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BENG KUANG GROUP

STEERING EXCELLENCE FORWARD

ANNUAL REPORT 2025

CONTENTS

OUR VISION

We aspire to be the Preferred Partner in providing integrated solutions for the offshore and marine industries.

OUR MISSION

With our core strengths and capabilities, we aim to drive sustainable growth in our business activities with new value propositions in the offshore and marine industries.

CORPORATE PROFILE

OUR CORE BUSINESS DIVISIONS

The business roots of Beng Kuang Group were established in the 1990s as a sub-contractor providing corrosion prevention services to shipyards. Since then, the Group has grown progressively over the past few decades, specialising in various aspects of the marine and offshore energy industries.

The Group has been listed on the Mainboard of the Singapore Exchange since 15 October 2004.

Today, the Group's asset-light and service-centric business model is anchored by two core business divisions of Infrastructure Engineering ("IE") and Corrosion Prevention ("CP"), in the marine and offshore energy industries, particularly within the FPSOs and FSOs markets.

Leveraging on our core capabilities, Beng Kuang Group is well positioned globally to create new value propositions within the FPSOs and FSOs markets with our in-house asset integrity services as well as the supply of pedestal cranes and deck equipment. At the same time, we aim to leverage on our established 30-year track record in CP to expand our business presence in Asia.

Forging ahead with an innovative and operating mindset, Beng Kuang Group continues to strive to be the "Preferred and Trusted Partner" in providing total solutions for the offshore and marine industries, aligning our business activities towards new market trends and opportunities.

1 Infrastructure Engineering ("IE")

Providing a wide range of engineering services including asset integrity solution, repairs and maintenance of floating production platforms, offshore and onshore marine fabrications; and the production and supply of customised pedestal cranes and deck equipment.

2 Corrosion Prevention ("CP")

Providing comprehensive corrosion protection services such as surface preparation and application of protective coatings as part of the marine and offshore energy sectors.

EXECUTIVE CHAIRMAN'S STATEMENT

"In FY2025, the Group recorded revenue of approximately S$98.2 million, while gross margins expanded to 37.1%, reflecting the continued shift towards higher-value engineering and lifecycle maintenance services."

MR. CHUA BENG YONG
Executive Chairman

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Beng Kuang Marine Limited ("Beng Kuang" or the "Group") for the financial year ended 31 December 2025 ("FY2025").

FY2025 represents another important milestone in the Group's continued transformation as we strengthen our position as a specialised provider of offshore engineering, asset integrity and maintenance solutions supporting critical energy infrastructure.

Over the past several years, Beng Kuang has undertaken a deliberate repositioning towards an asset-light and service-centric business model focused on supporting offshore production assets. This transformation continues to gain traction, with the Group demonstrating improved operational resilience, margin durability and strong cash generation.

In FY2025, the Group recorded revenue of approximately S$98.2 million, while gross margins expanded to 37.1%, reflecting the continued shift towards higher-value engineering and lifecycle maintenance services. The Group also generated strong operating cash flow of S$26.6 million and ended the year with a net cash position of S$37.4 million, providing a solid financial foundation to support future growth initiatives.

Our business remains anchored by our two core divisions — Infrastructure Engineering ("IE") and Corrosion Prevention ("CP"). Together, these divisions provide specialised engineering, maintenance and regulatory compliance solutions that support the reliability, safety and longevity of marine and offshore assets across the energy value chain.

STRENGTHENING OUR OFFSHORE LIFECYCLE POSITION

Over time, Beng Kuang has progressively strengthened its capabilities in supporting offshore production infrastructure, including Floating Production Storage and Offloading units ("FPSOs") and other offshore assets.

These assets typically operate over long lifecycles and require continuous maintenance, asset integrity management and regulatory compliance support to ensure safe and efficient operations. Through our engineering expertise and embedded operational presence across multiple offshore projects globally, Beng Kuang has established itself as a trusted engineering partner supporting the lifecycle integrity of these assets.

As offshore operators increasingly prioritise the extension and optimisation of existing production infrastructure, demand for specialised lifecycle engineering services is expected to remain resilient. The Group believes its established capabilities and long-standing industry relationships position Beng Kuang well to support these long-term industry requirements.

EXECUTIVE CHAIRMAN'S STATEMENT

Revenue

S$98.2M

Operating Cash Flow

S$26.6M

Net Cash Position

S$37.4M

STRATEGIC EXPANSION AND PLATFORM DEVELOPMENT

Looking ahead, the Group has announced the proposed acquisition of the remaining equity interest in Asian Sealand Offshore & Marine Pte. Ltd. ("ASOM"), a business that has long been closely associated with the Group's offshore services activities.

Upon completion, the consolidation of ASOM is expected to further strengthen Beng Kuang's offshore engineering capabilities, enhance operational alignment within the Group and provide greater strategic flexibility in supporting offshore energy clients across multiple markets.

Beyond strengthening operational capabilities, the consolidation of ASOM represents an important step in the Group's longer-term strategy of deepening its participation in the offshore production ecosystem and expanding the range of specialised lifecycle services that Beng Kuang can provide.

In parallel, the Group has also been developing complementary engineering capabilities that broaden its service offering. These include initiatives in deck equipment engineering, specialised chemical cleaning services and selected shipbuilding activities, which together enhance the Group's ability to support customers across a wider spectrum of offshore maintenance, refurbishment and engineering requirements.

These complementary capabilities are intended to strengthen Beng Kuang's role as an integrated offshore engineering services platform while creating additional opportunities to support customers throughout the operational lifecycle of offshore energy assets.

OUR PEOPLE

None of the Group's achievements would have been possible without the dedication and commitment of our employees. Our people remain the driving force behind Beng Kuang's transformation and operational success.

We remain committed to fostering a culture of collaboration, safety, innovation and continuous learning so that our teams are well equipped to meet the evolving needs of our customers and support the Group's long-term development.

A NOTE OF APPRECIATION

On behalf of the Board, I would like to extend my sincere appreciation to our shareholders for their continued trust and support.

I would also like to thank our customers, business partners, suppliers and bankers for their continued confidence in Beng Kuang. Their support has been instrumental in the Group's continued progress.

Finally, I wish to express my gratitude to my fellow directors for their guidance and stewardship, as well as to the management team and employees across the Group for their dedication and contributions.

As Beng Kuang continues its transformation, the Group is steadily evolving from a traditional marine services provider into a specialised offshore engineering and asset integrity platform supporting critical energy infrastructure. With a strengthened balance sheet, expanding offshore capabilities and strategic initiatives such as the proposed consolidation of ASOM, Beng Kuang is positioning itself to participate more meaningfully in the offshore production value chain and capture opportunities arising from the increasing focus on maintaining and extending the life of offshore energy assets globally.

The Board remains confident that the Group's disciplined strategy, strong engineering capabilities and resilient business model will continue to support sustainable growth and the creation of long-term value for our shareholders.

Thank you.

MR. CHUA BENG YONG
Executive Chairman

ADVANCING TOWARDS BKM 2.0

BUILDING SUSTAINABLE GROWTH WITHIN THE GLOBAL OFFSHORE AND MARINE INDUSTRY

ANCHORED BY OUR TWO CORE BUSINESS UNITS

- Infrastructure Engineering ("IE")
- Corrosion Prevention ("CP")

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KEY BUSINESS PILLARS

- 01 Strategic Market Positioning
- 02 Value-led Transformation
- 03 Financial Resiliency
- 04 Robust Risk Management
- 05 Talent Optimisation
- 06 ESG Integration

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KEY FOCUS AREAS

- Enhance Core Capabilities & Entrenching Lead Market Position
- Building Fresh Capabilities & New Revenue Streams
- Develop and Incubate New Business & Ventures
- Strategic Partnerships
- Capex-light and Service-centric Model
- Talent Acquisition
- Improve Cost & Operating Efficiency

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BENG KUANG GROUP

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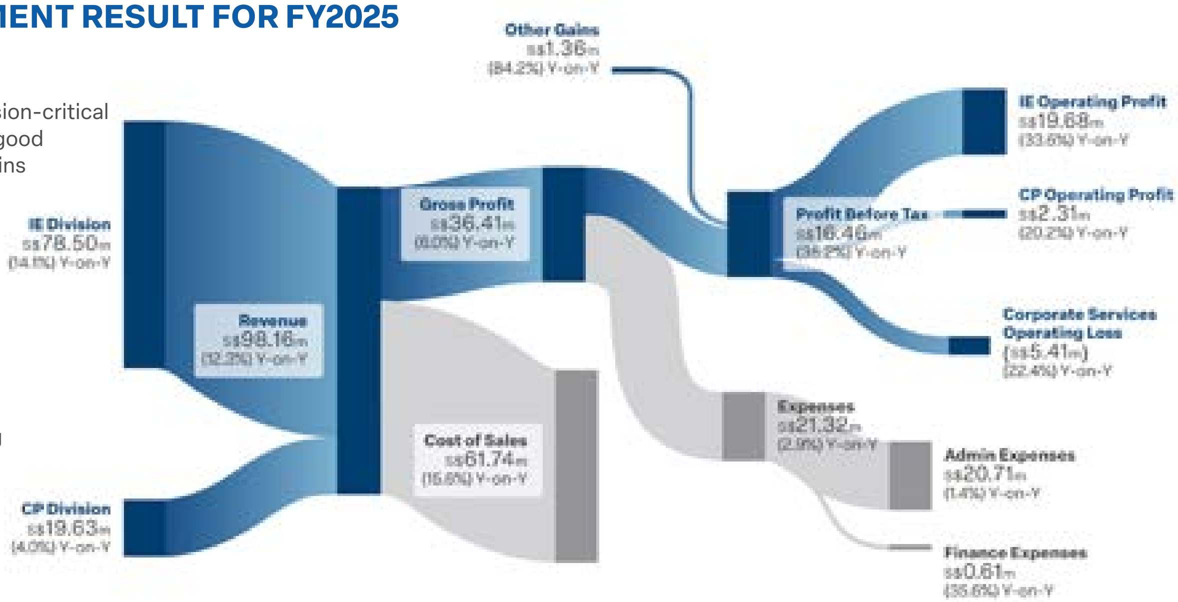
FINANCIAL HIGHLIGHTS

Revenue	Profit Before Tax	EBITDA
S$98.2M	S$16.5M	S$20.6M

KEY SEGMENT RESULT FOR FY2025

IE Division:
High-value, mission-critical scopes provide good support to margins

CP Division:
Stable, recurring profit base



3 YEAR FINANCIAL POSITIONS

	2025	2024	2023
Income Statement (S$'000)			
Revenue	98,155	111,883	79,162
Profit before tax	16,456	25,400	10,818
EBITDA	20,630	29,247	15,843
Attributable profit	5,334	11,538	3,424
Balance Sheet (S$'000)			
Total assets	79,775	74,112	63,001
Total liabilities	(43,634)	(45,641)	(51,149)
Net debt	Net Cash	Net Cash	(1,955)
Tangible net worth	36,141	28,472	11,852
Financial Ratios			
Basic Earnings per Share			
- Basic (in cents)	2.61	5.79	1.72
- Diluted (in cents)	2.60(2)	5.79(1)	1.72
Net Asset Value per Share (in cents)	12.64	10.54	4.79
Net gearing ratio (%)	Net Cash	Net Cash	16.5%
Current Ratio	1.78	1.53	1.03
JAWS Ratio(3) (%)	(9.4%)	24.3%	18.4%

(1) As at financial year ended 31 December 2024, shareholders hold 59,763,110 bonus warrants. These are anti-dilutive because the exercise price of S$0.22 is higher than the average market price in 2024.

(2) As at financial year ended 31 December 2025, shareholders hold 58,012,610 bonus warrants. These are diluted because the exercise price of S$0.22 is less than the average market price in 2025.

(3) JAWS ratio = (Income Growth Rate) - (Expense Growth Rate)

FINANCIAL & OPERATIONS REVIEW

In FY2025, the Group continued its transition towards a more disciplined, asset-light and service-oriented business model under its BKM 2.0 strategic framework. While revenue during the year was affected by timing-related execution delays in certain offshore projects, the Group remained focused on operational efficiency, cost optimisation and balance sheet strengthening. These efforts enabled the Group to deliver improved margins, strong operating cash flows and enhanced financial resilience.

For the year ended 31 December 2025 ("FY2025"), the Group recorded revenue of S$98.15 million, compared to S$111.88 million in FY2024. Despite the softer revenue environment, the Group achieved an improvement in gross profit margin and continued to generate positive operating cash flows, underscoring the effectiveness of its streamlined operating model.

Building on the foundations laid in prior years, the Group remains cautiously optimistic in pursuing sustainable growth opportunities within the offshore and marine industry, while maintaining vigilance against execution risks, geopolitical uncertainties and global economic volatility.

OPERATIONS REVIEW

GROUP

REVENUE

The Group recorded revenue of S$98.15 million for FY2025, representing a decrease of 12.3%, or S$13.73 million, from S$111.88 million in FY2024. The decline was primarily attributable to lower revenue contributions from the Infrastructure Engineering ("IE") segment, arising mainly from timing-related delays in Offshore Asset Integrity activities.

IE Segment Performance

Revenue from the IE segment declined by 14.1%, or S$12.93 million, in FY2025 as compared to FY2024. The decrease was largely due to delays in contract execution within the Offshore Asset Integrity business, particularly in the Group's West Africa operations, which impacted the timing of revenue recognition during the year.

These delays were mainly operational in nature, including logistical challenges associated with the deployment of accommodation barges required to support FPSO service and maintenance work orders. Notwithstanding the timing impact, the Group continued to maintain a healthy pipeline of ongoing work orders, supported by its expanded FPSO maintenance footprint, including contracts in Guyana. Demand for offshore in-situ services remained intact during the year.

Revenue from deck equipment supply declined by 27.8%, or S$0.93 million, from S$3.34 million in FY2024 to S$2.41 million in FY2025. The decline was due to the absence of carry-over projects from the end of FY2024 and the lack of new project awards in 1H2025, with contract wins only secured from May 2025 onwards. Including orders secured in 2H2025, the Group clinched a total of S$14.2 million in new contracts for the year scheduled for delivery through 2028.

Going forward, the Group aims to increase its recurring revenue base through enhanced service and maintenance offerings, as well as the sale of spare parts, to support longer-term sustainability and profitability.

CP Segment Performance

Revenue from the CP segment declined slightly by 4.0%, or S$0.81 million, in FY2025 compared to FY2024. The variance was attributable to mixed performance across operating locations.

Singapore operations remained relatively stable, with revenue increasing marginally to S$13.86 million in FY2025 from S$13.60 million in FY2024, supported by ongoing FPSO module works and offshore wind farm projects, which generally command a better margin profile.

In contrast, revenue from CP Batam declined, mainly due to several key customer projects reaching their tail-end stages in 1Q2025 and the absence of sizeable replacement projects during the year, resulting in lower overall work volumes.

COST OF SALES / GROSS PROFIT MARGIN

For the full year, cost of sales decreased by 15.6%, or S$11.41 million, to S$61.74 million, exceeding the revenue decline of 12.3%. Gross profit amounted to S$36.41 million, down S$2.32 million from S$38.73 million in FY2024.

Gross profit margin improved to 37.1% in FY2025, compared to 34.6% in FY2024. The improvement reflects the successful execution of BKM 2.0 initiatives, which focused on cost optimisation, deleveraging, winding down unprofitable segments, and pivoting toward a more asset-light, service-oriented business model.

OTHER GAINS

In FY2025, the Group recorded lower other gains compared to FY2024. This was mainly due to the absence of the S$5.51 million one-off gain recognised in FY2024 from the disposal of assets held-for-sale.

In addition, FY2025 was impacted by foreign exchange movements, including a S$0.91 million currency translation loss arising from the strengthening of the Singapore dollar against the Indonesian rupiah and US dollar, as well as a S$0.17 million fair value loss on forward foreign exchange contracts.

ADMINISTRATIVE EXPENSES

Administrative expenses remained well controlled, decreasing marginally by 1.4% to S$20.71 million in FY2025 (FY2024: S$21.00 million) despite lower revenue for the year. This was driven by a deliberate reallocation of personnel costs, with higher employee salaries incurred to attract and invest in talent to support the Group's ongoing expansion initiatives. Employee salaries increased by S$2.70 million to S$11.52 million in FY2025 (FY2024: S$8.82 million), while bonus provisions decreased by S$3.02 million to S$5.40 million (FY2024: S$8.42 million), in line with the Group's performance.

FINANCIAL & OPERATIONS REVIEW

FINANCE COST

Arising from the Group's deleveraging initiatives, interest expense decreased by 35.8% or S$0.34 million, from S$0.95 million in FY2024 to S$0.61 million in FY2025.

The improvement was mainly attributable to the reduction in outstanding bank borrowings following the Group's deliberate deleveraging strategy and disciplined cash flow management. In addition, the Group benefited from favourable refinancing terms and more competitive interest rates, underscoring management's continued focus on cost efficiency and balance sheet optimisation.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

For FY2025, the Group recorded net profit attributable to owners of the Company of S$5.33 million, compared to S$11.54 million in FY2024. The decrease was primarily attributable to the absence of a one-off gain of S$5.51 million arising from the disposal of an asset held-for-sale, following the partial completion of the Batam land sale in January 2024.

Excluding this one-off item, the Group's underlying operating performance remained stable, reflecting the effectiveness of its asset-light strategy. By exiting underperforming segments and focusing on two core operating divisions, the Group has streamlined its business model, enhanced operational efficiency, and strengthened overall profitability and performance metrics. This strategic focus positions the Group for more sustainable and disciplined growth over the medium term.

EBITDA

In line with its ongoing focus on operational efficiency and cost discipline, the Group generated positive EBITDA of S$20.63 million in FY2025, compared to S$29.25 million in FY2024.

CASHFLOW STATEMENT

In FY2025, the Group generated net cash inflow from operating activities of S$26.55 million, supported by profitability and favourable working capital movements.

Net cash used in investing activities amounted to S$3.64 million, mainly relating to capital expenditure for yard improvements works at Kabil, Batam and equipment upgrades to support CP operations.

Net cash used in financing activities totaled S$8.05 million, primarily attributable to the repayment of bonds and borrowings, lease liabilities and dividend payments.

As a result, the Group recorded a net increase in cash and cash equivalents of approximately S$14.86 million for FY2025.

ASSETS AND LIABILITIES

NON-CURRENT ASSETS

The Group's non-current assets increased by S$3.46 million to S$15.92 million as at 31 December 2025, mainly due to net additions of fixed assets during the year, partially offset by depreciation.

During 4Q2025, the Group reclassified its investment properties to leasehold properties following the commencement of shipbuilding and repair activities at the remaining 13.8-hectare waterfront yard in Kabil, Batam. Consequently, the Group ceased its rental business relating to these leasehold properties and redeployed the assets back into shipbuilding and repair operations under the IE segment.

Subsequent to this strategic shift, the Group has secured shipbuilding and repair contracts with an aggregate value of approximately S$7.8 million, reinforcing the commercial viability of the yard and supporting the Group's core operating activities.

CURRENT ASSETS

The Group's current assets increased by S$2.21 million to S$63.86 million as at 31 December 2025, primarily due to an increase in cash and cash equivalents and inventories, partially offset by lower trade receivables and contract assets.

As at 31 December 2025, 86.5% of total trade receivables were aged below 90 days. Credit loss allowances amounted to S$0.21 million, reflecting prudent credit risk management.

CURRENT LIABILITIES

Current liabilities decreased by S$4.40 million to S$35.81 million, mainly due to lower trade and other payables, partially offset by higher borrowings and contract liabilities.

NET CURRENT ASSETS

As of 31 December 2025, the Group reported net current assets of S$28.05 million, an increase from S$21.45 million recorded on 31 December 2024. This can be attributed to the positive returns on business during FY2025.

The Group's financial position in FY2025 was supported by improvements in key indicators, including Free Cash Flow (FCF)(1), the Current Ratio(2), and the Quick Ratio(3). FCF increased to S$21.25 million at 31 December 2025 from S$12.26 million at 31 December 2024. The Current Ratio improved to 1.78 (31 December 2024: 1.53), while the Quick Ratio increased to 1.73 (31 December 2024: 1.51).

NON-CURRENT LIABILITIES

The Group's non-current liabilities increased from S$5.43 million as at 31 December 2024 to S$7.82 million as at 31 December 2025. This was mainly due to the securing of S$3.0 million in new term loans and the refinancing of certain short-term borrowings to longer-term facilities.

TOTAL EQUITY

The Group's total equity increased to S$36.14 million as at 31 December 2025, supported by profitable operations and strong cash generation during the year.

Note

(1) FCF (Free Cash Flow) = Net cash generated from operating activities after CAPEX and lease payments

(2) Current Ratio = Current assets to Current liabilities

(3) Quick Ratio = Current assets after Inventory to Current liabilities

BOARD OF DIRECTORS

MR. CHUA BENG YONG

Executive Chairman

Mr Chua Beng Yong has served as the Executive Chairman of the Group since 3 January 2022 and is one of its founders. He was first appointed to the Board on 10 May 2021 and was last re-elected on 26 April 2024.

As Executive Chairman, Mr Chua provides overall leadership and oversight of the Group, including setting corporate direction, formulating long-term strategies and steering major business initiatives. He works closely with management to guide the Group's growth and transformation objectives. Mr Chua has more than 30 years of experience in the marine, offshore, oil and gas industries.

MR. CHUA MENG HUA

Executive Director

Mr Chua Meng Hua is an Executive Director of the Group and one of its founders. He was first appointed to the Board on 8 January 1994 and was last re-elected on 21 April 2025.

Mr Chua oversees the Group's administrative, safety and operational systems, and is responsible for developing and implementing policies and plans to support effective and safe operations across the Group. He brings more than 30 years of experience in the marine industry.

BOARD OF DIRECTORS

MR. LOW WEE SIONG

- Lead Independent Director
- Chairman, Audit Committee
- Member, Remuneration Committee
- Member, Nominating Committee

Mr. Low Wee Siong was first appointed as our Group's Independent Director on 19 May 2017 and last re-elected on 21 April 2025. Mr. Low is currently in legal practice as a Partner with CNPLaw LLP.

He has two decades of experience in law, investment banking and audit. As a legal practitioner, his principal areas of practice spanned capital markets, mergers and acquisitions and private capital. Mr Low has been regularly recognised as a recommended lawyer in The Legal 500: Asia Pacific - The Client's Guide to the Asia Pacific Legal Profession for Capital Markets and Banking and Finance.

He is also a chartered accountant. He has acted as financial adviser for initial public offerings, rights issues, privatisations, adjustments to convertible securities and debt restructurings during his tenure in investment banking and practised as an auditor.

He holds a Master of Laws from King's College London, a Bachelor of Laws from National University of Singapore and a Bachelor of Accountancy from Nanyang Technological University. He is an advocate and solicitor of the Supreme Court of Singapore, a solicitor on the Roll of Solicitors of England and Wales and a Chartered Accountant of Singapore. He is also accredited as a Senior Accredited Director by the Singapore Institute of Directors.

MR. LUM KIN WAH

- Independent Director
- Chairman, Remuneration Committee
- Member, Audit Committee
- Member, Nominating Committee

Mr. Lum Kin Wah was first appointed as our Independent Director on 9 May 2019 and was last re-elected on 26 April 2024.

He has more than 40 years of experience in the maritime industry in various roles ranging from an apprentice to general manager and director in companies including Keppel Shipyard subsidiaries, PT Pan-United Shipyard Indonesia and PT Batamec Shipyard (subsidiary of OTTO Marine Limited). He was also the managing director of Nexus Engineering Pte Ltd (subsidiary of Labroy Marine Limited).

Mr. Lum holds a Bachelor of Science (First Class Honours) degree from University of Strathclyde Glasgow, Scotland. He is a Chartered Engineer registered in the UK and a member of the Society of Naval Architects and Marine Engineers in Singapore.

MR. YEE CHIA HSING

- Independent Director
- Chairman, Nominating Committee
- Member, Audit Committee
- Member, Remuneration Committee

Mr Yee Chia Hsing was first appointed as our Independent Director on 10 July 2023 and last re-elected on 26 April 2024. Mr Yee, a First Class Honours graduate in Accountancy from Nanyang Technological University Singapore, has significant experience in corporate finance, capital markets and management.

Mr Yee has more than 20 years of experience in the banking and finance industry. After his banking career, he went on to head a health supplements division of a SGX listed company, before taking on the Executive Director/ CEO role in another SGX listed company with hospitality assets.

Mr Yee is a Member of the Audit Committee of Ren Ci Hospital (non-director role). He also sits on the boards of Union Gas Holdings Ltd, Yangzijiang Shipbuilding (Holdings) Ltd, Zhongmin Baihui Retail Group Ltd, Hiap Tong Corporation Ltd and Sunpower Group Limited as Independent Director. Mr Yee also served as a Member of Parliament of Chua Chu Kang GRC ("Nanyang division") from 2015 to 2020.

KEY EXECUTIVES

MR. YONG JIUNN RUN
Chief Executive Officer

Mr Yong Jiunn Run was appointed Chief Executive Officer of Beng Kuang Marine Limited on 2 June 2021. He is responsible for setting the Group's strategic direction, with a focus on transforming the business into an asset-light model centred on infrastructure engineering and corrosion prevention services.

Mr Yong brings over 30 years of experience in corporate banking. Prior to joining the Group, he served as Chief Executive Officer of CIMB Group Commercial Banking and held senior management positions at OCBC Bank and BNP Paribas. Since his appointment, he has led a strategic review of the Group's operations, emphasising streamlining initiatives, cost optimisation and the divestment of non-core businesses to enhance operational efficiency and shareholder value.

MR. CHUA BENG HOCK
Chief Operating Officer

Mr Chua Beng Hock is the Chief Operating Officer and a co-founder of the Group. He supports the Chief Executive Officer in formulating and executing the Group's strategic initiatives, with a focus on driving operational efficiency and sustainable growth across the business.

Mr Chua oversees the Group's business divisions, and is responsible for setting and steering strategic direction in marketing, business development and operations. He plays a key role in translating strategy into execution, strengthening operational discipline and enhancing the Group's overall performance.

MR. LEE WEI LIANG
Chief Financial Officer

Mr Lee Wei Liang is the Chief Financial Officer of the Group and has overall responsibility for all financial matters, including financial reporting, budgeting, treasury, internal controls and compliance. He joined the Group in 2000 as Finance Manager and was appointed Chief Financial Officer in 2012.

Prior to joining the Group, Mr Lee was with Bob Low and Company, where he served from Audit Assistant to Audit Senior between 1998 and 2000. He holds a Bachelor of Accountancy degree from Queensland University of Technology, Australia.

MR. SURI TIO
General Manager and Country Head, Indonesia

Mr Suri Tio is the General Manager and Country Head for Indonesia, with responsibility for overseeing all operational aspects of the Group's businesses in the country. He joined the Group in 2001 as an accountant and has progressed through various leadership roles over more than two decades, before assuming his current position in 2024.

Mr Suri has deep knowledge of the local operating environment and is well respected within the industry. He has contributed actively to the Batam Shipyard & Offshore Association (BSOA), serving as Secretary from 2014 to 2016 and Vice Chairman from 2016 to 2021. He holds an Accounting degree from University International Batam and a Master's degree in Business Law from University Batam.

CORPORATE STRUCTURE

INFRASTRUCTURE ENGINEERING ("IE")

- Shipbuilding / Conversion
- Offshore Construction
- Turnkey Projects
- Sandwich Plate System (SPS) License
- Offshore Asset Integrity Management
- Project Management Services
- Supply of Deck Equipment
- Rental of Industrial Equipment & Machinery

100% PT Nexus Engineering Indonesia
100% PT Master Indonesia
51% Asian Sealand Offshore and Marine Pte Ltd
- **51%** ASIC Engineering Sdn Bhd
- **51%** PBT Engineering Resources Pte Ltd
- **51%** Asian Sealand Offshore & Marine International Inc.
  - **25%** Asian Sealand Offshore & Marine Inc

51% Asian Sealand Energy Services Pte Ltd
- **38%** Clean Concept Works Pte Ltd

51% International Offshore Equipments Pte Ltd
- **51%** International Offshore Equipment Canada Inc.

CORROSION PREVENTION ("CP")

- Abrasive & Non-Abrasive Blasting
- Paint Application
- Rental of Machineries and Equipment
- Shop Blasting & Painting
- Thermal Spray Coating
- Personal Protective Equipment
- Blasting Equipment & Accessories
- Welding Equipment & Accessories
- Painting Equipment & Accessories
- Other General Hardware Products

100% Beng Kuang Marine (B&Chew) Pte Ltd
- **100%** Beng Kuang Marine (B&M) Pte Ltd
- **100%** BK Corrosion Engineering Pte Ltd
- **100%** Nexus Sealand Trading Pte Ltd
- **100%** Nexus Hydrotech Pte Ltd

100% PT Nexelite CP Indonesia
51% Pangco Pte Ltd
- **51%** PT Berger Batam

OTHERS

- Tugs & Barges

100% Quill Marine Pte Ltd
- **100%** Drako Shipping Pte Ltd
  - **100%** PT Marina Shipping

98% Water and Environmental Technologies (WET) Pte Ltd

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Chua Beng Yong
Executive Chairman

Mr. Chua Meng Hua
Executive Director

Mr. Low Wee Siong
Lead Independent Director

Mr. Lum Kin Wah
Independent Director

Mr. Yee Chia Hsing
Independent Director

AUDIT COMMITTEE

Mr. Low Wee Siong
Chairman

Mr. Lum Kin Wah

Mr. Yee Chia Hsing

REMUNERATION COMMITTEE

Mr. Lum Kin Wah
Chairman

Mr. Low Wee Siong

Mr. Yee Chia Hsing

NOMINATING COMMITTEE

Mr. Yee Chia Hsing
Chairman

Mr. Low Wee Siong

Mr. Lum Kin Wah

REGISTERED OFFICE

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COMPANY SECRETARY

Ms. Shirley Tan Sey Liy
(MSc Mgmt (Hons) (UCD), FCS, FCG)

AUDITOR

CLA Global TS Public Accounting Corporation
80 Robinson Road #25-00,
Singapore 068898
Engagement Partner: Mr Loh Ji Kin
(Appointed since financial year ended
31 December 2023)

BANKERS

United Overseas Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
HL Bank Singapore
Oversea-Chinese Banking Corporation Limited
Validus Capital Pte. Ltd.
Hubble Pte Ltd

SHARE REGISTRAR

B.A.C.S Private Limited
77 Robinson Road,
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INVESTOR RELATIONS

8PR Asia Pte Ltd
Mr. Alex Tan
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FINANCIAL CONTENTS

REPORT OF CORPORATE GOVERNANCE

The Board of Directors (the "**Board**") of Beng Kuang Marine Limited (the "**Company**") is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries ("the **Group**") to safeguard the interest of the Company's shareholders and to enhance corporate value and accountability. This Report of Corporate Governance describes the Company's corporate governance practices and activities with specific reference to the Code of Corporate Governance 2018 (the "**Code**").

The Board is pleased to report that for FY2025, the Company has adhered to the principles of the Code, and the provisions of the Code except where otherwise explained. In areas where the Company's practices vary from any provisions of the Code, the Company has stated herein the provision of the Code from which it has varied, and appropriate explanations are provided for the variation, and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code. The Company will continue to assess its needs and implement appropriate measures accordingly.

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.

Provision 1.1

Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board is entrusted with the responsibility of the overall management of the business and corporate affairs of the Group. Every Director is expected, in the course of carrying out his duties, to act in good faith and to consider at all times the interests of the Company.

The principal functions of the Board are to: -

(a) approve the Group's key business strategies and financial objectives, including the review of annual budgets, major investments / divestments, and funding proposals;

(b) oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;

(c) review and monitor the Management performance;

(d) set the Company's values and standards, and ensure that obligations to shareholders and other stakeholders are understood and met; and

(e) approval of interested person transactions.

The Company has in place a code of conduct and ethics for the Board and employees of the Group to ensure that they conduct themselves with high standards of integrity that are in compliance with laws and regulations of the jurisdictions in which it operates.

Any Director facing an actual, potential or perceived conflict of interest in relation to any matter will declare such interest and will recuse himself from participating in discussions and abstain from making any decisions or voting on resolutions regarding the matter.

Provision 1.2

Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. The induction, training and development provided to new and existing directors are disclosed in the Company's annual report.

To gain a better understanding of the Group's business, the Directors are welcomed and encouraged to request further explanations, briefings or informal discussions on any aspects of the Company's operations or business issues from the Management. The Chairman and Executive Director will make the necessary arrangements for the briefings, informal discussions or explanations required by the Director.

Any new Director who has no prior experience as a director of an issuer listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**"), shall undergo mandatory training in the roles and responsibilities of a director as prescribed by SGX-ST. In addition, newly appointed Directors will undergo an orientation program and will be provided with materials to help them familiarise themselves with the business, organization structure and governance practices of the Group. Newly appointed Directors will also be provided with a formal letter setting out their duties and obligations.

Where necessary, the Directors will be updated on the latest governance and listing policies that are relevant to the Group to enable them to make well-informed decisions and to ensure that the Directors are competent in carrying out their expected roles and responsibilities. All Directors are also updated regularly concerning any changes in Company policies.

The Directors are also encouraged to keep themselves updated on changes to the financial, legal and regulatory requirements or framework and the business environment through reading relevant literature, and may attend appropriate courses, conferences and seminars. During FY2025, one of the Directors attended the Board Presentation course conducted by Singapore Institute of Directors (SID).

All Directors have attended and completed the training as prescribed by the SGX-ST pursuant to Practice Note 2.3 of the Mainboard Rules. In addition, all Directors have completed the required training on sustainability as prescribed by the SGX-ST.

Provision 1.3

The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the Company's annual report.

Matters that specifically require the Board's decision or approval are those involving, but not limited to: -

- Corporate strategy and business plans;
- Material investment and divestment proposals;
- Funding decisions of the Group;
- Nominations of Directors and appointment of key personnel;
- Announcement of financial results, the annual report and accounts;
- Material acquisitions and disposal of assets and material expenditures; and
- All matters of strategic importance.

REPORT OF CORPORATE GOVERNANCE

Provision 1.4

Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the Company's annual report.

Board Committees, namely the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"), have been established to assist the Board in the discharge of specific responsibilities. These committees are chaired by Independent Directors and operate within clearly defined terms of reference and functional procedures. The composition, principal functions and roles of the AC, NC and RC are disclosed under various provisions of this Annual Report.

While these Board Committees are delegated with certain responsibilities, the ultimate responsibility for the final decision lies with the entire Board.

Provision 1.5

Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the Company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each Company.

The Board conducts regular scheduled meetings on a quarterly basis and where the circumstances require, ad hoc meetings are arranged. Attendance of the Directors via telephone conference is allowed under the Company's Constitution. The Board may also make decisions by way of circulating resolutions in writing. The number of Board and Board committees' meetings held and attended by each Director during FY2025 are as follows: -

	BOARD MEETING		AUDIT COMMITTEE		REMUNERATION COMMITTEE		NOMINATING COMMITTEE	
	NO. OF MEETINGS		NO. OF MEETINGS		NO. OF MEETINGS		NO. OF MEETINGS	
NAME	**HELD**	**ATTENDED**	**HELD**	**ATTENDED**	**HELD**	**ATTENDED**	**HELD**	**ATTENDED**
Chua Beng Yong	4	4	–	–	–	–	–	–
Chua Meng Hua	4	4	–	–	–	–	–	–
Low Wee Siong	4	4	4	4	1	1	1	1
Lum Kin Wah	4	4	4	4	1	1	1	1
Yee Chia Hsing	4	4	4	4	1	1	1	1

Notwithstanding that some of the Directors have multiple board representations, the Board is satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company. The NC has also taken into consideration the other principal commitments of the Directors in deciding if the Directors are able to and have adequately carried out their duties. As such, the Board does not propose to set a limit on the number of listed company board representations which Directors may hold until such need arises.

Provision 1.6

Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

The Company makes available to all Directors information about the Group, the Group's management accounts, as well as the relevant background or explanatory information relating to matters that are to be discussed at the Board and Board Committee meetings. Detailed board papers are sent out to the Directors before the scheduled meetings so that the Directors may be informed of the issues before hand and have sufficient time to formulate questions that they may have.

In respect of budgets, any material variance between the forecasts and actual results is reviewed by the Board and disclosed and explained by Management, where required by the Board. The Directors are entitled to request from the management and should be provided with such additional information as needed to make informed decisions and the management shall provide the same in a timely manner.

Provision 1.7

Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the Company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

The Directors have also been provided with the contact details of the Company's Senior Management and Company Secretary to facilitate separate and independent access.

The Company Secretary and/or his/her representatives attend Board meetings and together with the Senior Management, assist the Board in ensuring that the Company complies with the relevant requirements of the Companies Act 1967, and the provisions in the Listing Manual of the SGX-ST. The appointment and removal of the Company Secretary is a matter for the Board as a whole to decide.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill his duties and responsibilities as a Director.

REPORT OF CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

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

Provision 2.1

An "independent director" is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company.

Provision 2.2

Independent directors make up a majority of the Board where the Chairman is not independent.

(i) As at the date of this Annual Report, the Board comprises five members, being three Independent Directors and two Executive Directors as follows: -

Executive Directors

Chua Beng Yong	(Executive Chairman)
Chua Meng Hua	(Executive Director)

Independent Directors

Low Wee Siong	(Lead Independent Director)
Lum Kin Wah	(Independent Director)
Yee Chia Hsing	(Independent Director)

As the Independent Directors make up majority of the Board, there is a strong independent element on the Board, thereby allowing it to exercise objective judgment on all matters independently from the Management.

(ii) The independence of each Director is reviewed annually and as and when circumstances require, by the NC, based on the provisions set forth in the Code and the Mainboard Rules to ensure that the Board consists of persons who, together, will provide core competencies and independent business judgments and perspectives necessary to meet the Company's objectives. The NC is of the view that the Independent Directors, namely Mr. Low Wee Siong, Mr. Lum Kin Wah and Mr. Yee Chia Hsing are independent in character and judgment, and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgment. As at the date of this Annual Report, none of the Independent Directors has served the Company for more than nine (9) years from his date of first appointment to the Board.

Mr. Low Wee Siong will reach an aggregate tenure of nine (9) years as a Director of the Company on 19 May 2026 pursuant to Rule 210(5)(d)(iv) of the Mainboard Rules. However, under the transitional period of the same Rule, he may continue to be deemed independent until the conclusion of the Company's 2027 Annual General Meeting. Accordingly, the Company is currently seeking new candidates for appointment to the Board. The NC will consider criteria such as expertise, experience, gender, age and any other relevant attributes on the Board, amongst its diversity objectives, to make recommendations for the appointment of new Director to the Board.

REPORT OF CORPORATE GOVERNANCE

Provision 2.3

Non-executive directors make up a majority of the Board.

The Company endeavours to maintain a strong and independent element on the Board.

The Board, through the NC, has examined its size and composition and is of the view that the present composition of the Board demonstrates independence and is appropriate for effective decision making. To address the issue of independence, the Board has put in place a Lead Independent Director, Mr. Low Wee Siong, who is available to shareholders where they have concerns. The Board is of the view that the Independent Directors demonstrate a strong level of independence and judgement in discharging their duties and responsibilities as independent directors of the Company with the utmost commitment in upholding the interest of the non-controlling shareholders. They have expressed individual and independent viewpoints, debated issues, and objectively scrutinized and challenged the Management. All major decisions made at the Board are unanimous and the Independent Directors have not been out-voted.

As at the date of this Annual Report, the Board had three Non-Executive Independent directors representing majority of the Board.

Provision 2.4

The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the Company's annual report.

The NC is satisfied that the Board consists of persons who, together, will provide core competencies necessary to meet the Company's objectives. It is also of the view that the current Board size of five Directors is appropriate for effective decision making, taking into account the scope and nature of the Company's business. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making processes.

Following the introduction of Rule 710A of the Mainboard Rule effective from 1 January 2022, the Board has approved and adopted the board diversity policy of the Company on 10 April 2023 (the "**Board Diversity Policy**") to achieve balance, diverse and equitable environment to maximise its effectiveness. Under the Board Diversity Policy, the Board diversity will be considered from several perspectives, including but not limited to balance of skills, knowledge, professional experience, educational background, gender, age, nationalities, cultural background, independence, length of service and other aspects of diversity that support the Company in carrying out its strategic and business objectives, and its sustainable development. In reviewing the Board composition, the NC will have regard to, amongst others, the diversity of skills, experience, gender and knowledge of the Directors, the core competencies of the Directors as a group, the scope and nature of the operations and requirements of the Company's business.

The Company has set measurable objective or targets, which are broadly categorised into "Gender", "Skills & Experience", and "Age & Tenure". Its plans and tentative timelines for achieving the targets and progress towards achieving the targets by 31 December 2032.

In relation to Gender diversity, while the Company is of the view that its current composition of the Board facilitates effective decision-making, the Board welcomes the selection of female candidates for director appointments and endeavour to have female representation on the Board in future changes in the Board composition by searching for and interviewing female candidates when the Company is next in need of a director. The Company opines that having gender diversity allows for different approaches, respect and tolerance and perspectives to be considered by the Board in its deliberations and is in the process working towards this target.

REPORT OF CORPORATE GOVERNANCE

For Skills & Experience, the current Board has met this target for the financial year ended 31 December 2025 which consists of Directors who, as a group, comprise seasoned professionals with qualifications and extensive experience in the marine and offshore engineering industry, top management personnel of listed companies, corporate finance and law. The skills and experience of the current Board provide effective guidance and oversight of Management and the Group's operating businesses and diverse portfolio of investments. The profiles of each of the Directors is disclosed in the "Board of Directors" section of this Annual Report.

For Age & Tenure, the current Board has met this target for the financial year ended 31 December 2025. Two of the five members of the current Board is below 60 years of age, and at least one independent member of the current Board is represented in each of the two tenure ranges identified in the Board diversity policy. As such, the Board renewal process is phased to ensure that the Company has a group of independent Directors whose ages and tenures span across different categories. This age diversity would facilitate knowledge continuity about the Company and the Group.

The Board currently has 5 Directors of which 3 Directors, being the majority, are independent directors. The Company is cognisant of the need for board diversity to provide the appropriate mix balance and mix of skills, knowledge and experience to facilitate effective decision making and constructive debate, and has since 2017 refreshed the Board with new independent directors with an eye on and to increase board diversity, taking into account constantly evolving business and industry conditions.

Further, the current independent directors have varied qualifications and expertise in the areas of finance, accounting, law, business management and industry knowledge.

In light of the diversified background, experience and professional qualifications of the independent directors and taking into consideration the nature and scale of the Group's business as well as the constantly evolving nature of business and industry conditions, the Board and nominating committee are of the view that the current Board composition is sufficiently diverse to facilitate effective decision making and constructive debate and avoid groupthink and the Company's practices are consistent with the intent of Principle 2.

Provision 2.5

Non-executive directors and/or independent directors, led by the independent chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

All Non-Executive Directors, led by the Lead Independent Director, meet regularly with the Executive Directors and management to develop strategies for the Group, review the performance of management, assess remuneration and discuss corporate governance matters based on their professional knowledge and experience. They constructively challenge and help develop directions on strategy and review the performance of the management in achieving agreed targets and objectives.

Where warranted, the Independent Non-Executive Directors meet for discussions on the Group's affairs before the Board meetings in the absence of management. The Lead Independent Director provides feedback to the Chairman and the CEO after such discussions or meetings as appropriate.

REPORT OF CORPORATE GOVERNANCE

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.

Provision 3.1

The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

The Company keeps the posts of Chairman and CEO separate. There is a clear division of responsibilities between the Chairman and the CEO, which will ensure a balance of power and authority. Keeping the two posts separate will also ensure increased accountability and greater capacity of the Board for decision-making.

Mr. Chua Beng Yong, Executive Chairman of the Company and Mr. Yong Jiunn Run, CEO of the Company are not related to each other.

Provision 3.2

The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

The CEO, Mr. Yong Jiunn Run, with the team of key executive officers, is responsible for the day to day management of the Group's operations.

The Executive Chairman, Mr. Chua Beng Yong is primarily responsible for the effective workings of the Board. He works together with the CEO in scheduling of meetings (with the assistance of the Company Secretary) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations. The Chairman and the CEO (with the assistance of the Company Secretary) also prepare the meeting agenda in consultation with the Directors.

The Chairman and the CEO also exercise control over quality, quantity and timeliness of the flow of information between the Management and the Board and assist in ensuring the Group's compliance with the Code.

Provision 3.3

The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

To promote a high standard of corporate governance, Mr. Low Wee Siong is the Lead Independent Director of the Company, who is available to shareholders where they have concerns and for which contact through the normal channels of the Chairman and CEO or the Chief Financial Officer has failed to resolve or is inappropriate, and to act as a counter-balance in the decision-making process and contribute a balanced viewpoint to the Board.

Where necessary, the independent directors may meet without the presence of the other executive directors and the lead independent director shall provide feedback to the Chairman after such meetings.

REPORT OF CORPORATE GOVERNANCE

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.

Provision 4.1

The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to:

(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;

(c) the review of training and professional development programmes for the Board and its directors; and

(d) the appointment and re-appointment of directors (including alternate directors, if any).

The NC has been established with written terms of reference and as at the date of this Annual Report comprises three Independent Directors.

The main terms of reference of the NC are as follows: -

- To review nominations for the appointment and re-appointment to the Board and the various Board committees;
- To decide on the evaluation criteria of the Board, propose an objective performance criteria to assess effectiveness of the Board as a whole and the contribution of each Director;
- To decide whether a Director is able to and has been adequately carrying out his duties as Director of the Company (in a case where the Director has multiple board representations);
- To ensure that Directors submit themselves for re-nomination and re-election at regular intervals and at least once in every three years; and
- To determine, on an annual basis, whether a Director is independent.

Key information regarding the Directors is set out under "Board of Directors" section of this Annual Report.

Provision 4.2

The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

As at the date of this Annual Report, the members of NC are: -

Yee Chia Hsing	(Chairman, Independent Director)
Low Wee Siong	(Member, Lead Independent Director)
Lum Kin Wah	(Member, Independent Director)

The NC comprises entirely independent directors and the Company's Lead Independent Non-Executive Director is a member of the NC. The Chairman of the NC is independent and not associated with any substantial shareholder of the Company. The NC holds at least one meeting in each financial year. Ad hoc meetings are held as and when necessary.

Provision 4.3

The Company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the Company's annual report.

The NC is responsible for the re-nomination of the Directors. Regulation 115 of the Company's Constitution requires one-third of the Directors to retire from office at least once in every three years at the Company's AGM. Retiring Directors are eligible to offer themselves for re-election pursuant to Regulation 117.

The NC assesses and recommends to the Board whether retiring directors are suitable for re-election. The NC, in considering the re-appointment of a director, evaluates such director's contributions in terms of experience, business perspective and attendance at meetings of the Board and/or Board Committees and pro-activeness of participation in meetings. Each member of the NC shall abstain from recommending his own re-election. The NC has recommended to the Board that Mr. Chua Beng Yong and Mr. Yee Chia Hsing be nominated for re-election at the forthcoming AGM pursuant to Regulation 115 of the Company's Constitution. In making the recommendations, the NC had considered the Directors' overall contributions and performance.

Mr. Chua Beng Yong will, if re-elected as Director of the Company, continue to serve as the Executive Chairman of the Company. Mr. Yee Chia Hsing will, upon re-election as a Director, remain as an Independent Director of the Company and the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee of the Company. He is considered by the Board to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to the "Information on Directors seeking Re-election" section of this Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

Pursuant to Regulation 125 of the Company's Constitution, any new Director so appointed by the Directors shall hold office until the next annual general meeting of the Company and shall be eligible for re-election.

The NC will determine the criteria for the appointment of new Directors. When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills and knowledge, the NC, in consultation with the Board, determines the selection criteria for the position based on the skills and knowledge deemed necessary for the Board to best carry out its responsibilities. Candidates may be suggested by directors or management or sourced from external sources. The NC will interview the candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his responsibilities, good decision-making track record, relevant experience and financial literacy. The NC will make a recommendation to the Board on the appointment. The Board then appoints the most suitable candidate who must stand for election at the next AGM of shareholders.

Provision 4.4

The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the Company discloses the relationships and its reasons in its annual report.

The NC meets at least once a year. The NC is responsible for determining annually the independence of each independent director, taking into consideration the circumstances set forth in the Mainboard Rules and the Code. The relevant factors are set out under Principle 2 of the Code above.

The independent directors have confirmed that they do not have any relationship with the Company or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent business judgement with a view to the best interests of the Company.

REPORT OF CORPORATE GOVERNANCE

Provision 4.5

The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the Company. The Company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

Newly appointed directors are given briefings by the management on the business activities and strategic direction of the Group. There are also induction or orientation programmes to familiarise them with the Group's operations and the roles and responsibilities of a director of a listed company in Singapore. They are also provided with a formal letter setting out their duties and obligations. Where appropriate and for first-time directors with no prior experience as a director of a listed company in Singapore, the Company will arrange for them to attend training courses organised by the Singapore Institute of Directors or other professional training institutions as appropriate so as to equip them to discharge their duties effectively. In addition, the responsibilities of a Director are clearly delineated in their appointment letter or service agreement (as the case may be).

All Directors declare their board memberships and principal commitments as and when practicable. The details of the listed company directorships and principal commitments of the Board members are set out in pages 8 to 9 of this Annual Report.

The NC has assessed and is of the view that the multiple board representations held presently by some directors do not impede their respective performance in carrying out their duties towards the Company. The NC has also taken into consideration the other principal commitments of the directors in deciding if the directors are able to and have adequately carried out their duties. As such, the Board does not propose to set the maximum number of listed company board representations which directors may hold until such need arises.

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.

Provision 5.1

The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

Based on the recommendation of the NC, the Board has established processes and objective performance criteria for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director. The objective performance criteria address how the Board has enhanced long-term shareholders' value and include a comparison with the industry peers. The performance evaluation also includes consideration of return on equity, the Company's share price vis-à-vis the Singapore Straits Times Index. The selected performance criteria will not be changed from year to year unless they are deemed necessary and the Board is able to justify the changes.

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

Provision 5.2

The Company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the Company or any of its directors.

The NC performs an annual assessment to determine how the Board and Board Committees are performing. The Board's performance evaluation and individual directors' self-assessment is to assess the effectiveness of the Board as a whole and its Board Committees and the contribution by the Chairman and each individual Director to the effectiveness of the Board on an annual basis. Assessment checklists include evaluation factors such as Board composition and structure, conduct of meetings, corporate strategy and planning, risk management and internal control, measuring and monitoring performance, training and recruitment, compensation, financial reporting and communicating with shareholders are disseminated to the Directors for completion and the assessment results are discussed at the NC meeting.

The Chairman of the Company will, in consultation with the NC, act on the results of the performance evaluations and where appropriate, propose new members be appointed to the Board or seek the resignation of directors. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as Director.

The NC, having reviewed the overall performance of the Board as a whole, its Board Committees as well as the performance of each individual director, is satisfied with their performance for the period under review. No external facilitator was engaged by the Company for assessing the effectiveness of the Board in FY2025. Where relevant and when the need arises, the NC will consider such an engagement.

The Board and the NC have endeavoured to ensure that directors appointed to the Board possess the background, experience, business knowledge, finance and management skills critical to the Group's business. They have also ensured that each director, with his special contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

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.

Provision 6.1

The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:

(a) a framework of remuneration for the Board and key management personnel; and

(b) the specific remuneration packages for each director as well as for the key management personnel.

The RC was formed to recommend to the Board a framework of remuneration for the directors and key management personnel, and to determine specific remuneration packages for each executive director. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses and other benefits-in-kind are covered by the RC.

The RC members are familiar with executive compensation matters as they are performing executive functions in the companies where they are employed and/or are holding directorships in other public listed companies. No individual director shall be directly involved in recommending and deciding their own remuneration.

Provision 6.2

The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

As at the date of this Annual Report, the members of RC are:

Lum Kin Wah	(Chairman, Independent Director)
Low Wee Siong	(Member, Lead Independent Director)
Yee Chia Hsing	(Member, Independent Director)

In adherence to the Code, the RC comprises entirely independent directors to minimise conflicts of interest. The RC has written terms of reference that describe the responsibilities of its members. The RC holds at least one meeting in each financial year. Ad hoc meetings are held as and when necessary.

The principal functions of the RC are as follows:

(a) Recommend to the Board a framework of remuneration for the directors and key management personnel, and determine specific remuneration packages for each executive director as well as for key management personnel; and

(b) Review all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind to ensure that they are fair.

Provision 6.3

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The RC reviews all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses and other benefits-in-kind.

Each member of the RC shall abstain from voting on any resolutions in respect of his or her remuneration package.

The RC will continue to review the Company's obligations arising in the event of termination of any of the executive directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. Please refer to the disclosure in Provision 7.1 for remuneration aspects.

Provision 6.4

The Company discloses the engagement of any remuneration consultants and their independence in the Company's annual report.

No remuneration consultant was engaged by the Company during FY2025. The RC may consider utilising external expert advice and data, as and when necessary, to assist in the evaluation of its compensation recommendations. The RC would also ensure that any relationship between the appointed remuneration consultant and any of the directors or the Company will not affect the independence and objectivity of the remuneration consultant.

LEVEL AND MIX OF REMUNERATION

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

Provision 7.1

A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

The remuneration packages for Executive Directors take into account the performance of the Group and the individual Director. The RC also ensures that the Executive Directors are adequately remunerated as compared to industry and comparable companies.

The Company has entered into separate service agreements with Mr. Chua Beng Yong and Mr. Chua Meng Hua on 10 February 2026, which supersede their previous service agreements. The service agreements set out the terms of their employment and shall continue unless and until terminated by either party in accordance with the provisions of the respective service agreements. There are no onerous removal clauses in the service agreements. Other than a fixed salary, Mr. Chua Beng Yong and Mr. Chua Meng Hua are entitled to a variable performance-related bonus designed to align their interests with those of the shareholders and to link rewards to corporate and individual performance.

Provision 7.2

The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The independent directors are paid fixed directors' fees, with additional fees for serving as the Chairman or member of a Board Committee and attendance fees for Board and Board Committee meetings. These fees are determined by the Board appropriate to the level of their contributions, taking into account factors such as the effort and time spent and the responsibilities of each independent director. The directors' fees are subject to approval by shareholders at each AGM. The independent directors do not receive any other remuneration from the Company. The independent directors are not over-compensated to the extent that their independence may be compromised.

Provision 7.3

Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

The Board ensures that the amount and mix of compensation are aligned with the interests of the shareholders and promote the long-term success of the Group. The review of the remuneration of the key management personnel takes into consideration the performance and contributions of the staff to the Group and gives due regard to the financial and business performance of the Group. The Group seeks to offer a competitive level of remuneration to attract, motivate and retain senior management with the required competency to run the Group successfully.

The RC is of the view that the remuneration is appropriate to attract, retain and motivate the Directors and key management personnel, given the low attrition rate of Directors and key management personnel.

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.

Provision 8.1

The Company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

(a) each individual director and the CEO; and

(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.

The Board supports and is keenly aware of the need for transparency.

The performance criteria used to assess the variable component of the remuneration (short-term and long-term incentive) of Executive Director, CEO and key management personnel are determined by having regards to the performance of the Group, leadership, as well as industry benchmarks, which include the profitability of the Group, leadership, as well as the CEO's, Executive Director's and key management personnel's compliance in all audit matters. The CEO's, Executive Director's and key management personnel's short-term incentives (namely the performance-related variable component) are recommended by the RC and approved by the Board.

For FY2025, the Executive Director, CEO and key management personnel have met the relevant performance conditions.

The RC is of the view that the variable component of the remuneration packages of the Executive Director and key management personnel are moderate. In view of this, there is no necessity for the Company to institute contractual provisions to reclaim the incentives or any related payments from the parties involved should there be any misstatements of financial results, or of misconduct resulting in financial loss to the Group.

A summary compensation table of the directors' remuneration for the financial year ended 31 December 2025 is set out below:

NAME OF DIRECTORS AND CEO	TOTAL REMUNERATION ($'000)	FEE (%)	SALARY# (%)	BONUS (%)	BENEFITS (%)	TOTAL (%)
Directors						
Chua Beng Yong	764	0.7%	33.7%	65.6%	–	100.0%
Chua Meng Hua	596	1.3%	42.4%	53.2%	3.1%	100.0%
Low Wee Siong	64	100.0%*	–	–	–	100.0%
Lum Kin Wah	50	100.0%*	–	–	–	100.0%
Yee Chia Hsing	50	100.0%*	–	–	–	100.0%
CEO						
Yong Jiunn Run	759	–	33.9%	66.1%	–	100.0%

* *These fees are subject to approval of the shareholders at the forthcoming AGM.*
\# *Salary is inclusive of fixed allowance and CPF contributions.*

A summary compensation table of the top five Executive Officers' remuneration for the financial year ended 31 December 2025 is set out below:

NAME OF TOP 5 EXECUTIVE OFFICERS	SALARY (%)	BONUS (%)	FEE (%)	BENEFITS (%)	TOTAL (%)
<u>$500,001 to $750,000</u>					
Chua Beng Hock	42.7%	57.3%	–	–	100.0%
<u>$250,001 to $500,000</u>					
Lee Wei Liang	56.3%	41.0%	–	2.7%	100.0%
Wong Chiu Ling, Elaine	57.2%	40.2%	–	2.6%	100.0%
Suri Tio	55.3%	44.7%	–	–	100.0%
<u>Below $250,000</u>					
Chua Ding En	90.7%	9.3%	–	–	100.0%

The top five Executive Officers of the Group are Mr. Chua Beng Hock (the Group Chief Operating Officer), Mr. Lee Wei Liang (Chief Financial Officer), Ms. Wong Chiu Ling, Elaine (Financial Controller (Corporate Management)), Mr. Suri Tio (General Manager and Country Head, Indonesia) and Mr. Chua Ding En (Chief Executive Officer, Corrosion Prevention Division).

The aggregate total remuneration paid to or accrued to top five Executive Officers (who are not Directors or the CEO) for FY2025 amounted to S$1,543,487.

The gross remuneration disclosed is computed on gross salaries, allowances and other benefits accruing during the financial year. There are no termination, retirement or any post-employment benefits to directors and key executive officers.

The Board believes that it is for the benefit of the Company and the Group that the remuneration of key management personnel be kept confidential due to its sensitive nature and the potential negative impact (such as poaching) such disclosure will have on the Group given the highly competitive environment it is operating in.

<u>Provision 8.2</u>

The Company discloses the names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

Mr. Chua Beng Yong, Executive Chairman of the Company, and Mr. Chua Meng Hua, Executive Director and Mr. Chua Beng Hock, the Group Chief Operating Officer are brothers. Mr. Chua Ding En, the Chief Executive Officer, Corrosion Prevention Division, is the son of Mr. Chua Beng Hock, the Group Chief Operating Officer. Mr. Chua Yi Hang, the Assistant General Manager, is the son of Mr. Chua Beng Yong, the Executive Chairman. Mr. Yong Jiunn Run, the CEO of the Company is not related to any of the above stated Directors or Officers of the Company.

Save as disclosed above, there is no employee who is an immediate family member of any Director or CEO, whose remuneration for FY2025 exceeds S$100,000.

Provision 8.3

The Company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to directors and key management personnel of the Company. It also discloses details of employee share schemes.

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

The Company has adopted Performance Share Plan during the year and are eligible to:

(a) Group employees (including Executive Directors) who have attained the age of 21 years on or before the relevant Date of Grant of the PSP Award; and

(b) Non-Executive Directors (including Independent Directors) who have attained the age of 21 years on or before the relevant Date of Grant of the PSP Award.

The Company has adopted Employee Share Option Scheme during the year and are eligible to:

(a) Group employees (including Executive Directors) who have attained the age of 21 years on or before the relevant Offer Date; and

(b) Non-Executive Directors (including Independent Directors) who have attained the age of 21 years on or before the relevant Offer Date.

The Board is of the opinion that the information as disclosed above would be sufficient for shareholders to have an adequate appreciation of the Group's compensation policies and practices and therefore does not intend to issue a separate remuneration report, the contents of which would be largely similar.

There are no termination, retirement and post-employment benefits that may be granted to directors, CEO and key management personnel of the Group.

Please refer to the disclosure in Provision 8.1 for the remuneration details of Directors and Key Management Personnel of the Company.

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.

Provision 9.1

The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

The Board is responsible for governance of risk management, and determining the Company's levels of risk tolerance and risk policies. It is also responsible for the overall internal control framework and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks.

REPORT OF CORPORATE GOVERNANCE

The Board ensures that the management maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets. The Board keeps itself abreast and is kept informed by the management of legislative and regulatory requirements.

The Company manages risks under an overall strategy determined by the Board and supported by AC.

In addition, the executive directors and the management regularly review the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The management reviews significant control policies and procedures, and highlights the significant matters to the Board and the AC.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board committees and the Board, the Board, with concurrence of the AC, is of the view that, the internal audit function is adequately resourced and has appropriate standing within the Group to perform its duties effectively.

Enterprise Risk Management

An Enterprise Risk Management ("**ERM**") framework established and maintained by the Company sets out the Group's internal processes to enable significant strategic, financial, operational, compliance and information technology risks within the relevant Group companies to be identified, assessed, monitored, managed and evaluated. Management reviews the risk register on a regular basis with the objective of assigning clear accountability and ownership of risks at the operating level to manage risks, and any emerging or material risks will be highlighted to the Board in a timely manner. Strong emphasis is placed on creating risk awareness, promoting accountability and setting the appropriate tone at the top.

Reviews of the Group's risk exposure are conducted bi-annually by the AC, to be followed by an overall assessment at the end of each financial year.

The Internal Auditors, Wensen Consulting Asia (S) Pte Ltd ("**Wensen**") have assisted in setting up this structure and have presented their key findings of their review to the AC and the Board. Key operational (including information technology), business, and financial risks faced by the Group generally and in major contracts and transactions are continuously analysed and identified so that all key risks (including information technology risk) are addressed and internal controls are in place and reviewed periodically by Management, the AC and the Board.

During FY2025, the Internal Auditors had conducted one (1) internal audit review to assess the effectiveness of key processes and controls within the Infrastructure Engineering division. The areas covered are (a) sales/ project tendering management and (b) project/ work execution management. There were no material internal control weaknesses identified and few recommendations were highlighted to the Management for further improvements.

The Board and AC noted that all internal controls contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities. The Board will continue its risk assessment process with a view to improve the Group's internal control systems.

Annual review of the Group's risk management and internal control systems

With the assistance of the AC, the Board has undertaken an annual assessment on the adequacy and effectiveness of the Group's risk management and internal control systems over financial, operational, compliance and information technology risks. The assessment considered issues dealt with in reports reviewed by the AC and the Board during the financial year together with any additional information necessary to ensure that the Board has taken into account all significant aspects of risks and internal controls for the Group for FY2025.

The Board's annual assessment in particular considered:

(i) The changes since the last annual assessment in the nature and extent of key risks; and the Group's ability to respond to changes in its business and external environment;

(ii) The scope and quality of management's ongoing monitoring of risks and of the system of internal controls, and the work of the Internal Auditors and other providers of assurance; and

(iii) The incidence of significant internal control weaknesses that were identified during the financial year.

In order to obtain assurance that the Group's risks are managed adequately and effectively, the Board had reviewed the key risks which the Group is exposed to, as well as an understanding of the countermeasures and internal controls that are in place to manage those risks.

Provision 9.2

The Board requires and discloses in the Company's annual report that it has received assurance from:

(a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board received assurance from the CEO and the CFO that:

(a) the financial records of the Company have been properly maintained and the financial statements for FY2025 give a true and fair view of the Company's operations and finances; and

(b) they have evaluated the effectiveness of the Company's internal controls and have discussed with the Company's external and internal auditors of their reporting points and note that the Company has put in place and will continue to maintain a reliable, comprehensive and sound system of risk management and internal control.

The Board had also received assurance from the CEO and other key management personnel who are responsible for the Company's risk management and internal control systems that, the Company's risk management and internal control systems are adequate and effective.

Opinion on adequacy of Group's internal controls

Based on the internal controls established and maintained by the Group, work performed by the Internal Auditors and External Auditors, and reviews performed by the management and the Board, the Board with the concurrence of the AC, is of the opinion that the risk management systems and internal control systems maintained by the Group, addressing the financial, operational, compliance and information technology risks of the Group, are adequate and effective.

AUDIT COMMITTEE

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

Provision 10.1

The duties of the AC include:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; and

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or 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.

The AC has been established with written terms of reference and as at the date of this report comprises three Independent Directors. They are: -

Low Wee Siong	(Chairman, Lead Independent Director)
Lum Kin Wah	(Member, Independent Director)
Yee Chia Hsing	(Member, Independent Director)

Mr. Low Wee Siong chairs this Committee. The AC met four times in the financial year under review. It performs the following functions: -

- Reviewing the audit plans and reports of the independent auditor and to consider the effectiveness of the actions taken by the Management on the auditor's recommendations;
- Reviewing the internal audit plans, the scope and results of internal audit procedures;
- Review Enterprise Risk Management structure, governance and processes;
- Reviewing the statement of financial position of the Company, the consolidated financial statements of the Group for the financial year ended 31 December 2025 and the independent auditor's report on the statement of financial position of the Company and the Consolidated financial statements of the Group;
- Appraising and reporting to the Board on the audits undertaken by the independent auditor, the adequacy of disclosure of information, and the adequacy and effectiveness of the system of management internal audit function and internal controls;
- Reviewing the assistance and co-operation given by the Management to the independent auditor;
- Evaluating quality of work performed by independent auditor;

- Discussing problems and concerns, if any, arising from the interim and final audits;
- Considering and make recommendations to the Board on the appointment, re-appointment and removal of independent auditor, their remuneration and terms of engagement;
- Reviewing the framework for staff to raise concerns about possible improprieties in matters of financial reporting or other matters in confidence, and that there is independent investigation of such matters and appropriate follow-up action; and
- Reviewing interested person transactions, as defined in the Listing Manual of the SGX-ST.

The AC has explicit authority to investigate any matter within its terms of reference and has full access to and co-operation by the Management. It also has full discretion to invite any Director or Executive Officer to attend its meetings and reasonable resources to enable it to discharge its functions properly.

The AC, having reviewed all non-audit services provided by the independent auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the independent auditors and it has accordingly recommended to the Board that Messrs CLA Global TS Public Accounting Corporation be nominated for reappointment as auditors of the Company at the forthcoming AGM of the Company.

The aggregate amount of fees paid or payable to the independent auditors of the Company, broken down into audit and non-audit services during FY2025 are as follows:

Audit fees	: S$173,300
Non-audit fees	: S$31,700

The Company is in compliance with Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to its independent auditors.

Whistle Blowing Policy

The AC has put in place a whistle-blowing policy which sets out the procedures whereby the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters on misconduct or wrongdoing to Mr. Low Wee Siong, the AC Chairman. There are arrangements in place for the independent investigation of such matters for appropriate follow-up actions to be taken, and to ensure that the identity of the whistleblower is kept confidential. The Company is committed to ensure the protection of the whistleblower against detrimental or unfair treatment. The AC is responsible for oversight and monitoring of whistleblowing.

Where the need arises, the AC will meet with the independent auditors, without the presence of the Management, to review the adequacy of audit arrangement with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the auditors. The AC has reasonable resources to enable it to discharge the functions properly. The external auditors present to the AC the audit plan and updates relating to any change of accounting standards which have a direct impact on financial statements during the AC meetings.

Provision 10.2

The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

As at the date of this Annual Report, the members of AC are:

Low Wee Siong	(Chairman, Lead Independent Director)
Lum Kin Wah	(Member, Independent Director)
Yee Chia Hsing	(Member, Independent Director)

All the AC members have recent and relevant accounting or related financial management expertise or experience.

Provision 10.3

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

None of the AC members were previous partners or directors of the Company's existing auditors.

Provision 10.4

The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company.

The Company outsourced its internal audit function to an external professional firm, Wensen, who reports directly to the AC and administratively to the Executive Directors. The objective of the internal audit function is to determine whether the Group's risk management, internal controls and governance processes, as designed by the Company, are adequate and functioning in the required manner. The internal auditors have identified the Group's main business processes and developed an audit plan that covers the main business process over a 3 years audit cycle.

Wensen is headed by the Managing Director Mr. Edward Yap, who is a member of Malaysian Institute of Accountants (MIA), member of Institute of Singapore Chartered Accountants (ISCA), Fellow Member of the Association of Certified Chartered Accountants (FCCA) and Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA). The engagement team comprises of a Director who has more than 12 years of experience in risk management and risk-based internal auditing, a Lead Consultant and other supporting consultants who possesses relevant experience and qualification in the field of accounting and finance.

The AC will review the adequacy of the internal audit function annually and ensures that the internal audit function is adequately resourced and has appropriate standing within the Company.

Provision 10.5

The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The AC meets from time to time with the Group's external and internal auditors, in each case without the presence of the management of the Company, at least once a year.

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.

Provision 11.1

The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

REPORT OF CORPORATE GOVERNANCE

The Company recognises and accepts the principle that all shareholders are treated fairly and equitably and that they have been accorded certain rights under the Companies Act 1967 and the Company's Constitution. Information to all shareholders is disclosed to in a timely and transparent manner and in compliance with SGX disclosure requirements.

Shareholders are given ample opportunity to attend, participate and vote in accordance with the voting rules and procedures at the Company's general meetings.

Provision 11.2

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

The Company takes care to ensure separate resolutions on each substantially separate issue. The Company avoids "bundling" resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. Detailed explanatory notes on each item of the agenda are provided to the Notice of AGM in this Annual Report.

Provision 11.3

All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the Company's annual report.

The members of the AC, NC and RC will be present at these meetings to answer questions relating to matters that are overseen by these committees. The independent auditors will also be present to assist the Directors in addressing any queries posed by the shareholders.

Provision 11.4

The Company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

The Constitution of the Company allows for members to appoint up to two proxies to attend and vote in place of the member. In line with the Companies Act 1967, corporate shareholders of the Company who provide nominee or custodial services to third parties are allowed to appoint more than two proxies to attend and vote on their behalf at general meetings, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such corporate shareholders.

As the authentication of shareholder's identity information and other related integrity issues still remain a concern, the Company has decided that from the time being, it will not to implement voting in absentia methods until security, integrity and other pertinent issues are resolved.

Provision 11.5

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable and the minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting.

Provision 11.6

The Company has a dividend policy and communicates it to shareholders.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on, among others, the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the directors may deem appropriate.

The Company had on 19 February 2025, adopted the BKM Scrip Dividend Scheme.

The Board has recommended a first and final tax exempt one-tier dividend of S$0.006 per ordinary share for FY2025, subject to shareholders' final approval at the upcoming annual general meeting.

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.

Provision 12.1

The Company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. In line with the continuous disclosure obligations of the Company pursuant to the Listing Manual of the SGX-ST, it is the Board's policy to ensure that all shareholders are informed on a timely basis of every significant development that has an impact on the Group. Such information is disclosed in an accurate and comprehensive manner via the SGXNet. The Group recognises that the release of timely and relevant information is central to good corporate governance and enables shareholders to make informed decisions in respect of their investments in the Company.

The Company has complied with the Listing Manual of the SGX-ST on the disclosure requirements of material information to shareholders. The Board is mindful of the obligation to provide shareholders of all major developments that affect the Group and strives to maintain a high standard of transparency.

The Company does not practice selective disclosure and price sensitive information is first publicly released before the Company meets with any group of investors or analysts. Information is communicated to shareholders on a timely basis through half-yearly financial results and annual reports that are prepared and issued to all shareholders within the mandatory period via SGXNet, press releases and the Company's website at which the shareholders can access information on the Group.

Provision 12.2

The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The Company conducts its investor relations on the following principles:

a) information deemed to be price-sensitive is disseminated without delay via announcements on the SGXNet;

b) endeavour to provide comprehensive information in financial results announcement to help shareholders and potential investors make informed decisions in respect of their investments in the Company;

c) operate an open policy with regards to investors' enquiries, such as through encouraging the active participation of shareholders during AGMs or any other general meetings of the Company; and

d) the Board provides the shareholders with a detailed and balanced explanation and analysis of the Company's performance, position and prospects on a quarterly basis. This responsibility extends to reports to regulators.

Apart from the SGXNet announcement and its annual report, the Company updates shareholders on its corporate developments through its corporate website at www.bkmgroup.com.sg.

To enhance our outreach to the investing community, the Company has engaged an external public relations and investor relations company, 8PR Asia Pte Ltd, to facilitate communications with shareholders, media and the investing community on a regular basis, addressing their queries and feedback and to keep them updated on the Group's corporate developments and financial performance.

In addition, the contact details of the IR personnel handling the Company's communications are stated in the Company's press releases, hence shareholders can easily make direct contact if needed. Such contact details are also set out in the corporate information page of the annual report. 8PR Asia Pte Ltd has procedures in place for responding to investors' queries as soon as applicable. Shareholders may also direct their queries to william@bkmgroup.com.sg.

Provision 12.3

The Company's investor relations policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

Shareholders are given the opportunity to pose questions to the Directors or the Management at the AGM and all extraordinary general meetings. Shareholders are informed of shareholders' meetings through notices published in the newspapers, annual reports and circulars sent to all shareholders. Each item of special business included in the notices of shareholders' meetings is accompanied, where appropriate, by an explanation for the proposed resolution.

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.

Provision 13.1

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

The Company has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' 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 and those who are similarly are able to impact the Group's business and operations.

Provision 13.2

The Company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Please refer to the disclosure in sustainability report, which will be announced on or before 30 April 2026 in relation to the management of stakeholder relationships during FY2025.

Provision 13.3

The Company maintains a current corporate website to communicate and engage with stakeholders.

The Company updates its corporate website at www.bkmgroup.com.sg regularly with information released on the SGXNET and business developments of the Group.

DEALINGS IN SECURITIES

The Company has adopted policies in line with the Rule 1207(19) set out in the Listing Manual of the SGX-ST on dealings in the Company's securities.

The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company and its officers are not allowed to deal in the Company's securities during the period commencing one month before the announcement of the Company's financial statements for half year and full financial year and ending on the date of announcement of the relevant results.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transaction with interested person which sets out the procedures for review and approval of such transaction.

All interested person transactions will be documented and submitted on a quarterly basis to the AC for their review to ensure that such transactions are carried out at arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The Company has not entered into interested person transactions with aggregate value of more than S$100,000 during FY2025 pursuant to Rule 907 of the Listing Manual of the SGX-ST.

MATERIAL CONTRACTS AND LOANS

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, the Company confirms that except as disclosed in the Directors' Statement and Financial Statements and herein, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the Executive Directors or any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

REPORT OF CORPORATE GOVERNANCE

TABLE A – INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the SGX-ST Listing Manual, the information of the Directors, who are retiring and being eligible, offered themselves for re-election at the upcoming AGM, are as follows: -

NAME OF RETIRING DIRECTOR	CHUA BENG YONG	YEE CHIA HSING
Date of appointment	10 May 2021	10 July 2023
Date of last election	26 April 2024	26 April 2024
Age	64	54
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has accepted the NC's recommendation for re-election, who has reviewed and considered Mr. Chua Beng Yong's performance as Executive Chairman of the Company.	The Board of Directors of the Company has accepted the NC's recommendation for re-election, who has reviewed and considered Mr. Yee Chia Hsing's performance as an Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. [As set out in Mr Chua Beng Yong's profile write-up in the "Board of Director" section of this Annual Report.]	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman	• Independent Director • Chairman of Nominating Committee • Member of Audit Committee and Remuneration Committee
Professional qualifications	Nil	Degree of Bachelor of Accountancy
Working experience and occupation(s) during past 10 years	[As set out in Mr. Chua Beng Yong's profile write-up in the "Board of Director" section of this Annual Report.]	[As set out in Mr. Yee Chia Hsing's profile write-up in the "Board of Director" section of this Annual Report.]
Shareholdings interest in the listed issuer and its subsidiaries	10,958,954 ordinary shares	No
Familial relationship with any director and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr. Chua Beng Yong is the brother of Mr. Chua Meng Hua, the Executive Director and Mr. Chua Beng Hock, the Chief Operating Officer. Mr. Chua Yi Hang, the Assistant General Manager is the son of Mr. Chua Beng Yong.	No
Conflict of interest (including any competing business)	No	No

REPORT OF CORPORATE GOVERNANCE

NAME OF RETIRING DIRECTOR	CHUA BENG YONG	YEE CHIA HSING
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments including directorships	**Directorships** Past (for the last 5 years) • None Present • Asian Sealand Offshore and Marine Pte Ltd • Asian Sealand Energy Services Pte. Ltd. • PT Nexus Engineering Indonesia • PT Master Indonesia **Other Principal Commitments** Past (for the last 5 years) • Venture Automation & Electrical Engineering Pte Ltd (the company has been struck off from the register on 6 March 2026) Present • None	**Directorships** Past (for the last 5 years) • Ezion Holdings Limited • Datapulse Technology Limited • First Sponsor Group Limited Present • Yangzijiang Shipbuilding (Holdings) Limited • Sunpower Group Limited • Zhongmin Baihui Retail Group Ltd • Hiap Tong Corporation Limited • Union Gas Holdings Limited • Danuri Capital Pte. Ltd. • Danuri Crown Pte. Ltd. **Other Principal Commitments** Past (for the last 5 years) • 2011 - 2021: Head of Catalist, Managing Director, CIMB Bank Singapore • 2021 - 2022: Director of Corporate Affairs, iX Biopharma Ltd. (Listed on Singapore Exchange) • 2022 - 2024: Executive Director/ CEO, Datapulse Technology Limited (Listed on Singapore Exchange) Present • Ren Ci Hospital, Audit Committee member (Non-director role)

REPORT OF CORPORATE GOVERNANCE

The general statutory disclosures of the Retiring Director are as follows:

	QUESTION	CHUA BENG YONG	YEE CHIA HSING
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	Yes. Ezion Holdings Limited (“Ezion”) – Directorship (Independent Non Executive) from 5 January 2016 to 9 April 2021. Ezion filed an application pursuant to (i) section of 125(1)(e) and 125(1) the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018) on 28 January 2022 for Ezion to be placed into liquidation (“Winding Up Application”). On 18 February 2022, Ezion announced that the Court granted the Winding Up Application for Ezion to be placed into liquidation and for Messrs Ng Kian Kiat and Goh Wee Teck of RSM Corporate Advisory Pte Ltd to be appointed as joint and several liquidators.
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

REPORT OF CORPORATE GOVERNANCE

QUESTION		CHUA BENG YONG	YEE CHIA HSING
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—		
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

REPORT OF CORPORATE GOVERNANCE

QUESTION	CHUA BENG YONG	YEE CHIA HSING
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
(l) Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes
If yes, please provide details of prior experience.	Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.		
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).		

DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025.

In the opinion of the directors,

(i) the statement of financial position of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2025 and of the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

DIRECTORS

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

Chua Beng Yong
Chua Meng Hua
Low Wee Siong
Lum Kin Wah
Yee Chia Hsing

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	HOLDINGS REGISTERED IN NAME OF DIRECTOR OR NOMINEE		HOLDINGS IN WHICH DIRECTOR IS DEEMED TO HAVE AN INTEREST	
	AT 31.12.2025	AT 1.1.2025	AT 31.12.2025	AT 1.1.2025
The Company				
(No. of ordinary shares)				
Chua Beng Yong	10,958,954	8,729,875	–	–
Chua Meng Hua	9,978,286	8,829,875	–	–

The directors' interests in the ordinary shares of the Company as at 21 January 2026 were the same as those as at 31 December 2025.

SHARE OPTIONS

Employee Share Option Scheme

The Employee Share Option Scheme (the "Scheme") for non-executive Directors and employees of the Group was approved by shareholders of the Company at an Extraordinary General Meeting on 21 July 2023.

The Scheme provides a means to recruit, retain and give recognition to employees who have contributed to the success and development of the Group. Under the Scheme, options to subscribe for the ordinary shares of the Company are granted to key management personnel of the Group. The exercise price of the options shall be determined by the Remuneration Committee, in its absolute discretion, on the date of grant, at a price equal to the market price or a price which is set at a discount to the market price. The maximum discount shall not exceed 20% or the market price and authorised by shareholders in general meeting.

The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The Company granted options under the scheme to subscribe for an aggregate of 720,000 ordinary shares of the Company on 8 September 2025 ("2025 Options").

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company or its subsidiary corporations.

The number of unissued ordinary shares of the Company or its subsidiary corporations under option at the end of the financial year was as follows:

	NO. OF UNISSUED ORDINARY SHARES UNDER OPTION AT 31.12.2025	EXERCISE PRICE	EXERCISE PERIOD
2025 Options	720,000	0.342	08.09.2026 – 07.09.2036

PERFORMANCE SHARE PLAN

The Performance Share Plan (the "Plan") for non-executive Directors and employees of the Group was approved and adopted by the shareholders of the Company at an Extraordinary General Meeting of the Company held on 21 July 2023.

The Plan is intended to attract, retain and incentivise participants to higher standards of performance and encourage greater dedication and loyalty by enabling the Company to give recognition to past contributions and services; as well as motivating participants to contribute to the long-term prosperity of the Group.

The Plan awards fully paid shares to participants who have achieved pre-determined targets. The shares are settled by way of issuance of new shares by the Company for transfer to the employees.

The Plan is administered by the Remuneration Committee.

No shares have been awarded during the financial year by virtue of the Plan.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed under "Employee Share Option Scheme" and "Performance Share Plan", neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

AUDIT COMMITTEE

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

Low Wee Siong	(Chairman, Lead Independent Director)
Lum Kin Wah	(Member, Independent Director)
Yee Chia Hsing	(Member, Independent Director)

The AC met 4 times during the financial year under review and carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the AC reviewed:

- the audit plans and reports of the independent auditor to consider the effectiveness of the actions taken by Management on the auditor's recommendations;
- the internal audit plans, the scope and results of internal audit procedures;
- the Enterprise Risk Management structure, governance and processes;
- the statement of financial position of the Company, the consolidated financial statements of the Group for the financial year ended 31 December 2025 and other announcements to shareholders and the Singapore Exchange Securities Trading Limited ("SGX-ST") before submission to the Board of Directors ("Board") for approval, as well as the independent auditor's report on the statement of financial position of the Company and the consolidated financial statements of the Group;
- the audit conducted by the independent auditor;
- the assistance and co-operation given by Management to the independent auditor;
- the quality of work performed by the independent auditor;
- the problems and concerns, if any, arising from the interim and final audits;
- the considerations and make recommendations to the Board on the appointment, re-appointment and removal of independent auditor, their remuneration and terms of engagement;
- the framework for staff to raise concerns about possible improprieties in matters of financial reporting or other matters in confidence, and that there is independent investigation of such matters and appropriate follow-up action; and
- the interested person transactions, as defined in the Listing Manual of SGX-ST.

The AC has recommended to the Board that the independent auditor, CLA Global TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

INDEPENDENT AUDITOR

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

On behalf of the directors

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Chua Beng Yong
Executive Chairman

....

Chua Meng Hua
Executive Director

16 March 2026

INDEPENDENT AUDITOR'S REPORT

to the Members of Beng Kuang Marine Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Beng Kuang Marine Limited (the "Company") and its subsidiary corporations (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.

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 Singapore 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 are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics Applicable to Public Accountants and Accounting Entities ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE MATTER
1. Revenue recognition on infrastructure engineering and corrosion prevention services For the financial year ended 31 December 2025, the revenue recognised from infrastructure engineering and corrosion prevention services was $98.13 million (2024: $111.87 million). The Group has significant contracts in relation to the provision of infrastructure engineering and corrosion prevention services. The recognition of revenue in accordance with SFRS(I) 15 is based on the stage of completion of contract activity. This is assessed by reference to the proportion of contract costs incurred for the work performed as at reporting date relative to the estimated total costs of contract at completion. We focused on this area because of the significant judgements required in preparing reasonable estimates of the total budgeted costs, and the inherent uncertainties in determining the costs attributable to the respective contracts, which directly impacts the revenue recognised on the said contracts. Factual errors or imprecise estimations in the computation of both budgeted costs and actual amounts incurred could result in material variance in the amount of profit or loss recognised to date and in the current period. Furthermore, the budgeted profit on contracts includes key judgements over the expected recovery of costs arising from variations to the contract not uncommonly requested by the customer, compensation events, and claims made against the contractor for delays or other additional costs for which the customer is jointly or severally liable. The inclusion of these amounts in the budget where they are not recoverable could result in a material error in the level of profit or loss recognised by the Group. The accounting policies for infrastructure engineering and corrosion prevention services are set out in Notes 2.2 (a) and (b) to the consolidated financial statements, respectively. The different revenue streams for the Group are disclosed in Note 4 to the consolidated financial statements.	Our audit approach comprised both controls testing and substantive procedures as follows: • understood and evaluated the design and implementation, and tested the operating effectiveness of key controls over the budgeting process, recognition of contract costs, and revenue recognition process. • for sampled contracts, verified contract price through inspection of initial contract, addendums, variation orders and credit notes. • for sampled contracts, reviewed stage of completion by challenging management's key judgements inherent in the estimated costs to complete, and testing actual costs incurred. This includes the following procedures: - reviewed the contract terms and conditions; - verified contract costs incurred from suppliers in respect of project requirements; - reviewed actual cost incurred including accrued costs vis-à-vis estimated contract cost; - tested the existence and completeness of contract costs via inspection of correspondence with suppliers; and - identified inventories during stock take observations which have not been utilised but charged out as project cost incurred, if any. • assessed the need for, and adequacy of, provision for onerous loss-making contracts, if any.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

<table>
<tr><th>KEY AUDIT MATTER</th><th>HOW OUR AUDIT ADDRESSED THE MATTER</th></tr>
<tr><td>

2. Credit loss allowance on trade receivables and contract assets

As at 31 December 2025, trade receivables and contract assets amounted to $14.02 million and $9.17 million (2024: $24.16 million and $12.71 million) respectively. Trade receivables and contract assets are carried at amortised cost less appropriate allowance for credit losses.

The Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables and contract assets. In carrying out this assessment, judgement is applied by the management to determine appropriate parameters and assumptions used to calculate credit loss allowance.

Typically, credit terms given to customers range between 30 to 120 days. In assessing the recoverability, management is required to exercise judgement based on the credit-worthiness of the customers, historical payment trend, forward looking factors, and business relationship fostered with the respective customers.

Allowance for credit loss is a subjective area due to the level of judgement involved. Due to the significance of trade receivables and contract assets (representing 29% of total assets) and the related estimation uncertainty, this is considered a key audit matter.

The accounting policies for credit loss allowance of trade receivables are set out in Note 2.10(b). The credit risk and the aging of the trade receivables and contract assets are disclosed in Note 31(b)(i).

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Our audit procedures focused on evaluating the key judgements and assumptions used by the management in conducting the impairment review. These procedures included the following:

- understood, evaluated and validated key controls over revenue and receivables cycle;
- assessed the recoverability of significant outstanding trade receivable balances by:
  - comparing management's views of recoverability of amounts outstanding to historical patterns of receipts, in conjunction with assessing cash received subsequent to year end for its effect in reducing amounts outstanding as at year end;
  - analysing significant receivables past due over 120 days by challenging management's assessment to determine whether there were any credit losses; and
  - inspecting arrangements and/or correspondences with external parties to assess the recoverability of long outstanding receivables.
- assessed the recoverability of aged contract assets by:
  - comparing management's assessment of recoverability of these amounts to historical patterns of billings and receipts;
  - verifying progress billings issued and cash received subsequent to financial year up to the date of this report; and
  - reviewing correspondences with external parties to assess recoverability of long overdue contract assets, if any.

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE MATTER
3. Valuation of property, plant and equipment	
As at 31 December 2025, property, plant and equipment amounted to $15.72 million (2024: $10.61 million), representing 20% (2024: 14%) of total assets. Management identified separate cash-generating units ("CGU") and calculated the recoverable amount of CGU where there were indicators of impairment, being the higher of value-in-use and fair value less costs to sell. For the former, the value-in-use is based on discounted future cash flow forecasts over which management makes judgements on certain key inputs including, for example, discount rates and long-term growth rates. For the latter, the fair value less costs of disposal is estimated by an independent third party valuer based on their knowledge of each CGU and the relevant markets. The recoverable amounts were determined based on the valuation performed by external professional valuers which involves estimating the fair value less cost of disposal of the CGU. The valuation process involves significant judgements and estimations in the underlying assumptions to be applied. Amongst other matters, inputs and assumptions used in valuation include, but are not limited to, recent transaction prices for similar CGU, adjusted for the age and conditions of the respective CGU under impairment review. Due to the significance of property, plant and equipment, and high degree of judgement and assumptions involved in estimating the value of the CGU, we determined this as a key audit matter. The accounting policies for impairment for property, plant and equipment are set out in Note 2.9.	Our audit procedures focused on evaluating the key assumptions used by the management in preparing the impairment assessment, with the assistance of our internal valuation specialists. These procedures included the following: • Evaluated the competence, capabilities and objectivity of the external professional valuer engaged by the management, and internal valuation specialists; • Reviewed management's assessment on the indicators of impairment, on non-financial assets in accordance with SFRS(I) 1-36; • Evaluated the appropriateness of the valuation methodology used to determine the recoverable amounts of the CGU; • Evaluated the reasonableness and appropriateness of the key assumptions used in the valuation; and • Assessed the adequacy of impairment loss and the related disclosures in the Group's financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

OTHER INFORMATION

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

to the Members of Beng Kuang Marine Limited

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement director on the audit resulting in this independent auditor's report is Loh Ji Kin.

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

16 March 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

	NOTE	2025 $	2024 $
Revenue	4	98,154,624	111,882,886
Cost of sales		(61,740,542)	(73,150,005)
Gross profit		36,414,082	38,732,881
Other gains – net			
- (Loss allowance)/reversal of loss allowance on trade receivables	7	(47,388)	344,775
- Others	7	1,408,510	8,268,893
Expenses			
- Administrative		(20,709,203)	(20,999,792)
- Finance	8	(610,346)	(946,687)
Profit before income tax		16,455,655	25,400,070
Income tax expense	9	(3,925,429)	(4,210,045)
Net profit		12,530,226	21,190,025
Other comprehensive loss, net of tax:			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Currency translation differences arising from consolidation – losses		(439,515)	(89,725)
<u>Items that will not be reclassified subsequently to profit or loss:</u>			
Currency translation differences arising from consolidation – losses		(108,062)	(21,952)
Other comprehensive loss		(547,577)	(111,677)
Total comprehensive income		11,982,649	21,078,348
Profit attributable to:			
Equity holders of the Company		5,334,241	11,538,435
Non-controlling interests		7,195,985	9,651,590
		12,530,226	21,190,025
Total comprehensive income attributable to:			
Equity holders of the Company		4,894,726	11,448,710
Non-controlling interests		7,087,923	9,629,638
		11,982,649	21,078,348
Profit per share attributable to equity holders of the Company (cents per share)			
Basic profit per share	10	2.61	5.79
Diluted profit per share	10	2.60	5.79

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	NOTE	GROUP 2025 $	GROUP 2024 $
ASSETS			
Current assets			
Cash and cash equivalents	11	37,380,100	22,920,069
Trade and other receivables	12	15,512,157	24,953,760
Contract assets	4(b)	9,172,835	12,712,293
Derivative financial instruments	13	17,864	–
Inventories	14	1,777,195	1,068,124
		63,860,151	61,654,246
Assets of disposal group	15	–	–
		63,860,151	61,654,246
Non-current assets			
Investment properties	17	–	1,553,551
Property, plant and equipment	18	15,716,951	10,612,048
Deferred income tax assets	25	198,384	292,488
		15,915,335	12,458,087
Total assets		79,775,486	74,112,333
LIABILITIES			
Current liabilities			
Trade and other payables	21	27,483,788	31,732,572
Contract liabilities	4(b)	545,235	43,151
Deferred income	22	28,654	736,595
Current income tax liabilities		3,503,306	3,931,255
Borrowings	23	4,249,138	3,762,592
		35,810,121	40,206,165
Non-current liabilities			
Trade and other payables	21	1,571,104	951,398
Borrowings	23	6,246,722	4,476,396
Deferred income tax liabilities	25	6,529	6,630
		7,824,355	5,434,424
Total liabilities		43,634,476	45,640,589
NET ASSETS		36,141,010	28,471,744

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	NOTE	GROUP 2025 $	GROUP 2024 $
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	26	55,855,754	54,124,399
Other reserves	27	(2,442,056)	(2,036,742)
Accumulated losses		(26,988,656)	(31,097,397)
		26,425,042	20,990,260
Non-controlling interests	16	9,715,968	7,481,484
Total equity		36,141,010	28,471,744

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	NOTE	COMPANY 2025 $	COMPANY 2024 $
ASSETS			
Current assets			
Cash and cash equivalents	11	1,387,640	2,384,621
Trade and other receivables	12	19,905,886	20,007,169
		21,293,526	22,391,790
Non-current assets			
Investments in subsidiary corporations	16	4,589,497	4,589,297
Property, plant and equipment	18	926,965	765,737
		5,516,462	5,355,034
Total assets		26,809,988	27,746,824
LIABILITIES			
Current liabilities			
Trade and other payables	21	15,015,340	18,904,764
Borrowings	23	1,620,982	197,303
		16,636,322	19,102,067
Non-current liabilities			
Borrowings	23	3,161,411	3,259,356
Total liabilities		19,797,733	22,361,423
NET ASSETS		7,012,255	5,385,401
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	26	55,855,754	54,124,399
Other reserves	27	30,962	–
Accumulated losses	29	(48,874,461)	(48,738,998)
Total equity		7,012,255	5,385,401

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

		← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →					
	NOTE	SHARE CAPITAL	ACCUMULATED LOSSES	OTHER RESERVES	TOTAL	NON-CONTROLLING INTERESTS	TOTAL
		$	$	$	$	$	$
2025							
Beginning of financial year		54,124,399	(31,097,397)	(2,036,742)	20,990,260	7,481,484	28,471,744
Profit for the financial year		–	5,334,241	–	5,334,241	7,195,985	12,530,226
Other comprehensive loss for the financial year		–	–	(439,515)	(439,515)	(108,062)	(547,577)
Total comprehensive income/(loss) for the financial year		–	5,334,241	(439,515)	4,894,726	7,087,923	11,982,649
Issuance of new shares pursuant to exercise of bonus warrants	26	385,110	–	–	385,110	–	385,110
Issuance of new shares pursuant to exercise of compensation shares	26	929,266	–	–	929,266	–	929,266
Issuance of shares to non-controlling shareholders	16	–	–	–	–	50,000	50,000
Acquisition of non-controlling interest in subsidiary corporation		–	–	3,239	3,239	(3,439)	(200)
Share issue expenses	26	(115,327)	–	–	(115,327)	–	(115,327)
Dividend paid to equity shareholders:							
- In cash	28	–	(693,194)	–	(693,194)	–	(693,194)
- Shares issued In lieu of dividends	26	532,306	(532,306)	–	–	–	–
Dividend paid to non-controlling interests		–	–	–	–	(4,900,000)	(4,900,000)
Employee share option scheme - value of employee services	27(b)(iii)	–	–	30,962	30,962	–	30,962
End of financial year		55,855,754	(26,988,656)	(2,442,056)	26,425,042	9,715,968	36,141,010

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

	NOTE	← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →					
		SHARE CAPITAL	ACCUMULATED LOSSES	OTHER RESERVES	TOTAL	NON-CONTROLLING INTERESTS	TOTAL
		$	$	$	$	$	$
2024							
Beginning of financial year		54,124,399	(42,635,832)	(1,951,751)	9,536,816	2,314,779	11,851,595
Profit for the financial year		–	11,538,435	–	11,538,435	9,651,590	21,190,025
Other comprehensive loss for the financial year		–	–	(89,725)	(89,725)	(21,952)	(111,677)
Total comprehensive income/(loss) for the financial year		–	11,538,435	(89,725)	11,448,710	9,629,638	21,078,348
		–					
Acquisition of additional equity interest in subsidiary corporation	16	–	–	4,734	4,734	(504,734)	(500,000)
Dividend paid to non-controlling interests		–	–	–	–	(3,959,200)	(3,959,200)
Disposal of shares in subsidiary corporation	16	–	–	–	–	1,001	1,001
End of financial year		54,124,399	(31,097,397)	(2,036,742)	20,990,260	7,481,484	28,471,744

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	NOTE	2025 $	2024 $
Cash flows from operating activities			
Net profit		12,530,226	21,190,025
Adjustments for:			
Loss allowance/(reversal of loss allowance) on trade receivables, net	7	47,388	(344,775)
Inventories written (back)/down	5	(10,444)	22,074
Gain on disposal of property, plant and equipment	7	(160,385)	(83,341)
Gain on lease termination	7	(2,146)	(3,008)
Property, plant and equipment written off	7	41,052	25,958
Interest income	7	(328,698)	(149,279)
Interest expense	8	610,346	946,687
Income tax expense	9	3,925,429	4,210,045
Gain on disposal and remeasurement of disposal group, net	7	–	(5,511,476)
Fair value loss on derivatives	7	166,097	–
Employee share option expenses	27	30,962	–
Depreciation of investment property	5	169,476	164,503
Depreciation of property, plant and equipment	5	3,395,527	2,734,685
Unrealised currency translation differences		10,368	26,445
		20,425,198	23,228,543
Change in working capital:			
Inventories		(698,627)	66,497
Contract assets		3,539,458	(2,642,611)
Trade and other receivables		9,402,388	(2,771,907)
Trade and other payables		(1,956,812)	(1,267,754)
Contract liabilities		502,084	43,151
Deferred income		(707,941)	690,775
Cash generated from operations		30,505,748	17,346,694
Interest received		328,698	149,279
Interest paid		(21,437)	(211,879)
Income tax paid		(4,259,375)	(2,531,211)
Net cash generated from operating activities		26,553,634	14,752,883
Cash flows from investing activities			
Additions to property, plant and equipment	18(b)	(3,738,528)	(1,121,101)
Proceeds from disposal of property, plant and equipment		234,025	113,487
Proceeds from disposal of subsidiary corporation to non-controlling interest	16	–	1,001
Premium paid on derivative financial instruments		(183,961)	–
Acquisition of non-controlling interests	16	(200)	(500,000)
Issuance of shares to non-controlling shareholders	16	50,000	–
Net cash inflow from sale of disposal group		–	7,534,439
Net cash (used in)/generated from investing activities		(3,638,664)	6,027,826

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	NOTE	2025 $	2024 $
Cash flows from financing activities			
Bank deposits pledged	11	(100,000)	(200,000)
Proceeds from issuance of warrants, net		385,110	–
Share issue expenses	26	(115,327)	–
Proceeds from borrowings	23(d)	10,496,001	9,135,249
Proceeds from bond	23(d)	–	3,000,000
Repayment of borrowings		(7,391,795)	(11,569,464)
Repayment of bond		(3,750,000)	(2,670,664)
Principal payment of lease liabilities		(1,569,043)	(1,376,627)
Interest paid		(624,073)	(734,808)
Increase in bills payable, net		211,960	103,383
Dividend paid to equity shareholders	28	(693,194)	–
Dividend paid to non-controlling interests		(4,900,000)	(3,959,200)
Net cash used in financing activities		(8,050,361)	(8,272,131)
Net increase in cash and cash equivalents		14,864,609	12,508,578
Cash and cash equivalents			
Beginning of financial year		22,420,069	9,888,622
Effects of currency translation on cash and cash equivalents		(509,575)	22,869
End of financial year	11	36,775,103	22,420,069

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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

1. GENERAL INFORMATION

Beng Kuang Marine Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 2 Venture Drive, #14-15 Vision Exchange, Singapore 608526.

The principal activities of the Company are provision of corrosion prevention services relating to repairing of ships, tankers and other ocean-going vessels and investment holding. The principal activities of its subsidiary corporations are shown in Note 16 to the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

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

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The 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 has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

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

2.2 REVENUE RECOGNITION

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring promised goods or services to the customer, which is when the customer obtains control of the goods or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 REVENUE RECOGNITION (CONTINUED)

(a) *Infrastructure engineering services*

Revenue from infrastructure engineering is recognised over time based on the stage of completion or to the extent of contract costs incurred where it is probable those costs will be recoverable. Infrastructure engineering services include fabrication and construction of steel structures and/or vessels. The stage of completion for a given contract is measured by reference to the contract costs incurred to date against the estimated total costs for the contract. Revenue is recognised to the extent of contract costs incurred in situations where the contract outcome cannot be reliably measured.

Invoices for service rendered are raised in accordance with contracts and/or work order agreements. Payment terms differ from contract to contract. Payment is generally upon acceptance of progressive claims, milestone achieved as well as handing over project completion as stated in the contractual agreement and/or work order. In most contracts, down payment is required before commencement of work to facilitate mobilisation of project and purchase of materials. No element of financing is deemed present as the credit terms are consistent with market practice. Hence, no interest is charged to customers.

If the value of the goods and services transferred by the Group exceeds the payments and billings, a contract asset is recognised. If the payments and billings exceed the value of the goods and services transferred, a contract liability is recognised.

(b) *Corrosion prevention services*

The Group provides corrosion prevention services, comprising blasting and painting services. Revenue from corrosion prevention service is recognised over time based on the stage of completion or to the extent of contract costs incurred where it is probable that those costs will be recoverable. The stage of completion for a given contract is measured by reference to the contract costs incurred to date against the estimated total costs for the contract. Revenue is recognised to the extent of contract costs incurred, in situations where the contract outcome cannot be reliably measured. Proforma invoices ("PI") for service rendered are issued to customers with supporting work done and/or work completion report. Final invoice is issued upon agreement on the final contract price. Payment for these services is due within 30 days upon issuance of agreed final invoice. No element of financing is deemed present as the credit terms are consistent with market practice. Hence, no interest is charged to customers.

If the value of the services transferred by the Group exceeds the payments and billings, a contract asset is recognised. If the payments and billings exceed the value of the goods transferred, a contract liability is recognised.

(c) *Sale of goods – tools, equipment and consumables*

Revenue from these sales is recognised at a point in time when the goods have been transferred to the customers and coincides with the delivery of goods and accepted by the customers.

(d) *Sale of vessels*

Revenue from the sale of vessels is recognised at a point in time when the customer takes control of the vessel represented by when the vessel is delivered to the customer and accepted by the customer. Invoices for sales of vessels are issued to the customers when the contract is signed.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 REVENUE RECOGNITION (CONTINUED)

(e) *Interest income*

Interest income is recognised using the effective interest method.

(f) *Dividend income*

Dividend income is recognised when the right to receive payment is established, it is probable that that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

(g) *Rental income*

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

2.3 GOVERNMENT GRANTS

Government grants are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately in “other gains – net”.

2.4 GROUP ACCOUNTING

(a) *Subsidiary corporations*

(i) *Consolidation*

Subsidiary corporations are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, intercompany transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation’s net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the entity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interest having a deficit balance.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 GROUP ACCOUNTING (CONTINUED)

(a) Subsidiary corporations (continued)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to paragraph "Intangible assets – Goodwill on acquisition" for the subsequent accounting policy on goodwill.

(ii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 PROPERTY, PLANT AND EQUIPMENT

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Motor vehicles	8 – 10 years
Furniture, fittings and equipment	3 – 10 years
Forklifts, machinery, tools and equipment	2 – 20 years
Leasehold improvement and renovation	3 – 10 years
Leasehold building	3 – 29 years
Leasehold land	30 years
Yard development	2 – 30 years
Vessels	5 – 20 years
Drydocking	2.5 – 5 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when changes arise.

(c) Subsequent expenditure

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

(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 gains – net”.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 INVESTMENT PROPERTIES

Investment properties include those land parcels of the Batam shipyard that are held for long-term rental yields and/or for capital appreciation and right-of-use assets relating to leasehold land that is held for long-term capital appreciation or for a currently indeterminate use.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful life equal to lease term of the leasehold land and building.

The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are included in profit or loss when the changes arise.

On the disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss, in “Other gains – net”.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), an entity accounts for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

2.7 BORROWING COSTS

Borrowing costs are recognised in profit or loss using the effective interest method.

2.8 INVESTMENTS IN SUBSIDIARY CORPORATIONS

Investments in subsidiary corporations are stated at cost less accumulated impairment losses in the Company’s statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

Investment properties
Property, plant and equipment
Investments in subsidiary corporations

Investment properties, property, plant and equipment, and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.10 FINANCIAL ASSETS

(a) Classification and measurement

The Group classifies its financial assets as at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

At subsequent measurement

Debt instruments

Debt instruments mainly comprise cash and cash equivalents and trade and other receivables.

The subsequent measurement depends on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 FINANCIAL ASSETS (CONTINUED)

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31 (b) to the financial statements details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other financial assets measured at amortised cost, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

(c) Recognition and derecognition

All regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

2.11 DERIVATIVES FINANCIAL INSTRUMENTS

A derivative financial instrument is recognised initially at fair value at the date they are entered into and subsequently remeasured to their fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 FINANCIAL GUARANTEES

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

2.14 BORROWINGS

Borrowings are presented as current liabilities unless, at the end of the reporting date, the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Covenants that the Group is required to comply with on or before the end of the reporting date are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

2.15 TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.16 LEASES

(i) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract 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. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 LEASES (CONTINUED)

(i) When the Group is the lessee: (continued)

- Right-of-use assets (continued)

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets are presented within “Property, plant and equipment”.

- Lease liabilities

  The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include the following:

  - Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
  - Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  - Amounts expected to be payable under residual value guarantees;
  - Lease payments to be made under an extension option if the Group is reasonably certain to exercise the option; and
  - Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

  For a contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Group has elected to not separate lease and non-lease components for property leases and account for these as one single lease component.

  Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

  - There is a change in future lease payments arising from changes in an index or rate;
  - There is a change in the Group’s assessment of whether it will exercise an extension option; or
  - There are modifications in the scope or the consideration of the lease that was not part of the original term.

  Lease liability is remeasured with a corresponding adjustment to 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 LEASES (CONTINUED)

(i) When the Group is the lessee: (continued)

- Short term and low value leases

  The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

  Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

(ii) When the Group is the lessor:

The Group leases equipment under operating leases to non-related parties.

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within "Trade and other receivables". Any difference between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within "Revenue". The right-of-use asset relating to the head lease is not derecognised.

For contracts which contain lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 INVENTORIES

Inventories relate to trading goods and construction materials to be used in the course of rendering services. Inventories are carried at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories 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 applicable variable selling expenses.

2.18 INCOME TAXES

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date; and

(b) abased on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income tax taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of economic resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

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

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration the time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

2.20 EMPLOYEE COMPENSATION

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Short-term compensated absences

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

(c) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 EMPLOYEE COMPENSATION (CONTINUED)

(d) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each reporting date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to the share capital account, when new ordinary shares are issued, or to the “treasury shares” account, when treasury shares are re-issued to the employees.

2.21 CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollar (“$” or “SGD”), which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within “finance expenses”. All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within “Other gains– net”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 CURRENCY TRANSLATION (CONTINUED)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

2.22 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors whose members are responsible for allocating resources and assessing performance of the operating segments.

2.23 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the statement of financial position.

2.24 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital account.

2.25 DIVIDENDS TO COMPANY'S SHAREHOLDERS

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment of property, plant and equipment and investment properties

Property, plant and equipment and investment properties are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

Management identifies separate CGUs where there is any objective evidence or indication of impairment, and has calculated the recoverable amount of CGUs at the higher of value-in-use and fair value less costs to sell. For the former, the value-in-use is based on discounted cash flow forecasts over which management makes judgements on certain key inputs including, among others, discount rates and long term growth rates. For the latter, the fair value less costs of disposal is estimated by an independent third party valuer based on their knowledge of each CGU and the relevant markets.

(b) Estimation of total contract costs

The Group has significant ongoing contracts for infrastructure engineering and corrosion prevention services. For these contracts, revenue is recognised over time by reference to the stage of completion. The stage of completion is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of contract revenue. When it is probable that the total contract costs will exceed the total contract revenue, a provision for onerous contracts is recognised immediately.

Significant judgement is used to estimate these total contract costs to complete. In making these estimates, management has relied on the expertise of the surveying engineers to determine the progress of the work and also on past experience of completed projects.

If the contract costs of on-going contracts to be incurred had been increased/decreased by 10% (2024: 10%) from management's estimates, the Group's net profit would have been decreased/increased by $443,057 (2024: $314,927).

(c) Impairment of trade receivables and contract assets

As at 31 December 2025, the Group's gross trade receivables (Note 12) and contract assets (Note 4(b)) amounted to $14,023,673 (2024: $24,158,414) and $9,172,835 (2024: $12,712,293) respectively, arising from the Group's different revenue segments – infrastructure engineering and corrosion prevention.

Based on the Group's historical credit loss experience, trade receivables exhibited different loss patterns for different aging groups. Accordingly, management has determined the expected loss rates by grouping the receivables based on shared credit risk characteristics and days past due. A loss allowance of $209,910 (2024: $260,687) for trade receivables was recognised as at 31 December 2025 (Note 12).

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately.

The Group's and the Company's credit risk exposure for trade receivables and contract assets by different revenue segment is set out in Note 31(b)(i) to the financial statements.

4. REVENUE

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions. Revenue is attributed to countries by location of customers.

	AT A POINT IN TIME $	OVER TIME $	TOTAL $
2025			
Infrastructure engineering			
- Singapore	929,705	11,076,918	12,006,623
- Asia (other than Singapore)	268,588	8,555,421	8,824,009
- Europe	6,179,165	47,765,132	53,944,297
- Middle East	–	627,644	627,644
- South America	180,720	2,107,555	2,288,275
- Africa	10,242	801,542	811,784
	7,568,420	70,934,212	78,502,632
Corrosion prevention			
- Singapore	863,506	12,285,999	13,149,505
- Asia (other than Singapore)	706,344	5,769,733	6,476,077
	1,569,850	18,055,732	19,625,582
Others			
- Asia (other than Singapore)	–	26,410	26,410
Total	9,138,270	89,016,354	98,154,624
2024			
Infrastructure engineering			
- Singapore	1,324,849	22,061,099	23,385,948
- Asia (other than Singapore)	208,330	3,822,746	4,031,076
- Europe	7,028,672	54,553,199	61,581,871
- Middle East	–	44,327	44,327
- South America	–	1,753,057	1,753,057
- Africa	–	600,285	600,285
- Others	33,205	–	33,205
	8,595,056	82,834,713	91,429,769
Corrosion prevention			
- Singapore	612,101	12,452,296	13,064,397
- Asia (other than Singapore)	537,628	6,838,177	7,375,805
	1,149,729	19,290,473	20,440,202
Others			
- Asia (other than Singapore)	–	12,915	12,915
Total	9,744,785	102,138,101	111,882,886

4. REVENUE (CONTINUED)

(b) Contract balances

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

	2025 $	2024 $
Trade receivables (Note 12)	14,023,673	24,158,414
Less: Loss allowance (Note 12)	(209,910)	(260,687)
	13,813,763	23,897,727
Infrastructure engineering and corrosion prevention		
- Contract assets	9,172,835	12,712,293
- Contract liabilities	(545,235)	(43,151)

Contract assets represent the Group's right to consideration in exchange for infrastructure engineering and corrosion prevention services that the Group has transferred to customers but remained unbilled as at year end. Upon billing, the amounts recognised as contract assets are reclassified to trade receivables.

Contract assets for infrastructure engineering and corrosion prevention have decreased due to billing of amounts previously recognised as contract assets upon completion of the projects in 2025.

Contract liabilities for infrastructure engineering contracts have increased due to more contracts in which the Group billed and received consideration ahead of the provision of services.

Revenue recognised in relation to contract liabilities

	2025 $	2024 $
Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the year	43,151	–

As permitted under SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts for periods of one year or less, or are billed based on time incurred, is not disclosed.

5. EXPENSES BY NATURE

	GROUP	
	2025	2024
	$	$
Purchases of inventories and construction materials	10,158,322	15,073,141
Subcontractors' fees	33,695,814	39,785,453
Depreciation of investment properties (Note 17)	169,476	164,503
Depreciation of property, plant and equipment (Note 18)	3,395,527	2,734,685
Inventories written (back)/down (Note 14)	(10,444)	22,074
Fees on audit services paid/payable to:		
- Auditor of the Company	173,300	180,000
- Other auditor	33,900	34,678
Total fees on audit services	207,200	214,678
Fees on non-audit services paid/payable to:		
- Auditor of the Company	31,700	31,700
- Other auditor	276	265
Total fees on non-audit services	31,976	31,965
Employee compensation (Note 6)	27,971,643	28,864,593
Foreign worker levies	1,050,333	931,206
Insurance	562,028	477,676
Office related expenses	317,226	352,647
Professional fees	1,674,686	643,746
Rental of office equipment and machinery (Note 19(d))	1,283,483	2,385,146
Repair and maintenance of vessel and equipment	1,078,688	827,243
Transport and travelling	710,471	544,073
Changes in inventories	(709,071)	918,641
Other expenses	862,387	178,327
Total cost of sales and administrative expenses	82,449,745	94,149,797

6. EMPLOYEE COMPENSATION

	GROUP	
	2025	2024
	$	$
Wages and salaries	25,301,972	26,704,538
Employer's contribution to defined contribution plans	1,331,663	1,179,785
Other short-term benefits	1,307,046	980,270
Share option expense (Note 27(b)(iii))	30,962	–
	27,971,643	28,864,593

7. OTHER GAINS – NET

	GROUP	
	2025	2024
	$	$
Interest income from bank deposits	328,698	149,279
Gain on disposal of property, plant and equipment	160,385	83,341
Gain on disposal and re-measurement of disposal group, net (Note 15)	–	5,511,476
Gain on lease termination (Note 19(h))	2,146	3,008
Property, plant and equipment written off (Note 18)	(41,052)	(25,958)
Currency exchange (losses)/gains, net	(905,383)	523,061
Government grants:		
- Progressive Wage Credit Scheme (PWCS) [(a)]	126,391	130,275
- Maternity leave payout	26,417	–
- Senior Employment Credit [(b)]	13,740	13,499
- Others	118,833	45,435
Total government grants	285,381	189,209
(Loss allowance)/reversal of allowance on trade receivables, net (Note 31(b)(i))	(47,388)	344,775
Disposal of scrap metal	12,425	193,141
Rental income from (Note 20)		
- Leasing out land, building and yard	1,320,384	1,328,630
Fair value losses on derivatives	(166,097)	–
Miscellaneous back-charge of services	235,411	94,686
Others	176,212	219,020
	1,361,122	8,613,668

(a) The Progressive Wage Credit Scheme ("PWCS") is a government initiative to support businesses in implementing wage increases for lower-wage workers. The scheme is administered by the Inland Revenue Authority of Singapore (IRAS) and applies from 2022 to 2026.

(b) Senior Employment Credit ("SEC") was introduced as a Budget Initiative 2011 to support employers, and to raise the employability of older Singaporean. It was enhanced in 2012 to provide employers with continuing supporting to hire older Singaporean workers.

8. FINANCE EXPENSES

	GROUP	
	2025	2024
	$	$
Interest expense		
- Bank borrowings	190,622	38,445
- Factoring facility	75,509	274,151
(Note 23(d))	266,131	312,596
- Bank overdrafts	–	6,840
- Lease liabilities (Note 19(c) and 23(d))	111,041	117,850
- Bonds (Note 23(d))	198,766	304,348
- Bills payable	12,971	14
- Loan from non-related parties	21,437	205,039
	610,346	946,687

9. INCOME TAX EXPENSE

		GROUP	
		2025	2024
		$	$
Tax expense attributable to the profit is made up of:			
- Profit for the financial year:			
Current income tax	– Singapore	3,726,057	3,996,237
	– Foreign	190,851	212,337
		3,916,908	4,208,574
Deferred income tax (Note 25)		111,580	54,550
		4,028,488	4,263,124
- Over provision in prior financial years:			
Current income tax	– Singapore	(85,482)	(45,829)
Deferred income tax (Note 25)		(17,577)	(7,250)
		(103,059)	(53,079)
Total income tax expense		3,925,429	4,210,045

9. INCOME TAX EXPENSE (CONTINUED)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	GROUP	
	2025	2024
	$	$
Profit before income tax	16,455,655	25,400,070
Tax at the applicable tax rate of 17% (2024: 17%)	2,797,460	4,318,013
Effects of:		
- expenses not deductible for tax purposes	731,734	832,873
- income not subject to tax	(341,311)	(1,869,742)
- tax incentives	(387,864)	(36,975)
- different tax rates in other countries	(32,278)	426,362
- deferred tax assets not recognised	447,532	632,257
- over provision of tax in prior years	(103,059)	(53,079)
- others	(398)	(39,664)
Withholding tax	813,613	–
Tax charge	3,925,429	4,210,045

10. PROFIT PER SHARE

	2025	2024
Profit attributable to equity holders of the Company ($)	5,334,241	11,538,435
Weighted average number of ordinary shares for basic earnings per share	204,296,778	199,210,406
Effect of dilution:		
Potential ordinary shares issuable under exercise of warrants	1,204,662	–
Weighted average number of ordinary shares outstanding used in the calculation of diluted earnings per share	205,501,440	199,210,406
Basic profit per share (cents per share)	2.61	5.79
Diluted profit per share (cents per share)	2.60	5.79

Basic profit per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

As at financial year end 31 December 2025, shareholders hold 58,012,610 bonus warrants. These are dilutive because the exercise price of $0.22 is less than the average market price in 2025.

11. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2025	2024	2025	2024
	$	$	$	$
Cash at bank and on hand	36,547,427	22,441,535	1,387,640	2,384,621
Short-term bank deposits	832,673	478,534	–	–
	37,380,100	22,920,069	1,387,640	2,384,621

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	GROUP	
	2025	2024
	$	$
Cash and bank balances	37,380,100	22,920,069
Less: Bank deposits pledged (Note 23) [(a)]	(600,000)	(500,000)
Less: Bank overdrafts (Note 23)	(4,997)	–
Cash and cash equivalents per consolidated statement of cash flows	36,775,103	22,420,069

(a) Bank deposits are pledged in relation to the security granted for certain borrowings (Note 23(a)).

12. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2025	2024	2025	2024
	$	$	$	$
Trade receivables				
- Subsidiary corporations	–	–	114,450	891,327
- Non-related parties	14,023,673	24,158,414	–	3,392
	14,023,673	24,158,414	114,450	894,719
Less: Loss allowance (Note 31(b)(i))				
- Non-related parties	(209,910)	(260,687)	–	–
Trade receivables – net	13,813,763	23,897,727	114,450	894,719
Non-trade receivables				
- Subsidiary corporations	–	–	20,544,958	19,798,234
- Non-related parties	159,951	177,905	–	–
	159,951	177,905	20,544,958	19,798,234
Less: Loss allowance (Note 31(b)(ii))				
- Subsidiary corporations	–	–	(816,000)	(740,000)
Non-trade receivables – net	159,951	177,905	19,728,958	19,058,234
Retentions	560,766	163,279	–	–
Deposits	602,302	405,536	39,868	47,499
Prepayments	375,375	309,313	22,610	6,717
	1,698,394	1,056,033	19,791,436	19,112,450
	15,512,157	24,953,760	19,905,886	20,007,169

The carrying amounts of the trade receivables of the Group include amounts of $570,277 (2024: $2,535,167) which are subject to a factoring arrangement. Under this arrangement, the Group has factored the relevant receivables in exchange for cash and is prevented from selling or pledging the receivables. However, the Group has retained late payment and credit risk. The Group therefore continues to recognise the factored assets in their entirety in the statement of financial position. The amount repayable under the factoring arrangement is presented as secured borrowings (Note 23). The Group considers that the held-to-collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

The non-trade receivables from subsidiary corporations in gross are unsecured, interest-free and are receivable on demand except for the amounts of $946,317 (2024: $996,401) due from certain subsidiary corporations which bore interest rate ranging from 1% to 1.5% (2024: 1.5% to 6.5%).

During the financial year ended 31 December 2025, the Company made an impairment loss of $76,000 (2024: $240,000) on non-trade receivables (Note 31(b)(ii)).

13. DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP	
	NOTIONAL AMOUNT $	FAIR VALUE ASSET $
31 December 2025		
Derivatives not held for hedging:		
- Forward foreign exchange contracts		
Sell USD less than 12 months	3,874,500	17,864

14. INVENTORIES

	GROUP	
	2025 $	2024 $
Consumables and construction materials	1,159,145	607,598
Trading goods	618,050	460,526
	1,777,195	1,068,124

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $9,449,251 (2024: $15,991,782), excluding inventories written back/down.

The Group recognised inventories written back of $10,444 (2024: Nil), relating to inventories previously written down and subsequently sold at cost. In 2024, the Group recognised inventories written down of $22,074 (Note 5) for inventories which were expected to be sold or recovered below the carrying amounts. The amount recognised has been included in "cost of sales".

15. ASSETS OF DISPOSAL GROUP

	GROUP 2024 $
Beginning of financial year	2,741,810
Reclassified from inventories	830,070
Reclassified from property, plant and equipment (Note 18) [a][b]	249,762
Disposals [a]	(2,991,572)
Loss on remeasurement to fair value less cost to sell	(830,070)
End of financial year	–

(a) On 12 April 2023, the Group's wholly-owned subsidiary corporation, PT. Nexus Engineering Indonesia, entered into a Conditional Land Sale & Purchase Agreement with Oil States Industries (Asia) Pte. Ltd. for the sale of 90,000 square metres of land forming part of the Group's 328,956 square metre waterfront fabrication yard in Batam, Indonesia for a consideration of $8.64 million. The disposal was completed on 24 January 2024, with gain on disposal of $5,533,623.

(b) On 26 June 2023, the Group's wholly-owned subsidiary corporation, PT. Marina Shipping, entered into a sale and purchase agreement with PT Pelayaran Sinar Varuna Sentosa for a second 1,700HP tugboat for a consideration of $0.97 million. The disposal was completed on 19 January 2024, with a loss of $22,147.

16. INVESTMENTS IN SUBSIDIARY CORPORATIONS

	COMPANY	
	2025	2024
	$	$
Equity investments at cost		
Beginning of financial year	5,513,730	5,114,434
Acquisition of non-controlling interests	200	–
Additions	–	679,298
Disposal	–	(280,002)
End of financial year	5,513,930	5,513,730
Less: Impairment loss	(924,433)	(924,433)
Net carrying value	4,589,497	4,589,297

Additional investment in subsidiary corporation

2024

During the financial year ended 31 December 2024, the Company injected share capital of IDR8,204,186,000 (approximately $678,256) to its wholly-owned subsidiary corporation, PT. Nexelite CP Indonesia (“NCI”).

Acquisition of non-controlling interest

2025

On 2 January 2025, the Company acquired additional shares in its subsidiary corporation, Water and Environmental Technologies (WET) Pte. Ltd. (“WET”) for a purchase consideration of $200 thereupon holding 98% of the share capital of WET. The Group derecognised non-controlling interests of $3,446 and recorded an increase in equity attributable to owners of the parent of $3,246. The effect of changes in the ownership interest of WET on the equity attributable to owners of the Company during the year is summarised as follows:

	2025
	$
Carrying amount of non-controlling interests acquired	3,446
Consideration paid to non-controlling interests	(200)
	3,246

2024

On 26 April 2024, Beng Kuang Marine (B&Chew) Pte. Ltd. a wholly-owned subsidiary corporation, acquired shares in its subsidiary corporation, Nexus Hydrotech Pte. Ltd. (“NHT”) for a purchase consideration of $500,000 thereupon holding 100% of the share capital of NHT. The Group derecognised non-controlling interest of $504,734 and recorded an increase in equity attributable to owners of the parent of $4,734.

16. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

Disposal of interest in a subsidiary corporation

2024

On 20 September 2024, Nexus Sealand Trading Pte. Ltd., a wholly-owned subsidiary corporation of Beng Kuang Marine (B&Chew) Pte. Ltd. ("B&C") disposed of 51% and 49% equity interest in its subsidiary corporation, MTM Engineering Pte. Ltd. ("MTM"), respectively to the Company and external parties for consideration of $1,042 and $1,001 respectively.

Transfer of subsidiary corporations

2025

On 8 August 2025, Beng Kuang Marine (B&Chew) Pte. Ltd. ("B&C") transferred its 100% interest of 50,000 ordinary shares in Clean Concept Works Pte. Ltd. ("CCW") (formerly known as OneHub Tank Coating Pte. Ltd.) to Asian Sealand Energy Services Pte. Ltd. ("ASES") (formerly known as MTM Engineering Pte. Ltd.) for a consideration of $10,000.

On the same date, CCW issued 50,000 new ordinary shares to non-controlling interests for $50,000 and 100,000 new ordinary shares to ASES. As a result, CCW has become a subsidiary corporation of ASES at equity interest of 75%.

2024

On 30 July 2024, the Company transferred its 100% interest in B&K Marine Pte. Ltd., Beng Kuang Marine (B&M) Pte. Ltd. and Nexus Sealand Trading Pte. Ltd. to Beng Kuang Marine (B&Chew) Pte. Ltd. for considerations of $100,000, $100,000, and $2, respectively, Additionally, the Company transferred its 80% interest in Nexus Hydrotech Pte. Ltd. to Beng Kuang Marine (B&Chew) Pte. Ltd. for a consideration of $80,000. The considerations for the transfers with aggregate amount of $280,002 are equivalent to the investment's carrying amounts.

On the same date, Nexus Sealand Trading Pte. Ltd. transferred its 100% interest in its subsidiary corporation, OneHub Tank Coating Pte. Ltd. to Beng Kuang Marine (B&Chew) Pte. Ltd. for a consideration of $1.

16. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

Details of the subsidiary corporations as at 31 December 2025 and 2024 are as follows:

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPORATION	INTEREST HELD BY THE PARENT		EFFECTIVE INTEREST HELD BY THE GROUP	
			2025	2024	2025	2024
			%	%	%	%
Held by the Company						
PT. Nexus Engineering Indonesia [(6)]	Provision of infrastructure engineering services	Indonesia	100[(4)]	100[(4)]	100[(4)]	100[(4)]
PT. Master Indonesia [(5)]	Sourcing and procurement of material and equipment in engineering and construction	Indonesia	100[(4)]	100[(4)]	100[(4)]	100[(4)]
Beng Kuang Marine (B&Chew) Pte. Ltd. [(1)]	Provision of corrosion prevention services	Singapore	100	100	100	100
Venture Automation & Electrical Engineering Pte. Ltd. [(1)(8)]	Provision of industrial and marine automation works	Singapore	51	51	51	51
Pangco Pte. Ltd. [(1)]	Provision of corrosion prevention services	Singapore	51	51	51	51
Asian Sealand Energy Services Pte. Ltd. (Formerly known as MTM Engineering Pte. Ltd.) [(1)]	Provision of turnkey onshore Engineering, Procurement and Construction solutions	Singapore	51	51	51	51
Water and Environmental Technologies (WET) Pte. Ltd. [(1)(7)]	Provision of research and development, and solution for waste management	Singapore	98	82	98	82
Asian Sealand Offshore and Marine Pte. Ltd. [(1)]	Provision of offshore repair and maintenance services	Singapore	51	51	51	51
PT. Nexelite CP Indonesia [(2)]	Provision of corrosion prevention services	Indonesia	100[(4)]	100[(4)]	100[(4)]	100[(4)]
Quill Marine Pte. Ltd. [(1)]	Investment holding company and provision of freight transport services	Singapore	100	100	100	100
International Offshore Equipments Pte. Ltd. [(1)]	Provision of design, manufacture, and fabricate offshore equipment and ship parts	Singapore	51	51	51	51

16. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

Details of the subsidiary corporations as at 31 December 2025 and 2024 are as follows: (continued)

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPORATION	INTEREST HELD BY THE PARENT		EFFECTIVE INTEREST HELD BY THE GROUP	
			2025	2024	2025	2024
			%	%	%	%
Held by Pangco Pte. Ltd.						
PT. Berger Batam [2]	Provision of corrosion prevention services	Indonesia	100	100	51[4]	51[4]
Held by Quill Marine Pte. Ltd.						
Drako Shipping Pte. Ltd. [1]	Provision of freight transport services	Singapore	100	100	100	100
Held by Drako Shipping Pte. Ltd.						
PT. Marina Shipping [5]	Provision of freight transport services	Indonesia	100	100	100	100
Held by International Offshore Equipments Pte. Ltd.						
International Offshore Equipment Canada Inc. [5]	Design, manufacture and fabricate offshore equipment and ship parts	Canada	100	100	51	51
Held by Asian Sealand Offshore and Marine Pte. Ltd.						
ASIC Engineering Sdn. Bhd. [3]	Provision of infrastructure engineering services	Malaysia	100	100	51	51
PBT Engineering Resources Pte. Ltd. [1]	Building and repairing of ships, tankers and other ocean-going vessels.	Singapore	100	100	51	51
Asian Sealand Offshore & Marine International Inc. [5][9]	Provision of infrastructure engineering services	Guyana	100	–	51	–
Held by Asian Sealand Offshore & Marine International Inc.						
Asian Sealand Offshore & Marine Inc. [5][9][10]	Provision of infrastructure engineering services	Guyana	49	–	25	–
Held by Asian Sealand Energy Services Pte. Ltd.						
Clean Concept Works Pte. Ltd. (Formerly known as OneHub Tank Coating Pte. Ltd.) [1]	Provision of specialised industrial cleaning services	Singapore	75	–	38	–

16. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

Details of the subsidiary corporations as at 31 December 2025 and 2024 are as follows: (continued)

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPORATION	INTEREST HELD BY THE PARENT		EFFECTIVE INTEREST HELD BY THE GROUP	
			2025	2024	2025	2024
			%	%	%	%
Held by Beng Kuang Marine (B&Chew) Pte. Ltd.						
BK Corrosion Engineering Pte. Ltd. (Formerly known as B & K Marine Pte. Ltd.) (1)	Provision of corrosion prevention services	Singapore	100	100	100	100
Beng Kuang Marine (B&M) Pte. Ltd. (1)	Provision of corrosion prevention services	Singapore	100	100	100	100
Clean Concept Works Pte. Ltd. (Formerly known as OneHub Tank Coating Pte. Ltd.) (1)	Provision of specialised industrial cleaning services	Singapore	–	100	–	100
Nexus Hydrotech Pte. Ltd. (1)	Provision of corrosion prevention services (utilising hydro-jetting machines)	Singapore	100	100	100	100
Nexus Sealand Trading Pte. Ltd. (1)	Supply and distribution of hardware equipment, tools and other products	Singapore	100	100	100	100

(1) Audited by CLA Global TS Public Accounting Corporation, Singapore.
(2) No statutory audit requirement. The entity is audited by KAP Hendrawinata Hanny Erwin & Sumargo, Indonesia for consolidation purposes.
(3) Audited by MW (AF 002256) Chartered Accountants, Malaysia.
(4) 1% of the shareholding is held in trust for the Group by an employee of the Group.
(5) Not required to be audited under the laws of the country of incorporation.
(6) No statutory audit requirement. The entity is audited by KAP Charles & Nurlena, Indonesia for consolidation purposes.
(7) In the process of striking off.
(8) Struck off from ACRA register on 6 March 2026.
(9) Incorporation completed during the financial year ended 31 December 2025.
(10) This entity is regarded as subsidiary corporation of the Group within the definition of SFRS(I) 10 - "*Consolidated Financial Statements*".

Carrying value of non-controlling interests

	2025	2024
	$	$
Asian Sealand Offshore and Marine Pte. Ltd. and its subsidiary corporations	15,722,570	13,411,303
International Offshore Equipments Pte. Ltd. and its subsidiary corporation	(6,758,869)	(6,760,417)
Other subsidiary corporations with immaterial non-controlling interests	752,267	830,598
	9,715,968	7,481,484

16. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

Summarised financial information of subsidiary corporations with material non-controlling interests

Set out below is the summarised financial information for each subsidiary corporation that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised statements of financial position

	ASIAN SEALAND OFFSHORE AND MARINE PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS		INTERNATIONAL OFFSHORE EQUIPMENTS PTE. LTD. AND ITS SUBSIDIARY CORPORATION	
	2025	2024	2025	2024
	$	$	$	$
As at 31 December				
Current				
Assets	49,381,175	47,617,502	2,077,722	456,084
Liabilities	(17,355,637)	(20,159,498)	(14,285,868)	(12,672,136)
Total net current assets/(liabilities)	32,025,538	27,458,004	(12,208,146)	(12,216,052)
Non-current				
Assets	1,119,348	400,255	22,652	27,399
Liabilities	(506,404)	(108,325)	–	–
Total net non-current assets	612,944	291,930	22,652	27,399
Net assets/(liabilities)	32,638,482	27,749,934	(12,185,494)	(12,188,653)

16. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

Summarised statements of comprehensive income

	ASIAN SEALAND OFFSHORE AND MARINE PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS		INTERNATIONAL OFFSHORE EQUIPMENTS PTE. LTD. AND ITS SUBSIDIARY CORPORATION	
	2025	2024	2025	2024
	$	$	$	$
Revenue	75,208,574	87,966,117	2,409,808	3,336,736
Profit before income tax	18,557,100	23,172,250	3,160	146,935
Income tax expense	(3,620,735)	(3,841,408)	–	–
Profit for the financial year	14,936,365	19,330,842	3,160	146,935
Profit for the financial year allocated to non-controlling interests	7,318,819	9,472,113	1,548	71,998
Currency translation differences	(3,189)	918	–	–
Total comprehensive income allocated to non-controlling interests	7,315,630	9,473,031	1,548	71,998
Dividends paid to non-controlling interests	4,900,000	3,920,000	–	–

Summarised cash flows

	ASIAN SEALAND OFFSHORE AND MARINE PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS		INTERNATIONAL OFFSHORE EQUIPMENTS PTE. LTD. AND ITS SUBSIDIARY CORPORATION	
	2025	2024	2025	2024
	$	$	$	$
Net cash provided by/(used in) operating activities	26,336,982	19,990,521	(93,843)	(24,904)
Net cash used in investing activities	(362,256)	(243,675)	(2,844)	(29,010)
Net cash used in financing activities	(10,519,442)	(8,632,798)	–	–

17. INVESTMENT PROPERTIES

	GROUP	
	2025	2024
	$	$
Cost		
Beginning of financial year	1,718,054	–
Reclassified (to)/from property, plant and equipment (Note 18)	(1,718,054)	1,718,054
End of financial year	–	1,718,054
Accumulated depreciation		
Beginning of financial year	164,503	–
Depreciation charge (Note 5)	169,476	164,503
Reclassified to property, plant and equipment (Note 18)	(333,979)	–
End of financial year	–	164,503
Net carrying value		
End of financial year	–	1,553,551

The following amounts are recognised in profit and loss:

	GROUP	
	2025	2024
	$	$
Rental income	1,320,384	1,328,630
Direct operating expenses	(180,523)	(247,201)

As at 31 December 2024, the details of the Group's investment properties are as follows:

LOCATION	DESCRIPTION/EXISTING USE	TENURE
Jl. Pattimura, RT.01/RW.04, Kamp. Panau, Batam, Indonesia	Land, building and yard	30-year lease from 19 April 2007

17. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques used to derive Level 2 fair values

As at 31 December 2024, the fair value of Group's investment properties was $18,770,000.

Level 2 fair values of the Group's properties were derived using the direct comparison approach. Sales prices of comparable properties in close proximity were adjusted for differences in key attributes such as property size and location. The most significant input into this valuation approach is the selling price per square metre.

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 31 December 2024, the fair values of the properties had been determined by KJPP Toto Suharto & Rekan.

At each financial year end, the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuation experts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

18. PROPERTY, PLANT AND EQUIPMENT

	MOTOR VEHICLES $	FURNITURE, FITTINGS AND EQUIPMENT $	FORKLIFTS, MACHINERY, TOOLS AND EQUIPMENT $	LEASEHOLD IMPROVEMENT AND RENOVATION $	LEASEHOLD BUILDING $	LEASEHOLD LAND $	YARD DEVELOPMENT $	CONSTRUCTION IN-PROGRESS $	VESSELS $	DRYDOCKING $	TOTAL $
Group											
2025											
Cost											
Beginning of financial year	1,945,235	583,380	13,318,850	428,175	7,051,618	549,611	10,365,185	267,306	1,914,063	22,539	36,445,962
Additions	405,685	50,168	2,640,951	15,554	3,338,796	–	–	859,285	–	123,385	7,433,824
Transfer of asset	–	8,536	–	36,773	7,045	–	407,944	(460,298)	–	–	–
Disposals	(387,116)	(30,832)	(102,752)	–	–	–	(13,574)	–	–	–	(534,274)
Written-off	–	(38,330)	(494,784)	–	–	–	–	–	–	–	(533,114)
Lease termination (Note 19(h))	–	–	–	–	(497,527)	–	–	–	–	–	(497,527)
Transfer from investment properties (Note 17)	–	–	–	–	935,184	140,437	308,454	–	–	–	1,384,075
Currency translation differences	(11,643)	(11,558)	(174,563)	–	(773)	–	(139,291)	–	–	–	(337,828)
End of financial year	1,952,161	561,364	15,187,702	480,502	10,834,343	690,048	10,928,718	666,293	1,914,063	145,924	43,361,118
Accumulated depreciation											
Beginning of financial year	919,426	456,976	12,141,601	277,910	4,610,772	294,277	6,312,499	–	797,914	22,539	25,833,914
Depreciation charge (Note 5)	261,131	91,438	1,052,904	33,461	1,383,667	16,326	428,994	–	127,606	–	3,395,527
Disposals	(185,528)	23,275	(292,229)	–	–	–	(6,152)	–	–	–	(460,634)
Written-off	–	(91,439)	(400,623)	–	–	–	–	–	–	–	(492,062)
Lease termination (Note 19(h))	–	–	–	–	(352,674)	–	–	–	–	–	(352,674)
Currency translation differences	(8,448)	(10,795)	(163,484)	–	(770)	–	(96,407)	–	–	–	(279,904)
End of financial year	986,581	469,455	12,338,169	311,371	5,640,995	310,603	6,638,934	–	925,520	22,539	27,644,167
Net carrying value											
End of financial year	965,580	91,909	2,849,533	169,131	5,193,348	379,445	4,289,784	666,293	988,543	123,385	15,716,951

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	MOTOR VEHICLES $	FURNITURE, FITTINGS AND EQUIPMENT $	FORKLIFTS, MACHINERY, TOOLS AND EQUIPMENT $	LEASEHOLD IMPROVEMENT AND RENOVATION $	LEASEHOLD BUILDING $	LEASEHOLD LAND $	YARD DEVELOPMENT $	CONSTRUCTION IN-PROGRESS $	VESSELS $	DRYDOCKING $	TOTAL $
Group											
2024											
Cost											
Beginning of financial year	1,568,606	1,523,773	14,489,632	577,852	9,530,079	886,827	12,049,017	200,251	1,914,091	22,541	42,762,669
Additions	393,947	74,413	430,988	39,043	505,114	–	–	332,045	–	–	1,775,550
Transfer of asset	(3)	(660)	71,232	688	1	3	46,963	(118,194)	(28)	(2)	–
Reclassified to disposal group (Note 15)	–	–	–	–	–	–	(647,977)	–	–	–	(647,977)
Disposals	–	(722,131)	(396,471)	–	(2,006)	–	(129,714)	–	–	–	(1,250,322)
Written-off	(14,895)	(286,955)	(1,238,693)	(188,531)	–	–	–	–	–	–	(1,729,074)
Lease termination (Note 19(h))	–	–	–	–	(483,047)	–	–	–	–	–	(483,047)
Transfer to inventories	–	–	–	–	–	–	–	(144,247)	–	–	(144,247)
Transfer to investment properties (Note 17)	–	–	–	–	(2,498,523)	(337,219)	(781,941)	–	–	–	(3,617,683)
Currency translation differences	(2,420)	(5,060)	(37,838)	(877)	–	–	(171,163)	(2,549)	–	–	(219,907)
End of financial year	1,945,235	583,380	13,318,850	428,175	7,051,618	549,611	10,365,185	267,306	1,914,063	22,539	36,445,962
Accumulated depreciation											
Beginning of financial year	720,964	1,383,565	13,390,272	377,684	5,004,863	442,677	6,908,400	–	670,308	22,539	28,921,272
Depreciation charge (Note 5)	214,908	86,786	399,621	76,561	1,338,652	19,932	470,619	–	127,606	–	2,734,685
Reclassified to disposal group (Note 15)	–	–	–	–	–	–	(398,215)	–	–	–	(398,215)
Disposals	–	(721,717)	(386,999)	–	(1,167)	–	(110,293)	–	–	–	(1,220,176)
Written-off	(14,894)	(286,616)	(1,226,148)	(175,458)	–	–	-	–	–	–	(1,703,116)
Lease termination (Note 19(h))	–	–	–	–	(402,194)	–	-	–	–	–	(402,194)
Transfer to investment properties (Note 17)	–	–	–	–	(1,329,382)	(168,332)	(401,915)	–	–	–	(1,899,629)
Currency translation differences	(1,552)	(5,042)	(35,145)	(877)	–	–	(156,097)	–	–	–	(198,713)
End of financial year	919,426	456,976	12,141,601	277,910	4,610,772	294,277	6,312,499	–	797,914	22,539	25,833,914
Net carrying value											
End of financial year	1,025,809	126,404	1,177,249	150,265	2,440,846	255,334	4,052,686	267,306	1,116,149	–	10,612,048

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	MOTOR VEHICLES	FURNITURE, FITTINGS AND EQUIPMENT	LEASEHOLD IMPROVEMENT AND RENOVATION	LEASEHOLD BUILDING	TOTAL
	$	$	$	$	$
Company					
2025					
Cost					
Beginning of financial year	955,807	90,335	157,940	542,288	1,746,370
Additions	287,385	8,086	–	361,673	657,144
Transfer to a subsidiary corporation	–	(4,480)	–	–	(4,480)
Disposals	(295,000)	–	–	–	(295,000)
Written-off	–	(3,799)	–	–	(3,799)
End of financial year	948,192	90,142	157,940	903,961	2,100,235
Accumulated depreciation					
Beginning of financial year	339,599	54,978	149,795	436,261	980,633
Depreciation charge	153,413	24,277	8,145	177,264	363,099
Transfer to a subsidiary corporation	–	(4,166)	–	–	(4,166)
Disposals	(162,499)	–	–	–	(162,499)
Written-off	–	(3,797)	–	–	(3,797)
End of financial year	330,513	71,292	157,940	613,525	1,173,270
Net carrying value					
End of financial year	617,679	18,850	–	290,436	926,965

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	MOTOR VEHICLES	FURNITURE, FITTINGS AND EQUIPMENT	LEASEHOLD IMPROVEMENT AND RENOVATION	LEASEHOLD BUILDING	TOTAL
	$	$	$	$	$
Company					
2024					
Cost					
Beginning of financial year	718,094	80,244	157,940	443,527	1,399,805
Additions	237,713	12,991	–	98,761	349,465
Transfer to a subsidiary corporation	–	(1)	–	–	(1)
Written-off	–	(2,899)	–	–	(2,899)
End of financial year	955,807	90,335	157,940	542,288	1,746,370
Accumulated depreciation					
Beginning of financial year	212,768	31,411	96,037	279,991	620,207
Depreciation charge	126,831	26,465	53,758	156,270	363,324
Written-off	–	(2,898)	–		(2,898)
End of financial year	339,599	54,978	149,795	436,261	980,633
Net carrying value					
End of financial year	616,208	35,357	8,145	106,027	765,737

(a) *Right-of-use assets*

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 19(a) to the financial statements.

(b) *Assets held under leases*

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $7,433,824 (2024: $1,775,550) of which $3,695,296 (2024: $654,449) (Note 23(d)) were acquired under leases and $3,738,528 (2024: $1,121,101) were paid by cash.

19. LEASES – THE GROUP AS A LESSEE

The Group leases offices, a warehouse with workers' dormitory, motor vehicles and several equipment. The leases typically run for a period of three to seven years, with an option to renew the specific lease after that date. Lease payments are renegotiated upon renewal to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

(a) Carrying amounts

Right-of-use assets classified within property, plant and equipment.

	GROUP	
	2025	2024
	$	$
Forklifts, machinery, tools and equipment	159,067	20,300
Leasehold building	3,082,816	1,089,907
Motor vehicles	870,109	949,296
	4,111,992	2,059,503

(b) Depreciation charge during the year

	GROUP	
	2025	2024
	$	$
Forklifts, machinery, tools and equipment	10,933	11,600
Leasehold building	1,201,804	1,166,010
Motor vehicles	208,859	188,132
	1,421,596	1,365,742

(c) Interest expense

	GROUP	
	2025	2024
	$	$
Interest expense on lease liabilities (Note 8)	111,041	117,850

19. LEASES – THE GROUP AS A LESSEE (CONTINUED)

(d) Lease expense not capitalised in lease liabilities

	GROUP	
	2025	2024
	$	$
Lease expense – short-term lease	1,272,853	2,366,515
Lease expense – low-value lease	10,630	18,631
Total (Note 5)	1,283,483	2,385,146

(e) Total cash outflow for all the leases in 2025 was $2,963,567 (2024: $3,879,623).

(f) Addition of right-of-use assets during the current financial year was $3,338,796 (2024: $862,427).

(g) Future cash outflow which are not capitalised in lease liabilities.

Extension options

The leases for equipment contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

(h) Lease termination

During the financial year, the Group terminated a lease on building. The Group derecognised right-of-use assets and lease liabilities amounting to $144,853 (2024: $80,853) (Note 18) and $146,999 (2024: $83,861) (Note 23(d)), respectively. Gain on lease termination amounting to $2,146 (2024: $3,008) is recognised in "Other gains – net" (Note 7).

20. LEASES – THE GROUP AS A LESSOR

Nature of the Group's leasing activities – Group as a lessor

Lease – classified as operating leases

The Group acts as a lessor under arrangements in which it leases out land, building, yard and dormitories to non-related parties for monthly lease payments. The lease periods do not form a major part of the remaining lease terms under the head leases, and accordingly, the leases are classified as operating leases.

Rental income from leasing the land, building and yard recognised during the current financial year was $1,320,384 (2024: $1,328,630). This is presented as part of "Other gains – net" (Note 7).

Maturity analysis of lease payments

The table below discloses the undiscounted lease payments to be received by the Group for its lease after the reporting date:

	GROUP	
	2025	2024
	$	$
Less than one year	–	959,771

21. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2025	2024	2025	2024
	$	$	$	$
Current				
Trade payables				
- Non-related parties	6,645,972	4,433,752	3,345	9,264
Non-trade payables				
- Subsidiary corporations	–	–	7,442,166	9,228,796
- Non-controlling interests	1,080,000	–	–	–
- Related party	–	75,500	–	75,500
- Non-related parties	4,310,570	5,182,579	3,120,209	3,955,243
	5,390,570	5,258,079	10,562,375	13,259,539
Accruals for operating expenses	12,386,824	13,779,882	4,449,620	5,635,961
Accruals for project expenses	3,060,422	8,260,859	–	–
	15,447,246	22,040,741	4,449,620	5,635,961
	27,483,788	31,732,572	15,015,340	18,904,764
Non-current				
Trade payables				
- Non-related parties	688,000	951,398	–	–
Non-trade payables				
- Non-related parties	883,104	–	–	–
	1,571,104	951,398	–	–
Total trade and other payables	29,054,892	32,683,970	15,015,340	18,904,764

The non-trade payables due to subsidiary corporations and related party are unsecured, interest-free and are payable on demand except for non-trade payable due to a related party which was payable within a year.

At 31 December 2025, the fair values of non-current trade payables were computed based on cash flows discounted at market borrowing rates. The fair values are within level 3 of the fair value hierarchy.

At 31 December 2025, the fair value of non-current payables of $1,459,841 (2024: $903,849) is determined from the adjusted future cash flows discounted at the market interest rate of equivalent instruments at the reporting date of 4.25% (2024: 6%) per annum which the directors expect to be available to the Group.

22. DEFERRED INCOME

	GROUP	
	2025	2024
	$	$
Rental income	28,654	736,595

Deferred rental represents cash received in advance for rental of workers' dormitory, land, building and yard and are non-refundable.

23. BORROWINGS

	GROUP		COMPANY	
	2025	2024	2025	2024
	$	$	$	$
Current				
Bank borrowings	2,343,854	2,526,505	1,331,080	–
Bank overdrafts (Note 11)	4,997	–	–	–
Bills payable	315,343	103,383	–	–
Lease liabilities	1,584,944	1,132,704	289,902	197,303
	4,249,138	3,762,592	1,620,982	197,303
Non-current				
Bank borrowings	4,217,289	930,432	2,846,566	–
Bonds (Note 24)	–	3,042,164	–	3,042,164
Lease liabilities	2,029,433	503,800	314,845	217,192
	6,246,722	4,476,396	3,161,411	3,259,356
Total borrowings	10,495,860	8,238,988	4,782,393	3,456,659

23. BORROWINGS (CONTINUED)

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the reporting date are as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	$	$	$	$
6 months or less	2,551,428	3,051,076	806,706	127,796
6 – 12 months	1,697,710	711,516	814,277	69,507
1 – 5 years	6,246,722	4,463,952	3,161,410	3,246,912
Over 5 years	–	12,444	–	12,444
	10,495,860	8,238,988	4,782,393	3,456,659

(a) *Security granted*

Total borrowings include amounts of $988,547 (2024: $2,672,403) and $311,012 (2024: $305,708) for the Group and the Company respectively which are secured over certain assets of the Group.

Bank borrowings of the Group are secured over certain bank deposits (Note 11) and certain trade receivables (Note 12).

The bank overdrafts, bills payable and other short-term bank borrowings are supported by corporate guarantees given by the Company (Note 30(a)).

(b) *Loan covenants*

Under the terms of a major non-current bank borrowing, which has a carrying amount of $1,699,200 (2024: $Nil), the Group is required to comply the following financial covenants at all times:

- the minimum consolidated net worth of $28,000,000, and
- the ratio of the total bank borrowings over earnings before interest, taxation, depreciation and amortisation ("EBITDA") must not be more than 1.50

The Group has complied with these covenants throughout the reporting period. As at 31 December 2025, the ratio of the total bank borrowings over EBITDA was 0.51 (2024: Nil).

The Group has another bank borrowing, which has a carrying amount of $1,600,000 (2024: $1,000,000). Under the terms of the facility, the Group is required to maintain at all times the following financial covenants:

- the adjusted tangible net worth $8,000,000, and
- the gearing ratio must not be more than 2.00

The Group has complied with these covenants throughout the reporting period. As at 31 December 2025, the gearing ratio was 0.29 (2024: 0.29).

23. BORROWINGS (CONTINUED)

(c) Fair value of non-current borrowings

	GROUP		COMPANY	
	2025	2024	2025	2024
	$	$	$	$
Bank borrowings	3,987,375	835,103	–	–
Bonds	–	2,769,090	–	2,769,090

The fair value above is determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the reporting date which the directors expect to be available to the Group and the Company as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	$	$	$	$
Bank borrowings	4.25 - 5.50	6.00	–	–
Bonds	–	10.00	–	10.00

The fair values are within Level 3 of the fair value hierarchy.

23. BORROWINGS (CONTINUED)

(d) Reconciliation of liabilities arising from financing activities

	1 JANUARY 2025	PROCEEDS FROM BORROWINGS	PRINCIPAL AND INTEREST PAYMENTS	NON-CASH CHANGES: ADDITION (NOTE 18(B))	NON-CASH CHANGES: LEASE TERMINATION (NOTE 19(H))	NON-CASH CHANGES: RECLASSIFICATION TO OTHER PAYABLE	NON-CASH CHANGES: INTEREST EXPENSE (NOTE 8)	NON-CASH CHANGES: FOREIGN EXCHANGE MOVEMENT	31 DECEMBER 2025
	$	$	$	$	$	$	$	$	$
Bank borrowings	3,456,937	10,496,001	(7,650,722)	–	–	(7,204)	266,131	–	6,561,143
Lease liabilities	1,636,504	–	(1,680,084)	3,695,296	(146,999)	–	111,041	(1,381)	3,614,377
Bond	3,042,164	–	(3,240,930)	–	–	–	198,766	–	–
	8,135,605	10,496,001	(12,571,736)	3,695,296	(146,999)	(7,204)	575,938	(1,381)	10,175,520

	1 JANUARY 2024	PROCEEDS FROM BORROWINGS	PRINCIPAL AND INTEREST PAYMENTS	NON-CASH CHANGES: ADDITION (NOTE 18(B))	NON-CASH CHANGES: LEASE TERMINATION (NOTE 19(H))	NON-CASH CHANGES: RECLASSIFICATION TO OTHER PAYABLE	NON-CASH CHANGES: INTEREST EXPENSE (NOTE 8)	NON-CASH CHANGES: FOREIGN EXCHANGE MOVEMENT	31 DECEMBER 2024
	$	$	$	$	$	$	$	$	$
Bank borrowings	5,891,152	9,135,249	(11,882,060)	–	–	–	312,596	–	3,456,937
Lease liabilities	2,443,011	–	(1,494,477)	654,449	(83,861)	–	117,850	(468)	1,636,504
Bond	3,809,329	3,000,000	(2,975,013)	–	–	(1,096,500)	304,348	–	3,042,164
	12,143,492	12,135,249	(16,351,550)	654,449	(83,861)	(1,096,500)	734,794	(468)	8,135,605

24. BONDS

The 2024 Bonds have been fully redeemed in 2024. The 2027 Bonds carries a fixed interest rate of 9% per annum, with a maturity date of 5 November 2027. Interest is payable semi-annually in arrears. On 4 November 2025, the 2027 Bonds have been fully redeemed prior to their maturity date.

25. DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	GROUP	
	2025	2024
	$	$
Deferred income tax assets	(198,384)	(292,488)
Deferred income tax liabilities	6,529	6,630
Net deferred tax assets	(191,855)	(285,858)

Movement in deferred income tax account is as follows:

	GROUP	
	2025	2024
	$	$
Beginning of financial year	(285,858)	(333,158)
Tax charged to profit or loss (Note 9)	94,003	47,300
End of financial year	(191,855)	(285,858)

25. DEFERRED INCOME TAX (CONTINUED)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same jurisdiction) is as follows:

Deferred income tax assets:

	ACCELERATED TAX DEPRECIATION	ALLOWANCE FOR IMPAIRMENT	TAX LOSSES	TOTAL
	$	$	$	$
Group				
2025				
Beginning of financial year	(76,028)	(36,380)	(200,450)	(312,858)
(Credited)/charged to profit or loss	(3,716)	(9,764)	127,954	114,474
End of financial year	(79,744)	(46,144)	(72,496)	(198,384)
2024				
Beginning of financial year	(67,381)	(29,360)	(259,104)	(355,845)
(Credited)/charged to profit or loss	(8,647)	(7,020)	58,654	42,987
End of financial year	(76,028)	(36,380)	(200,450)	(312,858)

Deferred income tax liabilities:

	ACCELERATED TAX DEPRECIATION	ALLOWANCE FOR IMPAIRMENT	TOTAL
	$	$	$
Group			
2025			
Beginning of financial year	27,000	–	27,000
Credited to profit or loss	(18,038)	(2,433)	(20,471)
End of financial year	8,962	(2,433)	6,529
2024			
Beginning of financial year	22,687	–	22,687
Charged to profit or loss	4,313	–	4,313
End of financial year	27,000	–	27,000

The Group has unutilised tax losses and unabsorbed capital allowances of approximately $29,036,276 (2024: $23,315,000) and $850,463 (2024: $731,000) respectively at the financial year end which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry date except for the amount of approximately $1,819,774 (2024: $3,313,000) relating to an Indonesian company which will expire between 2026 to 2030 (2024: 2025 to 2029).

26. SHARE CAPITAL

	GROUP AND COMPANY	
	NO. OF ORDINARY SHARES	AMOUNT
		$
2025		
Beginning of financial year	199,210,406	54,124,399
Shares issued		
- Exercise of bonus warrants	1,750,500	385,110
- Exercise of compensation shares	5,036,665	929,266
- Exercise of scrip dividend	2,990,402	532,306
Share issue expenses	–	(115,327)
End of financial year	208,987,973	55,855,754
2024		
Beginning and end of financial year	199,210,406	54,124,399

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and a right to dividends as and when declared by the Company.

(a) Warrants

On 20 August 2024, the Company has obtained in-principle approval from Singapore Exchange Trading ("SGX-ST") for bonus warrants issue of 3 warrants for every 10 existing shares at an exercise price of $0.22 for each warrant into a new share. On 4 September 2024, a total of 59,763,110 bonus warrants were issued and listed by the Company. The bonus warrants' exercise period will commence on (and including) the date falling six (6) months from the date of listing of the bonus warrants and will expire at 5.00 p.m. on the date falling 36 months from the Warrants Listing Date, being 3 September 2027 given that 4 September 2027 is not a business day.

For the financial year ended 31 December 2025, total of 1,750,500 bonus warrants were exercised and converted to 1,750,500 new ordinary shares of the Company.

As at 31 December 2025, there were 58,012,610 outstanding warrants for which ordinary shares may be issued (31 December 2024: 59,763,110).

Assuming that the bonus warrants are fully exercised and converted into new shares, the issued share capital of the Company would increase to 267,000,583 shares. The gross proceeds arising from the full exercise of such bonus warrants will amount to approximately $12.76 million and be used for general working capital purposes.

26. SHARE CAPITAL (CONTINUED)

(b) Share options

Share options were granted to non-executive Directors and employees of the Group, who have contributed to the success and development of the Group under the Employee Share Option Scheme, which became operative on 21 July 2023.

The exercise price of the options is determined by the Remuneration Committee, in its absolute discretion, on the date of grant, at a price equal to the market price or a price which is set at a discount to the market price. The maximum discount shall not exceed 20% or the market price and authorised by shareholders in general meeting.

The options shall only be exercisable, in whole or in part in respect of 1,000 Shares or any multiple thereof, at any time, by the participant after the first anniversary of the grant date, provided that the options shall be exercised 10 years from the date of grant for Group Employees (including Executive Directors) and 5 years from date of grant for Non-Executive Directors (including Independent Directors). The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

2025 Options

On 8 September 2025, options to subscribe for 720,000 ordinary shares in the Company at an exercise price of $0.342 per ordinary shares were granted pursuant to the Scheme. The Options are exercisable from 8 September 2026 and expire on 7 September 2036.

Movements in the number of unissued ordinary shares under options and their exercise prices as at 31 December 2025 are as follows:

	BEGINNING OF FINANCIAL YEAR	GRANTED DURING FINANCIAL YEAR	END OF FINANCIAL YEAR	EXERCISE PRICE	EXERCISE PERIOD
Group and Company					
2025 Options	–	720,000	720,000	$0.342	08.09.2026 - 07.09.2036

The fair value of options granted during the financial year ended 31 December 2025, determined using the Black-Scholes option valuation model, was $122,840. The inputs into the model were as follows:

	2025 OPTIONS
Share price	$0.365
Exercise price	$0.342
Standard deviation of expected share price returns	60.6%
Dividend yield	2.25%
Option life	10 years
Risk-free interest rate	1.56%

The volatility measured on the standard deviation of expected share price returns was estimated based on the median of comparable companies' volatility over the last five and a half years.

27. OTHER RESERVES

(a) Composition:

	GROUP		COMPANY	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Currency translation reserve	(2,454,847)	(2,015,332)	–	–
Premium paid on acquisition of non-controlling interests	(18,171)	(21,410)	–	–
Share option reserve	30,962	–	30,962	–
	(2,442,056)	(2,036,742)	30,962	–

(b) Movements:

(i) Currency translation reserve

	GROUP	
	2025	**2024**
	$	**$**
Currency translation reserve		
Beginning of financial year	(2,015,332)	(1,925,607)
Net currency translation differences of financial statements of foreign subsidiary corporations	(547,577)	(111,677)
Less: Non-controlling interests	108,062	21,952
End of financial year	(2,454,847)	(2,015,332)

Currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

27. OTHER RESERVES (CONTINUED)

(b) Movements: (continued)

(ii) Premium paid on acquisition of non-controlling interests

	GROUP	
	2025	2024
	$	$
Beginning of financial year	(21,410)	(26,144)
Acquisition of additional interest in subsidiary corporations	3,239	4,734
End of financial year	(18,171)	(21,410)

(iii) Share option reserve

	GROUP AND COMPANY	
	2025	2024
	$	$
Beginning of financial year	–	–
Employee share option - value of employee services (Note 6)	30,962	–
End of financial year	30,962	–

Other reserves are non-distributable.

28. DIVIDENDS

	GROUP	
	2025	2024
	$	$
One-tier tax-exempt cash dividend of 0.6 cents per share in respect of financial year ended 31 December 2025	693,194	–
One-tier tax-exempt scrip dividend of 0.6 cents per share in respect of financial year ended 31 December 2025	532,306	–
	1,225,500	–

At the Annual General Meeting to be held on 15 April 2026, a final one-tier tax exempt dividend of $0.006 per share, amounting a total of $1,253,928 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2026.

29. ACCUMULATED LOSSES

Movement in accumulated losses for the Company is as follows:

	COMPANY	
	2025	2024
	$	$
Beginning of financial year	(48,738,998)	(51,682,271)
Net profit/(loss)	(135,463)	2,943,273
End of financial year	(48,874,461)	(48,738,998)

30 CONTINGENT LIABILITIES

(a) *Financial guarantees*

The Company has issued corporate guarantees to banks for borrowings of certain subsidiary corporations. These bank borrowings amount to $2,242,514 (2024: $3,224,288) (Note 31(b)). The Company has evaluated the fair values of the corporate guarantees and considered them not material and is of the view that the consequential liabilities derived from its guarantees to the banks with regard to the subsidiary corporations are minimal. The subsidiary corporations for which the guarantees were provided have no history of default in the payment of borrowings and credit facilities.

(b) *Financial support*

The Company provides financial support to certain subsidiary corporations to enable these subsidiary corporations to operate as going concerns and to meet their liabilities as and when they fall due.

31 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The Group has established risk management policies and guidelines geared towards mitigating these risks. The Audit Committee and the Board of Directors meet periodically to review and analyse the Group's exposure to market risk (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group does not hold or issue derivative financial instruments for hedging purposes.

The Group adopts a conservative strategy on managing its financial risks, thus, the exposure to market risk is kept at a minimum level. The Board reviews and agrees on policies for managing each of these risks and they are summarised below.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) *Market risk*

(i) *Currency risk*

The Group mainly operates in South East Asia with dominant operations in Singapore, Indonesia and Europe. Currency risk arises when transactions are denominated in foreign currencies such as Indonesian Rupiah ("IDR") and United States Dollar ("USD"). The Group's exposure to currency translation risk is not considered as significant by management and the risk is primarily managed by natural hedges of matching assets and liabilities denominated in foreign currencies. The Group closely monitors the currency translation risk and will consider hedging significant currency translation exposure should the need arise in future.

The Group's currency exposure based on the information provided to key management is as follows:

AT 31 DECEMBER 2025	SGD	USD	IDR	OTHERS	TOTAL
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	29,044,300	7,411,425	737,784	186,591	37,380,100
Trade and other receivables	6,232,667	6,457,373	2,420,794	25,948	15,136,782
Receivables from subsidiary corporations	36,180,361	702,777	1,361,753	422,898	38,667,789
	71,457,328	14,571,575	4,520,331	635,437	91,184,671
Financial liabilities					
Borrowings	(10,298,005)	(4,997)	(192,858)	–	(10,495,860)
Trade and other payables	(26,587,559)	(386,826)	(2,033,677)	(46,830)	(29,054,892)
Payables to subsidiary corporations	(36,180,361)	(702,777)	(1,361,753)	(422,898)	(38,667,789)
	(73,065,925)	(1,094,600)	(3,588,288)	(469,728)	(78,218,541)
Net financial assets/(liabilities)	(1,608,597)	13,476,975	932,043	165,709	12,966,130
Add: Contract assets	3,357,140	5,089,639	726,056	–	9,172,835
Currency profile including non-financial assets	1,748,543	18,566,614	1,658,099	165,709	22,138,965
Currency exposure of financial (liabilities)/assets net of those denominated in the respective entities' functional currencies	(2,264,238)	(701,559)	2,734,992	206,196	(24,609)

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) *Market risk (continued)*

(i) *Currency risk (continued)*

The Group's currency exposure based on the information provided to key management is as follows: (continued)

AT 31 DECEMBER 2024	SGD	USD	IDR	OTHERS	TOTAL
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	20,112,097	1,436,671	1,329,819	41,482	22,920,069
Trade and other receivables	7,121,263	16,139,734	1,383,450	–	24,644,447
Receivables from subsidiary corporations	33,737,832	–	1,296,832	–	35,034,664
	60,971,192	17,576,405	4,010,101	41,482	82,599,180
Financial liabilities					
Borrowings	(8,226,033)	–	(12,955)	–	(8,238,988)
Trade and other payables	(30,703,471)	(384,030)	(574,878)	(1,021,591)	(32,683,970)
Payables to subsidiary corporations	(33,737,832)	–	(1,296,832)	–	(35,034,664)
	(72,667,336)	(384,030)	(1,884,665)	(1,021,591)	(75,957,622)
Net financial (liabilities)/assets	(11,696,144)	17,192,375	2,125,436	(980,109)	6,641,558
Add: Contract assets	2,532,547	9,388,465	791,281	–	12,712,293
Currency profile including non-financial assets	(9,163,597)	26,580,840	2,916,717	(980,109)	19,353,851
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currencies	1,128,330	17,192,375	(1,004,031)	(1,021,590)	16,295,084

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) *Market risk (continued)*

(i) *Currency risk (continued)*

The Company's currency exposure based on the information provided to key management is as follows:

	31 DECEMBER 2025				31 DECEMBER 2024			
	SGD	**USD**	**OTHERS**	**TOTAL**	**SGD**	**USD**	**OTHERS**	**TOTAL**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial assets								
Cash and cash equivalents	1,371,264	16,376	–	1,387,640	2,369,472	15,149	–	2,384,621
Trade and other receivables	19,883,276	–	–	19,883,276	20,000,452	–	–	20,000,452
	21,254,540	16,376	–	21,270,916	22,369,924	15,149	–	22,385,073
Financial liabilities								
Borrowings	(4,782,393)	–	–	(4,782,393)	(3,456,659)	–	–	(3,456,659)
Trade and other payables	(14,998,354)	(16,986)	–	(15,015,340)	(18,881,962)	(10,905)	(11,897)	(18,904,764)
	(19,780,747)	(16,986)	–	(19,797,733)	(22,338,621)	(10,905)	(11,897)	(22,361,423)
Net financial assets/(liabilities)	1,473,793	(610)	–	1,473,183	31,303	4,244	(11,897)	23,650
Currency exposure of financial liabilities net of those denominated in the Company's functional currency	–	(610)	–	(610)	–	4,244	(11,897)	(7,653)

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

If the non-functional currencies change against the respective functional currencies of the Group's entities by approximately 6% (2024: 3%) with all other variables including tax rate being held constant, the material effect arising from the net financial assets/(liabilities) denominated in foreign currencies are as follows:

	PROFIT OR LOSS INCREASE/(DECREASE)	
	2025	**2024**
	$	**$**
USD against SGD		
- Strengthened	(34,938)	451,271
- Weakened	34,938	(451,271)
IDR against SGD		
- Strengthened	136,203	(26,354)
- Weakened	(136,203)	26,354

The Company has no significant foreign currency risks as it has no significant transactions denominated in foreign currencies.

(ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to interest rate risks relates primarily to interest earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

The Group obtains additional financing through bank borrowings and leasing arrangements. The Group's policy is to obtain the most favorable interest rates available in the market.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The table below analyses the Group's and the Company's borrowings by different type of financing at fixed rate and floating rate.

	2025 $	2024 $
Group		
31 December		
Fixed rate		
Lease liabilities	3,614,377	1,636,504
Bonds	–	3,042,164
Bank borrowings	4,175,543	1,305,133
Floating rate		
Bank borrowings	2,385,600	2,151,804
Bank overdrafts	4,997	–
Bills payable	315,343	103,383
Company		
31 December		
Fixed rate		
Bank borrowings	1,792,046	–
Lease liabilities	604,747	414,495
Bonds	–	3,042,164
Floating rate		
Bank borrowings	2,385,600	–

For the floating rate financial assets and liabilities, a change of 100 basis points (bp) in the interest rate at the reporting date would increase/(decrease) the net profit by the amount shown below. This analysis assumes that all variables including tax rate are being held constant.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	(DECREASE)/INCREASE IN NET PROFIT			
	GROUP		COMPANY	
	100 BP INCREASE $	100 BP DECREASE $	100 BP INCREASE $	100 BP DECREASE $
Floating rate instruments				
31 December 2025	(27,059)	27,059	(23,856)	23,856
31 December 2024	(22,552)	22,552	–	–

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. For trade receivables, the Group has a credit policy in place and the exposure to credit risk is monitored on an on-going basis through the application of credit approvals, credit limits and debt monitoring procedures. Where appropriate, the Company and its subsidiary corporations obtain guarantees from the customer or arrange netting agreements. For customers of lower credit standing, the Group would usually enforce to transact in cash terms, advance payments and letters of credit. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position, except as follows:

	COMPANY	
	2025 $	2024 $
Corporate guarantees provided to banks on subsidiary corporations' bank borrowings (Note 30)	2,242,514	3,224,288

The trade receivables of the Group comprise 5 debtors (2024: 5 debtors) that individually represented 6% to 25% (2024: 6% to 34%) of the trade receivables.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

The credit risk for net trade receivables is as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	$	$	$	$
By geographical areas				
- Singapore	4,714,356	8,978,305	114,450	894,719
- Asia (other than Singapore)	3,485,512	2,969,883	–	–
- Europe	5,527,276	11,099,728	–	–
- Middle East	38,887	30,006	–	–
- Others	47,732	819,805	–	–
	13,813,763	23,897,727	114,450	894,719
By type of customers				
- Non-related parties	13,813,763	23,897,727	–	–
- Subsidiary corporations	–	–	114,450	894,719
	13,813,763	23,897,727	114,450	894,719

(i) Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 180 days from due date, and considers to write off or provide credit loss allowance when a debtor fails to make contractual payments after more than 365 days past due. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Trade receivables and contract assets (continued)

The Group's and the Company's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 as at 31 December 2025 are set out in the provision matrix as follows:

	NOT PAST DUE NOR IMPAIRED	PAST DUE 0 TO 30 DAYS	PAST DUE 31 TO 180 DAYS	PAST DUE 181 TO 365 DAYS	MORE THAN ONE YEAR	TOTAL
	$	$	$	$	$	$
Group						
Infrastructure engineering						
Expected loss rate	0%	0%	0%	0%	3%	
Trade receivables	6,003,945	613,382	2,502,344	119,919	198,892	9,438,482
Contract assets	6,640,638	–	–	–	–	6,640,638
Loss allowance	–	–	–	–	(5,205)	(5,205)
Corrosion prevention						
Expected loss rate	1%	1%	1%	6%	100%	
Trade receivables	2,020,746	514,604	1,428,557	484,272	64,535	4,512,714
Contract assets	2,532,197	–	–	–	–	2,532,197
Loss allowance	(11,783)	(4,965)	(19,573)	(31,372)	(64,535)	(132,228)
Others						
Expected loss rate	0%	0%	0%	0%	100%	
Trade receivables	–	–	–	–	72,477	72,477
Loss allowance	–	–	–	–	(72,477)	(72,477)
Company						
Corporate						
Expected loss rate	0%	0%	0%	0%	0%	
Trade receivables	10,900	10,900	54,500	38,150	–	114,450
Loss allowance	–	–	–	–	–	–

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Trade receivables and contract assets (continued)

The Group's and the Company's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 as at 31 December 2024 are set out in the provision matrix as follows:

	NOT PAST DUE NOR IMPAIRED	PAST DUE 0 TO 30 DAYS	PAST DUE 31 TO 180 DAYS	PAST DUE 181 TO 365 DAYS	MORE THAN ONE YEAR	TOTAL
	$	$	$	$	$	$
<u>**Group**</u>						
Infrastructure engineering						
Expected loss rate	0%	0%	0%	0%	20%	
Trade receivables	7,558,320	4,921,338	5,146,255	36,773	513,382	18,176,068
Contract assets	10,505,188	–	–	–	–	10,505,188
Loss allowance	–	–	–	–	(101,366)	(101,366)
Corrosion prevention						
Expected loss rate	0%	1%	1%	18%	78%	
Trade receivables	1,112,973	1,724,858	3,002,585	42,199	22,166	5,904,781
Contract assets	2,207,105	–	–	–	–	2,207,105
Loss allowance	(4,927)	(14,659)	(39,598)	(7,424)	(17,194)	(83,802)
Others						
Expected loss rate	0%	0%	0%	0%	100%	
Trade receivables	2,047	–	–	–	75,519	77,566
Loss allowance	–	–	–	–	(75,519)	(75,519)
<u>**Company**</u>						
Corporate						
Expected loss rate	0%	0%	0%	0%	0%	
Trade receivables	14,292	5,450	21,800	–	853,177	894,719
Loss allowance	–	–	–	–	–	–

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Trade receivables and contract assets (continued)

Expected credit losses

The movement in credit loss allowance is as follows:

	TRADE RECEIVABLES $
Group	
31 December 2025	
Beginning of financial year	260,687
Allowance made (Note 7)	58,368
Allowance written back (Note 7)	(10,980)
Allowance written off	(89,992)
Currency translation differences	(8,173)
End of the financial year (Note 12)	209,910
31 December 2024	
Beginning of financial year	629,318
Allowance made (Note 7)	413,838
Allowance written back (Note 7)	(758,613)
Allowance written off	(21,162)
Currency translation differences	(2,694)
End of the financial year (Note 12)	260,687

	TRADE RECEIVABLES $
Company	
31 December 2024	
Beginning of financial year	716,239
Allowance made	(716,239)
End of the financial year (Note 12)	–

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(ii) Non-trade receivables

Company

The Company provides for expected credit loss on non-trade receivable balances due from subsidiary corporations based on general approach.

In assessing whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the non-trade receivable balances due from subsidiary corporations as at the reporting date with the risk of default as at the date of initial recognition. The Company considered amongst other factors, the financial position of the subsidiary corporations at the reporting date, the past financial performance and cash flows trends, adjusted for the outlook of the industry and economy in which the subsidiary corporations operate in.

	LIFETIME EXPECTED CREDIT LOSS
	$
31 December 2025	
Beginning of financial year	740,000
Allowance made	76,000
End of the financial year (Note 12)	816,000
31 December 2024	
Beginning of financial year	25,419,983
Allowance made	240,000
Allowance written off	(24,919,983)
End of the financial year (Note 12)	740,000

The Company uses lifetime expected credit loss for the non-trade receivables balances due from certain subsidiary corporations operating in freight transport services and determined that the expected credit loss is $76,000 (2024: $240,000) after taking into consideration their adverse performance.

Except for the above, the expected credit loss is insignificant for the remaining non-trade receivables balances using 12-month expected credit loss.

(iii) Other financial assets

The Group and the Company hold cash and cash equivalents with banks with high credit ratings and are considered to have low credit risk. The cash balances are measured on 12-month expected credit loss and subject to immaterial credit loss.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and having an adequate amount of committed credit facilities (Note 23) to enable the Group to meet its normal operating commitments. The Group's objective is to maintain a balance through the use of bank borrowings, bank overdrafts and lease liabilities. As at reporting date, assets held by the Group and the Company for managing liquidity risks included cash and bank balances as disclosed in Note 11 to the financial statements.

The Group monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by the Group management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group also manages sufficient funding through short-term bank loans and overdraft facilities.

The table below analyses non-financial derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	LESS THAN 1 YEAR	BETWEEN 1 TO 5 YEARS	MORE THAN 5 YEARS
	$	$	$
Group			
At 31 December 2025			
Trade and other payables	27,483,788	1,571,104	–
Bank borrowings	2,343,854	4,496,451	–
Bank overdraft	4,997	–	–
Bills payable	315,343	–	–
Lease liabilities	1,584,944	2,139,272	–
At 31 December 2024			
Trade and other payables	31,732,572	951,398	–
Bank borrowings	2,526,505	1,064,404	–
Bills payable	103,383	–	–
Bond	–	3,497,959	–
Lease liabilities	1,132,704	549,966	14,876
Company			
At 31 December 2025			
Trade and other payables	15,015,340	–	–
Bank borrowings	1,331,080	2,977,868	–
Lease liabilities	289,902	345,078	–
Financial guarantee contracts	2,242,514	–	–
At 31 December 2024			
Trade and other payables	18,904,764	–	–
Lease liabilities	197,303	239,513	14,876
Bond	–	3,497,959	–
Financial guarantee contracts	3,224,288	–	–

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) *Capital risk*

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debt, which includes lease liabilities and interest bearing loans, and equity attributable to equity holders of the parent, comprising issued capital and accumulated losses.

The Board of Directors reviews the capital structure periodically. As part of the review, the Management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the Management, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debts.

Other than those disclosed in the financial statements, the Company is not exposed to any externally imposed capital requirements for the financial years ended 31 December 2025 and 2024.

The Group's overall strategy remains unchanged from 2024.

(e) *Financial instruments by category*

The carrying amount of the different categories of financial instruments is as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	$	$	$	$
Financial assets, at amortised cost	52,516,882	47,564,516	21,270,916	22,375,058
Financial liabilities, at amortised cost	39,550,752	40,922,958	19,797,733	22,361,423

(f) *Fair value measurement*

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts. The fair values of non-current financial liabilities carried at amortised cost can be found in Notes 21 and 23(c) to the financial statements.

32. RELATED PARTY TRANSACTIONS

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

	GROUP	
	2025	2024
	$	$
Repayment of loan to a related party	75,500	259,600
Purchase of materials and/or services from related parties	2,978	11,835

Related parties comprise of loan from a key management personnel and companies controlled by the Group's key management personnel.

Outstanding balances at 31 December 2025, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from reporting date and are disclosed in Notes 12 and 21 respectively, to the financial statements.

(b) Key management personnel compensation

	GROUP	
	2025	2024
	$	$
Wages and salaries	4,990,606	6,139,756
Employer's contribution to defined contribution plans, including Central Provident Fund	217,200	186,572
Other short-term benefits	34,831	35,954
Directors' fee	164,000	164,000
	5,406,637	6,526,282
Directors of the Company	1,523,796	2,131,422
Directors of the subsidiary corporations	1,458,973	1,370,839
Executive officers of the Group	2,423,868	3,024,021
	5,406,637	6,526,282

Outstanding balance at 31 December 2025 pertaining to key management personnel compensation amounted to $3,193,916 (2024: $4,712,844) and is disclosed in Note 21 to the financial statements.

33. SEGMENT INFORMATION

The Executive Committee ("Exco") is the Group's chief operating decision maker. The Exco comprises the Chief Executive Officer and the heads of each business within each primary geographic segment. Management has determined the operating segments based on the reports reviewed by the Exco that are used to make strategic decisions, allocate resources and assess performance.

The Exco considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the three primary geographic areas namely, Singapore, Indonesia and Europe.

Business segments

For management purposes, the Group organised their business units into four reportable operating segments as follows:

(a) Infrastructure engineering

This relates to provision of a wide range of engineering services including repairs and maintenance of floating production platforms, onshore and offshore marine fabrications; and the production and supply of customised pedestal cranes and deck equipment.

(b) Corrosion prevention

This relates to the provision of comprehensive corrosion protection services such as surface preparation and application of protective coatings as part of the marine and offshore energy sectors.

(c) Corporate services

This relates to corporate administration and treasury related functions at Group level.

(d) Others

This relates to other non-core activities comprising vessel owning and freighting services.

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

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

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

33. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Board of Directors for the reportable segments is as follows:

	INFRASTRUCTURE ENGINEERING $	CORROSION PREVENTION $	CORPORATE SERVICES $	OTHERS $	TOTAL $
2025					
Total segment sales	79,051,960	20,698,641	–	26,410	99,777,011
Inter-segment sales	(549,329)	(1,073,058)	–	–	(1,622,387)
Sales to external customers	78,502,631	19,625,583	–	26,410	98,154,624
Results:					
Segment results	19,438,097	2,579,114	(5,151,468)	(128,440)	16,737,303
Interest expense	(24,414)	(288,046)	(297,886)	–	(610,346)
Interest income	268,699	22,162	37,785	52	328,698
Profit/(loss) from operating segment	19,682,382	2,313,230	(5,411,569)	(128,388)	16,455,655
Income tax expense					(3,925,429)
Net profit					12,530,226
Profit attributable to non-controlling interests					7,195,985
					5,334,241
Net profit includes:					
- Depreciation of investment properties	169,476	–	–	–	169,476
- Depreciation of property, plant and equipment	1,094,803	1,810,019	363,100	127,605	3,395,527

33. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Board of Directors for the reportable segments is as follows: (continued)

	INFRASTRUCTURE ENGINEERING	CORROSION PREVENTION	CORPORATE SERVICES	OTHERS	TOTAL
	$	$	$	$	$
2024					
Total segment sales	91,633,316	21,609,865	–	12,915	113,256,096
Inter-segment sales	(203,547)	(1,169,663)	–	–	(1,373,210)
Sales to external customers	91,429,769	20,440,202	–	12,915	111,882,886
Results:					
Segment results	29,713,870	3,272,518	(6,611,144)	(177,766)	26,197,478
Interest expense	(184,239)	(387,613)	(374,835)	–	(946,687)
Interest income	121,751	15,131	12,251	146	149,279
Profit/(loss) from operating segment	29,651,382	2,900,036	(6,973,728)	(177,620)	25,400,070
Income tax expense					(4,210,045)
Net profit					21,190,025
Profit attributable to non-controlling interests					9,651,590
					11,538,435
Net profit includes:					
- Depreciation of investment properties	164,503	–	–	–	164,503
- Depreciation of property, plant and equipment	1,096,767	1,146,988	363,324	127,606	2,734,685

33. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Board of Directors for the reportable segments is as follows: (continued)

	INFRASTRUCTURE ENGINEERING $	CORROSION PREVENTION $	CORPORATE SERVICES $	OTHERS $	TOTAL $
2025					
Segment assets	60,438,913	15,701,411	2,520,424	1,114,738	79,775,486
Segment assets include: -					
Additions to: Property, plant and equipment	1,883,271	4,770,025	657,144	123,384	7,433,824
Segment liabilities	(19,592,954)	(11,530,814)	(12,360,181)	(150,527)	(43,634,476)
2024					
Segment assets	55,542,205	14,166,305	3,204,573	1,199,250	74,112,333
Segment assets include: -					
Additions to: Property, plant and equipment	915,575	510,510	349,465	-	1,775,550
Segment liabilities	(17,712,615)	(14,757,242)	(13,129,235)	(41,497)	(45,640,589)

(a) Reconciliations

(i) Segment assets

The amounts provided to the Exco with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, management monitors the property, plant and equipment, inventories, receivables and operating cash attributable to each segment. All assets are allocated to reportable segments.

(ii) Segment liabilities

The amounts provided to the Exco with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments.

33. SEGMENT INFORMATION (CONTINUED)

(b) *Geographical information*

The Group's four business segments operate in seven main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the infrastructure engineering, the corrosion prevention and corporate service;
- Asia – the operations in this area relate to all the reportable segments in Indonesia, Malaysia and China;
- Europe – the operations in this area relate to infrastructure engineering segments in Norway, Switzerland and United Kingdom;
- Middle East – the operations in this area relate to infrastructure engineering segments in United Arab Emirates and Saudi Arabia;
- South America – the operations in this area relate to infrastructure engineering segments in Guyana;
- Africa – the operations in this area relate to infrastructure engineering segments in Ghana; and
- Other countries – the operations include the infrastructure engineering in Marshal Island and others.

Revenue from the external customers of the Group was derived based on the country of origin of the customers. Non-current assets (other than intangible assets and deferred income tax assets) of the Group were derived based on the operating location of the assets.

	REVENUE	
	2025	2024
	$	$
Singapore	25,156,128	36,450,345
Asia (other than Singapore)	15,326,496	11,419,796
Europe	53,944,297	61,581,871
Middle East	627,644	44,327
South America	2,288,275	1,753,057
Africa	811,784	600,285
Others	–	33,205
	98,154,624	111,882,886

33. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information (continued)

	NON-CURRENT ASSETS	
	2025	2024
	$	$
Singapore	4,518,961	2,203,093
Asia (other than Singapore)	11,090,801	9,962,506
South America	107,189	–
	15,716,951	12,165,599

(c) Revenue from major services and customers

Revenue from external customers is derived from all reportable segments as disclosed in Note 4 to the financial statements.

Revenue from 4 (2024: 4) major customers amounted to $71,206,294 (2024: $85,200,980), arising from sales by both the infrastructure engineering and corrosion prevention segments.

34. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2026 and which the Group has not early adopted.

Amendments to SFRS(I) 9 and SFRS(I) 7 - *Amendments to the Classification and Measurement of Financial Instruments* (effective for annual reporting periods beginning on or after 1 January 2026)

SFRS(I) 9 and SFRS(I) 7 were amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets);and
- update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").

34. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

Amendments to SFRS(I) 9 and SFRS(I) 7 - *Contracts Referencing Nature-dependent Electricity* (effective for annual reporting periods beginning on or after 1 January 2026)

SFRS(I) 9 and SFRS(I) 7 were amended to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs), in light of the increased use of these contracts. The amendments include:

- clarifying the application of the 'own-use' requirements;
- permitting hedge accounting if these contracts are used as hedging instruments; and
- adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The Group does not expect these amendments to have a material impact on its operations or financial statements.

SFRS(I) 18 - *Presentation and Disclosure in Financial Statements* (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 18 will replace SFRS(I) 1-1 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though SFRS(I) 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of SFRS(I) 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:
  - Foreign exchange differences currently aggregated in the line item "other gains – net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
  - SFRS(I) 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the group is currently evaluating the need for change.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

34. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

SFRS(I) 18 - *Presentation and Disclosure in Financial Statements* (effective for annual reporting periods beginning on or after 1 January 2027) (continued)

- The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
  - management-defined performance measures;
  - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
  - for the first annual period of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

SFRS(I) 19 – *Subsidiary corporations without Public Accountability: Disclosures* (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 19 allows for certain eligible subsidiaries of parent entities that report under SFRS(I) Accounting Standards to apply reduced disclosure requirements. This new standard works alongside other SFRS(I). An eligible subsidiary corporation applies the requirements in other SFRS(I) except for the disclosure requirements; and it applies instead the reduced disclosure requirements in SFRS(I) 19.

SFRS(I) 19 is a voluntary standard for eligible subsidiaries. A subsidiary corporation is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with SFRS(I) Accounting Standards.

The Group does not expect this standard to have an impact on its operations or financial statements.

35. EVENTS OCCURRING AFTER REPORTING DATE

On 26 February 2026, the Company entered into a placement agreement for the proposed issuance of up to 15,625,000 new ordinary shares at an issue price of $0.32 per share, to raise gross proceeds of up to $5.0 million for working capital purposes. The proposed placement is subject to approval from the Singapore Exchange Securities Trading Limited.

On the same date, the Company entered into a term sheet for the proposed acquisition of the remaining 49% interest in Asian Sealand Offshore and Marine Pte. Ltd. ("ASOM"), a subsidiary corporation currently 51% owned by the Group for an aggregate consideration of approximately $60.0 million, to be satisfied through a combination of share issuance, cash consideration and deferred contingent consideration. The proposed acquisition is subject to, amongst others, shareholders' approval and regulatory approvals. Upon completion, ASOM will become a wholly-owned subsidiary corporation of the Group.

On 6 March 2026, the Company entered into a joint venture agreement with Epsilon Navigation Pte. Ltd. to jointly establish Offshore Collective Pte. Ltd., with each party holding 50% equity interest. The joint venture will be engaged in the investment and management of marine assets in the offshore energy sector.

These events occurred after the reporting date and are non-adjusting subsequent events. Accordingly, no adjustments have been made to the financial statements for the financial year ended 31 December 2025.

36. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Beng Kuang Marine Limited on 16 March 2026.

SUSTAINABILITY STATEMENT

for Beng Kuang Marine 2025:

The Group recognises that sustainability is now a fundamental principle that guides future business practices and decisions as it shapes our future. We strive to deliver value to our shareholders while contributing positively to the environment, society, and economy in which we operate.

As per SGX's mandate on climate reporting based on the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), the Group will be publishing its standalone FY2025 Sustainability Report (the "SR") by 30 April 2026, disclosing the sustainability practices and performance of the Group from 1 January 2025 to 31 December 2025.

The SR will be prepared in accordance with the Global Reporting Initiative ("GRI") Standards alongside the recommendations of the TCFD. The report will comply with the SGX-ST Listing Rules (711A and 711B) as well.

The SR will be publicly available through the Group's corporate website as well as SGXNET. Through our SR for FY2025, we hope to detail the Group's efforts in demonstrating our commitment to improve and integrate Environmental, Social, and Governance (ESG) principles into our organisation.

ANTI-CORRUPTION:

The Group upholds a zero-tolerance policy towards corruption in all its forms. We are committed to conducting our business with the highest standards of integrity, honesty, and transparency. Our anti-corruption measures include robust internal controls, comprehensive training programs for employees, and regular assessments to detect and prevent corrupt practices. We adhere to applicable anti-corruption laws and regulations globally, ensuring that our interactions with government officials, customers, suppliers, and other stakeholders are conducted ethically and in compliance with legal requirements.

ENERGY:

We recognise the importance of energy efficiency to mitigate climate change and promote sustainable development. The Group strives to optimise all energy use across all operations by implementing energy-saving technologies, upgrading equipment, and promoting energy conservation practices among our employees. We will also look to invest in renewable energy sources such as solar and wind power to reduce our carbon footprint and transition towards a low-carbon future where applicable.

EMISSIONS:

As our monitoring systems for greenhouse gas emissions have improved significantly, it is a priority for the Group to balance between increases in greenhouse gas emissions and growth of business activities. We will be looking into green initiatives such as energy efficiency improvements with technology to minimise our contribution to global warming and contribute to the transition to a low-carbon economy.

WASTE:

We recognise the importance of responsible waste management in preserving natural resources and minimizing environmental impacts including pollution. The Group will continue current good practices in disposing of hazardous waste with licensed waste collectors to prevent any harmful pollution of the environment. We will also look to factor in more recycling and reuse opportunities across our global operations to minimise our waste production as an organisation.

EMPLOYMENT:

We are committed to providing our employees with a safe, inclusive, and fulfilling work environment. The Group continues to prioritise employee well-being, offering competitive wages, benefits, and opportunities for professional development and advancement. We promote diversity and inclusion, ensuring equal opportunities for all employees regardless of race, gender, age, or background. Through regular engagement and communication, we foster a culture of respect, collaboration, and empowerment among our workforces.

WATER AND EFFLUENTS:

We recognize the importance of responsible water management in safeguarding this precious resource for future generations. We educate our employees to be water-savvy and look towards implementing water conservation measures to minimize our water consumption and reduce our impact on local water sources.

OCCUPATIONAL HEALTH AND SAFETY:

The health and safety of our employees are paramount within our Group. We are fully committed to a zero-harm approach, ensuring a safe and healthy work environment that is free from hazards and risks. To achieve this, we implement robust occupational health and safety management systems, conduct regular risk assessments, provide comprehensive training, and empower employees to report safety concerns. We strive for continuous improvement in our health and safety performance, aiming to prevent workplace injuries and illnesses while promoting a strong culture of safety awareness and shared responsibility across our workforce.

STATISTICS OF SHAREHOLDINGS

As at 13 March 2026

Issued and fully paid-up capital	:	S$61,677,100.58
Number of shares issued	:	224,624,673
Number of treasury shares and subsidiary holdings held	:	NIL
Class of shares	:	ORDINARY SHARES
Voting rights	:	ONE VOTE PER SHARE

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 13 March 2026, 64.28% of the issued ordinary shares of the company are held by the public and therefore Rule 723 is complied with.

ANALYSIS OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1-99	96	6.30	4,664	0.00
100 - 1,000	104	6.82	58,822	0.03
1,001 - 10,000	722	47.34	3,563,435	1.59
10,001 - 1,000,000	580	38.03	42,864,951	19.08
1,000,001 and above	23	1.51	178,132,801	79.30
TOTAL	**1,525**	**100.00**	**224,624,673**	**100.00**

TOP 20 SHAREHOLDERS AS AT 13 MARCH 2026

	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1	CHAN KWAN BIAN	28,225,987	12.57
2	DBS NOMINEES PTE LTD	21,484,441	9.56
3	MAYBANK SECURITIES PTE. LTD.	19,210,648	8.55
4	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD	15,877,325	7.07
5	CHUA BENG YONG	10,958,954	4.88
6	RAFFLES NOMINEES (PTE) LIMITED	10,391,062	4.63
7	PHILLIP SECURITIES PTE LTD	10,010,006	4.46
8	CHUA MENG HUA	9,978,286	4.44
9	CHUA BENG HOCK	9,451,095	4.21
10	UOB KAY HIAN PTE LTD	7,867,319	3.50
11	ABN AMRO CLEARING BANK N.V.	5,387,866	2.40
12	GOH CHER NGANN	4,352,500	1.94
13	OCBC SECURITIES PRIVATE LTD	3,457,824	1.54
14	ONG GIM LOO	3,300,000	1.47
15	TIGER BROKERS (SINGAPORE) PTE. LTD.	2,938,213	1.31

STATISTICS OF SHAREHOLDINGS

As at 13 March 2026

	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
16	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	2,504,904	1.11
17	POMS INVESTMENT PTE LTD	2,235,300	0.99
18	IFAST FINANCIAL PTE LTD	2,230,840	0.99
19	WONG POH CHUEN OR KOH CHOH SHIN (XU ZUOXIN)	2,000,000	0.89
20	LIM YONG LUY	1,950,000	0.87
		173,812,570	**77.38**

SUBSTANTIAL SHAREHOLDERS

	NO. OF SHARES		
NAME OF SHAREHOLDERS	DIRECT INTEREST	DEEMED INTEREST	%
CHAN KWAN BIAN	28,225,987	–	12.57
YONG JIUNN RUN	–	11,910,092 [1]	5.30

Note:

(1) Mr Yong Jiunn Run is deemed to be interested in an aggregate of 11,910,092 ordinary shares in the capital of the Company, comprising:
(a) 11,651,666 shares held through DBS Nominees (Pte) Ltd; and
(b) 258,426 shares held through United Overseas Bank Nominees Pte Ltd.

STATISTICS OF WARRANT HOLDINGS

As at 13 March 2026

STATISTICS OF WARRANT HOLDINGS

STATISTICS OF WARRANT HOLDINGS	NO. OF WARRANT HOLDERS	% OF WARRANT HOLDERS	NO. OF WARRANTS	% OF WARRANT
1-99	132	9.46	4,270	0.01
100 - 1,000	332	23.80	188,027	0.32
1,001 - 10,000	738	52.90	2,461,457	4.24
10,001 - 1,000,000	183	13.12	17,374,898	29.96
1,000,001 and above	10	0.72	37,972,258	65.47
TOTAL	**1,395**	**100.00**	**58,000,910**	**100.00**

TOP 20 WARRANT HOLDERS AS AT 13 MARCH 2026

	NAME OF WARRANT HOLDERS	NO. OF WARRANTS	% OF WARRANTS
1	MAYBANK SECURITIES PTE. LTD.	8,679,395	14.96
2	PHILLIP SECURITIES PTE LTD	5,547,880	9.57
3	GOH CHER NGANN	5,000,000	8.62
4	DBS NOMINEES PTE LTD	4,510,460	7.78
5	CHUA MENG HUA	2,648,962	4.57
6	CHUA BENG YONG	2,618,962	4.52
7	CHUA BENG HOCK	2,495,962	4.30
8	DBS VICKERS SECURITIES (S) PTE LTD	2,381,000	4.10
9	GOR SAY HEONG	2,347,700	4.05
10	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD	1,741,937	3.00
11	AMELIA SIH MIATY SIM	970,000	1.67
12	P'NG CHIN GUAN	848,000	1.46
13	KOH CHOH MEIN (XU ZUOMIN)	800,000	1.38
14	WONG POH CHUEN OR KOH CHOH SHIN (XU ZUOXIN)	800,000	1.38
15	CHAN CHOR KAI @ CHAN CHOR THIANG	750,000	1.29
16	TAY GEK CHOO	750,000	1.29
17	JOHN CHEONG MING CHERN	700,000	1.21
18	TAN YANG HONG	661,300	1.14
19	OKE AH BANG	500,000	0.86
20	OCBC NOMINEES SINGAPORE PTE LTD	456,650	0.79
		45,208,208	77.94

SUBSTANTIAL WARRANT HOLDERS

NAME OF WARRANT HOLDERS	NO. OF WARRANTS		
	DIRECT INTEREST	DEEMED INTEREST	%
YONG JIUNN RUN	–	3,045,000 [(1)]	5.25%

(1) Mr Yong Jiunn Run is deemed to be interested in an aggregate of 3,045,000 Warrants, held through nominee accounts, comprising:
   (a) 2,970,000 Warrants held through DBS Nominees (Pte) Ltd; and
   (b) 75,000 Warrants held through United Overseas Bank Nominees Pte Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of **BENG KUANG MARINE LIMITED** (the “**Company**”, and together with its subsidiaries, the “**Group**”) will be held at 2 Venture Drive #09-22, Vision Exchange, Singapore 608526 on Wednesday, 15 April 2026 at 3.00 p.m. for the purposes of transacting the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2025 (“**FY2025**”) together with the Independent Auditor’s Report thereon. **(Resolution 1)**

2. To declare and approve the payment of a first and final tax exempt (one-tier) dividend of S$0.006 per ordinary share in respect of FY2025. **(Resolution 2)**

3. To re-elect Mr. Chua Beng Yong, a Director retiring pursuant to Regulation 115 of the Company’s Constitution. **(Resolution 3)**

   [See Explanatory Note 1]

4. To re-elect Mr. Yee Chia Hsing, a Director retiring pursuant to Regulation 115 of the Company’s Constitution. **(Resolution 4)**

   [See Explanatory Note 2]

5. To approve the payment of Directors’ fees of S$164,000 (FY2024: S$164,000) for the financial year ending 31 December 2025. **(Resolution 5)**

6. To re-appoint Messrs CLA Global TS Public Accounting Corporation as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution which will be proposed as Ordinary Resolutions, with or without amendments:

7. **Authority to allot and issue shares** **(Resolution 7)**

"That pursuant to Section 161 of the Companies Act 1967, and the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to allot and issue shares or convertible securities from time to time (whether by way of rights, bonus or otherwise) and upon such terms and conditions and for such purposes and to such person as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares and convertible securities issued pursuant to such authority shall not exceed 50 per centum (50%) of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company, of which the aggregate number of shares and convertible securities issued other than on a pro-rata basis to the existing shareholders of the Company shall not exceed 20 per centum (20%) of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company (the percentage of issued share capital being based on the issued share capital (excluding treasury shares and subsidiary holdings) at the time such authority is given after adjusting for (i) new shares arising from the conversion or exercise of convertible securities which were issued and outstanding or subsisting at the time this Resolution is passed or (ii) new shares arising from the exercise of share options or vesting of awards which were issued and outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST and (iii) any subsequent consolidation or subdivision of shares) and, unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or on the date by which the next AGM is required by law to be held, whichever is the earlier."

[See Explanatory note 3]

8. **Authority to issue Shares under Employee Share Option Scheme ("ESOS")** **(Resolution 8)**

"That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant options under the ESOS and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options granted by the Company under the ESOS, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of Shares to be allotted and issued pursuant to the ESOS, the PSP (as defined below) and such other share-based incentive scheme collectively shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) 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]

9. **Authority to issue Shares under the Performance Share Plan ("PSP")** **(Resolution 9)**

"That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant awards pursuant to the PSP and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of awards under the PSP, provided always that the aggregate number of Shares to be allotted and issued pursuant to the ESOS, the PSP and such other share-based incentive scheme collectively shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) 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 5]

10. **Renewal of Share Buyback Mandate** **(Resolution 10)**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares ("**Shares**") in the issued share capital of the Company not exceeding in aggregate the Maximum Buyback Shares (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchases (each a "**Market Purchase**"), transacted on the Singapore Exchange Securities Trading Limited ("**SGX- ST**") or any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with an "equal access scheme" as defined in Section 76C of the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the conclusion of the next AGM of the Company following the passing of this Resolution or the date by which such AGM is required by law to be held;

(ii) the date on which the purchase or acquisition of Shares have been carried out to the full extent of the Share Buyback Mandate; or

(iii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting.

(c) In this Resolution:

"**Maximum Buyback Shares**" means the number of Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution, unless the Company has reduced its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined hereinafter), in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings held by the Company);

"**Relevant Period**" means the period commencing from the date of the passing of this Resolution and expiring on the date on which the earliest of the date the next AGM of the Company is held or is required by law to be held, or it is varied or revoked by the Company in general meeting (if so varied or revoked to the next AGM), or the date on which purchases and acquisitions of Shares pursuant to Share Buyback Mandate are carried out to the full extent mandated, whichever is the earlier; and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase: 105% of the Average Closing Price; and
(ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price, where:

"**Average Closing Price**" is the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-day market period;

"**day of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory note 6]

By Order of the Board

Shirley Tan Sey Liy
Company Secretary

Singapore
30 March 2026

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. Mr. Chua Beng Yong will, if re-elected as Director of the Company, continue to serve as the Executive Chairman of the Company. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

2. Mr. Yee Chia Hsing will, if re-elected as Director of the Company, continue to serve as Independent Director of the Company, Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee. Further information on Mr. Yee Chia Hsing can be found in the Annual Report 2025. Mr. Yee Chia Hsing is considered by the Board to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to pages 40 to 44 of the Annual Report for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

3. The proposed Ordinary Resolution 7, if passed, will authorise the Directors of the Company, effective until the conclusion of the next AGM of the Company, 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 at a general meeting, whichever is earliest, to issue shares up to 50% of the Company's issued share capital (excluding treasury shares and subsidiary holdings), with an aggregate sub-limit of 20% of the Company's share capital for any issue of shares not made on a pro-rata basis to shareholders of the Company.

4. The proposed Ordinary Resolution 8, if passed, will authorise 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 allot and issue Shares pursuant to the exercise of options granted or to be granted under the ESOS and such other share based incentive scheme or share plan up to a number not exceeding in aggregate, 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

5. The proposed Ordinary Resolution 9, if passed, will authorise 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 allot and issue Shares pursuant to the exercise of options granted or to be granted under the PSP and such other share based incentive scheme or share plan up to a number not exceeding in aggregate, 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

6. The proposed Ordinary Resolution 10, if passed, will authorise the Directors of the Company to purchase or otherwise acquire the Maximum Buyback Shares at such price(s) as may be determined by the Directors from time to time up to the Maximum Price and will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company following the passing of Ordinary Resolution granting the said authority or date by which such AGM is required to be held (whereupon it will lapse, unless renewed at such meeting), or it is varied or revoked by the Company in general meeting (if so varied or revoked to the next AGM), or the date on which purchases and acquisitions of Shares pursuant to Share Buyback Mandate are carried out to the full extent mandated, whichever is the earliest. Please refer to Appendix for more details.

Notes:

(1) The AGM will be held, in a wholly physical format, at 2 Venture Drive #09-22, Vision Exchange, Singapore 608526 on Wednesday, 15 April 2026 at 3.00 p.m. **There will be no option for Shareholders to participate virtually**. *The Notice of AGM and Annual Report will be sent to shareholders by electronic means via publication on the Company's corporate website at the URL: https://www.bkmgroup.com.sg/ and SGXNet at the URL: https://www.sgx.com/securities/company-announcements. Printed copies of this Notice of AGM, Proxy Form for this AGM and Request Form for printed copy of Annual Report will also be sent by post to shareholders. Shareholders who wish to request for printed copies of the Annual Report will need to complete and return the Request Form, by sending it back to the Company no later than 6 April 2026. Please refer to the Request Form for printed copy of Annual Report for further information.*

(2) **Submission of Questions in Advance of the AGM**

(a) All Shareholders may submit substantial and relevant questions relating to the business of the AGM up till 6 April 2026 at 3.00 p.m. either:

(i) via post to Company's registered office at 2 Venture Drive #14-15, Vision Exchange, Singapore 608526; or

(ii) via electronic mail to william@bkmgroup.com.sg.

Shareholders who submit questions in advance of the AGM should provide their full name, address, contact number, email and the manner in which they hold Shares (if you hold Shares directly, please provide your account number with The Central Depository (Pte) Limited ("**CDP**"); otherwise, please state if you hold your Shares through the Central Provident Fund ("**CPF**"), Supplementary Retirement Scheme ("**SRS**") or other Relevant Intermediary, for our verification purposes.

(b) The Company will endeavour to address all substantial and relevant questions:

(i) (if received by the deadline set out in section 2(a) above) before the AGM, and in any case by 3.00 p.m. on 10 April 2026 (being more than 48 hours prior to the closing date and time for the lodgement of the Proxy Forms), via an announcement on SGXNet and the Company's website; or

(ii) (if received by the deadline set out in section 2(a) above) during the AGM.

(c) The Company will also, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company's website, and the minutes will include the responses to the questions referred to above.

(3) **Voting**

Shareholders who wish to exercise their voting rights at the AGM may:

(a) (where the Shareholder is an individual) attend and vote at the AGM; or

(b) (where the Shareholder is an individual or a corporate) appoint a proxy to vote on their behalf.

Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of a poll.

Shareholders (including Relevant Intermediaries) who wish to vote on any or all of the resolutions at the AGM via proxy must submit a form of proxy to appoint the proxy ("**Proxy Form**"). The Proxy Form must be submitted to the Company in the following manner:

(a) if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited registered office at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or

(b) if submitted electronically, be submitted via email to main@zicoholdings.com

in either case **by no later than 3.00 p.m. on 12 April 2026, being 72 hours before the time appointed for the AGM**.

The accompanying Proxy Form for the AGM may be accessed via the Company's corporate website at the following URL: https://www.bkmgroup.com.sg, and will also be made available on the SGX website at the URL: https://www.sgx.com/securities/company-announcements.

A member can appoint the Chairman of the AGM as his/her/its proxy, but this is not mandatory. A proxy need not be a member of the Company.

In the case of submission of the Proxy Form appointing the Chairman of the AGM as proxy, it must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing the Chairman of the AGM as proxy 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.

A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

An investor who holds shares through CPF or SRS and wishes to vote, should approach their respective CPF Agent Banks (i.e. the agent banks approved by CPF) or SRS Operators (i.e. the agent banks included in the SRS) to submit their votes to appoint the Chairman of the AGM as their proxy, at least 7 working days before the AGM (i.e. 6 April 2026).

The name of a Depositor (as defined under Section 81SF of the Securities and Futures Act 2001 of Singapore) must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote at the AGM.

The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies). In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged if the Shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Company.

(4) **Voting Results**

An independent scrutineer will be appointed by the Company to direct and supervise the counting and validation of all valid votes cast at the AGM. The voting results will be announced during the AGM and the Company will also issue an announcement on SGXNet on the results of the resolutions put to vote at the AGM.

"**Relevant Intermediary**" has the same meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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BENG KUANG MARINE LIMITED
(Company Registration No. 199400196M)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:
1. CPF and SRS investors may attend and vote at the AGM in person. CPF and SRS investors who are unable to attend the AGM but would like to vote may approach their respective CPF agent banks and SRS operators at least 7 working days before the AGM to appoint the Chairman of the AGM to act as their proxy and submit their votes, in which case, such CPF and SRS investors shall be precluded from attending the AGM.
2. This Proxy Form is not valid for use by the CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Please read the notes to this Proxy Form. By submitting an instrument appointing proxy(ies) and/or representative(s), a shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 30 March 2026.

I/We*, ______________________ (Name) ______________________ (NRIC/Passport No./Company Registration No.*)

of ____ (Address)

being a shareholder/shareholders* of **BENG KUANG MARINE LIMITED** (the "**Company**"), hereby appoint:

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

*and/or (delete as appropriate)

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

or failing which, the Chairman of the Annual General Meeting (the "**AGM**") as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the AGM of the Company to be held at 2 Venture Drive #09-22, Vision Exchange, Singapore 608526 on Wednesday, 15 April 2026 at 3:00 p.m. and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for, against or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion, as he/she/they* will on any other matter arising at the AGM and at any adjournment thereof. All resolutions put to the vote at the AGM shall be decided by way of poll.

NO.	RESOLUTIONS RELATING TO:	FOR**	AGAINST**	ABSTAIN**
	ORDINARY BUSINESS			
1	To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2025 together with the Independent Auditor's Report thereon.			
2	To approve the payment of a first and final tax exempt (one-tier) dividend of S$0.006 per ordinary share in respect of financial year ended 31 December 2025.			
3	To re-elect Mr. Chua Beng Yong, a Director retiring pursuant to Regulation 115 of the Company's Constitution.			
4	To re-elect Mr. Yee Chia Hsing, a Director retiring pursuant to Regulation 115 of the Company's Constitution.			
5	To approve the payment of Directors' fees of S$164,000 (FY2024: S$164,000) for the financial year ending 31 December 2025.			
6	To re-appoint Messrs CLA Global TS Public Accounting Corporation as auditors of the Company and to authorise the Directors to fix its remuneration.			
	SPECIAL BUSINESS			
7	Authority to allot and issue shares.			
8	Authority to allot and issue new shares under the Employee Share Option Scheme.			
9	Authority to allot and issue shares under the Performance Share Plan.			
10	Renewal of Share Buyback Mandate.			

* Delete accordingly

** If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate with a tick (√) within the boxes provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of____________, 2026

TOTAL NUMBER OF SHARES IN:	NO. OF SHARES
(a) CDP Register	
(b) Register of Members	

____

Signature or Common Seal of Shareholder(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. Please insert the total number of ordinary shares in the issued share capital of the Company ("**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 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the register of members kept by the Share Registrar ("**Register of Members**"), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. Shareholders who wish to exercise their voting rights at the AGM may:

    (a) (where the Shareholder is an individual) attend and vote at the AGM; or

    (b) (where the Shareholder is an individual or a corporate) appoint a proxy to vote on their behalf.

    Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of a poll.

    Shareholders (including Relevant Intermediaries) who wish to vote on any or all of the resolutions at the AGM via proxy must submit a Proxy Form to appoint the proxy. The Proxy Form must be submitted to the Company in the following manner:

    (a) if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited registered office at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or

    (b) if submitted electronically, be submitted via email to main@zicoholdings.com

    in either case **by no later than 3.00 p.m. on 12 April 2026, being 72 hours before the time appointed for the AGM.**

3. A member can appoint the Chairman of the AGM as his/her/its proxy, but this is not mandatory. A proxy need not be a member of the Company.

4. In the case of submission of this Proxy Form appointing the Chairman of the AGM as proxy, it must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing the Chairman of the AGM as proxy 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.

5. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

6. An investor who holds shares through CPF or SRS and wishes to vote, should approach their respective CPF Agent Banks (i.e. the agent banks approved by CPF) or SRS Operators (i.e. the agent banks included in the SRS) to submit their votes to appoint the Chairman of the AGM as their proxy, at least 7 working days before the AGM (i.e. 6 April 2026).

7. The name of a Depositor (as defined under Section 81SF of the Securities and Futures Act 2001 of Singapore) must appear on the Depository Register maintained by the The Central Depository (Pte) Limited ("CDP") as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote at the AGM.

"**Relevant Intermediary**" has the same meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

General:
The Company shall be entitled to reject the instrument appointing a 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 on the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register 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) and/or representative(s), the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 30 March 2026.

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BENG KUANG GROUP

BENG KUANG MARINE LIMITED
COMPANY REG NO.: 199400196M

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