AEDGE GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 2019333214E)

RESPONSES TO QUESTIONS FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

The board of directors (the "**Board**" or the "**Directors**") of Aedge Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the queries received from the Securities Investors Association (Singapore) ("**SIAS**") inrelation to the Company's Annual Report for the financial year ended 30 June 2026. The Group did not receive questions from shareholders as at the date of this announcement. The Group sets out its responses to the queries raised by SIAS below:

QUESTIONS FROM SIAS

Q1. In FY2026, the group's revenue increased by 36.9% year-on-year to approximately $38.4 million, while gross profit more than doubled to approximately $7.6 million. Gross margin improved from approximately 13.0% to 19.7%, supported by higher-margin contracts, better asset utilisation and growing recurring income from investment properties. The group also returned to profitability, recording a net profit of approximately $2.4 million.

The improvement was broad-based, with all four business segments, engineering services, transport services, security and manpower services, and investment properties, contributing to revenue growth and margin expansion.

	Revenue			Gross Profit/ (Loss)		
	FY2026 (S$'000)	FY2025 (S$'000)	Change (%)	FY2026 (S$'000)	FY2025 (S$'000)	Change (%)
Engineering Services	12,438	7,890	+57.6%	2,748	1,743	+57.7%
Transport Services	7,311	5,547	+31.8%	1,481	935	+58.4%
Security and Manpower Services	15,144	13,100	+15.6%	2,483	1,471	+68.8%
Investment Properties	3,505	1,504	n.m.	852	(501)	n.m.
Total	**38,398**	**28,041**	**+36.9%**	**7,564**	**3,648**	**n.m.**

(Source: company annual report)

(i) **Engineering services:** Growth in engineering services was supported by a stronger order book and improved project selection, including offshore and marine grating contracts secured from an established client. **What differentiates the group's grating products and services from those of its competitors? To what extent did the wins reflect technical capabilities, product quality, pricing, delivery reliability or established customer relationships, and how defensible are these advantages?**

Company's response to Q1(i)

The Group does not manufacture grating. It is an authorised distributor for an established German grating manufacturer, and supplies its products according to client

specifications for offshore and marine projects, where clients place emphasis on compliance with project standards, consistent quality and on-time delivery. The Group's offering combines the manufacturer's product quality and certifications with local project support, including advising clients on product selection, coordinating materials to meet project specifications, arranging cutting and fitting where required, and managing logistics and delivery schedules. The Group's own storage yard and logistics capabilities allow it to coordinate the storage, handling and delivery of materials in line with clients' project requirements, which is particularly relevant to offshore and marine projects with demanding specifications and delivery schedules.

The offshore and marine grating contracts secured in FY2026 reflected a combination of product quality, competitive pricing, delivery reliability, logistics capabilities and established customer relationships, rather than price alone. Repeat orders from an established client show that our quality and delivery record has been accepted on prior projects. Pricing remains competitive, and the Group continues to tender selectively for contracts with better margins rather than competing on price.

The Group has maintained established customer relationships in the oil and gas industry since 2015, spanning more than a decade, and has developed a strong understanding of clients' technical requirements, operational expectations and project delivery schedules. We believe this industry experience, our operational infrastructure and our ability to consistently meet clients' requirements are our competitive advantages, as offshore and marine clients generally prefer proven suppliers. In addition, as the Group also provides transport, security and manpower services, it often has existing relationships with clients across more than one business segment. These touch points give the Group a better understanding of clients' wider operational needs and allow it to offer complementary services alongside grating supply. Having said that, the market is competitive, and these advantages must be sustained through continued operational performance, strong supplier relationships and competitive pricing. The Group will continue to focus on sustainable margins while strengthening existing client relationships and broadening its client base.

(ii) Transport services: Given the significant increase in diesel prices, how was the transport services segment able to improve its profitability in FY2026? Can management quantify the respective contributions from improved vehicle utilisation, pricing, changes in customer or service mix, and cost control?

<u>Company's response to Q1(ii)</u>

Transport services revenue grew 31.8% to $7.31 million and gross profit grew 58.4% to $1.48 million, with gross margin improving from about 16.9% to 20.3%.

The improvement came mainly from higher vehicle utilisation, as additional contracts were served largely with the existing fleet, together with continued fleet optimisation, better route planning and stronger demand from commercial clients. As a result, revenue grew faster than the segment's main operating costs. Driver salaries and related costs increased by about 12.4%, while repair and maintenance and insurance costs increased by about 2.4% and 2.6% respectively. Depreciation decreased by about $137,000, as more of the fleet became fully depreciated while remaining in service.

To support new contracts, the Group also made greater use of subcontracted transport services, with subcontractor costs increasing from about $0.86 million to $1.79 million.

Fuel expense increased from about $0.63 million to $0.85 million, reflecting higher diesel prices and the higher level of activity. Despite these increases, cost of sales grew by 26.4%, below revenue growth of 31.8%, resulting in the higher gross margin.

These figures show the principal cost movements. However, the effects of vehicle utilisation, pricing and changes in customer or service mix operate together and are not tracked separately in a way that allows their respective contributions to be reliably quantified. Diesel cost remains a key sensitivity, and the Group takes fuel prices into account when pricing new and renewed contracts. The Group will continue to focus on securing contracts with healthy margins and managing operating costs prudently.

(iii) **Investment properties:** The group operates two dormitories with a combined capacity of 707 beds. **What were the occupancy rates as at 30 June 2026 and the latest available date (such as 30 September 2026)? How did actual occupancy rates and average rates compare with management's projections when the investments were planned?**

Company's response to Q1(iii)

The Group's two investment properties, Amethyst House and Beryl House, each comprise industrial space that is leased to tenants or used by the Group for its own operations, with about half of the space repositioned as a workers' dormitory. The dormitories at Amethyst House and Beryl House have 299 beds and 408 beds respectively. As at 30 June 2026 and 30 September 2026, both dormitories were operating at close to full occupancy of above 95%, with vacant beds mainly arising from the turnover between tenant check-outs and check-ins.

Amethyst House has operated at consistently high occupancy. Beryl House received its FEDA licence in mid-May 2026 and reached close to full occupancy faster than anticipated.

When the investments were evaluated, the Board's assessment allowed for a ramp-up period after licensing before occupancy stabilises. Actual occupancy and average bed rates have been ahead of those expectations. The investment properties segment turned from a gross loss of $0.50 million in FY2025 to a gross profit of $0.85 million in FY2026, driven by the Amethyst House dormitory and rental income from the industrial space at both properties. The industrial space at Beryl House has been leased to tenants since the Group took over the property in December 2024, but its dormitory began operations only after it received its FEDA licence in mid-May 2026. The Beryl House dormitory therefore contributed only about six weeks of operations in FY2026, and its full contribution is expected from FY2027.

Q2. As at 30 June 2026, the group has $4.23 million in property, plant and equipment (PPE), $33.9 million in investment properties and no inventories. PPE comprises mainly $1.90 million in motor vehicles, and $1.93 million in scaffold equipment (Note 14 – Property, plant and equipment; page 74).

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2026

	Note	Group 2026 S$'000	Group 2025 S$'000	Company 2026 S$'000	Company 2025 S$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	**4,233**	4,464	–	–
Investment in subsidiaries	15	–	–	**6,191**	6,191
Investment properties	16	**33,946**	18,179	–	–
		38,179	22,643	**6,191**	6,191
Current assets					
Inventories	18	–	271	–	–
Trade and other receivables	19	**10,324**	6,490	**5,048**	3,308
Contract assets	5	**1,095**	913	–	–
Cash and cash equivalents	17	**1,606**	2,005	**26**	371
		13,025	9,679	**5,074**	3,679
Total assets		**51,204**	32,322	**11,265**	9,870

Revenue

(a) Disaggregation of revenue

The Group's revenue is disaggregated by major products, service lines and timing of revenue recognition as follows:

	Group 2026 S$'000	Group 2025 S$'000
Revenue from contracts with customers		
- Engineering services	**12,438**	7,890
- Transportation services	**7,311**	5,547
- Security and manpower services	**15,144**	13,100
	34,893	26,537
Revenue from leases with customers - Investment properties leasing	**3,505**	1,504
	38,398	28,041

(Source: company annual report; emphasis added)

In FY2026, revenue increased from $28.0 million to $38.4 million. Over the same period, subcontractor costs rose from $902,000 to $2.43 million, while employee benefits expense increased by 8.8%, from $16.28 million to $17.72 million (Note 6 – Cost of sales; page 70). Excluding revenue from investment properties, revenue from the group's other business activities increased by approximately $8.4 million.

(i) Given the group's relatively modest PPE base, how does it deliver its engineering, transport, security and manpower services at its current scale? What proportion of service delivery is undertaken using the group's own assets and employees versus subcontractors or other third parties? How has this mix changed as revenue grew, and what controls does management have to ensure service quality, delivery reliability and margins are not compromised by greater reliance on external parties?

Company's response to Q2(i)

The Group's businesses are mainly manpower-driven, and its scale depends on its workforce rather than its PPE. The carrying amount of PPE also understates the assets in use, as a significant part of the Group's bus fleet has been fully depreciated but remains in active service. As at 30 June 2026, motor vehicles in the transport business had an original cost of about $9.3 million but a carrying amount of about $1.2 million. Security services are delivered entirely by the Group's own employees. Manpower services are also delivered mainly by the Group's own employees, with subcontractors engaged to support peak-period deployment. Transport services use the Group's own fleet and drivers, supplemented by subcontracted capacity to support new contracts. Engineering services use the Group's own scaffold equipment and workers, with subcontractors engaged for specialised scopes and peak workloads.

Our own employees remain the main delivery channel. In FY2026, employee benefits expense in cost of sales was $17.72 million, compared with subcontractor costs of $2.43 million. Subcontractors therefore accounted for about 12% of these combined costs, up from about 5% in FY2025. The increase was mainly in transport services, which accounted for about three-quarters of FY2026 subcontractor costs. Subcontracted capacity allowed the Group to mobilise new transport contracts promptly while it assesses whether their volume and duration justify further investment in its own fleet. The balance related mainly to engineering services, for specialised scopes and peak workloads, and to manpower services, for peak-period deployment. This approach allowed the Group to grow revenue without committing to additional fixed costs ahead of demand.

To safeguard quality, reliability and margins, subcontractors are engaged from an approved list based on capability, safety record and past performance. Subcontracted

costs are priced into each project and project margins are reviewed against budget. Subcontracted work is supervised by our own project and site personnel, who remain accountable to the client.

As at 30 June 2026, the group does not carry inventory.

(ii) Is this consistent with the group's normal operating model, or does it reflect the timing of project procurement and delivery? For the offshore and marine grating contracts, who bears the cost and risk of procuring and holding materials, and what level of working capital is required to fulfil these contracts?

Company's response to Q2(ii)

Yes, this is consistent with the Group's normal project-based operating model. The Group does not generally hold stock for resale. Materials are procured against confirmed orders and allocated to specific projects based on their technical specifications and delivery requirements. The inventory of $0.27 million as at 30 June 2025 comprised materials which, following a review of its operating requirements in FY2026, the Group decided to retain for use in its own operations. These were therefore reclassified to property, plant and equipment.

For the offshore and marine grating contracts, the Group procures materials from its German manufacturer against the client's confirmed purchase orders and bears the procurement, holding and delivery risk until the materials are delivered to the client, subject to the agreed contract terms. This includes receiving the materials in bulk and breaking bulk at the Group's own storage yard before delivery to the client's site. This risk is mitigated by ordering only against confirmed orders from a reputable, long-standing client, as described in our response to Q1(i), and by coordinating delivery schedules and closely monitoring project requirements. As the client pays upon delivery, working capital is required mainly for materials and labour between procurement and client payment. This is funded from internal resources, supported by the credit terms extended by the Group's supplier, which shorten the period for which the Group funds the materials itself. The working capital required for these contracts is therefore modest and has been met from the Group's operating cash flows, which amounted to $5.34 million in FY2026. The Group also maintains a disciplined approach to project selection and procurement commitments.

Q3. The company outsources its internal audit function to Baker Tilly TFW LLP.

(i) How was the scope of the internal audit determined and what is the length of the internal audit cycle?

Company's response to Q3(i)

The internal audit plan is risk-based. Baker Tilly TFW LLP proposes the plan with reference to the Group's risk register, changes in the business and previous audit findings, and the Audit and Risk Committee ("ARC") reviews and approves it annually. The plan covers the Group's key business processes and entities over a three-year cycle, with higher-risk areas reviewed more frequently.

(ii) Total assets have almost doubled from $26.0 million in FY2021 to $51.2 million in FY2026, driven by the increase in investment properties. **Has the audit committee**

updated the group's risk register and internal audit priorities to reflect this change in the group's operations, asset base and risk profile? Which new or heightened risks have been identified, and how are they being addressed?

Company's response to Q3(ii)

Yes. The ARC reviewed and updated the Group's risk register during FY2026 to reflect the growth in investment properties and the dormitory business, and the internal audit plan was adjusted accordingly.

The new or heightened risks identified include: a) financing and interest rate risk from higher property-related borrowings, addressed through Board oversight of gearing and monitoring of interest costs and loan maturities; b) property valuation risk, addressed through independent valuations and ARC review of valuation assumptions with the external auditors; c) regulatory and licensing risk for dormitories, addressed through compliance with MOM and FEDA licensing conditions and regular inspections; d) tenant credit and occupancy risk, addressed through tenant screening, security deposits and monthly monitoring of collections and occupancy; and e) governance of jointly-owned subsidiaries, addressed through shareholder agreements, board representation and the application of Group financial controls to these entities.

(iii) What was the scope of the internal audit in FY2026 and what were the key findings by the internal auditor?

Company's response to Q3(iii)

In FY2026, the internal audit covered IT general controls, human resources and payroll, and fixed assets management. No significant risk on the internal control system was brought to the attention of the ARC in FY2026. Recommendations for process improvements were made, and management has implemented or is implementing them, with progress monitored by the ARC.

As disclosed in the Annual Report, the Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 30 June 2026.

By Order of the Board

Mr Poh Soon Keng
Executive Chairman and Chief Executive Officer
23 October 2026

This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 83 Clemenceau Avenue, #10-01 UE Square, Singapore 239920, telephone (65) 6590 6881.