for customers with low credit rating process.

# CORPORATE GOVERNANCE REPORT

## *Capital expenditure risk*

In response to the ongoing difficult market conditions, management has exercised financial discipline on capital expenditure. Management continues to review the utilization rate of operating assets and where utilization is low, due to business partner's needs, these operating assets will be disposed of. In FY2025, the Group arising from low utilization rates, disposed of \$0.4 million (net book value) worth of operating assets.

## *Market concentration risk*

Until FY2018, the Group's revenue was substantially from its Singapore operations. The Group's main customers (or business partners) are from the process industry, which in turn is dominated by a small number of big multi-national players. Many of these multi-national companies are key customers (or business partners) of the Group, whom the Group has long-term relationships with.

To address both market and customers (or business partners) concentration risk, several initiatives to diversify its revenue base (including geographically) and broaden its range of services were undertaken. The Group currently has operations in Taiwan, Malaysia and North America. The total revenue for these three countries in FY2025 accounts for 25.3% (FY2024: 28.8%) of the Group total revenue.

At the Taiwan market, the Group was able to garner support from CPC Corporation ("**CPC**") – Taiwan government linked corporation. CPC, through its various operating units, awarded the Company's Branch Office several contracts and these contracts contributed materially to the Group's profitability. However, due to certain unlawful actions by our consultant – who is not our employee and he carried out these unlawful actions without our knowledge or approval, the Company's Branch Office was suspended for a period of 3 years commencing December 2022. Please refer to our announcements dated 14 April 2021, 21 June 2022, 12 July 2022, 4 August 2022, 3 November 2022, 22 December 2022, 28 February 2023 and 6 October 2023. This suspension ended in December 2025.

Besides geographical diversification, the Group has increased its range of offerings. These include distributorship agency agreements on certain types of mechanical components (including distribution of automation tools), establishment of in-house scaffolding capabilities and providing specialized coating services.

## *Human resource risk*

The Group is a service provider and is dependent on its human resources to achieve profitability and retain customers (or business partners). The Group faces risks of not being able to retain its pool of human resources. In its efforts to retain and attract new talents, it provides staff with essential training and transparent career succession planning road map.

Profitability of the Group is dependent on the deployment of its directly employed workforce, which comprise majority of foreigners. Changes in manpower laws on the employment of foreigners, like government levies and quotas, have significant impact on our ability to continue to execute work orders and profitability.

In view sizable project works (value above \$3.0 million) in the near term would be few, the Singapore Operations will keep manpower at levels reflecting current work activities. Should there be an increase in work activities, we will supplement our existing manpower with subcontractors while we retain the project management role. Maintaining excess manpower is costly and strain on cashflow and affects profitability.

# CORPORATE GOVERNANCE REPORT

## *Compliance risk*

The Company is incorporated in Singapore, and its shares are listed and quoted on the SGX-ST. Besides the Company, the Group also has legal entities operating in various foreign jurisdictions, in which the Group is obligated to comply with all the local statutory and regulatory requirements. In Singapore, the Company must comply, particularly, the Companies Act 1967, Securities and Futures Act 2001, SGX-ST Listing Manual and Employment of Foreign Manpower Act 1990. Rapid changes in laws and regulations and practices in different jurisdictions have made compliance more complicated. Fraud or deliberate wrongful acts can result in financial loss to the Company and Group.

During FY2021, the Ministry of Manpower imposed against the Company both an administrative financial penalty and debarred it from employing foreign manpower for a period of 1 year after it was found to have breached Section 25 (3) of the Employment of Foreign Manpower Act 1990. The breach arises from submissions made by the Company to the Ministry of Manpower without obtaining proper documentary proofs on employing foreign manpower. Following the appeal by the Company, the debarment was reduced to 6 months.

The Group also conducted, after the unlawful act by a consultant who we engaged in Taiwan, a review of its existing consulting contracts to ensure that other consultants, whom we engaged from time to time, do not engage in unlawful or unethical business practices.

The Group has an effective compliance framework which include putting in place the relevant internal control processes, policies and procedures, delegation of authority matrix, risk management and corporate governance policies to monitor the level of compliance and minimize the level of lapses. The Group also has internal guidelines (Code of Business Ethics and Conduct) and anti-corruption policies, which our employees are being briefed on as they are accountable for such compliances.

A whistle blowing policy is in place whereby employees and other stakeholders can raise concern about any unethical, fraudulent act or corrupt practices, in good faith, without fear of retaliation for investigation and action, subject to applicable laws. Our Group Human Resource Department conducts training sessions on an annual basis to all employees within the Group to adhere to the Group's Code of Business Ethics and Conduct.

## **Assurances from the Executive Chairlady, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO")**

In addition, the Board has received assurances from the Executive Chairlady, CEO and CFO:

- that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- that the Group's risk management and internal control systems are adequate and effective to address the financial, operational, compliance and information technology controls, and risk management systems within the current scope of the Group's business operations.

Based on the internal controls established and maintained by the Group, work performed by the Internal Auditor as well as work performed by the External Auditor, and reviews performed by Management, the Audit Committee and the Board are of the opinion that the Group's internal controls are adequate and effective to address the financial, operational, compliance, information technology controls, and the risk management systems of the Group.

# CORPORATE GOVERNANCE REPORT

## Audit Committee

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

The Audit Committee comprises of four Non-Executive Directors in which the majority (including the Chairman) are Independent Directors:

Seah Hai Yang (Chairman)  
Mah Kai Leong  
Elaine Beh Pur-Lin  
David Tan Chao Hsiung

None of the members of the Audit Committee is a former partner or director of the Company's existing audit firm (a) within a period of two years commencing on the date of their ceasing to be a partner of the audit firm or director of the auditing corporation and (b) for as long as they have any financial interest in, the Company's existing auditing firm or auditing corporation.

The Audit Committee held four formal meetings during the financial year. These meetings were also attended by the Executive Directors, CEO, COO, CFO and the Executive Committee members (including heads of business units) at the invitation of the Audit Committee. The Group's External Auditor and Internal Auditor were invited to present their audit plans and reports to the Audit Committee at the relevant junctures.

The Board is of the view that all the members of the Audit Committee are appropriately qualified to discharge their responsibilities as defined under the terms of reference which the Board has approved. Mr. Seah Hai Yang is an accountant by training and has held senior accounting and finance appointments with private and public companies in various industries. He has been a founder and director of a consultancy company providing consultancy, accounting and corporate secretarial support services. He has in the current and past, served on the board of directors as well as audit committee chairman of two other SGX-ST listed companies. Mr. Mah Kai Leong, is a qualified mechanical engineer, held senior management position (with financial management experience) in a major processing plant in Singapore. Ms. Elaine Beh Pur-Lin, a lawyer, has relevant working experience from her involvement in the board committees of both listed and non-listed companies. Besides this, she has in the current and past, served on the board of directors of three other SGX-ST listed companies. Mr. David Tan Chao Hsiung is also an accountant by training and has relevant experience in financial restructuring, mergers and acquisitions and capital markets transactions. He has in the past and currently served in a number of the SGX-ST listed companies (both the Catalist and the Mainboard) as board member and holds offices of audit committee chairman, lead independent director and chairman of the other board committees.

The Audit Committee has a set of written terms of reference approved by the Board, clearly setting out their authority, duties and responsibilities. The Audit Committee is authorized by the Board to investigate any matter within its terms of reference and has full access to, and co-operation of Management, with full discretion to invite any Director or executive officer to attend the meetings. It has adequate resources to enable it to discharge its functions properly. During the meetings of the Audit Committee held during the financial year, the Audit Committee performed its functions and responsibilities as set out in its terms of reference, which include the following:

- Reviewing the significant financial reporting issues and judgments, its financial impact and to ensure the integrity of the financial statements of the Group. It also reviews the announcements relating to the Group's financial performance;
- Reviewing and reporting to the Board annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance controls, information technology controls and risk management systems;

# CORPORATE GOVERNANCE REPORT

- Reviewing the independence, adequacy, and effectiveness of the Group's internal audit functions;
- Reviewing the adequacy, scope, approach and results of the audit and its cost effectiveness, and the independence and objectivity of the External Auditor;
- Reviewing the nature and extent of the External Auditor's non-audit services to the Group as well as the extent of reliance placed by the External Auditor on the Internal Auditor's work, seeking to balance the maintenance of objectivity and value for money;
- Making recommendations to the Board on the appointment, re-appointment and removal of the External Auditor, and approving the remuneration and terms of engagement of the External Auditor;
- Reviewing both Internal and External Auditors' audit plans and reports, the Internal and External Auditors' evaluation of the system of internal accounting controls, as well as the assistance given by Management to both the Internal and External Auditors;
- Reviewing the assurances from the Executive Chairlady, Executive Deputy Chairman and CEO and CFO on the financial records and financial statements;
- Reviewing the policy and arrangements for concern about possible improprieties in financial reporting and other matters to be safely raised, independently investigated, and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and
- Reviewing the financial reports of the Group, prior to their submission to the Board.

The Audit Committee reviews the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems through discussion with Management and its auditors and the Board annually.

The Audit Committee also reviews the assurance from the Executive Chairlady, Executive Deputy Chairman and CEO and CFO on the financial records and statements.

To assist the Audit Committee in reviewing the Group's financial and operating performance, the Audit Committee has invited the COO, CFO and the heads of various business units (who are mostly Executive Committee members) to present the financial and operating performance of their units, explaining variances from budgets and understanding the challenges that they face. This would enable the Audit Committee to have a better understanding of both the financial statements as well as the operations of the Group.

The Audit Committee has reviewed and is satisfied with the level of co-operation rendered by the Management to the External Auditor, the adequacy of scope and quality of their audits, and the independence and objectivity of the External Auditor.

During its review, the Audit Committee also met with the External and Internal Auditors on an annual basis, without the presence of the Management, to discuss the reasonableness of the financial reporting process, identification of internal control weaknesses and any matters that arose in the course of their work.

During the various meetings that the Audit Committee has with the External Auditor and the CFO, the members of the Audit Committee are briefed by them on the various accounting standards, including changes and issues that affect the Group's financial reporting.

# CORPORATE GOVERNANCE REPORT

## Financial Reporting Matters

The Board is responsible for providing a balanced and understandable assessment of the Group's financial performance position and prospects when presenting interim and other price sensitive public reports and reports to regulators (if required).

The Company prepares its financial statements in accordance with the Singapore Financial Reporting Standards (International) (the "SFRS (II)") prescribed by the Accounting Standards Council. The Audit Committee meets on a quarterly basis to review the quarterly financial performance guidance updates, half yearly and the full year financial statements, SGXNet announcements and all related disclosures to shareholders (including where appropriate and necessary, press and media releases) before submission to the Board for approval. In the process, the Audit Committee reviews the key areas of management judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have an impact on the Group's financial performance position to ensure the integrity of the financial statements. In communicating and disseminating its results, the Board always aims to present a balanced and clear assessment of the Group's financial performance position and prospects.

Management provides the Board with accounts and such explanations and information on a regular basis, and as and when the Board may require from time to time, to enable the Board to make a balanced and informed assessment of the Group's financial performance position and prospects. On a quarterly basis, the Board receives updates from the various heads of the business units on the performance and developments under their charge.

## Audit Committee comments on the Key Audit Matters

### Revenue Recognition

The Audit Committee reviewed and concurred with the Management's revenue recognition method which is based on the percentage of completion method. Through the understanding of projects' progress at the quarterly updates by the Executive Chairlady, Executive Deputy Chairman and CEO, COO, project directors/managers and CFO, the Audit Committee assessed the reasonableness of the Management's budgets of these projects. The Audit Committee determined that the budgets were reasonable.

### Valuation of Non-Financial Assets and their Carrying Values

The Audit Committee considered and is satisfied with the valuation methodology and reasonableness of key assumptions used by Management, as well as external independent qualified valuers, to determine the recoverable amounts of the non-financial assets. The external valuers had indicated that there were indications of impairments losses on certain property and equipment. The Audit Committee reviewed and concurred with Management that the impairment losses of \$0.7 million on certain property and equipment as at 31 December 2025 to be reasonable.

## External Auditor

The Audit Committee reviews the scope and results of the audit carried out by the External Auditor, the cost effectiveness of the audit and the independence and objectivity of the External Auditor. The Audit Committee also recommends to the Board the appointment, re-appointment and removal of External Auditor and approves the remuneration and terms of engagement of the External Auditor. The re-appointment of the External Auditor is always subject to the shareholders' approval at the AGM of the Company.

# CORPORATE GOVERNANCE REPORT

At the last AGM held on 30 April 2025, shareholders had approved the re-appointment of KPMG LLP ("**KPMG**") as our External Auditor and they had consented to the re-appointment, until the conclusion of the next AGM. KPMG had been the Group external auditor since their initial appointment in 2010.

Amidst a challenging business climate, and considering the Group's current financial performance, the Audit Committee, with the concurrence from the Board, is of the view that it would be appropriate to review the appointment of External Auditor and to realize cost efficiencies for the Group without compromising on the standards of reporting and accountability. In addition, as part of good corporate governance initiatives, the appointment of new External Auditor would also enable the Group to benefit from a fresh perspective and view of another professional audit firm, thus enhancing the value of the audit.

At an extraordinary general meeting on 14 November 2025, the shareholders approved the change of External Auditor from KPMG to CLA Global TS Public Accounting Corporation ("**CLA Global TS**") for the FY2025 external audit.

The Audit Committee undertook the review of the independence and objectivity of the External Auditor, Messrs CLA Global TS. It is satisfied with the independence and objectivity of the External Auditor and recommends to the Board the nomination of the External Auditor for re-appointment. The Audit Committee has conducted an annual review of all non-audit services provided by the External Auditor and is satisfied that the nature and extent of such services do not affect the independence of the External Auditor.

The fees paid to the External Auditor of the Company during the financial year for both audit and non-audit services are as follows:

	<b>Audit Fee</b>	<b>Non-audit Fee</b>
Fees paid to External Auditor	S\$190,000	S\$12,000

The non-audit fee – services relating to sustainability reporting.

Based on the above review, the Audit Committee is of the opinion that CLA Global TS is, and is perceived to be, independent for the purpose of the Group's statutory audit.

In reviewing the nomination of CLA Global TS for re-appointment for FY2026, the Audit Committee has considered the adequacy of the resources, audit experience and competence of CLA Global TS, and has considered the Accounting and Corporate Regulatory Authority's Audit Quality Indicators Framework relating to CLA Global TS at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. Based on the review, the Audit Committee is satisfied with the standard and quality of work performed by CLA Global TS. It has recommended to the Board the nomination of CLA Global TS for re-appointment as External Auditor at the forthcoming AGM of the Company.

## **Compliance with Rule 712, Rule 715, and Rule 716 of the SGX-ST Listing Manual**

CLA Global TS is the auditor for the Company and its Singapore-incorporated subsidiaries. Save for the Malaysia incorporated entities and Malaysia-incorporated equity accounted investee, CLA Global TS is also the auditor for the significant foreign-incorporated entities for group reporting purposes. As CLA Global TS does not have a member firm in Malaysia which provides external audit services, the Malaysia incorporated entities and Malaysia-incorporated equity investee are audited by Baker Tilly Monteiro Heng PLT and KPMG PLT (a member firm of KPMG International Limited) respectively. CLA Global TS has access to their audit working papers and other documents as required for group reporting purposes.

# CORPORATE GOVERNANCE REPORT

The Audit Committee is satisfied that the Group has complied with Rules 712 and 715 (read with 716) of the SGX-ST Listing Manual in relation to its selection and appointment of auditing firms. The Audit Committee and the Board are satisfied with the standards and the effectiveness of the audits performed by the independent auditors other than those of the Company.

## Whistle-blowing program

The Company has established a Code of Conduct and Business Ethics ("**CCBE**") which applies to all employees of the Group. The CCBE covers areas such as conduct in workplaces, business conduct, protection of the Company's assets, confidentiality of information and conflict of interest etc. Directors, Key Management Personnel and employees are expected to observe and uphold high standards of integrity which are in line with the Company's policies and in accordance with respective law and regulations of the countries in which it operates in.

The Group is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraud and unethical conduct. The Group undertakes to investigate complaints of suspected fraud and unethical conduct in an objective manner and has put in place, with the Audit Committee's endorsement, arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective of such arrangements is to ensure independent investigation of matters raised and to allow appropriate actions to be taken. The results from the investigation are reported directly to the Chairman of the Audit Committee.

The whistle-blowing framework is endorsed by the Audit Committee which provides the mechanisms where employees may, in confidence, raise concerns or observations about possible corporate malpractices, improprieties in matters of financial reporting or other matters directly to the Chairman of the Audit Committee. Details of the whistle-blowing policies and the dedicated whistleblowing channels (through our website) are made available to all employees. It has a well-defined process which ensures independent investigation of issues/concerns raised and the appropriate follow-up actions. It also provides assurances that employees will be protected from reprisal within the limits of law or victimization for whistle-blowing in good faith. The whistle-blowing policy and procedures are reviewed by the Audit Committee from time to time to ensure they remain relevant. The Audit Committee reports to the Board on such matters at the Board meetings. Should the Audit Committee receive reports relating to serious offences and/or criminal activities in the Group, the Audit Committee and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

During the financial year 2025, two whistle-blowing allegations were received concerning a newly hired employee. As the allegations did not relate to financial reporting, corporate governance, or the integrity of Management, the Audit Committee entrusted Management to conduct the necessary investigations and report its findings. Upon conclusion of the investigations, Management determined that both allegations were unsubstantiated. However, during the review, it was discovered that this employee had breached the terms of his employment contract by concurrently holding two full-time positions and failing to disclose this arrangement at the time of his employment. This constituted a breach of the Company's employment policy and this employee was subsequently terminated.

# CORPORATE GOVERNANCE REPORT

## Interested Person Transactions – Rule 907 of the SGX-ST Listing Manual

To ensure compliance with Chapter 9 of the SGX-ST Listing Manual, the Audit Committee, as well as the Board, meets quarterly to review on-going and proposed interested person transactions. For the latter, the Audit Committee will take into consideration factors such as possible options/alternatives available, the terms and conditions of the transaction, interest of the non-controlling shareholders and the financial impact on the Group. After considering these factors, the Audit Committee would make its recommendation to the Board. The Board would review and discuss the Audit Committee's recommendation with the interested party(ies), who will also recuse and abstain herself/himself/themselves from the Board decision-making process.

### Shareholder Loan by Executive Chairlady/Controlling Shareholder

The Group has on 28 February 2024 entered into two separate revolving facility agreements ("**Revolving Facility Agreements**") in the amount of S\$1.5 million and RM1.0 million respectively with Madam Cheng Woei Fen (the Executive Chairlady and controlling shareholder of the Company). Both Revolving Facility Agreements will expire 3 years from 28 February 2024, or on such other date as may be mutually agreed by the Company and Madam Cheng Woei Fen in writing. Please refer to announcement dated 28 February 2024 for details of this Revolving Facility Agreements.

The entry into the Revolving Facility Agreements constitute an interested person transaction ("**IPT**") under Chapter 9 of the SGX-ST Listing Manual. The Board, with the concurrence of the Audit Committee, is also satisfied that the terms and conditions of each of the Revolving Facility Agreements are not prejudicial to the interests of the Company and its non-controlling shareholders.

Madam Cheng Woei Fen (a controlling shareholder) and Mr Quek Kian Hui (a substantial shareholder), both being Executive Directors and immediate family members, recused themselves from all discussions and abstained from the Board's decision-making process. The remaining Board members, comprising Non-Executive Directors with majority Independent Directors, concluded that the Company entering into these Revolving Facility Agreements was in the best interest for both the Company and Group and will not be prejudicial to non-controlling shareholders. Key considerations were (i) the decline in the Group's working capital (the net working capital positions prior to entering into these agreements – \$36.7 million as at 31 December 2022, \$22.9 million as 31 March 2023, \$19.7 million as at 30 June 2023, \$19.5 million as at 30 September 2023 and \$19.2 million as at 31 December 2023), (ii) these loans are provided at no more onerous terms and conditions than those from the Company's existing financial institutions and (iii) the subdued outlook for the Group – which the Board has caveat in its guidance statements.

The Company drew down \$1.8 million [comprising of SGD 1.5 million and RM1.0 million (equivalent to SGD 308,000)] of the credit facilities extended by the Executive Chairlady/Controlling Shareholder ("**IPT Loans**") in FY2024. The loans were applied to working capital. From FY2024 to FY2025, the Executive Chairlady has consented to roll over the outstandings when they fall due. She has also indicated willingness to extend the tenor (expiring in May 2026) of these facilities. In FY2025, the interest rates on these IPT loans with different maturing tenures range from 2.80% p.a. to 3.30% p.a. (FY2024: 3.26% to 3.60% p.a.). The lower interests in 2025 were due to lower Singapore Overnight Rate Average ("**SORA**"). The Audit Committee is satisfied that the interest rates applied to the IPT loans are not prejudicial to the interests of the Company and its minority shareholders.

# CORPORATE GOVERNANCE REPORT

The Group does not have a general mandate from shareholders for IPT pursuant to Rule 920 of the SGX-ST Listing Manual. The aggregate value of transactions entered into by the Group with interested persons in FY2025, as defined in the SGX-ST Listing Manual is 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	
		Financial year ended 31-Dec-25 \$'000	31-Dec-24 \$'000	Financial year ended 31-Dec-25 \$'000	31-Dec-24 \$'000
Cheng Woei Fen	Executive Chairlady and Controlling Shareholder	-	-	-	-
The total interest expense on the shareholder loan or IPT loan for FY2025 amount to \$52,000 (FY2024: \$23,000)					
<b>Total Interested Person Transactions</b>		-	-	-	-

## Material Contracts – Rule 1207 (8) of the SGX-ST Listing Manual

Except as disclosed above and in the financial statements for FY2025, there were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors and shareholders (substantial or controlling), which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

## Internal Audit

The Board recognizes the importance of maintaining a robust risk management framework and sound internal controls practices as fundamental to good corporate governance. To ensure independence and effectiveness, the Company has outsourced its internal audit function to a qualified external professional firm, which reports directly to the Audit Committee. The Audit Committee reviews the reliability, independence, adequacy and effectiveness of the internal audit function in each year. In addition, it also ensures that resources are adequate so that the internal audits are performed effectively. The Audit Committee also evaluates and approves the appointment, termination and compensation of the Internal Auditor. Besides this, the Audit Committee will ensure that the Internal Auditor is qualified and appropriate to undertake the tasks and have unfettered access to the Audit Committee in carrying out its entrusted tasks.

# CORPORATE GOVERNANCE REPORT

In FY2025, the Company's internal audit function was outsourced to NLA Risk Consulting Pte Ltd ("**NLA**") ("**Internal Auditor**"). NLA is part of the NLA DFK Group of Companies which is a Singapore-based mid-tier accounting and advisory firm, providing various professional services. The firm, with a headcount of more than 100 staff, is a member of one of the top 10 international associations of independent accounting firms and business advisers. NLA is a corporate member of the Institute of Internal Auditors, Singapore. The Internal Audit team members are members of the Institute of Internal Auditors. The internal audit team is guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors in carrying out its functions. The Internal Auditor reports directly and primarily to the Chairman of the Audit Committee with administrative reporting to the Executive Chairlady.

The Internal Auditor assists the Board and Audit Committee in monitoring the risks and internal controls of the Group. In assessing the design and operating effectiveness of internal controls, the Group has in place a system of internal controls to ensure:

- Assets are safeguarded;
- Fraud or errors in the accounting records are prevented or detected;
- Accuracy and completeness of accounting records are ensured;
- Reliable financial information is prepared in a timely manner; and
- Compliance with applicable internal policies, laws and regulations relating to the financial reporting process.

The Internal Auditor plans its internal audit schedule in consultation with, but independent of the Management. The Audit Committee reviews the internal audit plan, determines the scope of the audit and oversees the implementation of the improvements required on internal control weaknesses identified.

In FY2025, the Internal Auditor conducted an internal audit review on our Malaysia Operations – Pegasus Advance Engineering Sdn Bhd on project management and costing processes and procurement to payment cycle. The Malaysia Operations are in the process of implementing the Internal Auditor's recommendations.

During the year, the Audit Committee reviewed the internal audit report issued by the Internal Auditor, as well as discussed with Management and the External Auditor, and is satisfied that the Management has devised and maintained a system of internal accounting controls that is sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheet, and to maintain accountability of assets.

In addition, the Internal Auditor may be involved in ad-hoc projects initiated by the Board which require the assurance by the Internal Auditor in specific areas of concerns. During the year, the Internal Auditor was not involved in any ad-hoc projects.

The Audit Committee is satisfied that the Group's internal audit function is independent, effective and adequately resourced. The current internal audit function, outsourced to NLA Risk Consulting Pte Ltd., is staffed by suitably qualified and experienced professional with the relevant experience to perform its internal audit function effectively.

## Internal Review of Sustainability Reporting

The former Internal Auditor, CLA Global TS Risk Advisory Pte Ltd ("**CLA Risk Advisory**") performed an internal review on our internal control processes in relation to the collection of data for ESG and ISSB (formerly known as TCFD) reporting purposes as well as review on our FY2024 Sustainability Report. No internal review findings were raised.

# CORPORATE GOVERNANCE REPORT

CLA Risk Advisory is an affiliate of CLA Global TS in which the latter has been appointed as our External Auditor for FY2025. There exists no conflict of interest as the internal review work was on FY2024 Sustainability Report and the review was performed prior to the appointment of CLA Global TS as our External Auditor.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### 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.***

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. The notices are also published in the local press and posted onto SGXNet and the Company's website.

Pursuant to Rule 730A(2) of the SGX-ST Listing Manual, all resolutions proposed at the Annual General Meeting ("AGM") and at any adjournment thereof shall be put to the vote by way of poll. All shareholders are entitled to vote in accordance with the established voting rules and procedures at the AGM. Each share is entitled to one vote. An external firm has been appointed as scrutineers for the AGM voting process. The detailed results set out the number of votes cast for and against each resolution and the respective percentages are announced via SGXNet after the AGM.

The resolutions tabled at the general meetings are on each substantially separate issue, including treating the election or re-election of each director as a separate subject matter. Detailed information about each item in the AGM agenda is provided in the explanatory notes to the Notice of AGM in the Annual Report.

The Group believes in encouraging active shareholder participation at general meetings to ensure a high level of accountability and to stay informed of the Group's strategies. At the Company's AGM, shareholders present are given the opportunity to communicate their views and are encouraged to ask the Directors and Management questions regarding matters affecting the Company and the Group. A shareholder who is entitled to attend and vote may either vote in person or in absentia through the appointment of one or more proxies. If shareholders are unable to attend the meetings, the Constitution of the Company allows shareholders who are not relevant intermediaries to appoint not more than two proxies to attend, speak and vote in general meetings. To ensure valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least 72 hours before the time set for the general meetings. The Constitution of the Company does not allow for other absentia voting methods such as by mail, electronic mail, fax and/or other methods. Such methods will only be implemented if the necessary security and other measures to protect against errors, fraud and other irregularities are addressed and available on a cost-effective basis.

At each AGM, the members of the Board avail themselves and encourage shareholders to participate in the question-and-answer session. The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity to raise issues pertaining to the resolutions tabled for approval. The External Auditor is present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report. The respective Chairperson of the Audit Committee, Nominating Committee and Remuneration Committee, or members of the respective Board Committees standing in for them, are present at each AGM, and other general meetings held by the Company, if any, to address shareholders' queries. Appropriate Key Management Personnel are also present at general meetings to respond, if necessary, to answer financial and operational questions from shareholders.

The Company also prepares minutes of general meetings (published within one month after the meeting) which include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. Minutes of the AGM FY2024 held on 30 April 2025 had been published by the Company on its corporate website and SGX-ST website.

# CORPORATE GOVERNANCE REPORT

Currently, the Company does not maintain a definitive dividend policy. The amount of dividend proposed or declared is subject to the financial performance of the Group and availability of excess funds (after taking into consideration the operating environment, business expansion plans, capital expenditure and working capital requirements for the coming year). While there is no definitive dividend policy, the Board will endeavor to have a dividend rate that reflects closely with the Group's performance.

To conserve financial resources, the Board does not propose any dividends for FY2025 (FY2024: Nil). Furthermore, the Group incurred net losses for FY2025 and any declaration of dividends will be from our past retained earnings.

The Company will be conducting a physical AGM on Monday, 27 April 2026, at 10.00 a.m. There will be no option for members to participate in the AGM virtually.

Shareholders are encouraged to submit their questions by 10.00 a.m. on Thursday, 16 April 2026. The Company will respond to these submitted questions and published it on the (i) SGX's website and (ii) the Company's corporate website on or before Wednesday, 22 April 2026 (in accordance with the guidelines in which questions must be responded forty-eight (48) hours prior to the closing date and time for the lodgment of the proxy forms. The minutes of the AGM will be published on (i) the SGX's website and (ii) the Company's corporate website within one month after the date of the AGM.

## 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.***

The Company is committed to corporate governance and transparency by disclosing to its stakeholders, including its shareholders, as much relevant information as far as possible, in a fair, timely and transparent manner as well as to hear shareholders' views and addressing their concerns. By providing shareholders with reliable and timely information, the Company will be able to strengthen the relationship with its shareholders based on trust and accessibility.

All shareholders of the Company receive the Notice of AGM on a yearly basis. The Notice of the AGM is also advertised in the local press. The AGM is the principal forum for dialogue between the Board and the shareholders. Shareholders are invited to participate in the question-and-answer session. The Constitution of the Company also provides for the appointment of proxies to attend the meeting in his or her stead and the proxies need not be shareholders of the Company.

Since FY2023, in line with the Company's sustainability strategy, we have discontinued the practice of mailing out the Annual Report and Letter of Addendum to shareholders. An electronic copy of this Annual Report 2025 and Addendum have been uploaded onto the Company's website at [www.mun-siong.com](http://www.mun-siong.com) or SGX website at [www.sgx.com/securities/company-announcements](http://www.sgx.com/securities/company-announcements). Printed copies of the Annual Report 2025 and Addendum are available upon request.

Besides AGMs, the Company believes in regular, effective and fair communication with its shareholders and is committed to hear shareholders' views and addressing their concerns where possible. To avoid selective dissemination of information which is prohibited under SGX-ST Listing Manual and the Companies Act 1967, where necessary, such responses will be announced on the SGXNet. During FY2025, some shareholders approached the Company to seek clarifications on certain announcements made or expressed their views on the developments of the Group. The Company has an investor relations team which responds to their queries or concerns. The Company does not have an Investor Relations Policy in place.

# CORPORATE GOVERNANCE REPORT

The Board strives to provide comprehensive disclosures to Shareholders and investors to enable them to keep abreast of the Group's developments via the voluntary quarterly financial performance guidance updates on Singapore, Malaysia, Taiwan and North America operations (arising from material developments in FY2025). Guided by the policy, of equal access, shareholders are informed simultaneously in an accurate and comprehensive manner regarding all material developments via SGXNet, the Company's website [www.mun-siong.com](http://www.mun-siong.com) and where appropriate through media release on an immediate basis. This is in line with the Company's disclosure obligations pursuant to the SGX-ST Listing Manual and the Companies Act 1967.

The investor relations team also manages the dissemination of corporate information to the media, public, institutional investors and public shareholders and acts as a liaison point for such entities and parties. Shareholders can make use of the telephone or email directly to the Company's investor relations team.

## MANAGING STAKEHOLDERS' RELATIONSHIPS

### 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.***

The Company has regularly engaged its stakeholders through various media and channels to ensure that business interests are aligned with those of the stakeholders, to understand and address their concerns so as to improve the quality of services and to maintain high safety standards, as well as to sustain business operations for long term growth.

The stakeholders have been identified as those who are impacted by the Group's business and operations or those whose actions are able to impact on the Group's business and operations. Five stakeholder groups have been identified through an assessment of their significance to the business operations. They are namely suppliers, customers (or business partners), employees, community, and shareholders.

The Group has undertaken a process to determine the ESG issues which are important to these stakeholders. These issues form the ESG materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually. In FY2025, the Group has adopted the ISSB [replacement for TCFD] framework. The Group will adopt a phased implementation approach for ISSB. The Company's Sustainability Report will be made available on our website on an annual basis in the month of April. Having identified the stakeholders and the material ESG issues (including climate-related issues), the Company has mapped out the key areas of focus in relation to the Management of the respective stakeholder relationships.

The Company also maintains a corporate website at [www.mun-siong.com](http://www.mun-siong.com) to communicate and engage stakeholders. The Company monitors the dissemination of material information to ensure that it is made publicly available on a timely and non-selective basis. The Group does not practice selective disclosure of material information. Information relating to the Company or Group which are deemed price sensitive or affecting shareholders' or investors' decisions in investing in the Company's shares, for example, events affecting financial performance, changes in business plans, announcement of financial results and annual reports are announced or issued within the mandatory period as prescribed under the SGX-ST Listing Manual.

# CORPORATE GOVERNANCE REPORT

## Other Corporate Governance Matters

### Dealing in Securities

The Group has adopted an internal code on securities trading for its Directors and Officers and the execution of its share buyback mandate setting out the implications for insider trading. The Group's internal code prohibits the dealing in listed securities of the Company while in possession of price-sensitive information, and during the period commencing one month before the date of announcement of results for half-year and full year financial results and ending on the date of the announcement(s). The Company has, on a voluntary basis, provided quarterly financial performance guidance updates. Two weeks prior to the announcements of the first quarter and third quarter financial performance guidance updates, no dealings in the Company's securities are observed. Directors are required to notify the Company of their securities trading within two market days of such dealings, and the Company shall disseminate such notifications received via SGXNet within one market day upon receipt.

In addition, Directors and officers are reminded, always, to observe the insider trading laws even when dealing in securities within permitted trading periods. Directors and Officers are discouraged from dealing in the Company's securities on short-term considerations.

All directors are required to seek the Board's approval before trading in the Company's shares and are also required to notify the Company's Secretary of any change in his interest in the Company's shares within two business days of the change.

In FY2025, there was no trading of the Company's shares by its Directors and Officers.

# DIRECTORS' STATEMENT

We are pleased to present this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2025.

In the opinion of the directors,

- (a) the financial statements set out on pages 61 to 119 are drawn up so as to give a true and fair view of the financial positions 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 year ended on that date in accordance with the provisions of the 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## Directors

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

Cheng Woei Fen  
 Quek Kian Hui  
 Seah Hai Yang  
 Mah Kai Leong  
 Elaine Beh Pur-Lin  
 David Tan Chao Hsiung

## Arrangements to enable directors to acquire shares and debentures

Except as described below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## Directors' interests in shares or debentures

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Direct interests		Deemed interests	
	Holdings at beginning of the year	Holdings at end of the year	Holdings at beginning of the year	Holdings at end of the year
<b>The Company</b>				
<i>Ordinary shares</i>				
Cheng Woei Fen	278,997,600	278,997,600	36,167,400	36,167,400
Quek Kian Hui	86,376,800	86,376,800	-	-

# DIRECTORS' STATEMENT

## Directors' interests (Continued)

By virtue of Section 7 of the Act, Cheng Woei Fen and Quek Kian Hui are deemed to have interests in the subsidiaries and related corporations of the Company, at the beginning and at the end of the financial year.

Except as disclosed in this statement, no director who held office at the end of the financial year had interest in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

There were no changes in any of the abovementioned interest in the Company between the end of the financial year and 21 January 2026.

## Mun Siong Engineering Limited Performance Share Plan (The "Plan")

(Unless otherwise defined herein capitalised terms shall have the meanings ascribed in the circular to shareholders dated 29 March 2017.)

The Plan was approved at an Annual General Meeting ("AGM") held on 20 April 2017, for granting awards to eligible full-time employees and Executive Directors.

### Principal Terms of the Plan

#### *Eligibility*

The following persons shall be eligible to participate in the Plan subject to the absolute sole discretion of the Committee:

- (a) full time employees who are confirmed in their employment with the Company or any subsidiary as at 31 December of the financial year prior to the Award Date and have been with the Company or its subsidiary for at least 12 Months or such shorter period as the Committee may determine on or prior to the Award Date; and
- (b) Executive Directors (subject to approval by the Independent Shareholders)

provided always that any of the aforesaid persons:

- (i) have attained the age of 21 years on or before the Award Date; and
- (ii) are not undischarged bankrupts.

Subject to the separate approval by Independent Shareholders for their participation in the Plan, controlling shareholders and their associates within the above categories are eligible to participate in the Plan.

#### *Awards*

Awards represent the right of a Participant to receive fully paid Shares, free of charge, upon the satisfaction of the prescribed Performance Conditions within the Performance Period. Participants will be granted an Award, under which Shares will be Vested and Released at the end of the Performance Period once the Committee is, at its sole discretion, satisfied that the Performance Conditions have been achieved.

# DIRECTORS' STATEMENT

## Principal Terms of the Plan (Continued)

### *Grant of Awards*

Under the rules of the Plan, there are no fixed periods for the grant of Awards. As such, offers for the Awards may be made at any time from time at the discretion of the Committee. In considering an award to be granted to a Participant, the Committee may take into account, inter alia, the participant's rank, scope of responsibilities, job performance, length of service and potential for future development, contribution to the success and development of the Company and if the extent of effort and resourcefulness required to achieve the Performance Conditions within the Performance Period.

### *Vesting of Awards*

Awards will typically vest only after the satisfactory completion of the Performance Conditions within the Performance Period. No minimum vesting periods are prescribed under the Plan, and the length of the vesting period(s) in respect of each Award will be determined by the Committee on a case-by-case basis.

### *Size of the Plan*

The aggregate number of Shares to be delivered pursuant to the Vesting of the Awards on any date, when added to the number of Shares issued and issuable in respect of such other Shares issued and/or issuable under such other share-based incentive schemes of the Company, shall not exceed 15 percent of the total issued share capital excluding treasury shares of the Company on the day preceding the relevant Award Date.

### *Duration of the Plan*

The Plan shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the Plan is adopted by the Company in general meeting, provided always that the Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. The termination or discontinuance of the Plan shall be without prejudice to the rights accrued to any Participant who has been granted Awards, whether such Awards have been Vested (whether fully or partially) or not.

The Plan is administered by the Remuneration Committee consisting of non-executive independent directors, Mr Mah Kai Leong (Chairman), Mr Seah Hai Yang, Ms Elaine Beh Pur-Lin and a non-executive non-independent director Mr David Tan Chao Hsiung.

On 21 February 2019, an aggregate of 2,400,000 share awards were granted to the employee of the Company and its subsidiaries since the commencement of the plan until the end of the financial year. The first tranche of the Award in respect of 800,000 Shares vested during the financial year ended 31 December 2019. The second tranche of the Award in respect of 800,000 shares vested after the financial year ended 31 December 2019 and the third tranche in respect of 800,000 shares vested after financial year ended 31 December 2020. No shares awards were cancelled or forfeited.

On 4 March 2021, an employee was awarded 2,400,000 shares. Of these, 800,000 shares vested in 2022, another 800,000 shares vested in 2023, and the remaining 800,000 shares vested in 2024. No shares awards were cancelled or forfeited.

There is no share award outstanding as at 31 December 2025 and 2024.

# DIRECTORS' STATEMENT

## Audit Committee

The members of the Audit Committee during the financial year and at the date of this statement are:

- Seah Hai Yang (Chairman), non-executive director
- Mah Kai Leong, non-executive director
- Elaine Beh Pur-Lin, non-executive director
- David Tan Chao Hsiung, non-executive director

The Audit Committee performs the functions specified in Section 201B of the Act, the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly and half yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to the management and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, CLA Global TS Public Accounting Corporation, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

# DIRECTORS' STATEMENT

## Independent auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

## Cheng Woei Fen

*Director*

## Quek Kian Hui

*Director*

31 March 2026

# INDEPENDENT AUDITOR'S REPORT

## MEMBERS OF THE COMPANY – MUN SIONG ENGINEERING LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Mun Siong Engineering Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 61 to 119.

In our opinion, the accompanying consolidated 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 consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

#### Key Audit Matters

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

# INDEPENDENT AUDITOR'S REPORT

## MEMBERS OF THE COMPANY – MUN SIONG ENGINEERING LIMITED

### Key Audit Matters (Continued)

<b>Recognition of revenue on customer contracts</b> (Refer to Note 4 of the financial statements)	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>During the financial year ended 31 December 2025, the Group's revenue from contracts with its major customers amounting to \$23,840,000 (2024: \$16,086,000) was recognised over time based on the percentage of completion method.</p> <p>The percentage of completion is measured by reference to the work performed, based on the ratio of contract costs incurred to-date to the estimated total contract costs. This involves management's estimate of forecast total costs of each contract, which requires a significant degree of judgement.</p> <p>The assessment of the judgement involved is a key focus area of our audit.</p>	<p>We reviewed the terms and conditions of selected significant contracts to assess the appropriateness of revenue recognition in accordance with SFRS(I) 15 – <i>Revenue from Contracts with Customers</i> and the Group's accounting policies.</p> <p>We obtained an understanding of the design and implementation of key internal controls over the Group's revenue recognition and contract budgeting processes and tested the operating effectiveness of relevant key controls.</p> <p>We examined and verified management's basis for computing the percentage of completion of ongoing projects, including the reasonableness of management's estimates of costs to complete.</p> <p>We reviewed the actual progress of projects to identify any significant delays and/or cost overruns that may indicate onerous or loss-making contracts in accordance with SFRS(I) 1-37 – <i>Provisions, Contingent Liabilities and Contingent Assets</i>.</p> <p>We performed substantive tests of details and revenue cut-off procedures to assess the occurrence, accuracy and completeness of revenue recognised in the appropriate financial year.</p> <p>We reviewed the adequacy and appropriateness of the disclosures made in the financial statements.</p>

# INDEPENDENT AUDITOR'S REPORT

## MEMBERS OF THE COMPANY – MUN SIONG ENGINEERING LIMITED

### Key Audit Matters (Continued)

<b>Valuation of non-financial assets</b> (Refer to Note 16 of the financial statements)	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>As at 31 December 2025, the Group's property, plant and equipment amounted to \$29,782,000 (2024: \$33,220,000).</p> <p>As at 31 December 2025, the Group's market capitalisation was below the carrying amount of its net assets. This is an indication that certain non-financial assets of the Group may be impaired.</p> <p>The Group's non-financial assets are located across four countries where it operates, namely Singapore, Malaysia, Taiwan and North America.</p> <p>Management identified impairment indicators in relation to the Group's operations in Singapore, Malaysia and North America and performed impairment assessments in accordance with SFRS(I) 1-36 <i>Impairment of Assets</i>.</p> <p>The recoverable amounts of properties, machinery, tools and equipment were determined based on their fair value less costs of disposal.</p> <p>Management has engaged independent third-party valuation specialists and obtained quotations from market to determine the fair values of the assets.</p> <p>Based on the impairment assessments performed, a total impairment loss amounting to \$664,000 was recognised in the financial year.</p> <p>Judgment and estimates are used to determine the appropriateness of valuation methodologies adopted and the reasonableness of the inputs used in the computation of the fair value less costs of disposal.</p>	<p>We reviewed management's impairment assessments and the methodologies applied in determining the recoverable amounts of the affected assets.</p> <p>We evaluated the competency and objectivity of the independent external valuers.</p> <p>We held discussions with the valuers to understand their valuation methodologies, assumptions and basis used.</p> <p>We assessed the appropriateness of the valuation methodologies and key assumptions used with the assistance of our in-house valuation specialists.</p> <p>We considered the appropriateness of the disclosures in the financial statements.</p>

### Other Matter

The consolidated financial statements of the Group for the financial year ended 31 December 2024 and the statement of financial position of the Company as at 31 December 2024 were audited by another independent auditor who expressed an unmodified opinion on those statements on 28 March 2025.

# INDEPENDENT AUDITOR'S REPORT

## MEMBERS OF THE COMPANY – MUN SIONG ENGINEERING LIMITED

### Other Information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditor's report thereon.

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

### Responsibilities of Management and Directors for the Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls 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 controls.

# INDEPENDENT AUDITOR'S REPORT

## MEMBERS OF THE COMPANY – MUN SIONG ENGINEERING LIMITED

### Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude 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 those subsidiaries incorporated in Singapore of which we are the auditor's have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lim Ju May.

### CLA Global TS Public Accounting Corporation

*Public Accountants and Chartered Accountants*

### Singapore

31 March 2026

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
Revenue	4	69,364	64,826
Cost of sales		(66,363)	(63,691)
<b>Gross profit</b>		3,001	1,135
Other income	5	973	1,305
Administrative expenses		(7,370)	(7,795)
Other operating expenses		(693)	(60)
Reversal of impairment loss on trade receivables and contract assets	7	11	100
Impairment of property, plant and equipment	16	(664)	(1,038)
Share of results of an equity-accounted investee	15	127	143
<b>Results from operating activities</b>		(4,615)	(6,210)
Finance income	6	95	220
Finance costs	6	(207)	(198)
<b>Loss before tax</b>	7	(4,727)	(6,188)
Tax (expense)/credit	8	(664)	665
<b>Loss for the year</b>		(5,391)	(5,523)
<b>Loss attributable to:</b>			
Owners of the Company		(5,391)	(5,523)
Non-controlling interests		-	-
<b>Loss for the year</b>		(5,391)	(5,523)
<b>Other comprehensive income</b>			
<b>Item that is or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation difference from foreign operations		515	334
<b>Total comprehensive loss for the year</b>		(4,876)	(5,189)
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company		(4,876)	(5,189)
Non-controlling interests		-	-
<b>Total comprehensive loss for the year</b>		(4,876)	(5,189)
<b>Earnings per share</b>			
Basic earnings per share (cents)	26	(0.93)	(0.95)
Diluted earnings per share (cents)	26	(0.93)	(0.95)

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Assets</b>					
Cash and cash equivalents	9	11,919	10,268	9,860	7,429
Trade and other receivables	10	18,479	16,999	18,627	17,242
Contract assets	11	8,386	9,318	4,636	4,762
Inventories	12	142	138	142	138
Current tax assets		186	171	-	-
<b>Current assets</b>		<b>39,112</b>	<b>36,894</b>	<b>33,265</b>	<b>29,571</b>
Trade and other receivables	10	-	-	23,866	21,635
Investment properties	13	1,291	1,380	1,291	1,380
Subsidiaries	14	-	-	4,223	4,223
Investment in an equity-accounted investee	15	999	839	622	622
Property, plant and equipment	16	29,782	33,220	17,260	18,987
<b>Non-current assets</b>		<b>32,072</b>	<b>35,439</b>	<b>47,262</b>	<b>46,847</b>
<b>Total assets</b>		<b>71,184</b>	<b>72,333</b>	<b>80,527</b>	<b>76,418</b>
<b>Equity</b>					
Share capital	18	26,254	26,254	26,254	26,254
Translation reserve	19	878	363	(110)	37
Treasury shares	20	(1)	(1)	(1)	(1)
Share-based compensation reserve	21	(61)	(61)	(61)	(61)
Retained earnings		14,685	20,076	31,249	30,511
<b>Equity attributable to owners of the Company</b>		<b>41,755</b>	<b>46,631</b>	<b>57,331</b>	<b>56,740</b>
<b>Non-controlling interests</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>41,755</b>	<b>46,631</b>	<b>57,331</b>	<b>56,740</b>
<b>Liabilities</b>					
Trade and other payables	22	17,181	15,070	11,321	9,383
Contract liabilities	11	2,158	89	2,158	-
Loans and borrowings	23	4,895	6,070	4,816	5,965
Provisions	24	2,198	1,993	1,978	1,993
Current tax payable		346	12	272	-
<b>Current liabilities</b>		<b>26,778</b>	<b>23,234</b>	<b>20,545</b>	<b>17,341</b>
Loans and borrowings	23	1,240	1,382	1,240	1,302
Provisions	24	599	569	599	569
Deferred tax liabilities	25	812	517	812	466
<b>Non-current liabilities</b>		<b>2,651</b>	<b>2,468</b>	<b>2,651</b>	<b>2,337</b>
<b>Total liabilities</b>		<b>29,429</b>	<b>25,702</b>	<b>23,196</b>	<b>19,678</b>
<b>Total equity and liabilities</b>		<b>71,184</b>	<b>72,333</b>	<b>80,527</b>	<b>76,418</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

Group	Note	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
		Share capital	Treasury shares	Translation reserve	Retained earnings	Share-based compensation reserve			
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2025		26,254	(1)	363	20,076	(61)	46,631	-	46,631
Loss for the financial year		-	-	-	(5,391)	-	(5,391)	-	(5,391)
<b>Other comprehensive income</b>									
Foreign currency translation difference from foreign operations		-	-	515	-	-	515	-	515
<b>Total comprehensive loss for the financial year</b>		-	-	515	(5,391)	-	(4,876)	-	(4,876)
At 31 December 2025		26,254	(1)	878	14,685	(61)	41,755	-	41,755
At 1 January 2024		26,254	(30)	29	25,831	(58)	52,026	-	52,026
Loss for the financial year		-	-	-	(5,523)	-	(5,523)	-	(5,523)
<b>Other comprehensive income</b>									
Foreign currency translation difference from foreign operations		-	-	334	-	-	334	-	334
<b>Total comprehensive loss for the financial year</b>		-	-	334	(5,523)	-	(5,189)	-	(5,189)
<b>Transactions with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Dividends	18	-	-	-	(232)	-	(232)	-	(232)
Share-based payment transactions		-	29	-	-	(3)	26	-	26
<b>Total transactions with owners</b>		-	29	-	(232)	(3)	(206)	-	(206)
At 31 December 2024		26,254	(1)	363	20,076	(61)	46,631	-	46,631

The Taiwan Company Law requires the Company's subsidiary, Pegasus Advance Industrial Company Ltd, (incorporated in Taiwan in October 2022) to reserve at least 10% of after-tax profits as legal reserve, which may not be freely distributed as dividends. No legal reserve was recorded by Pegasus Advance Industrial Company Ltd as it is in an accumulated net loss position for both financial years ended 31 December 2025 and 31 December 2024 respectively.

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
Loss before tax		(4,727)	(6,188)
Adjustments for:			
Depreciation of property, plant and equipment	16	3,216	2,848
Impairment of property, plant and equipment	16	664	1,038
Loss/(gain) on disposal of property, plant and equipment		(663)	84
Unwinding of discount on provision for restoration costs	6	30	29
Property, plant and equipment written off		178	13
Reversal of impairment losses on trade receivables and contract assets	7	(11)	(100)
Equity-settled share-based payment transactions		-	26
Fair value loss/(gain) on investment properties	7	89	(40)
Share of results of an equity-accounted investee		(127)	(143)
Interest expense	6	177	169
Interest income	6	(95)	(220)
Provision for onerous contracts		220	-
		(1,049)	(2,484)
Changes in inventories		(3)	(28)
Changes in contract assets		1,061	(2,231)
Changes in contract liabilities		2,069	(290)
Changes in trade and other receivables		(1,436)	4,657
Changes in trade and other payables		2,103	704
Changes in provisions		(15)	(546)
Cash generated from/(used in) operating activities		2,730	(218)
Tax paid		(45)	(614)
<b>Net cash provided by/(used in) operating activities</b>		2,685	(832)
<b>Cash flows from investing activities</b>			
Interest received		95	220
Acquisition of property, plant and equipment		(983)	(1,887)
Proceeds from disposal of property, plant and equipment		847	239
<b>Net cash used in investing activities</b>		(41)	(1,428)
<b>Cash flows from financing activities</b>			
Repayment of bank loans		(5,293)	(1,270)
Dividends paid		-	(232)
Payment of lease liabilities		(166)	(178)
Proceeds from bank loan		4,102	3,172
Proceeds from shareholder loan		-	1,825
Interest paid		(169)	(173)
<b>Net cash (used in)/provided by financing activities</b>		(1,526)	3,144
<b>Net increase in cash and cash equivalents</b>		1,118	884
Cash and cash equivalents at 1 January		10,268	9,720
Effect of exchange rate fluctuations on cash held		533	(336)
<b>Cash and cash equivalents at 31 December</b>	9	11,919	10,268

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

# NOTES TO THE FINANCIAL STATEMENTS

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 INFORMATION

Mun Siong Engineering Limited (the "Company") is incorporated in the Republic of Singapore on 30 April 1969. The address of the Company's registered office and principal place of business is 26 Gul Way, Singapore 629199.

The financial statements of the Group as at and for the financial year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in an equity-accounted investee.

The principal activities of the Company are those of mechanical engineering, provision of specialised services and investment holding. In March 2019, the Company established a branch office known as Mun Siong Engineering Limited, a Taiwan branch in Kaohsiung, Republic of China ("Taiwan"). The following notes for the Company include the results of the branch office. The principal activities of the subsidiaries and an equity-accounted investee are set out in Note 14 and Note 15 to the consolidated financial statements respectively.

## 2. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.2, which addresses changes in accounting policies.

The accounting policies have been applied consistently by Group entities and its equity-accounted investee.

### 2.1 Basis of preparation

These financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3 to the financial statements.

#### ***Interpretations and amendments to published standards effective in 2025***

On 1 January 2025, the Group adopted the new or amended SFRS(I)s and Interpretations to SFRS(I)s ("INT SFRS(I)s") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and INT SFRS(I)s.

The adoption of these new or amended SFRS(I)s and INT SFRS(I)s did not result in substantial changes to the accounting policies of the Group and had no material effect on the amounts reported for the current or prior financial years.

#### ***Functional and presentation currency***

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.2 Change in material accounting policies

#### *New standards and amendments*

The Group has applied Amendments to SFRS(I) 1-21 Lack of Exchangeability for the first time for the annual period beginning on 1 January 2025. The application of these amendments to accounting standards does not have a material effect on the financial statements.

### 2.3 Revenue

#### *(a) Services provided*

The Group provides mechanical engineering and specialised services to customers through fixed-price contracts. Revenue is recognised when the control of a promised service has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the services over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

Where a promised service has no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment for performance completed to date arising from the contractual terms, revenue is recognised over time, based on the percentage of completion of its projects. The percentage of completion is measured by reference to the work performed, based on the ratio of costs incurred to-date to the estimated total costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In respect of contracts where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised only when the service is delivered to the customer and the customer has accepted it in accordance with the sales contract.

Revenue is measured at the transaction price agreed under the contract entered into with customers. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced based on a payment schedule which is typically triggered upon achievement of specified milestones. If the value of the services transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the services transferred, a contract liability is recognised.

#### *(b) Rental income*

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from property is recognised as "Other income".

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.4 Group accounting

#### ***Basis of consolidation***

##### *(a) Business combinations*

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meet the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test 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 consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent considerations is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent considerations are recognised in profit or loss.

Non-controlling interests ("NCI") are measured at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

##### *(b) Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes NCI to have a deficit balance.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.4 Group accounting (Continued)

#### ***Basis of consolidation (Continued)***

##### *(c) Investment in an equity-accounted investee*

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in a joint venture is accounted for under the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investee, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

##### *(d) Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

##### *(e) Subsidiaries and joint venture in the separate financial statements*

Investments in subsidiaries and a joint venture are stated in the Company's statement of financial position at cost less accumulated impairment losses.

### 2.5 Property, plant and equipment

#### *(a) Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

Interest paid and capitalised is presented as part of financing cash flows in the statement of cash flows.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.5 Property, plant and equipment (Continued)

#### (b) Subsequent cost

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

#### (c) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

	<u>Useful lives</u>
Leasehold property	2 to 59 years
Building	25 to 30 years
Machinery, tools and equipment	5 to 15 years
Furniture and office equipment	3 to 10 years
Motor vehicles	5 to 15 years
Other assets	5 to 15 years

Depreciation methods, useful lives and residual values are reviewed at the end of reporting period and adjusted if appropriate.

#### (d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other income".

### 2.6 Financial instruments

#### (i) Recognition and initial measurement

##### **Non-derivative financial assets and financial liabilities**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.6 Financial instruments (Continued)

(ii) *Classification and subsequent measurement*

#### **Non-derivative financial assets**

The Group classifies its non-derivative financial assets as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

#### *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets: Business model assessment**

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.6 Financial instruments (Continued)

(ii) *Classification and subsequent measurement (Continued)*

#### **Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate fractures;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

#### **Non-derivative financial assets: Subsequent measurement and gains and losses**

*Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### **Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses**

*Financial liabilities are classified as measured at amortised cost.*

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised costs using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss.

(iii) *Derecognition*

#### **Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.6 Financial instruments (Continued)

#### (iii) Derecognition (Continued)

##### **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### (iv) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

#### (v) Share capital

##### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

##### *Repurchase, disposal and reissue of share capital (treasury shares)*

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury shares account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

### 2.7 Impairment

#### (i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit loss ("ECLs") on:

- financial assets measured at amortised cost; and
- contract assets (as defined in SFRS(I) 15).

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.7 Impairment (Continued)

(i) *Non-derivative financial assets and contract assets (Continued)*

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

*Simplified approach*

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

*General approach*

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset and contract asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.7 Impairment (Continued)

(i) *Non-derivative financial assets and contract assets (Continued)*

*Measurement of ECLs*

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

*Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

*Presentation of allowance for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

*Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories and contract assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.7 Impairment (Continued)

#### *(ii) Non-financial assets (Continued)*

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of a joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

### 2.8 Leases

At inception of a contract, the Group assesses whether a 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.

#### *(i) As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.8 Leases (Continued)

(i) *As a lessee (Continued)*

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. 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, 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, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless 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. In that case 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 and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.8 Leases (Continued)

(i) *As a lessee (Continued)*

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

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) *As a lessor*

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises rental income received from investment property as part of 'other income'.

### 2.9 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.9 Income tax (Continued)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

### 2.10 Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### *(a) Provision for restoration costs*

Where required by the lease agreements to restore the premises to its original condition, an estimate is made for the costs of dismantling and removing an asset and restoring the site which is recognised at the commencement of the lease and amortised over the period of the lease.

#### *(b) Provision for reworks*

The Group recognises at the reporting date the estimated liability on all expenditure for the rework cost due to the joints quality problem specific to a particular project. The provision is calculated based on management's best estimate of the expenditure expected to be incurred over the quantity of joints that need rework over a specified contracted period of time.

#### *(c) Provision for onerous contracts*

A provision is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.11 Employee compensation

#### (a) *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

#### (b) *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

#### (c) *Share-based payment transactions*

The grant date fair value of equity-settled share-based payment awards granted to employees and Executive Directors is recognised as an employee benefit expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the performance conditions at the vesting date.

### 2.12 Foreign currency

#### (a) *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

#### (b) *Foreign operations*

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.13 Inventories

Inventories consist mainly of materials used for maintenance contracts and are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

### 2.14 Investment properties

Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

### 2.15 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense; and
- unwinding of discount on site restoration provision.

Interest income or expense is recognised using the effective interest method.

### 2.16 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Committee (the chief operating decision maker) to make decisions about resources to be allocated to the segments and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Executive Committee to include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's Headquarter).

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets other than goodwill.

## 3. USE OF ESTIMATES AND JUDGMENTS

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

In the application of the Group's accounting policies, which are described in Note 2, management is of the opinion that there is no instance of application of judgement and estimates which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those described below.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

- Note 4 – Revenue recognition: estimate of total contract costs used in determining the percentage of completion; and
- Note 16 – Impairment of property, plant and equipment.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 3. USE OF ESTIMATES AND JUDGMENTS (CONTINUED)

### *Measurement of fair values*

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets, and financial and non-financial liabilities.

The finance team led by the Chief Financial Officer has overall responsibility for all significant fair value measurements. Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 13 – Valuation of investment properties; and
- Note 29 – Determination of fair values.

## 4. REVENUE

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue from contracts with customers	69,364	64,826

As at 31 December 2025, the Group has revenue of \$5,038,019 (2024: \$3,196,841) which is expected to be recognised over the next financial year as the Group completes the work under contract.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 4. REVENUE (CONTINUED)

The Group applied the practical expedient in SFRS(I) 15 paragraph 121 and did not disclose information about its remaining performance obligations if:

- the performance obligation was part of a contract that had an original expected duration of one year or less; or
- the Group had a right to invoice a customer in an amount that corresponded directly with its performance to date, then it recognised revenue in that amount.

Significant judgements are used to estimate total contract costs to complete. In making these estimates, management has relied on past experience of completed projects. The estimated total contract costs are reviewed every reporting period and adjusted, where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

### *Disaggregation of revenue*

In the following table, revenue is disaggregated by geographical markets and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segment (see Note 27).

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Primary geographical markets</b>		
Singapore	51,129	44,851
Indonesia	–	58
Malaysia	8,067	8,668
Taiwan	1,317	1,746
Philippines	–	204
North America	8,773	9,248
Middle East	78	51
	69,364	64,826
<b>Timing of revenue recognition</b>		
At a point in time	45,524	48,740
Over time	23,840	16,086
	69,364	64,826

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 5. OTHER INCOME

	Group	
	2025 \$'000	2024 \$'000
Rental income	49	49
Gain on foreign currency exchange, net	–	470
Revaluation gain on investment properties	–	40
Gain on sales of property, plant and equipment	484	–
Government grants	81	530
Sale of scraps	72	69
Others	287	147
	973	1,305

## 6. FINANCE INCOME AND FINANCE COSTS

	Group	
	2025 \$'000	2024 \$'000
<b>Finance income</b>		
Interest income	95	220
<b>Finance costs</b>		
Financial liabilities measured at amortised cost - interest expense	(177)	(169)
Unwinding of discount on provision for restoration costs	(30)	(29)
	(207)	(198)

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 7. LOSS BEFORE TAX

The following items have been included in arriving at loss before tax:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Employee compensation (Note 7(a))	31,991	36,281
Equity-settled share-based payment transactions	–	26
Depreciation of property, plant and equipment	3,216	2,848
Operating expenses arising from rental of investment properties	15	15
Audit fees paid to:		
- auditor of the Company	190	282
- other auditors	37	14
Non-audit fees paid to auditor of the Company	12	4
Reversal of impairment losses on trade receivables	–	(6)
Reversal of impairment losses on contract assets	(11)	(94)
Fair value loss/(gain) on investment properties	89	(40)
Net foreign currency exchange loss/(gain)	604	(470)
	<hr/>	<hr/>

### 7(a). Employee compensation

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Wages and salaries	27,505	31,133
Directors' fee	153	151
Employer's contribution to defined contribution plans	1,077	1,251
Other staff cost and staff benefit	3,256	3,746
	<hr/>	<hr/>
	31,991	36,281
	<hr/>	<hr/>

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 8. TAX EXPENSES/(CREDIT)

	Group	
	2025 \$'000	2024 \$'000
<b>Current tax expenses/(credit)</b>		
Current year	344	6
Under/(over) provision in respect of prior financial years	25	(119)
	369	(113)
<b>Deferred tax expense/(credit)</b>		
Origination and reversal of temporary differences	295	(552)
Total tax expense/(credit)	664	(665)
<i>Reconciliation of effective tax rate</i>		
Loss before tax	(4,727)	(6,188)
Tax using the Singapore tax rate of 17% (2024: 17%)	(804)	(1,052)
Effect of different tax rates in foreign jurisdictions	(420)	(22)
Non-deductible expenses	1,829	881
Income not subject to tax	(175)	(195)
Tax incentives	(93)	-
Utilisation of previously unrecognised tax losses	(31)	-
Current year losses for which no deferred tax assets is recognised	-	(158)
Under/(over) provision in respect of prior financial years	25	(119)
Under provision of prior financial year deferred tax	290	-
Others	43	-
	664	(665)

## 9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash at bank and on hand	7,824	7,458	5,973	4,619
Fixed deposits	4,095	2,810	3,887	2,810
Cash and cash equivalents in the consolidated statement of cash flows	11,919	10,268	9,860	7,429

Fixed deposits placed with financial institutions have maturity periods within one month to three months (2024: one to two months) from the financial year end and interest rates ranged from 1% to 3.65% (2024: 2.76% to 4.55%) per annum, which are also the effective interest rates.

The Company's exposure to interest rate risk for cash and cash equivalents is disclosed in Note 28 to the financial statement.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 10. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Current</b>					
Trade receivables		16,983	15,437	14,674	13,332
Allowance for expected credit losses		(32)	(32)	(27)	(27)
Net trade receivables		16,951	15,405	14,647	13,305
Amounts due from subsidiaries					
- non-trade,					
- Interest bearing	(a)	-	-	1,200	1,934
- Interest-free	(b)	-	-	1,487	741
Deposits		1,202	1,161	1,030	1,009
Other receivables		-	208	7	103
		18,153	16,774	18,371	17,092
Prepayments		326	225	256	150
		18,479	16,999	18,627	17,242
<b>Non-current</b>					
Amounts due from subsidiaries					
- non-trade,					
- Interest bearing	(c)	-	-	11,870	9,638
- Interest-free	(d)	-	-	11,996	11,997
		-	-	23,866	21,635

(a) In respect of the interest-bearing amounts due from subsidiaries, the interest ranges from 2.00% to 6.44% (2024: 2.00% to 6.64%) per annum and are repayable in 2026 (2024: 2025).

(b) The non-trade interest-free amounts due from subsidiaries are unsecured and are repayable on demand.

(c) In respect of interest-bearing amounts due from subsidiaries, the interest ranges from 3.43% to 6.44% (2024: 3.274% to 6.64%) per annum and are repayable in 2030 (2024: 2025 - 2026).

(d) As at 31 December 2025, these amounts were assessed to be collectible after 12 months from the reporting date, therefore they were classified as 'non-current' in the statement of financial position.

The non-trade interest-free amounts due from subsidiaries are measured at face value as it is unsecured, interest-free, has no fixed terms of repayment and it is not possible to estimate when the loan repayments will take place.

The Group's and the Company's exposure to credit and currency risks, and expected credit losses for trade and other receivables are disclosed in Note 28 to the financial statement.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 11. CONTRACT ASSETS/(CONTRACT LIABILITIES)

	Note	Group		Company	
		2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000
Contract assets		8,429	9,370	4,636	4,762
Allowance for impairment		(43)	(52)	-	-
Net contract assets	(a)	8,386	9,318	4,636	4,762
Contract liabilities	(b)	(2,158)	(89)	(2,158)	-
		6,228	9,229	2,478	4,762

### (a) Contract assets

Contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its business. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

### (b) Contract liabilities

Contract liabilities relate primarily to progress billings issued in excess of the Group's rights to the consideration. The contract liabilities are recognised as revenue when the Group fulfills its performance obligation under the contract with the customer.

Significant changes in the contract assets and contract liabilities balances during the financial year are as follows:

	Contract Assets		Contract Liabilities	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
Revenue recognised that was included in contract liabilities at the beginning of the year	-	-	89	380
Increase due to cash received and progress billings, excluding amounts recognised as revenue during the year	-	-	(2,158)	(89)
Contract asset reclassified to trade receivables	(9,318)	(6,960)	-	-
Changes in measurement of progress	8,325	8,474	-	-
Reversal of impairment losses on contract asset	11	94	-	-
Cumulative catch-up as a result of contract modifications	50	750	-	-

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 12. INVENTORIES

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Consumables, at cost	142	138	142	138

In 2025, changes in consumables recognised as cost of sales amounted to \$183,521 (2024: \$145,287).

## 13. INVESTMENT PROPERTIES

	Group and Company	
	2025	2024
	\$'000	\$'000
At 1 January	1,380	1,340
Fair value (loss)/gain	(89)	40
At 31 December	1,291	1,380

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the leases contains initial non-cancellable periods of between 1 to 2 years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

Changes in fair values are recognised as gains or losses in profit or loss and included in 'Other (losses)/income'. All gains or losses are unrealised.

At the balance sheet date, the details of the Group's investment property are as follows:

Location	Description	Tenure
151 Chin Swee Road. #08-07 and #08-14 Manhattan House, Singapore 169876	General office	99 year lease from 15 October 1969

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 13. INVESTMENT PROPERTIES (CONTINUED)

### *Measurement of fair value*

#### (i) Fair value hierarchy

The fair values of investment properties were determined by an external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. The independent valuers provide the fair value of the Group's investment properties annually.

The fair value measurement for the investment properties of \$1,291,000 (2024: \$1,380,000) has been categorised as a Level 2 fair value based on the inputs to the valuation technique used (see Note 13(ii)).

#### (ii) Valuation technique

The following table shows the Group's valuation techniques used in measuring Level 2 fair values, as well as significant unobservable inputs.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties	Direct comparison method	Transacted prices per square metre of comparable properties in close proximity on recent market transactions <sup>(1)</sup>	The estimated fair value varies with different adjustment factors used

(1) Adjustments are made for any difference in the location, tenure, size and condition of the specific property.

## 14. SUBSIDIARIES

	Company	
	2025 \$'000	2024 \$'000
Unquoted equity investments, at cost	5,979	5,979
Allowance for impairment loss	(1,756)	(1,756)
	<u>4,223</u>	<u>4,223</u>

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 14. SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Effective equity held by the Company	
			2025 %	2024 %
<b>Directly held by the Company</b>				
OHM Engineering Pte Ltd <sup>(1)</sup>	Mechanical and electrical engineering services	Singapore	100	100
Pegasus Advance Engineering Pte. Ltd. <sup>(1)</sup>	Investment holding company	Singapore	100	100
Mun Siong Engineering Sdn Bhd <sup>(2)</sup>	Provision of engineering services and contractor to the process industries in Malaysia	Malaysia	100	100
Pegasus Advance Industrial Company Ltd <sup>(3)</sup>	Provision of engineering services and contractor to the process industries in Taiwan	Taiwan	100	100
<b>Subsidiary of Mun Siong Engineering Sdn Bhd</b>				
Pegasus Advance Engineering Sdn Bhd <sup>(2),(5)</sup>	Provision of project management and mechanical engineering services in Malaysia	Malaysia	49	49
<b>Subsidiaries of Pegasus Advance Engineering Pte. Ltd.</b>				
Pegasus Advance Engineering (Netherlands) BV <sup>(4)</sup>	Investment holding company	Netherlands	100	100
Pegasus Advance Engineering (US) Inc <sup>(4)</sup>	Investment holding company	United States	100	100
Pegasus Industrial Midwest Limited Liability Company <sup>(4),(6)</sup>	Provision of engineering services and contractor to the process industries in the State of Illinois, USA	United States	100	100

(1) Audited by CLA Global TS Public Accounting Corporation Singapore.

(2) Audited by Baker Tilly Monteiro Heng PLT

(3) Audited by another firm.

(4) Not required to be audited by laws of the country of incorporation.

(5) Although the Group holds less than 50% equity stake in Pegasus Advance Engineering Sdn Bhd ("PAE(M)"), pursuant to a contractual agreement between the Group and a Malaysian individual, the Group controls the directors' voting power over the relevant activities of PAE(M). Accordingly, PAE(M) is considered a subsidiary of the Group.

(6) Audited by CLA Global TS Public Accounting Corporation Singapore in Singapore for group reporting purposes.

### Impairment loss

In 2025 and 2024, the Company did not identify any indicator of impairment or reversal of impairment.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 15. INVESTMENT IN AN EQUITY-ACCOUNTED INVESTEE

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Interest in a joint venture	999	839	622	622

Details of the joint venture is as follows:

Interest in joint venture	Principal place of business/ country of incorporation	Effective equity held by the Company	
		2025	2024
		%	%
HIMS Integrated Services Sdn Bhd ("HIMS")	Malaysia	49	49

The following table summarises the financial information of HIMS, based on its financial statements prepared in accordance with International Financial Reporting Standards.

	Group	
	2025	2024
	\$'000	\$'000
Revenue	3,826	3,673
Profit <sup>(a)</sup> from continuing operations, comprising total comprehensive income	269	292

(a) Includes depreciation of \$48,000 (2024: \$125,000)

	Group	
	2025	2024
	\$'000	\$'000
Non-current assets	137	144
Current assets <sup>(b)</sup>	3,992	3,193
Non-current liabilities	(22)	(19)
Current liabilities - trade and other payables and provisions	(2,393)	(1,932)
<b>Net assets</b>	<b>1,714</b>	<b>1,386</b>

(b) Includes cash and cash equivalents of \$881,000 (2024: \$502,000).

	Group	
	2025	2024
	\$'000	\$'000
<b>Group's interest in net assets of an investee at the beginning of year</b>	839	660
Share of total comprehensive income	160	179
<b>Carrying amount of interest in an investee at end of the year</b>	<b>999</b>	<b>839</b>

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 16. PROPERTY, PLANT AND EQUIPMENT

Group Cost	Leasehold property \$'000	Freehold land \$'000	Building \$'000	Machinery, tools and equipment \$'000	Furniture and office equipment \$'000	Motor vehicles \$'000	Other assets \$'000	Total \$'000
At 1 January 2024	15,246	532	6,338	30,632	2,920	7,285	339	63,292
Transfer	-	-	-	(175)	-	175	-	-
Additions	-	-	242	1,081	183	435	-	1,941
Disposals/write-off	-	-	-	(2,504)	(1,631)	(1,342)	(293)	(5,770)
Termination of lease	-	-	-	-	(6)	-	-	(6)
Effect of movements in exchange rates	117	17	284	219	9	8	1	655
At 31 December 2024	15,363	549	6,864	29,253	1,475	6,561	47	60,112
At 1 January 2025	15,363	549	6,864	29,253	1,475	6,561	47	60,112
Additions	440	-	153	231	-	159	-	983
Reclassification	15	-	-	26	10	(52)	1	-
Disposals/write-off	-	-	-	(3,415)	(32)	(621)	-	(4,068)
Effect of movements in exchange rates	88	(31)	(85)	(143)	2	(31)	-	(200)
At 31 December 2025	15,906	518	6,932	25,952	1,455	6,016	48	56,827

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Leasehold property \$'000	Freehold land \$'000	Building \$'000	Machinery, tools and equipment \$'000	Furniture and office equipment \$'000	Motor vehicles \$'000	Other assets \$'000	Total \$'000
<b>Accumulated depreciation</b>								
At 1 January 2024	328	-	198	19,688	2,695	5,413	95	28,417
Depreciation	252	-	901	856	109	728	2	2,848
Impairment loss	-	-	-	1,038	-	-	-	1,038
Disposals/write-off	-	-	-	(2,459)	(1,592)	(1,342)	(41)	(5,434)
Effect of movements in exchange rates	(1)	-	12	60	3	(42)	(9)	23
At 31 December 2024	579	-	1,111	19,183	1,215	4,757	47	26,892
<b>Accumulated depreciation</b>								
At 1 January 2025	579	-	1,111	19,183	1,215	4,757	47	26,892
Depreciation	914	103	149	1,506	123	421	-	3,216
Impairment loss	-	-	75	547	-	42	-	664
Reclassification	(34)	-	-	(718)	15	736	1	-
Disposals/write-off	-	-	-	(3,217)	(32)	(457)	-	(3,706)
Effect of movements in exchange rates	10	-	(14)	33	2	(52)	-	(21)
At 31 December 2025	1,469	103	1,321	17,334	1,323	5,447	48	27,045
<b>Carrying amounts</b>								
At 1 January 2024	14,918	532	6,140	10,944	225	1,872	244	34,875
At 31 December 2024	14,784	549	5,753	10,070	260	1,804	-	33,220
At 31 December 2025	14,437	415	5,611	8,618	132	569	-	29,782

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold property \$'000	Machinery, tools and equipment \$'000	Furniture and office equipment \$'000	Motor vehicles \$'000	Other assets \$'000	Total \$'000
<b>Company</b>						
<b>Cost</b>						
At 1 January 2024	13,492	24,305	3,244	5,964	77	47,082
Additions	-	-	183	314	-	497
Disposals	-	(1,493)	(2,000)	(982)	(40)	(4,515)
At 31 December 2024	13,492	22,812	1,427	5,296	37	43,064
At 1 January 2025	13,492	22,812	1,427	5,296	37	43,064
Additions	440	56	-	69	-	565
Reclassification	15	26	10	(52)	1	-
Disposals	-	(3,334)	(12)	(349)	-	(3,695)
At 31 December 2025	13,947	19,560	1,425	4,964	38	39,934
<b>Accumulated depreciation</b>						
At 1 January 2024	413	18,127	3,048	4,625	77	26,290
Depreciation	800	1,045	107	52	-	2,004
Disposals/write-off	-	(1,207)	(2,000)	(970)	(40)	(4,217)
At 31 December 2024	1,213	17,965	1,155	3,707	37	24,077
<b>Accumulated depreciation</b>						
At 1 January 2025	1,213	17,965	1,155	3,707	37	24,077
Reclassification	(34)	(718)	15	736	1	-
Depreciation	799	802	123	258	-	1,982
Disposals/write-off	-	(3,179)	(12)	(340)	-	(3,531)
Impairment Loss	-	111	-	35	-	146
At 31 December 2025	1,978	14,981	1,281	4,396	38	22,674
<b>Carrying amounts</b>						
At 1 January 2024	13,079	6,178	196	1,339	-	20,792
At 31 December 2024	12,279	4,847	272	1,589	-	18,987
At 31 December 2025	11,969	4,579	144	568	-	17,260

### *Impairment of property, plant and equipment*

In the current financial year, in view of the Group's market capitalisation being lower than its net assets as at the balance sheet date, the Group performed an assessment to determine if there are any indicators of impairment across four countries where it operates, namely Singapore, Malaysia, Taiwan and North America.

Management identified impairment indicators in relation to the Group's operations in Singapore, Malaysia and North America and performed impairment assessments in accordance with SFRS(I) 1-36 *Impairment of Assets*.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### *Impairment of property, plant and equipment (Continued)*

Management has estimated the recoverable amounts of property, plant and equipment in Singapore, Malaysia and North America based on its fair value less costs of disposal.

Management has engaged independent third-party valuation specialists and obtained quotations from market to determine the fair values of properties, machinery, tools and equipment.

For leasehold land, freehold land and building, valuations were carried out by independent external valuers. The valuers have recognised professional qualifications and relevant experiences in the location and categories of property being valued.

For machinery, tools and equipment, the fair value was determined based on replacement cost approach. Management considered the recent quotes from the market and incorporated relevant adjustments to derive the fair values at the reporting date.

Based on the impairment assessments performed, a total impairment loss amounting to \$664,000 (2024: \$1,038,000) was recognised during the financial year.

### *Measurement of fair value*

#### (i) Fair value hierarchy

The fair value of the Group's properties, machinery, tools and equipment in Singapore, Malaysia and North America has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 16(ii)).

#### (ii) Valuation technique

The following table shows the key unobservable inputs used in the valuation model for deriving level 3 fair value:

<b>Type</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair value measurement</b>
Leasehold land, freehold land and building	Direct comparison method	Transacted prices per square metre of comparable properties in close proximity on recent market transactions <sup>(1)</sup>	The estimated fair value varies with different adjustment factors used.
Machinery, tools and equipment	Replacement cost approach	This approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.	The estimated fair value varies with different adjustment factors used.

(1) Adjusted for any differences in location, tenure, size and conditions of the specific property.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 17. LEASES

### Leases as lessee (SFRS(I) 16)

The Group leases a piece of land from Jurong Town Corporation ("JTC") at 26 Gul Way for a term of 16 years and 10 months with effect from February 2023. The lease will end on 31 December 2040.

The Group leases office equipment with contract term of 5 years.

Information about leases for which the Group is a lessee is presented below.

### Right-of-use assets

Right-of-use assets related to leased land that do not meet the definition of investment property are presented as property, plant and equipment (see Note 16).

	Leasehold property \$'000	Office equipment \$'000	Total \$'000
<b>Group</b>			
<b>2025</b>			
Balance at 1 January	3,840	51	3,891
Termination of lease	–	(39)	(39)
Depreciation charge for the year	(224)	(8)	(232)
Effect of movements in exchange rates	72	–	72
<b>Balance at 31 December</b>	<b>3,688</b>	<b>4</b>	<b>3,692</b>
<b>2024</b>			
Balance at 1 January	3,959	9	3,968
Additions to right-of-use assets	–	54	54
Termination of lease	–	(6)	(6)
Depreciation charge for the year	(222)	(6)	(228)
Effect of movements in exchange rates	103	–	103
<b>Balance at 31 December</b>	<b>3,840</b>	<b>51</b>	<b>3,891</b>

### Amounts recognised in profit or loss

	Group	
	2025 \$'000	2024 \$'000
<b>Leases under SFRS(I) 16</b>		
Interest on lease liabilities	75	81

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 17. LEASES (CONTINUED)

### Amounts recognised in statement of cash flows

	Group	
	2025	2024
	\$'000	\$'000
<b>Total cash outflow for leases</b>	257	259

### Leases as lessor

The Group leases out its investment properties consisting of its owned commercial properties (see Note 13). All leases are classified as operating leases from a lessor perspective.

### Operating leases

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Rental income from investment properties recognised by the Group during 2025 was \$65,000 (2024: \$65,000). Note 13 sets out information about the operating leases of investment properties.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2025	2024
	\$'000	\$'000
<b>Less than one year</b>	65	65

## 18. SHARE CAPITAL

	2025		2024	
	No. of ordinary shares '000	Amount \$'000	No. of ordinary shares '000	Amount \$'000
<b>Company</b>				
In issue at 1 January and 31 December	581,546	26,254	581,546	26,254

### Ordinary shares

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

All issued shares are fully paid, with no par value.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 18. SHARE CAPITAL (CONTINUED)

### *Dividends*

The following tax exempt (one-tier) dividends were declared and paid:

	<b>Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Paid by the Company to owners of the Company</b>		
Nil cents per ordinary share (2024: 0.04 cents), comprising a final dividend of Nil cents per ordinary share (2024: 0.04 cents) and a special dividend of Nil cents per ordinary share (2024: Nil cents)	-	232

### **Capital management**

The primary objective of the Group's capital management is to ensure that it maintains sound capital position in order to support its business and maximise shareholders' value. The Group is also committed to maintain efficient mix of debt and equity in order to achieve optimal cost of capital, while taking into account the adequacy of access to cash flows.

The Group manages its capital structure and makes alignment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may align the dividend payment to shareholders, return capital to shareholders or issue new shares.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## 19. TRANSLATION RESERVE

Translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group.

## 20. TREASURY SHARES

Treasury shares comprises the cost of the Company's shares held by the Group. As at 31 December 2025, the Group held 34,000 (2024: 34,000) of the Company's shares.

## 21. SHARE-BASED PAYMENT ARRANGEMENTS

### *Mun Siong Engineering Limited Performance Share Plan ("MSE PSP") (equity-settled)*

The MSE PSP was approved at an Annual General Meeting held on 20 April 2017, for granting of awards to eligible full-time employees and Executive Directors. Details of the MSE PSP are disclosed in the Directors' statement.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 21. SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

On 4 March 2021, an award was granted by the Company to a qualifying employee pursuant to the MSE PSP in respect of 2,400,000 shares of the Company. Under the MSE PSP, a specified number of shares will be vested and released by the Committee in accordance with the release schedule to the participant subject to the achievement of certain pre-determined performance conditions. The vesting period and the release schedule are as follows:

- (a) The first tranche of the Award in respect of 800,000 shares were vested after financial year ended 31 December 2021;
- (b) The second tranche of the Award in respect of 800,000 shares were vested after the financial year ended 31 December 2022; and
- (c) The third tranche of the Award in respect of 800,000 shares vested after financial year ended 31 December 2023.

## 22. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade payables	10,804	8,500	7,243	4,817
Amounts due to subsidiaries				
- trade	-	-	1,058	1,176
Other payables and accruals	6,377	6,570	3,020	3,390
	<u>17,181</u>	<u>15,070</u>	<u>11,321</u>	<u>9,383</u>

The trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

The Group's and the Company's exposure to liquidity and foreign currency risks related to trade and other payables are disclosed in Note 28 to the financial statement.

## 23. LOANS AND BORROWINGS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Current liabilities</b>				
Lease liabilities	141	164	62	59
Bank loans - unsecured	2,906	4,098	2,906	4,098
Loan from shareholder - unsecured	1,848	1,808	1,848	1,808
	<u>4,895</u>	<u>6,070</u>	<u>4,816</u>	<u>5,965</u>
<b>Non-current liabilities</b>				
Lease liabilities	1,240	1,382	1,240	1,302
<b>Total loans and borrowings</b>	<u>6,135</u>	<u>7,452</u>	<u>6,056</u>	<u>7,267</u>

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 23. LOANS AND BORROWINGS (CONTINUED)

Terms and debt repayment schedule

	Currency	Nominal interest rate %	Year of maturity	Face value \$'000	Carrying amount \$'000
<b>Group</b>					
<b>2025</b>					
Lease liabilities	SGD	2.3 to 5.3	2026 - 2040	1,917	1,302
Lease liabilities	TWD	1.9	2026	80	79
Bank loans	SGD	2.71 to 4.04	2026	2,906	2,906
Loan from shareholder	SGD	2.8 to 3.26	2026	1,848	1,848
				<u>6,751</u>	<u>6,135</u>
<b>2024</b>					
Lease liabilities	SGD	2.3 to 5.3	2025 - 2040	2,048	1,361
Lease liabilities	TWD	1.9	2025 - 2026	162	159
Lease liabilities	USD	4.2	2025	28	26
Bank loans	SGD	2.0 to 4.44	2025	4,105	4,098
Loan from shareholder	SGD	3.0 to 3.26	2025	1,808	1,808
				<u>8,151</u>	<u>7,452</u>
<b>Company</b>					
<b>2025</b>					
Lease liabilities	SGD	2.3 to 5.3	2026 - 2040	1,917	1,302
Bank loans	SGD	2.0 to 4.37	2026	2,906	2,906
Loan from shareholder	SGD	2.8 to 3.26	2026	1,848	1,848
				<u>6,671</u>	<u>6,056</u>
<b>2024</b>					
Lease liabilities	SGD	2.3 to 5.3	2025 - 2040	2,048	1,361
Bank loans	SGD	2.0 to 4.44	2025	4,105	4,098
Loan from shareholder	SGD	3.0 to 3.26	2025	1,808	1,808
				<u>7,961</u>	<u>7,267</u>

The Group's and the Company's exposure to liquidity and interest rate risks for loans and borrowings are disclosed in Note 28 to the financial statement.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 23. LOANS AND BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities \$'000	Bank loans \$'000	Loan from shareholder \$'000	Total \$'000
<b>Group</b>				
<b>At 1 January 2025</b>	1,546	4,098	1,808	7,452
<b>Changes from financing cash flows</b>				
Payment of lease liabilities	(166)	–	–	(166)
Repayment of bank loans	–	(5,293)	–	(5,293)
Interest paid	(91)	(51)	(27)	(169)
Proceed from bank loans	–	4,102	–	4,102
<b>Total changes from financing cash flows</b>	(257)	(1,242)	(27)	(1,526)
<b>The effect of changes in foreign exchange</b>	1	–	15	16
<b>Other changes</b>				
<b>Liability-related</b>				
Termination of lease	16	–	–	16
Interest expense	75	50	52	177
<b>Total liability-related other changes</b>	92	50	67	209
<b>At 31 December 2025</b>	1,381	2,906	1,848	6,135
<b>At 1 January 2024</b>	1,670	2,196	–	3,866
<b>Changes from financing cash flows</b>				
Payment of lease liabilities	(178)	–	–	(178)
Repayment of bank loans	–	(1,270)	–	(1,270)
Interest paid	(81)	(75)	(17)	(173)
Proceed from shareholder loan	–	–	1,825	1,825
Proceed from bank loans	–	3,172	–	3,172
<b>Total changes from financing cash flows</b>	(259)	1,827	1,808	3,376
<b>The effect of changes in foreign exchange</b>	(7)	–	–	(7)
<b>Other changes</b>				
<b>Liability-related</b>				
Termination of lease	(6)	–	–	(6)
New leases	54	–	–	54
Interest expense	94	75	–	169
<b>Total liability-related other changes</b>	142	75	–	217
<b>At 31 December 2024</b>	1,546	4,098	1,808	7,452

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 24. PROVISIONS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Provisions</b>				
Current	2,198	1,993	1,978	1,993
Non-current	599	569	599	569
	<u>2,797</u>	<u>2,562</u>	<u>2,577</u>	<u>2,562</u>

Provisions for the year comprise:

(i) Provision for restoration costs

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Balance at 1 January	2,562	2,594	2,562	2,594
Write off	(15)	(61)	(15)	(61)
Unwinding of discount	30	29	30	29
Balance at 31 December	<u>2,577</u>	<u>2,562</u>	<u>2,577</u>	<u>2,562</u>

The provision for restoration costs relates to costs for dismantling and removing of assets and restoring the leased premises to its original condition as required by the lease agreements.

(ii) Provision for reworks

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Balance at 1 January	–	546	–	546
Write back	–	(546)	–	(546)
Balance at 31 December	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

The provision for reworks relates to the estimated liability on all expenses related to rework costs due to a joints quality issue specific to a particular project. The reworks warranty expired in 2024, and since no claims were made, the entire provision was reversed.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 24. PROVISIONS (CONTINUED)

Provisions for the year comprise: (Continued)

(iii) Provision for onerous contracts

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Balance at 1 January	-	-	-	-
Additional	220	-	-	-
Balance at 31 December	220	-	-	-

The provision for onerous contracts is recognised when estimated total costs of a project are expected to exceed the total contract revenue. The provision is recognised immediately in profit or loss.

## 25. DEFERRED TAX (ASSETS)/LIABILITIES

Movements in temporary differences during the year are as follows:

	At 1 January 2024 \$'000	Recognised in profit or loss (Note 8) \$'000	At 31 December 2024 \$'000	Recognised in profit or loss (Note 8) \$'000	At 31 December 2025 \$'000
<b>Group</b>					
<i>Deferred tax assets</i>					
Unutilised capital allowances	(56)	(102)	(158)	158	-
Provisions	(43)	(36)	(79)	22	(57)
	(99)	(138)	(237)	180	(57)
<i>Deferred tax liabilities</i>					
Property, plant and equipment	1,168	(414)	754	115	869
	1,069	(552)	517	295	812
<b>Company</b>					
<i>Deferred tax assets</i>					
Provisions	(43)	(5)	(48)	(9)	(57)
<i>Deferred tax liabilities</i>					
Property, plant and equipment	1,066	(552)	514	355	869
	1,023	(557)	466	346	812

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 25. DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

Deferred tax liabilities and assets are set off when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts determined after appropriate offsetting included in the balance sheet are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Deferred tax liabilities	812	517	812	466

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	Group	
	2025 \$'000	2024 \$'000
Deductible temporary differences	-	158

### Global minimum top-up tax

The amendments to SFRS(I)1-12: International Tax Reform - Pillar Two Model Rules provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), and requires new disclosures about the new Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, the amendments have no impact on the Group as the Group's consolidated revenue is less than EUR 750 million/year and it is not in scope of the Pillar Two model rules.

## 26. EARNINGS PER SHARE

### Basic earnings per share

The calculation of basic earnings per share at 31 December 2025 was based on the profit attributable to ordinary shareholders and a weighted-average number of ordinary shares outstanding less treasury shares as follows:

*Profit attributable to ordinary shareholders*

	Group	
	2025 \$'000	2024 \$'000
Loss for the year	(5,391)	(5,523)

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 26. EARNINGS PER SHARE (CONTINUED)

### *Basic earnings per share (Continued)*

*Weighted-average number of ordinary shares*

	Number of shares	
	2025	2024
	\$'000	\$'000
Issued ordinary shares at 1 January	581,171	580,763
Effect of treasury shares	–	408
Weighted-average number of ordinary shares during the year	581,171	581,171
Basic loss per share (cents)	(0.93)	(0.95)

### *Diluted earnings per share*

Diluted earnings per share is the same as the basic earnings per share as there were no dilutive instruments in issue and potential dilutive ordinary shares during the financial year.

## 27. OPERATING SEGMENT

The Group's Executive Committee reviews internal management report at least on a monthly basis.

There is no change in the reportable segment in 2025 and 2024.

Other services provided by the Group have been aggregated under the segment "Mechanical, electrical, instrumentation and others". None of these segments meets any of the quantitative thresholds for determining reportable segments in 2025 and 2024.

Information regarding the results of the reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Executive Committee. Segment profit is used to measure performance as management believe that such information is the most relevant in evaluating the results of the segment relative to other entities that operate within these industries.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 27. OPERATING SEGMENT (CONTINUED)

### *Information about reportable segment - Mechanical, electrical, instrumentation and others*

	Group	
	2025	2024
	\$'000	\$'000
External revenue	69,364	64,826
Interest income	95	220
Interest expenses	177	169
Depreciation of property, plant and equipment	3,216	2,848
Reportable segment loss before tax	(4,814)	(6,420)
Reportable segment assets	65,460	66,052
Capital expenditure	983	1,941
Reportable segment liabilities	28,271	25,173

### *Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items*

	Group	
	2025	2024
	\$'000	\$'000
<b>Revenue</b>		
Consolidated revenue	69,364	64,826
<b>Loss before tax</b>		
Total loss for reportable segment	(4,814)	(6,420)
Share of results of an equity-accounted investee	127	143
Fair value (loss)/gain on investment properties	(89)	40
Unallocated segment profits	49	49
Consolidated loss before tax	(4,727)	(6,188)
<b>Assets</b>		
Total assets for reportable segment	65,460	66,052
Investment properties	1,291	1,380
Investment in an equity-accounted investee	999	839
Right-of-use assets	3,248	3,891
Current tax assets	186	171
Consolidated total assets	71,184	72,333
<b>Liabilities</b>		
Total liabilities for reportable segment	28,271	25,173
Current tax payable	346	12
Deferred tax liabilities	812	517
Consolidated total liabilities	29,429	25,702

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 27. OPERATING SEGMENT (CONTINUED)

### *Major customers*

During the financial year ended 31 December 2025, revenue from three major customers of the Group totalled approximately \$26,030,000 (2024: \$28,948,000), representing 38% (2024: 44%) of the Group's total revenue. The details of these customers which individually contributed 10 percent or more of the Group's revenue in each of the financial year are as follows:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Customer 1	10,083	11,374
Customer 2	8,724	9,903
Customer 3	7,223	7,671
	<u>26,030</u>	<u>28,948</u>

## 28. FINANCIAL RISK MANAGEMENT

### *Overview*

The Group has exposure to following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

In addition, the Group has identified climate risk as an emerging risk that has a growing impact on the Group's activities. This note presents information about the Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing risk.

### *Risk management framework*

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (a) Credit risk

Credit risk is the risk of financial loss to the Group resulting from the failure of a customer to settle its financial and contractual obligations to the Group.

The carrying amounts of financial assets and contract assets represent the Group's and the Company's remaining exposure to credit risk. The Group and the Company do not require any collateral in respect of their financial assets.

No impairment losses on financial assets and contract assets recognised in profit or loss for both the current and previous financial years.

#### (i) Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group's three major customers accounts for \$9,472,000 (2024: \$12,706,178) of the carrying value of trade receivables and contract assets as at 31 December 2025. No significant credit risk exposure is expected based on historical data of payment statistics from these customers.

The Group's main customers are from the process industry which in turn, is dominated by a small number of big multinational players. Majority of these multi-national companies are key customers of the Group. The Group tries to reduce the market risk by maintaining its long-term relationships with these customers. The Group has reduced its market concentration risk by diversifying its source of revenue into Taiwan, Malaysia and North America.

The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables and contract assets for which no loss allowance is recognised because of collateral.

The Group has established a credit policy under which the creditworthiness of each new customer is evaluated individually before the Group grants credit to the customer. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the directors. Payments will be required to be made up front by customers who do not meet the Group's credit requirements.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. The resultant effects of these measures have kept the Group's exposure to bad debts at an insignificant level.

There is no allowance for doubtful debts arising from non-trade amounts due from subsidiaries as the ECL is not material.

The Group assesses credit risk by also monitoring the ageing of its trade receivables and contract assets on an on-going basis.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (a) Credit risk (Continued)

#### (i) Trade receivables and contract assets (Continued)

##### *Exposure to credit risk*

A summary of the Group's and Company's exposures to credit risk for trade receivables and contract assets was as follows:

	Group			
	2025		2024	
	Not credit- impaired \$'000	Credit- impaired \$'000	Not credit- impaired \$'000	Credit- impaired \$'000
External credit ratings from S&P at least A+	9,515	-	12,706	-
Other customers:				
- Four or more years' trading history with the Group	8,476	-	8,319	-
- Less than four years' trading history with the Group	7,421	-	3,782	-
<b>Total gross carrying value</b>	25,412	-	24,807	-
Loss allowance	(75)	-	(84)	-
	<b>25,337</b>	<b>-</b>	<b>24,723</b>	<b>-</b>
	Company			
	2025		2024	
	Not credit- impaired \$'000	Credit- impaired \$'000	Not credit- impaired \$'000	Credit- impaired \$'000
External credit ratings from S&P at least A+	5,459	-	7,574	-
Other customers:				
- Four or more years' trading history with the Group	8,476	-	8,319	-
- Less than four years' trading history with the Group	5,375	-	2,201	-
<b>Total gross carrying value</b>	19,310	-	18,094	-
Loss allowance	(27)	-	(27)	-
	<b>19,283</b>	<b>-</b>	<b>18,067</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (a) Credit risk (Continued)

#### (i) Trade receivables and contract assets (Continued)

*Movements in the allowance for impairment in respect of trade receivables and contract assets*

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Individual impairments</b>				
At 1 January as per SFRS(I) 9	84	175	27	-
Impairment loss recognised	-	-	-	27
Impairment loss written back	(11)	(100)	-	-
Foreign exchange difference	2	9	-	-
At 31 December as per SFRS(I) 9	75	84	27	27

#### (ii) Cash and cash equivalents

Cash and cash equivalents are held with banks and financial institution counterparties, which are rated AA- to AA+, based on S&P ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and fixed deposits have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and fixed deposits was negligible.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	Between 1 and 5 years \$'000
<b>Group</b>				
<b>31 December 2025</b>				
<b>Non-derivative financial liabilities</b>				
Loans and borrowings	6,135	(6,751)	(4,964)	(1,787)
Trade and other payables	17,181	(17,181)	(17,181)	-
	<u>23,316</u>	<u>(23,932)</u>	<u>(22,145)</u>	<u>(1,787)</u>
<b>31 December 2024</b>				
<b>Non-derivative financial liabilities</b>				
Loans and borrowings	7,452	(8,151)	(6,153)	(1,998)
Trade and other payables	15,070	(15,070)	(15,070)	-
	<u>22,522</u>	<u>(23,221)</u>	<u>(21,223)</u>	<u>(1,998)</u>
<b>Company</b>				
<b>31 December 2025</b>				
<b>Non-derivative financial liabilities</b>				
Loans and borrowings	6,056	(6,671)	(4,884)	(1,787)
Trade and other payables	11,321	(11,321)	(11,321)	-
	<u>17,377</u>	<u>(17,992)</u>	<u>(16,205)</u>	<u>(1,787)</u>
<b>31 December 2024</b>				
<b>Non-derivative financial liabilities</b>				
Loans and borrowings	7,267	(7,962)	(6,045)	(1,917)
Trade and other payables	9,383	(9,383)	(9,383)	-
	<u>16,650</u>	<u>(17,345)</u>	<u>(15,428)</u>	<u>(1,917)</u>

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (i) Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currency in which these transactions primarily are denominated in foreign currencies such as United States dollar (USD). Exposure to other foreign currencies, including Euro (EUR) and Malaysia Ringgit (MYR) is not significant.

The Group's and the Company's exposures to currency risk are as follows based on notional amounts:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>USD</b>				
Trade and other receivables	-	52	-	52
Cash and cash equivalents	1,379	1,028	1,366	1,014
Trade and other payables	-	(137)	-	(137)
Net exposure	1,379	943	1,366	929

#### *Sensitivity analysis*

A 10% strengthening of the Singapore dollar, as indicated below, against USD at the reporting date would have increased/(decreased) profit or loss before tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024. Exposure to other foreign currencies, including EUR and MYR, is not significant and has therefore not been included in the sensitivity analysis.

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>USD</b>				
<b>Profit or (loss) before tax</b>	(138)	(94)	(137)	(93)

A weakening of the Singapore dollar against USD at 31 December would have had the equal but opposite effect on USD to the amounts shown above, on the basis that all other variables remain constant.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Market risk (Continued)

#### (ii) Interest rate risk

At the reporting date, the interest rate profile of the Group's and Company's interest-bearing financial instruments, as reported to the management, was as follows:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>		
<b>Fixed rate instruments</b>		
Cash and cash equivalents	4,095	2,810
Bank loans	(2,906)	(4,098)
Loan from shareholder	(1,848)	(1,808)
Lease liabilities	(1,381)	(1,546)
	<u>(2,040)</u>	<u>(4,642)</u>
<b>Company</b>		
<b>Fixed rate instruments</b>		
Cash and cash equivalents	3,886	2,810
Amounts due from subsidiaries	13,070	11,572
Bank loans	(2,906)	(4,098)
Loan from shareholder	(1,848)	(1,808)
Lease liabilities	(1,302)	(1,361)
	<u>10,900</u>	<u>7,115</u>

#### *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at FVTPL. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Market risk (Continued)

#### (iii) Accounting classifications and fair values

#### *Fair values versus carrying amounts*

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	Note	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Fair value \$'000
<b>Group</b>					
<b>31 December 2025</b>					
Trade and other receivables*	10	18,153	–	18,153	18,153
Cash and cash equivalents	9	11,919	–	11,919	11,919
		<u>30,072</u>	<u>–</u>	<u>30,072</u>	<u>30,072</u>
Bank loans	23	–	2,906	2,906	2,906
Loan from shareholder	23	–	1,848	1,848	1,848
Trade and other payables	22	–	17,181	17,181	17,181
		<u>–</u>	<u>21,935</u>	<u>21,935</u>	<u>21,935</u>
<b>31 December 2024</b>					
Trade and other receivables*	10	16,774	–	16,774	16,774
Cash and cash equivalents	9	10,268	–	10,268	10,268
		<u>27,042</u>	<u>–</u>	<u>27,042</u>	<u>27,042</u>
Bank loans	23	–	4,098	4,098	4,098
Loan from shareholder	23	–	1,808	1,808	1,808
Trade and other payables	22	–	15,070	15,070	15,070
		<u>–</u>	<u>20,976</u>	<u>20,976</u>	<u>20,976</u>

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Market risk (Continued)

(iii) Accounting classifications and fair values (Continued)

*Fair values versus carrying amounts (Continued)*

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows: (Continued)

	Note	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Fair value \$'000
<b>Company</b>					
<b>31 December 2025</b>					
Trade and other receivables*	10	42,237	–	42,237	42,237
Cash and cash equivalents	9	9,860	–	9,860	9,860
		<u>52,097</u>	<u>–</u>	<u>52,097</u>	<u>52,097</u>
Bank loans	23	–	2,906	2,906	2,906
Loan from shareholder	23	–	1,848	1,848	1,848
Trade and other payables	22	–	11,321	11,321	11,321
		<u>–</u>	<u>16,075</u>	<u>16,075</u>	<u>16,075</u>
<b>31 December 2024</b>					
Trade and other receivables*	10	38,727	–	38,727	38,727
Cash and cash equivalents	9	7,429	–	7,429	7,429
		<u>46,156</u>	<u>–</u>	<u>46,156</u>	<u>46,156</u>
Bank loans	23	–	4,098	4,098	4,098
Loan from shareholder	23	–	1,808	1,808	1,808
Trade and other payables	22	–	9,383	9,383	9,383
		<u>–</u>	<u>15,289</u>	<u>15,289</u>	<u>15,289</u>

\* Excludes prepayments.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (d) Climate risk

'Climate-related risk' are potential negative impacts on the Group arising from climate change. Climate-related risks have an impact on the principal risk categories, but due to their pervasive nature have been identified and managed by the Group on an overall basis.

The Group distinguishes between physical and transition risks. Physical risks arises as the result of acute weather events such as hurricane, floods, and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels. Transition risk arise as a result of measures taken to mitigate the effects of climate change and transition to a low-carbon economy - e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

The Board of Directors are responsible for developing group-wide policies, processes and controls to incorporate climate risks in the management of principal risk categories. The Group has developed a climate risk framework for:

- identifying risk factors and assessing their potential impact on the Group's financial statements; and
- allocating responsibilities for managing each identified risk factor.

## 29. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

### (i) Property, plant and equipment

Fair value less costs of disposal, which is determined for impairment testing purposes for Singapore, Malaysia and North America as discussed in Note 16 to the financial statement.

### (ii) Investment properties

The determination of fair value of investment properties is discussed in Note 13 to the financial statement.

### (iii) Bank loans

Fair value, which is determined for disclosure purposes for bank loans, are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

### (iv) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 30. RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

### *Key management personnel compensation*

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The members of the Board of Directors of the Company and significant subsidiaries and Executive Committee are considered to be the key management personnel of the Group.

Key management personnel compensation included in staff costs comprises:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Directors' fees	153	151
Short-term employee benefits	1,726	1,796
	1,879	1,947

### *Other related party transactions*

Other than disclosed elsewhere in the financial statements, significant transactions with related parties at terms agreed between the parties are as follows:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Transactions with an equity-accounted investee</b>		
Revenue from contract	7,135	7,633
Management fees	(133)	(133)
	52	23
<b>Transactions with controlling shareholder</b>		
Interest paid on shareholder loan	52	23

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

## 31. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

### *New accounting standards and interpretations not yet adopted*

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted the new or amended accounting standards in preparing these financial statements.

#### *(a) SFRS(I) 18 Presentation and Disclosure in Financial Statements*

SFRS(I) 18 will replace SFRS(I) 1-1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosure required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

#### *(b) Other accounting standards*

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- Classification and Measurement of Financial Instruments (Amendments to SFRS(I) 9 and SFRS(I) 7)
- Annual Improvements to SFRS(I) – Volume 11, and
- Contracts Referencing Nature-dependents Electricity (Amendments to SFRS(I) 9 and SFRS(I) 7).

## 32. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements of the Company for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Board of Directors Mun Siong Engineering Limited and Its subsidiaries. on 31 March 2026.

# STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2026

<b>TOTAL NUMBER OF ISSUED SHARES</b>	:	581,546,400
<b>TOTAL NUMBER OF ISSUED SHARES EXCLUDING TREASURY SHARES AND SHARES HELD BY A SUBSIDIARY (IF ANY)</b>	:	581,512,400
<b>TOTAL NUMBER AND PERCENTAGE OF TREASURY SHARES</b>	:	34,000 (0.006%)
<b>TOTAL NUMBER AND PERCENTAGE OF SHARES HELD BY A SUBSIDIARY</b>	:	NIL
<b>CLASS OF SHARES</b>	:	ORDINARY
<b>VOTING RIGHTS</b>		
- On a show of hands	:	ONE VOTE FOR EACH MEMBER
- On a poll	:	ONE VOTE FOR EACH ORDINARY SHARE HELD

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	179	14.03	2,220	0.00
100 – 1,000	183	14.34	168,574	0.03
1,001 – 10,000	240	18.81	1,471,150	0.25
10,001 – 1,000,000	649	50.86	83,418,845	14.35
1,000,001 AND ABOVE	25	1.96	496,451,611	85.37
<b>TOTAL</b>	<b>1,276</b>	<b>100.00</b>	<b>581,512,400</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CHENG WOEI FEN	278,997,600	47.98
2	QUEK KIAN HUI (GUO JIANHUI)	86,376,800	14.85
3	GABRIEL QUEK KIAN TECK	33,516,000	5.76
4	PHILLIP SECURITIES PTE LTD	18,155,155	3.12
5	DBS NOMINEES (PRIVATE) LIMITED	11,961,646	2.06
6	UOB KAY HIAN PRIVATE LIMITED	7,751,000	1.33
7	LIN YAN	7,266,000	1.25
8	HHC INVESTORS PTE. LTD.	7,095,000	1.22
9	OCBC SECURITIES PRIVATE LIMITED	6,384,600	1.10
10	SINGAPORE WAREHOUSE COMPANY (PRIVATE) LTD.	5,454,300	0.94
11	LIM POON KHENG EUGENE	4,800,000	0.83
12	NG HIAN CHOW	4,128,000	0.71
13	MAYBANK SECURITIES PTE. LTD.	3,614,710	0.62
14	QUEK KENG SIONG	2,651,400	0.46
15	CHAN KWAN TAI	2,300,000	0.40
16	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	2,128,400	0.37
17	LIM & TAN SECURITIES PTE LTD	2,036,000	0.35
18	TAY HWA LANG @TAY AH KOU OR JORDAN TAY SHIH LIANG	1,870,000	0.32
19	TAN HAI PENG MICHEAL	1,800,000	0.31
20	IFAST FINANCIAL PTE. LTD.	1,527,800	0.26
<b>TOTAL</b>		<b>489,814,411</b>	<b>84.24</b>

# STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2026

## RULE 723 COMPLIANCE

Based on the information available to the Company as at 16 March 2026, approximately 28.9% of the issued ordinary shares of the Company is held by the public. Hence, it is in compliance with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

## SUBSTANTIAL SHAREHOLDERS

	NO. OF SHARES		NO. OF SHARES	
	Direct Interest	%	Deemed Interest	%
CHENG WOEI FEN*	278,997,600	47.98%	36,167,400	6.22%
GABRIEL QUEK KIAN TECK	33,516,000	5.76%	-	-
QUEK KIAN HUI	86,376,800	14.85%	-	-

\* Deemed interest of Cheng Woei Fen derived from the interests held by her son, Gabriel Quek Kian Teck, and interest held by her spouse.

## TREASURY SHARES

As at 16 March 2026, the Company held 34,000 treasury shares, representing 0.006% of the total issued shares excluding treasury shares.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“**AGM**”) of MUN SIONG ENGINEERING LIMITED (the “**Company**”) will be held at 26 Gul Way, Singapore 629199, on Monday, 27 April 2026 at 10:00 a.m. for the following purposes:

## ORDINARY BUSINESSES

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2025, together with the Auditors’ Report thereon. **[Resolution 1]**
2. To re-elect the following Directors of the Company retiring pursuant to the Constitution of the Company:
  - (i) Elaine Beh Pur-Lin (Regulation 108) **[Resolution 2]**  
[See Explanatory Note 1]
  - (ii) Seah Hai Yang (Regulation 108) **[Resolution 3]**  
[See Explanatory Note 2]
3. To approve Directors’ fees of up to S\$153,000 for the financial year ending 31 December 2026, payable quarterly by the Company in arrears (2025: S\$153,000). **[Resolution 4]**
4. To re-appoint Messrs CLA Global TS Public Accounting Corporation as the Auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 5]**
5. To transact any other ordinary business which may be properly transacted at an AGM.

## SPECIAL BUSINESSES

To consider and, if thought fit, to pass with or without amendment the following Ordinary Resolutions.

6. **Authority to allot and issue shares and convertible securities** **[Resolution 6]**

“That, pursuant to Section 161 of the Companies Act 1967 (“**Companies Act**”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) authority be and is hereby given to the Directors of the Company to:

- (i) (a) issue shares of the Company whether by way of rights, bonus or otherwise;
  - (b) 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) warrants, debentures or other instruments convertible into shares; and/or
  - (c) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalization issues,
- at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit;
- (ii) (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 while this Resolution was in force; and
  - (iii) complete and do all such acts and things, including without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give effect to this Resolution.

# NOTICE OF ANNUAL GENERAL MEETING

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 on a pro-rata basis pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) 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 (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation and adjustment 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 percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company at the time this Resolution is passed, after adjusting for:
  - (a) new shares arising from the conversion or exercise of any convertible securities;
  - (b) (where applicable) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue to be 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 the earlier.”  
[See Explanatory Note 3]

## 7. **Proposed renewal of the authority to issue shares under the MSE Performance Share Plan [Resolution 7]**

“That, pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant performance shares under the MSE Performance Share Plan and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of share awards under the MSE Performance Share Plan, whether granted during the subsistence of this authority or otherwise, Provided Always that the aggregate number of additional ordinary shares to be issued pursuant to the MSE Performance Share Plan and any other share option scheme/ share-based incentive schemes of the Company shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, 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 4]

# NOTICE OF ANNUAL GENERAL MEETING

## 8. Proposed renewal of the share purchase mandate

[Resolution 8]

“That

- (i) for the purposes of the Companies Act, the Constitution of the Company and the Listing Manual of the SGX-ST, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company (as ascertained as at the date of AGM of the Company), unless the Company has, at any time during the period commencing from the date of which this Resolution is passed and expiring on the date the next AGM of the Company is held or is required by law to be held, whichever is earlier, after the date of this Resolution is passed, effected a reduction of its share capital in accordance with the applicable provisions under the Companies Act or a share consolidation, in which event the total number of issued shares of the Company shall be taken the total number of shares of the Company as altered by the capital reduction or the share consolidation, at the price of up to but not exceeding the Maximum Price as defined under paragraph 2.3.4 of the Addendum, and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM of the Company is held or required by law to be held, whichever is earlier, or the date on which the purchases or acquisitions of shares pursuant to the share purchase mandate are carried out to the full extent mandated, whichever is earlier; and
- (ii) the Directors of the Company and/or any of them be and is hereby authorised to complete and do all such acts and things (including dealing with the shares purchased by the Company, entering into all transactions, arrangements and agreements and executing such documents as may be required) as they and/or he may consider necessary, desirable or expedient to give effect to this Resolution.”
- [See Explanatory Note 5]*

### By Order of the Board

Fiona Lim Pei Pei  
Company Secretary  
Singapore, 10 April 2026

### Explanatory Notes:

1. Elaine Beh Pur-Lin, if re-elected, will be considered a Non-Executive Independent Director by the Board of Directors of the Company pursuant to Rule 704(8) of the SGX-ST Listing Manual and will remain as Chairlady of the Nominating Committee and a member of the Audit and Remuneration Committees respectively. There are no relationships (including immediate family relationships) between Elaine Beh Pur-Lin and the other Directors of the Company, the Company, its related corporations, its substantial shareholders or its officers which may affect her independence. Please refer to page 27 of the Corporate Governance in the Annual Report 2025 for the detailed information as required pursuant to Rule 720(6) of the SGX-ST Listing Manual.
2. Seah Hai Yang, if re-elected, will be considered a Non-Executive Independent Director by the Board of Directors of the Company pursuant to Rule 704(8) of the SGX-ST Listing Manual and will remain as Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees respectively. There are no relationships (including immediate family relationships) between Seah Hai Yang and the other Directors of the Company, the Company, its related corporations, its substantial shareholders or its officers which may affect his independence. Please refer to page 28 of the Corporate Governance in the Annual Report 2025 for the detailed information as required pursuant to Rule 720(6) of the SGX-ST Listing Manual.

# NOTICE OF ANNUAL GENERAL MEETING

3. Resolution 6, 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 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For the purpose of this Resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) is based on the Company's total number of issued shares (excluding treasury shares and subsidiary holdings, if any) at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

4. Resolution 7, if passed, will empower the Directors of the Company, from the date of this AGM until the date 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 in the Company pursuant to the vesting of performance shares granted or to be granted pursuant to the MSE Performance Share Plan, up to an aggregate (together with any other share option schemes/share-based incentive schemes of the Company) not exceeding in total 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.
5. Resolution 8 is to renew the mandate to enable the Directors of the Company to purchase or otherwise acquire shares on the terms and subject to the conditions of this Resolution which was first approved by the shareholders on 20 April 2017. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of shares by the Company pursuant to the proposed renewal of the share purchase mandate on the audited financial statements for the financial year ended 31 December 2025 are set out in greater detail in the Addendum (dated 10 April 2026) and the Annual Report 2025.

## Notes:

- (1) The AGM of the Company will be held, in a wholly physical format at 26 Gul Way, Singapore 629199, on Monday, 27 April 2026 at 10:00 a.m.. **There will be no option for members to participate in the AGM virtually.**

Printed copies of this Notice of AGM, Proxy Form and the Request Form, collectively the "AGM Booklet" will be sent by post to members. These documents will also be published on the Company's website at [www.mun-siong.com](http://www.mun-siong.com) and the SGX website at [www.sgx.com/securities/company-announcements](http://www.sgx.com/securities/company-announcements).

- (2) In view of the guidance note issued by the Singapore Exchange Regulation, members may also submit questions relating to the resolutions to be tabled for approval at the AGM in the following manner:

- (a) submitting question via mail to the Company's registered office at 26 Gul Way, Singapore 629199, or email to [AGMQuery@mun-siong.com](mailto:AGMQuery@mun-siong.com) by 10:00 a.m. on Thursday, 16 April 2026; or
- (b) at the physical AGM.

When submitting the questions, please provide the Company with the following details, for verification purpose:-

- (i) full name;
- (ii) NRIC number;
- (iii) current address;
- (iv) contact number; and
- (v) number of Shares held.

Please also indicate the manner in which you hold Shares in the Company (e.g. via CDP, CPF or SRS).

Shareholders are encouraged to submit their questions before 10:00 a.m. on Thursday, 16 April 2026 as this will allow the Company to have sufficient time to address all substantial and relevant submitted questions. The Company will respond to these questions and published it on the (i) SGX's website and (ii) the Company's corporate website on or before Wednesday, 22 April 2026 (forty-eight (48) hours prior to the closing date and time for the lodgment of the proxy forms). The minutes of the AGM will be published on (i) the SGX's website (ii) the Company's corporate website, within one month after the date of the AGM.

- (3) A member who is not a relevant intermediary\*, entitled to attend, speak and vote at the AGM is entitled to appoint not more than two proxies or Chairman (Chairlady) to attend, speak and vote in his/her stead at the AGM of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

- (4) A member who is a relevant intermediary\* may appoint one or more proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Relevant intermediary has the meaning ascribed to it in section 181 of the Companies Act.

\*Relevant intermediary is either:

- (i) a banking corporation licensed under the Banking Act 1970 or its wholly owned subsidiary which provides nominee services and holds shares in that capacity;
  - (ii) a capital markets services license holder which provides custodial services for securities under the Securities and Futures Act 2001 and holds shares in that capacity; or
  - (iii) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act 1963, in respect of shares purchased on behalf of CPF investors.
- (5) The instrument appointing the proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies 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 the proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
- (6) In appointing the Chairman (Chairlady) of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman (Chairlady) of the AGM as proxy for that resolution will be treated as invalid.
- (7) The instrument appointing proxy(ies), together with the letter or power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must be deposited to the Company in the following manner:
- (a) mail to the Company's registered office at 26 Gul Way, Singapore 629199; or
  - (b) email to [Proxyform@mun-siong.com](mailto:Proxyform@mun-siong.com).

in each case, by Friday, 10:00 a.m. on 24 April 2026, being no later than 72 hours before the time fixed for the AGM, and in default the instrument of proxy shall not be treated as valid.

- (8) Investors who hold shares through CPF Investment Scheme or Supplementary Retirement Scheme ("SRS"):-
- (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman (Chairlady) of the AGM as their proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes

at least seven (7) working days before the AGM (i.e. by 10:00 a.m. on Thursday, 16 April 2026).

- (9) The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents) (such as in the case where the appointor submits more than one instrument appointing the proxy or proxies).
- (10) In the case of a member whose Shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing the proxy or proxies lodged if such member, being appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

## Access to Documents

The 2025 Annual Report and the Addendum dated 10 April 2026 (in relation to the proposed renewal of the share purchase mandate) have been published and can be accessed at the Company's website at [www.mun-siong.com](http://www.mun-siong.com). These documents can also be assessed at the SGX website at [www.sgx.com/securities/company-announcements](http://www.sgx.com/securities/company-announcements).

Members can request for printed copies of the above documents by completing and submitting the Request Form (part of the AGM Booklet) which was sent out to members by post.

The Request Form must be completed and sent to the Company's registered address at 26 Gul Way, Singapore 629199 or email to [AGMQuery@mun-siong.com](mailto:AGMQuery@mun-siong.com) no later than 5.00 p.m. on Thursday, 16 April 2026.

# NOTICE OF ANNUAL GENERAL MEETING

## Personal data privacy:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, or (b) submitting any question prior to the AGM of the Company in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing, administration and analysis by the Company (or its agents or service providers) of proxy(ies) and representative(s) appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes;
- (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities; and
- (v) 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.

The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the above-mentioned purposes and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the AGM of the Company may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the AGM of the Company. Accordingly, the personal data of a member (such as his name, his presence at the AGM of the Company and any questions he may raise or motions he proposes/second) may be recorded by the Company for such purposes.

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**MUN SIONG ENGINEERING LIMITED**Company Registration No. 196900250M  
(Incorporated in the Republic of Singapore)Proxy Form  
Annual General Meeting (“AGM”)**IMPORTANT**

1. This Notice of Annual General Meeting (the “AGM”), together with this proxy form, Annual Report 2025 and the Addendum to the shareholders dated 10 April 2026 will be sent to members by electronic means via publication on the Company’s corporate website at the URL <https://www.mun-siong.com> and is also made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of this Notice of AGM and Proxy Form will also be sent by post to members.
2. A relevant intermediary may appoint more than one proxy to attend the AGM and vote (please see note 3 for the definition of “relevant intermediary”).
3. For investors who have used their Central Provident Fund (“CPF”) and/or Supplementary Retirement Scheme (“SRS”) monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them.
4. Please read the notes on the proxy form.

I/We \_\_\_\_\_ (Name), \*NRIC/Passport No./Company Registration No. \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a \*member/members of MUN SIONG ENGINEERING LIMITED (the “Company”) hereby appoint:-

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing \*him/her/them, Chairman (Chairlady) of the AGM, as \*my/our \*proxy/proxies to attend, speak and vote for \*me/us on \*my/our behalf at the AGM of the Company to be convened at 26 Gul Way, Singapore 629199 on Monday, 27 April 2026 at 10:00 a.m. and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting on the resolutions are given, the \*proxy/ proxies may vote or abstain from voting at \*his/her/their direction and any other matters arising at the AGM. In the absence of specific directions in respect of a resolution, the appointment of the Chairman (Chairlady) of the AGM as \*my/our proxy for that resolution will be treated as invalid.

Note: Please indicate with an “X” or number of votes in the spaces provided whether you wish your vote(s) to be cast for or against or abstain the resolutions as set out in the Notice of AGM. If you mark the abstain box for a particular resolution, you are directing the proxy(ies) or Chairman (Chairlady) of the AGM not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

No.	Description of Resolutions	For	Against	Abstain
1.	Adoption of the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Auditors’ report thereon.			
2.	Re-election of Elaine Beh Pur-Lin as a Director of the Company			
3.	Re-election of Seah Hai Yang as a Director of the Company			
4.	Approval of Directors’ fees for financial year ending 31 December 2026			
5.	Re-appointment of Messrs CLA Global TS Public Accounting Corporation as Auditors			
6.	Authority to allot and issue shares and convertible securities			
7.	Proposed renewal of the authority to issue shares under the MSE Performance Share Plan			
8.	Proposed renewal of the Share Purchase Mandate			

\* Delete where inapplicable.

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of AGM for the full purpose and intent of the Resolutions to be passed.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2026

Total Number of Shares Held

\_\_\_\_\_  
Signature(s) of Member(s)/  
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF



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**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 of the Company, 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, this form of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company (other than a Relevant Intermediary\*) entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. A proxy need not be a member of the Company.
3. Pursuant to Section 181 of the Companies Act 1967, any member who is a Relevant Intermediary\* is entitled to appoint one or more proxies to attend, speak and vote at the AGM, 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 is either:
  - (i) a banking corporation licensed under the Banking Act 1970 or its wholly owned subsidiary which provides nominee services and holds shares in that capacity;
  - (ii) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act 2001 and holds shares in that capacity; or
  - (iii) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act 1963, in respect of shares purchased on behalf of CPF investors.
4. An investor who holds shares through Relevant Intermediary\*, including under the CPF Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) and wishes to appoint the Chairman (Chairlady) of the AGM as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 10:00 a.m. Thursday, 16 April 2026) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman (Chairlady) of the AGM to vote on their behalf no later than the Proxy Deadline.

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**MUN SIONG ENGINEERING LIMITED**

26 Gul Way  
Singapore 629199

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5. The instrument appointing a proxy(ies) or the Chairman (Chairlady) of the AGM as proxy must be mailed to or deposited at the Company's registered office at 26 Gul Way, Singapore 629199 or email to [Proxyform@mun-siong.com](mailto:Proxyform@mun-siong.com) not less than seventy-two (72) hours before the time appointed for the AGM.
6. The instrument appointing a proxy(ies) or the Chairman (Chairlady) of the AGM as proxy must be under the hand of the appointor or of his/her attorney duly authorized in writing. Where the instrument appointing proxy(ies) or the Chairman (Chairlady) of the AGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorized.
7. Where an instrument appointing proxy(ies) or the Chairman (Chairlady) of the AGM as proxy is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which, the instrument may be treated as invalid.
8. A corporation that is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967.
9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) or the Chairman (Chairlady) of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2026.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Cheng Woei Fen**

Executive Chairlady

**Quek Kian Hui**

Executive Deputy Chairman and  
Group Chief Executive Officer  
("CEO")

**Seah Hai Yang**

Non-Executive Lead Independent  
Director

**Mah Kai Leong**

Non-Executive Independent  
Director

**Elaine Beh Pur-Lin**

Non-Executive Independent  
Director

**David Tan Chao Hsiung**

Non-Executive Non-Independent  
Director

## AUDIT COMMITTEE

**Seah Hai Yang**

Chairman

**Mah Kai Leong**

**Elaine Beh Pur-Lin**

**David Tan Chao Hsiung**

## REMUNERATION COMMITTEE

**Mah Kai Leong**

Chairman

**Seah Hai Yang**

**Elaine Beh Pur-Lin**

**David Tan Chao Hsiung**

## NOMINATING COMMITTEE

**Elaine Beh Pur-Lin**

Chairlady

**Seah Hai Yang**

**Mah Kai Leong**

**David Tan Chao Hsiung**

## EXECUTIVE COMMITTEE

**Quek Kian Hui**

Chairman and Group CEO

**Cheng Woei Fen**

Adviser

**Sean Safavinejad**

Group Chief Operating Officer

**Lim Poon Kheng, Eugene**

Group Chief Financial Officer

**Teo Kheng Hock, Andy**

Director, Specialised Services

**Lin Yan**

Director, Electrical and  
Instrumental Services

**Shan YiJian**

Director, Mechanical Services and  
Project Works

**Neo Siow Hong, Jason**

Director, Compliance and Service  
Excellence

## COMPANY SECRETARY

**Fiona Lim Pei Pei**

## REGISTERED OFFICE

26 Gul Way  
Singapore 629199

## SHARE REGISTRAR

**Boardroom Corporate & Advisory  
Services Pte Ltd**

1 Harbour Front Avenue  
Keppel Bay Tower #14-07  
Singapore 098632

## PRINCIPAL BANKERS

**United Overseas Bank Limited**

80 Raffles Place, UOB Plaza  
Singapore 048624

**Oversea-Chinese Banking  
Corporation Limited**

65 Chulia Street  
#01-01 OCBC Centre  
Singapore 049513

**CIMB Bank Berhad**

30 Raffles Place  
#04-01  
Singapore 048622

## AUDITOR

**CLA Global TS Public Accounting  
Corporation**

80 Robinson Road  
#25-00  
Singapore 068898  
(Appointed Engagement Partner  
since financial year ended  
31 December 2025: Ms Lim Ju May)



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