



KEONG HONG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200807303W)

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2023**

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KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2023

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		The Group					
		Six months ended 30 September 2023	Six months ended 30 September 2022	Change	Full year ended 30 September 2023	Full year ended 30 September 2022	Change
Note		S\$'000	S\$'000	%	S\$'000	S\$'000	%
	Revenue	57,918	93,361	(38.0)	176,020	148,067	18.9
	Cost of sales	(78,297)	(116,503)	(32.8)	(195,961)	(178,859)	9.6
	Gross loss	(20,379)	(23,142)	(11.9)	(19,941)	(30,792)	(35.2)
	Other income	4,612	5,823	(20.8)	16,892	9,352	80.6
	Administrative expenses	(4,319)	(6,910)	(37.5)	(18,230)	(16,428)	11.0
	(Loss)/Reversal allowance on financial assets						
	- trade and other receivables	(1,361)	(3,474)	(60.8)	(1,229)	(3,474)	(64.6)
	- contract assets	(193)	(2,587)	(92.5)	714	(2,587)	n.m.
	- long-term interests	(8,532)	-	n.m.	(8,532)	-	n.m.
	- Financial guarantee contracts	205	704	(70.9)	205	704	(70.9)
	Finance costs	(1,964)	(2,112)	(7.0)	(4,091)	(4,262)	(4.0)
	Other expenses	(3,486)	(2,486)	40.2	(3,486)	(2,486)	40.2
	Share of results of joint ventures, net of tax	(5,110)	3,299	n.m.	(4,784)	9,568	n.m.
	Share of results of associates, net of tax	(5,068)	(3,880)	30.6	(7,754)	(5,529)	40.2
	Loss before income tax	(45,595)	(34,765)	31.2	(50,236)	(45,934)	9.4
	Income tax expense	(838)	(521)	60.8	(568)	(657)	(13.5)
	Loss for the period/year	(46,433)	(35,286)	31.6	(50,804)	(46,591)	9.0
	Other comprehensive income:						
	<i>Items that may be reclassified subsequently to profit or loss:</i>						
	Exchange differences on translating foreign operations	(1,373)	(2,057)	(33.3)	1,582	(2,054)	n.m.
	<i>Items that may not be reclassified subsequently to profit or loss:</i>						
	Fair value gain/(loss) on financial assets at FVOCI	1,230	(270)	n.m.	1,290	317	n.m.
	Other comprehensive income for the period/year, net of tax	(143)	(2,327)	(93.9)	2,872	(1,737)	n.m.
	Total comprehensive income for the period/year	(46,576)	(37,613)	23.8	(47,932)	(48,328)	(0.8)
	Loss attributable to:						
	Owners of the company	(45,781)	(35,383)	29.4	(49,488)	(45,901)	7.8
	Non-controlling interests	(652)	97	n.m.	(1,316)	(690)	90.7
		(46,433)	(35,286)	31.6	(50,804)	(46,591)	9.0
	Total comprehensive loss attributable to						
	Owners of the company	(45,924)	(37,710)	21.8	(46,616)	(47,638)	(2.1)
	Non-controlling interests	(652)	97	n.m.	(1,316)	(690)	90.7
		(46,576)	(37,613)	23.8	(47,932)	(48,328)	(0.8)
	Loss per share (cents)						
	• Basic	9	(19.48)	(15.06)	(21.06)	(19.53)	
	• Diluted	9	(19.48)	(15.06)	(21.06)	(19.53)	

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

Additional notes

- Other income of S\$16.9 million (FY2022: S\$9.4 million) included gain on disposal of investment properties of S\$7.8 million (FY2022: Nil).
- Administrative expenses of S\$18.2 million (FY2022: S\$16.4 million) included net foreign exchange loss of S\$4.6 million (FY2022: Nil) that is mainly unrealised.
- Loss allowance on long-term interests of S\$8.5 million (FY2022: Nil) related to impairment loss on investment in an associate determined based on value-in-use calculation.

B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	11	13,155	15,113	-	-
Right-of-use assets		6,546	6,759	-	-
Investment properties	12	-	16,910	-	-
Investments in subsidiaries		-	-	21,139	23,803
Investments in associates		9,690	27,618	7,123	7,123
Investments in joint ventures		6,181	6,717	-	-
Intangible assets	13	142	165	-	-
Financial assets at FVOCI	14	32,432	31,142	2,475	2,415
Financial assets at FVTPL		19,610	19,806	-	-
Non-trade receivables		-	-	-	-
Deferred tax assets		28	70	-	-
Total non-current assets		87,784	124,300	30,737	33,341
Current assets					
Inventories		-	671	-	-
Trade and other receivables		64,919	93,214	12,414	19,451
Contract assets		22,122	38,514	-	-
Prepayments		190	1,262	17	13
Tax recoverable		1,323	-	-	-
Fixed deposits		2,883	4,820	-	3,215
Cash and bank balances		9,816	18,987	733	2,598
Total current assets		101,253	157,468	13,164	25,277
Total assets		189,037	281,768	43,901	58,618
Equity					
Share capital	15	25,048	25,048	25,048	25,048
Treasury shares	15	(3,303)	(3,303)	(3,303)	(3,303)
Share option reserve		2,041	2,041	2,041	2,041
Foreign currency translation reserve		203	(1,379)	-	-
Merger reserve		(4,794)	(4,794)	-	-
Fair value reserve		(23,999)	(25,289)	(4,350)	(4,410)
Other reserve		1,125	1,125	-	-
Retained earnings		68,090	117,578	10,618	(10,341)
Equity attributable to owners of the company		64,411	111,027	30,054	9,035
Non-controlling interests		-	(1,755)	-	-
Total equity		64,411	109,272	30,054	9,035
Non-current liabilities					
Trade and other payables	17	12,750	12,750	12,750	12,750
Bank borrowings	18	6,201	7,627	-	-
Lease liabilities		4,558	4,942	-	-
Provisions		512	512	-	-
Deferred tax liabilities		1	1	-	-
Total non-current liabilities		24,022	25,832	12,750	12,750

**KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2023**

B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

	Note	The Group		The Company	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
		S\$'000	S\$'000	S\$'000	S\$'000
Current liabilities					
Contract liabilities		3,155	70	-	-
Trade and other payables		53,456	65,792	1,097	1,605
Bank borrowings	18	19,859	21,054	-	-
Lease liabilities		2,294	1,965	-	-
Medium term notes	18	-	35,228	-	35,228
Provisions		19,894	20,239	-	-
Current income tax payable		1,946	2,316	-	-
Total current liabilities		100,604	146,664	1,097	36,833
Total liabilities		124,626	172,496	13,847	49,583
Total equity and liabilities		189,037	281,768	43,901	58,618

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2023

C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<u>The Group</u>	Share capital	Treasury shares	Share option reserve	Foreign currency translation reserve	Merger reserve	Fair value reserve	Other reserve	Retained earnings	Equity attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Full year ended 30 September 2023											
Balance at 1 October 2022	25,048	(3,303)	2,041	(1,379)	(4,794)	(25,289)	1,125	117,578	111,027	(1,755)	109,272
Loss for the financial year	-	-	-	-	-	-	-	(49,488)	(49,488)	(1,316)	(50,804)
Other comprehensive income for the financial year:											
Exchange differences on translating foreign operations	-	-	-	1,582	-	-	-	-	1,582	-	1,582
Fair value gain on financial assets at FVOCI	-	-	-	-	-	1,290	-	-	1,290	-	1,290
Reclassification upon divestment of financial assets at FVOCI	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	1,582	-	1,290	-	(49,488)	(46,616)	(1,316)	(47,932)
Transactions with company, recognised directly in equity											
Liquidation of subsidiary	-	-	-	-	-	-	-	-	-	3,071	3,071
	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 September 2023	25,048	(3,303)	2,041	203	(4,794)	(23,999)	1,125	68,090	64,411	-	64,411

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2023

C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

<u>The Group</u>	Share capital S\$'000	Treasury shares S\$'000	Share option reserve S\$'000	Foreign currency translation reserve S\$'000	Merger reserve S\$'000	Fair value reserve S\$'000	Other reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the company S\$'000	Non-controlling interests S\$'000	Total S\$'000
Full year ended 30 September 2022											
Balance at 1 October 2021	25,048	(3,303)	2,041	675	(4,794)	(25,559)	1,125	163,432	158,665	(1,065)	157,600
Loss for the financial year	-	-	-	-	-	-	-	(45,901)	(45,901)	(690)	(46,591)
Other comprehensive income for the financial year:											
Exchange differences on translating foreign operations	-	-	-	(2,054)	-	-	-	-	(2,054)	-	(2,054)
Fair value gain on financial assets at FVOCI	-	-	-	-	-	317	-	-	317	-	317
Reclassification upon divestment of financial assets at FVOCI	-	-	-	-	-	(47)	-	47	-	-	-
Total comprehensive income for the financial year	-	-	-	(2,054)	-	270	-	(45,854)	(47,638)	(690)	(48,328)
Transactions with company, recognised directly in equity											
Liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 September 2022	25,048	(3,303)	2,041	(1,379)	(4,794)	(25,289)	1,125	117,578	111,027	(1,755)	109,272

C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

<u>The Company</u>	Share Capital S\$'000	Treasury shares S\$'000	Share option reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Full year ended 30 September 2023						
Balance at 1 October 2022	25,048	(3,303)	2,041	(4,410)	(10,341)	9,035
Profit for the financial year	-	-	-	-	20,959	20,959
Other comprehensive income for the financial year:						
Fair value gain on financial assets at FVOCI	-	-	-	60	-	60
Total comprehensive income for the financial year	-	-	-	60	20,959	21,019
Balance at 30 September 2023	25,048	(3,303)	2,041	(4,350)	10,618	30,054
Full year ended 30 September 2022						
Balance at 1 October 2021	25,048	(3,303)	2,041	(4,680)	(5,872)	13,234
Loss for the financial year	-	-	-	-	(4,469)	(4,469)
Other comprehensive income for the financial year:						
Fair value gain on financial assets at FVOCI	-	-	-	270	-	270
Total comprehensive income for the financial year	-	-	-	270	(4,469)	(4,199)
Balance at 30 September 2022	25,048	(3,303)	2,041	(4,410)	(10,341)	9,035

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	The Group	
		Full year ended	Full year ended
		30 September 2023	30 September 2022
		S\$'000	S\$'000
Operating activities			
Loss before income tax		(50,236)	(45,934)
Adjustments for:			
Loss allowance/(reversal of loss allowance) on financial assets			
- Trade and other receivables		1,229	2,705
- Contract assets		(714)	2,587
- Long term interests		8,532	-
- Financial guarantee contracts		(205)	(704)
Impairment loss on property, plant and equipment		-	2,486
Fair value changes on financial asset at FVTPL		196	-
Loss on liquidation of subsidiary		1,746	-
Impairment loss on investment in a joint venture		1,740	-
Amortisation of intangible assets	13	160	111
Depreciation of investment properties	12	166	555
Depreciation of property, plant and equipment		2,380	3,291
Depreciation of right-of-use assets		2,457	1,547
Gain on disposal of investment properties		(7,755)	-
Gain on disposal of plant and equipment		(108)	(4)
Gain on disposal of right-of-use assets		-	(61)
Gain on disposal of non-current assets held for sales		-	(20)
(Reversal of loss allowance)/loss allowance for inventory obsolescence		(12)	76
Interest income		(6,749)	(4,196)
Interest expense		4,091	4,262
(Decrease)/increase in provisions			
- Provision for onerous contract		(6,710)	3,668
- Provision for warranty		(619)	-
- Provision for restatement cost		1,900	-
Loss/(gain) on unrealised foreign exchange		4,626	(1,944)
Share of results of joint ventures		4,784	(9,585)
Share of results of associates		7,754	5,529
Operating cash flows before working capital changes		(31,347)	(35,631)
Working capital changes:			
Inventories		577	89
Trade and other receivables		8,580	(15,268)
Prepayments		859	(270)
Contract assets		17,943	(5,658)
Contract liabilities		3,085	(59)
Trade and other payables		(10,142)	38,168
Cash used in operations		(10,445)	(18,629)
Income tax paid		(2,308)	(3,132)
Net cash used in operating activities		(12,753)	(21,761)

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Note	The Group	
		Full year ended	Full year ended
		30 September 2023	30 September 2022
		S\$'000	S\$'000
Investing activities			
Investment in joint ventures		(1,740)	-
Purchase of property, plant and equipment	11	(171)	(125)
Purchase of intangible assets	13	(137)	(267)
Purchase of right-of-use assets		-	(303)
Proceeds from disposal of investment properties		24,563	-
Proceeds from disposal of property, plant and equipment		108	148
Proceeds from disposal of right-of-use assets		-	131
Proceeds from disposal of non-current assets held for sales		-	1,900
Repayment of loan from associate		1,125	615
Repayment of loan from joint ventures		20,842	2,135
Repayment of loan from third parties		-	15
Interest received		665	163
Dividend income from associates		300	-
Dividend income from joint venture		800	37,600
Redemption of capital upon divestment of financial assets at FVOCI		-	47
Net cash generated from investing activities		46,355	42,059
Financing activities			
Fixed deposit unpledged/(pledged) with financial institutions		537	(2)
Loan from shareholders		-	12,750
Proceeds from bank borrowings		22,628	24,328
Repayment of lease liabilities		(2,319)	(1,153)
Repayment of bank borrowings		(24,605)	(38,884)
Repayment of medium term notes		(35,250)	(12,750)
Interest paid		(4,319)	(4,429)
Net cash used in financing activities		(43,328)	(20,140)
Net (decrease)/increase in cash and cash equivalents		(9,726)	158
Cash and cash equivalents at beginning of financial year		22,602	21,813
Effect of foreign exchange rate changes on cash and cash equivalents		(177)	631
Cash and cash equivalents at end of financial year		12,699	22,602
Cash and cash equivalents:			
Fixed deposits		2,883	4,820
Cash and bank balances		9,816	18,987
		12,699	23,807
Fixed deposits pledged		-	(537)
Bank overdraft		-	(668)
Cash and cash equivalents at end of financial year		12,699	22,602

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Keong Hong Holdings Limited (the "Company") is a public limited company, incorporated and domiciled in Singapore. The Company is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the full year ended 30 September 2023 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activity of the Company is that of an investment holding company.

The principal activities of the significant subsidiaries are those relating to investment holding, real estate development and building construction.

2. BASIS OF PREPARATION

The condensed interim financial statements for the full year ended 30 September 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 September 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollar which is the Company's functional currency, and all values presented are rounded to the nearest thousand (S\$'000) except where otherwise stated.

2.1. New and amended standards adopted by the Group

The Group has adopted the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("SFRS(I) INT") that are effective for annual periods beginning on or after 1 October 2022, where applicable. The adoption of these new and revised SFRS(I) or SFRS(I) INT does not have any material impact to the Group's financial statements.

2.2. Use of judgements and estimates

The preparation of financial statements in conformity with SFRS(I)s requires the management to exercise judgement in the process of applying the Group's and the Company's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year, or in the financial period of revision and future years if the revision affects both current and future financial years.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2022.

2.2. Use of judgements and estimates (continued)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) Determine the lease term

The Group has several lease contracts that included extension and/or termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend and/or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the option.

The assessment on lease terms is reviewed at the end of each reporting period if there is a significant change in the Group's intentions, business plan or other circumstances unforeseen since it was first estimated.

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

(i) Construction contracts

The Group has significant ongoing construction contracts as at 30 September 2023 that are non-cancellable. For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress 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 construction revenue. A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

During the course of the construction contracts, the contract sum may also be adjusted for variations, omissions and variable consideration (including liquidated damages).

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management

Significant assumptions are used to estimate the total contract sum and the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion and completeness of provision for onerous contracts recognised.

(ii) Impairment of investments in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and where applicable, cash-generating units ("CGU") have been determined based on value-in-use calculations. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

(iii) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting and disclosures purposes. In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent it is available. The Group works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

2.2. Use of judgements and estimates (continued)

For unquoted equity shares, the Group determines the fair value with reference to SFRS(I) 13 Fair Value Measurement to establish the appropriate valuation techniques and inputs to the model. Changes in assumptions on the inputs to the model could affect the reported fair value of the financial instruments.

(iv) Loss allowance on trade and other receivables, retention sum and contract assets

Trade receivables, retention sum and contract assets

Expected credit loss model is initially based on the Group's historical observed default rates. The Group will calibrate the model to adjust historical credit loss experience with industry future outlook. At each reporting period, historical default rates are updated and change in the industry future outlook is reassessed. The Group also evaluates expected credit loss on credit-impaired receivables separately at each reporting period.

Non-trade receivables from subsidiaries, associates and joint ventures

Management determines whether there is significant increase in credit risk of these subsidiaries, associates and joint ventures since initial recognition. Management assesses the financial performances of subsidiaries, associates and joint ventures to meet the contractual cash flows obligation.

(v) Measurement of lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term. The Group has determined the discount rate by reference to the Group's incremental borrowing rate when the rate inherent in the lease is not readily determinable. The Group obtains the relevant market interest rate after considering the applicable geographical location where the lessee operates as well as the term of the lease. Management considers industry data available as well as any security available in order to adjust the market interest rate obtained from similar economic environment, term and value of the lease.

2.3. Going concern

The Group incurred a net loss of S\$50.8 million for the financial year ended 30 September 2023 and reported a net current assets of S\$0.6 million as at 30 September 2023.

Notwithstanding the above, the appropriateness of the going concern assumptions of the Group is appropriate based on the following factors:

- (a) Operating cash flows generated from the Group's core business;
- (b) Continuing financial support from its ultimate controlling company, LJHB Holdings (S) Pte. Ltd.; and
- (c) Continuing support from financial institutions with regards to the availability of credit facilities granted to the Group.

3. SEASONAL OPERATIONS

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4. SEGMENT AND REVENUE INFORMATION

The Group is organised into four main operating divisions as follows:

- a) Buildings and construction – general building contractors
- b) Property development – developing properties with other partners
- c) Investment property – leasing office and retail shops in two commercial buildings acquired in Osaka Japan
- d) Investment holding – investment in quoted and unquoted equity shares

These operating segments are reported in a manner consistent with internal reporting provided to management who are responsible for allocating resources and assessing performance of the operating segments.

4.1. Reportable segments

	The Group					Total
	Six months ended 30 September 2023					
	Buildings and construction	Property development	Investment property	Investment holding	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	57,907	-	11	-	-	57,918
Inter-segment sales	-	225	-	-	(225)	-
	57,907	225	11	-	(225)	57,918
Loss from operations						
Share of results from joint ventures, net of tax	-	(5,110)	-	-	-	(5,110)
Share of results from associates, net of tax	-	(5,068)	-	-	-	(5,068)
Interest income	3,255	-	-	323	-	3,578
Interest expenses	(699)	-	-	(1,265)	-	(1,964)
Depreciation and amortisation	(2,540)	-	-	-	-	(2,540)
Income tax credit/(expense)	61	-	(899)	-	-	(838)
Reportable segment (loss)/profit before income tax	(40,337)	116	(506)	(4,868)	-	(45,595)
Net (loss)/profit for the period after tax	(40,276)	116	(1,405)	(4,868)	-	(46,433)
Other information						
Additions to non-current assets	157	-	-	-	-	157
Investment in joint ventures	-	6,181	-	-	-	6,181
Investment in associates	-	9,690	-	-	-	9,690
Segment assets	130,289	49,164	1,661	7,923	-	189,037
Segment liabilities	109,550	86	1,143	13,847	-	124,626

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2023

4.1. Reportable segments (continued)

	The Group					Total
	Six months ended 30 September 2022					
	Buildings and construction	Property development	Investment property	Investment holding	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	92,720	-	641	-	-	93,361
Inter-segment sales	-	226	-	-	(226)	-
	92,720	226	641	-	(226)	93,361
Loss from operations						
Share of results from joint ventures, net of tax	-	3,299	-	-	-	3,299
Share of results from associates, net of tax	-	(3,880)	-	-	-	(3,880)
Interest income	2,276	-	-	76	-	2,352
Interest expenses	(538)	-	(44)	(1,530)	-	(2,112)
Depreciation and amortisation	(2,706)	-	(257)	-	-	(2,963)
Income tax expense	(218)	-	(303)	-	-	(521)
Reportable segment (loss)/profit before income tax	(34,185)	1,522	(1,177)	(925)	-	(34,765)
Net (loss)/profit for the period after tax	(34,403)	1,522	(1,480)	(925)	-	(35,286)
Other information						
Additions to non-current assets	226	-	-	-	-	226
Investment in joint ventures	-	6,717	-	-	-	6,717
Investment in associates	-	27,618	-	-	-	27,618
Segment assets	186,090	63,802	18,368	13,508	-	281,768
Segment liabilities	115,617	135	7,156	49,588	-	172,496

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2023

4.1. Reportable segments (continued)

	The Group					Total
	Full year ended 30 September 2023					
	Buildings and construction	Property development	Investment property	Investment holding	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	175,479	-	541	-	-	176,020
Inter-segment sales	-	481	-	-	(481)	-
	175,479	481	541	-	(481)	176,020
Loss from operations						
Share of results from joint ventures, net of tax	-	(4,784)	-	-	-	(4,784)
Share of results from associates, net of tax	-	(7,754)	-	-	-	(7,754)
Interest income	6,264	-	-	485	-	6,749
Interest expenses	(1,286)	-	(33)	(2,772)	-	(4,091)
Depreciation and amortisation	(4,997)	-	(166)	-	-	(5,163)
Income tax credit/(expense)	331	-	(899)	-	-	(568)
Reportable segment (loss)/profit before income tax	(50,557)	418	6,646	(6,743)	-	(50,236)
Net (loss)/profit for the financial year after tax	(50,226)	418	5,747	(6,743)	-	(50,804)
Other information						
Additions to non-current assets	308	-	-	-	-	308
Investment in joint ventures	-	6,181	-	-	-	6,181
Investment in associates	-	9,690	-	-	-	9,690
Segment assets	130,289	49,164	1,661	7,923	-	189,037
Segment liabilities	109,550	86	1,143	13,847	-	124,626

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2023

4.1. Reportable segments (continued)

	The Group					Total
	Full year ended 30 September 2022					
	Buildings and construction	Property development	Investment property	Investment holding	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	146,740	-	1,327	-	-	148,067
Inter-segment sales	-	382	-	-	(382)	-
	146,740	382	1,327	-	(382)	148,067
Loss from operations						
Share of results from joint ventures, net of tax	-	9,568	-	-	-	9,568
Share of results from associates, net of tax	-	(5,529)	-	-	-	(5,529)
Interest income	4,047	-	-	149	-	4,196
Interest expenses	(1,127)	-	(96)	(3,039)	-	(4,262)
Depreciation and amortisation	(4,945)	-	(555)	(4)	-	(5,504)
Income tax (expense)/credit	(358)	-	(303)	4	-	(657)
Reportable segment (loss)/profit before income tax	(44,611)	4,703	(2,268)	(3,758)	-	(45,934)
Net (loss)/profit for the finance year after tax	(44,969)	4,703	(2,571)	(3,754)	-	(46,591)
Other information						
Additions to non-current assets	479	-	-	-	-	479
Investment in joint ventures	-	6,717	-	-	-	6,717
Investment in associates	-	27,618	-	-	-	27,618
Segment assets	186,090	63,802	18,368	13,508	-	281,768
Segment liabilities	115,617	135	7,156	49,588	-	172,496

4.2. Disaggregation of revenue

	The Group				
	Six months ended 30 September 2023				
	Buildings and construction	Property development	Investment property	Investment holding	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services					
Construction	57,907	-	-	-	57,907
Rental	-	-	11	-	11
Total revenue	57,907	-	11	-	57,918
Timing of revenue recognition					
At a point in time	-	-	-	-	-
Over time	57,907	-	11	-	57,918
Total revenue	57,907	-	11	-	57,918
Geographical information					
Singapore	57,862	-	-	-	57,862
Maldives	45	-	-	-	45
Japan	-	-	11	-	11
Total revenue	57,907	-	11	-	57,918

	The Group				
	Six months ended 30 September 2022				
	Buildings and construction	Property development	Investment property	Investment holding	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services					
Construction	92,720	-	-	-	92,720
Rental	-	-	641	-	641
Total revenue	92,720	-	641	-	93,361
Timing of revenue recognition					
At a point in time	-	-	-	-	-
Over time	92,720	-	641	-	93,361
Total revenue	92,720	-	641	-	93,361
Geographical information					
Singapore	92,970	-	-	-	92,970
Maldives	(250)	-	-	-	(250)
Japan	-	-	641	-	641
Total revenue	92,720	-	641	-	93,361

4.2. Disaggregation of revenue (continued)

	The Group				
	Full year ended 30 September 2023				
	Buildings and construction	Property development	Investment property	Investment holding	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services					
Construction	175,479	-	-	-	175,479
Rental	-	-	541	-	541
Total revenue	175,479	-	541	-	176,020
Timing of revenue recognition					
At a point in time	-	-	-	-	-
Over time	175,479	-	541	-	176,020
Total revenue	175,479	-	541	-	176,020
Geographical information					
Singapore	175,029	-	-	-	175,029
Maldives	450	-	-	-	450
Japan	-	-	541	-	541
Total revenue	175,479	-	541	-	176,020

	The Group				
	Full year ended 30 September 2022				
	Buildings and construction	Property development	Investment property	Investment holding	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services					
Construction	146,740	-	-	-	146,740
Rental	-	-	1,327	-	1,327
Total revenue	146,740	-	1,327	-	148,067
Timing of revenue recognition					
At a point in time	-	-	-	-	-
Over time	146,740	-	1,327	-	148,067
Total revenue	146,740	-	1,327	-	148,067
Geographical information					
Singapore	146,538	-	-	-	146,538
Maldives	202	-	-	-	202
Japan	-	-	1,327	-	1,327
Total revenue	146,740	-	1,327	-	148,067

4.3. A Breakdown of sales

	The Group		
	Financial year ended 30 September 2023	Financial year ended 30 September 2022	Increase/ (Decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	118,102	54,706	>100
Operating (loss) after tax before deducting non-controlling interests reported for first half year	(4,371)	(11,305)	(61.3)
Sales reported for second half year	57,918	93,361	(38.0)
Operating (loss) after tax before deducting non-controlling interests reported for second half year	(46,433)	(35,286)	31.6

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5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2023 and 30 September 2022.

	Note	The Group		The Company	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
		S\$'000	S\$'000	S\$'000	S\$'000
Financial assets					
Financial assets at FVOCI	14	32,432	31,142	2,475	2,415
Financial assets at FVTPL		19,610	19,806	-	-
Financial assets at amortised cost		75,337	115,818	13,147	25,264
Financial liabilities					
Financial liabilities at amortised cost		97,398	149,035	13,847	49,583

6. LOSS BEFORE TAXATION

6.1. Significant items

	The Group			
	Six months ended 30 September 2023	Six months ended 30 September 2022	Full year ended 30 September 2023	Full year ended 30 September 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Other income				
Gain on disposal of plant and equipment	-	20	108	86
Gain on disposal of investment properties	-	-	7,755	-
Interest income	3,578	2,352	6,749	4,196
Sales of scrap steel	36	138	91	191
Rental income from warehouse	646	398	1,293	1,101
Management fee	150	150	300	300
Government grant	28	585	168	1,239
Foreign exchange gain, net	-	1,944	-	1,944
Others	174	236	428	295
	4,612	5,823	16,892	9,352
Expenses				
<i>Cost of sales</i>				
Construction costs	60,423	96,566	163,921	148,073
Cost of inventories	1,606	2,227	3,362	3,992
Employee benefit expenses	8,601	10,227	16,709	15,269
Depreciation of property, plant and equipment	3	9	7	15
Depreciation of investment properties	-	257	166	555
(Reversal)/loss allowance for inventory obsolescence	(12)	76	(12)	76
<i>Administrative and other expenses</i>				
Amortisation of intangible assets	88	97	160	111
Depreciation of property, plant and equipment	1,188	1,626	2,373	3,276
Depreciation of right-of-use asset	1,261	974	2,457	1,547
Employee benefit expenses	1,948	3,270	3,680	5,550
Fair value changes on financial asset FVTPL	196	-	196	-
Impairment loss on property, plant and equipment	-	2,486	-	2,486
Impairment loss on investment in a joint venture	1,740	-	1,740	-
Impairment loss on investment in an associates	8,532	-	8,532	-
Loss on liquidation of subsidiary	1,746	-	1,746	-
Professional fees	87	451	471	1,769
Foreign exchange loss/(gain), net	(1,728)	-	4,626	-

6. LOSS BEFORE TAXATION (continued)

6.2. Significant related party transactions

In addition to the related party transactions disclosed elsewhere in the interim condensed financial statements, the Group entered into the following transactions with their related parties.

	The Group			
	Six months ended 30 September 2023 S\$'000	Six months ended 30 September 2022 S\$'000	Full year ended 30 September 2023 S\$'000	Full year ended 30 September 2022 S\$'000
Joint ventures				
Contract revenue from joint ventures	(2,082)	13,978	(906)	23,029
Loan to joint ventures	1,740	-	1,740	-
Interest charged to joint ventures	147	327	423	667
Payment on behalf of joint ventures	382	268	651	575
Associates				
Payment on behalf by associates	-	5	-	5
Payment made on behalf of associates	8	9	8	9
Management fee charged to associates	150	150	300	300
Interest charged to associates	3,057	1,972	5,803	3,463
Subcontractor services by associates	-	379	71	636
Directors' interest in medium term notes				
- Leo Ting Ping Ronald	-	2,000	-	2,000
- Fong Heng Boo	-	500	-	500
- Chong Weng Hoe	-	250	-	250
Interest expense				
- Leo Ting Ping Ronald	48	63	111	125
- Fong Heng Boo	13	15	28	31
- Chong Weng Hoe	6	8	14	16
Loan from shareholders				
Interest expense				
- LJHB Capital (S) Pte Ltd	253	237	502	237
- Leo Ting Ping Ronald	150	141	298	141

7. TAXATION

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group			
	Six months ended 30 September 2023 S\$'000	Six months ended 30 September 2022 S\$'000	Full year ended 30 September 2023 S\$'000	Full year ended 30 September 2022 S\$'000
Current income tax expense	900	521	630	657
Deferred income tax expense relating to origination and (reversal) of temporary differences	(62)	-	(62)	-
	838	521	568	657

8. DIVIDENDS

	The Group			
	Six months ended 30 September 2023	Six months ended 30 September 2022	Full year ended 30 September 2023	Full year ended 30 September 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Ordinary dividends paid				
- Final exempt dividend	-	-	-	-
- Interim exempt dividend	-	-	-	-
	-	-	-	-

9. LOSS PER ORDINARY SHARES

Loss per share is calculated by dividing the net loss attributable to owners of the Company by the weighted average number of ordinary shares (excluding treasury shares) outstanding during the financial year.

	The Group			
	Six months ended 30 September 2023	Six months ended 30 September 2022	Full year ended 30 September 2023	Full year ended 30 September 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Loss attributable to owners of the company	(45,781)	(35,383)	(49,488)	(45,901)
Weighted average number of ordinary shares (excluding treasury shares) (in thousands)	235,010	235,010	235,010	235,010
Basic and diluted loss per share (cents)	(19.48)	(15.06)	(21.06)	(19.53)
Diluted loss per share ⁽¹⁾ (cents)	(19.48)	(15.06)	(21.06)	(19.53)

⁽¹⁾ No adjustment was made to the weighted average number of ordinary shares calculation for the diluted loss per share as the Company was in a loss making position for the current period reported on and the corresponding period of the preceding year, the effects of all dilutive share options have been anti-dilutive.

10. NET ASSET VALUE

	The Group		The Company	
	As at 30 September 2023	As at 30 September 2022	As at 30 September 2023	As at 30 September 2022
Net asset value per ordinary share (excluding treasury shares)(cents)	27.4	47.2	12.8	3.8
Number of issued shares excluding treasury shares	235,010,000	235,010,000	235,010,000	235,010,000

11. PROPERTY, PLANT AND EQUIPMENT

During the full year ended 30 September 2023, the Group acquired assets amounting to S\$171,000 (30 September 2022: S\$125,000) and disposed of assets amounting to Nil (30 September 2022: S\$143,000).

12. INVESTMENT PROPERTIES

The Group's investment properties consist of commercial properties held for long-term rental yields and/or capital appreciation and mainly leased to third parties for rental income. The investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses.

	The Group	
	30 September 2023	30 September 2022
	S\$'000	S\$'000
Cost		
Beginning of financial year	19,724	24,230
Additions	-	-
Disposal	(19,800)	-
Currency realignment	76	(4,506)
Balance at end of financial year	-	19,724
Accumulated depreciation		
Beginning of financial year	2,814	2,848
Depreciation	166	555
Disposal	(2,992)	-
Currency realignment	12	(589)
Balance at end of financial year	-	2,814
Net book value		
Balance at end of financial year	-	16,910
At valuation	-	19,279

The Group's investment properties as at 30 September 2022 comprised of freehold land and commercial building located at Honmachi and Minamihorie, Osaka, Japan respectively.

The investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses. The residual values, useful life and depreciation method are reviewed and adjusted as appropriate, at the end of each reporting period. The effects of any revision are included in profit or loss when the changes arise.

The fair value of the Group's investment properties were valued at S\$19,279,000 as at 30 September 2022 by an independent professional valuation firm having appropriate recognised professional qualifications and recent experience in the location and category of the investment properties held by the Group.

The Group entered into Sale and Purchase Agreement on 1 February 2023 and 7 February 2023 for the sale of the Honmachi and Minamihorie commercial property for cash consideration of approximately S\$12.6 million and S\$12.0 million respectively.

The Group has completed the disposal of its commercial properties in Osaka, Japan on 28 February 2023 with the difference between the net disposal proceeds and the carrying amount of the investment properties recognised in profit or loss.

13. INTANGIBLE ASSETS

	Computer software	Transferrable club membership	Contractual customers relationship	Goodwill	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group					
Cost					
Balance at 1 October 2022	502	-	309	1,611	2,422
Additions	137	-	-	-	137
Disposal	-	-	-	-	-
Balance at 30 September 2023	639	-	309	1,611	2,559
Accumulated amortisation					
Balance at 1 October 2022	249	-	-	-	249
Amortisation for the financial year	160	-	-	-	160
Balance at 30 September 2023	409	-	-	-	409
Impairment					
Balance at 1 October 2022	88	-	309	1,611	2,008
Disposal	-	-	-	-	-
Balance at 30 September 2023	88	-	309	1,611	2,008
Net carrying amount					
Balance at 30 September 2023	142	-	-	-	142
Remaining useful life	1 – 2 years	-	-	-	-

	Computer software	Transferrable club membership	Contractual customers relationship	Goodwill	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group					
Cost					
Balance at 1 October 2021	235	-	309	1,611	2,155
Additions	267	-	-	-	267
Disposal	-	-	-	-	-
Balance at 30 September 2022	502	-	309	1,611	2,422
Accumulated amortisation					
Balance at 1 October 2021	138	-	-	-	138
Amortisation for the financial year	111	-	-	-	111
Balance at 30 September 2022	249	-	-	-	249
Impairment					
Balance at 1 October 2021	88	-	309	1,611	2,008
Disposal	-	-	-	-	-
Balance at 30 September 2022	88	-	309	1,611	2,008
Net carrying amount					
Balance at 30 September 2022	165	-	-	-	165
Remaining useful life	1 – 2 years	-	-	-	-

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income comprise the following

	The Group	
	30 September 2023	30 September 2022
	S\$'000	S\$'000
Singapore listed equity securities ⁽¹⁾	2,475	2,415
Unquoted equity securities ⁽²⁾	29,957	28,727
	32,432	31,142

⁽¹⁾ The Singapore listed equity securities are listed on the catalist board of the Singapore Exchange Securities Trading Limited. The fair value of the investments in quoted equity securities were based on the quoted closing market prices on the last market day of the financial year. The investments classified as Level 1 fair value hierarchy.

⁽²⁾ These are unquoted equity share investments in Katong Holdings Pte Ltd. The fair value of the Group's investments in unquoted equity shares were valued by an independent valuer. The investments are classified as Level 3 fair value hierarchy.

Fair value measurement

The Group classifies financial assets at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : inputs other than quoted prices within Level 1 that are observable for the assets or liabilities, either directly (as prices) or indirectly (i.e. derived from prices)

Level 3 : inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presented the assets measured at fair value:

	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Group – 30 September 2023				
Financial assets, at FVOCI				
- Singapore listed equity securities	2,475	-	-	2,475
- Unquoted equity securities	-	-	29,957	29,957
Group – 30 September 2022				
Financial assets, at FVOCI				
- Singapore listed equity securities	2,415	-	-	2,415
- Unquoted equity securities	-	-	28,727	28,727

15. SHARE CAPITAL

15.1. There has been no change in the Company's issued share capital since the end of the previous period reported on.

15.2. As at 30 September 2023 and 30 September 2022, there were 6,455,000 outstanding options issued under Employee Share Option Scheme, which are convertible into 6,455,000 shares.

15.3. Treasury shares

	The Group and the Company			
	30 September 2023		30 September 2022	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Treasury shares	7,555	3,303	7,555	3,303

As at 30 September 2023 and 30 September 2022, the Company held 7,555,000 treasury shares representing 3.11% of the total number of issued shares of 242,565,000. The Company did not sale, transfer, cancel and/or use any treasury shares as at the current financial period reported on.

15.4. Total number of issued shares (excluding treasury shares)

	The Group and the Company			
	30 September 2023		30 September 2022	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Issued and fully-paid (excluding treasury shares), at the beginning and end of financial period	235,010	21,745	235,010	21,745

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2023 and 30 September 2022.

16. CREDITORS' VOLUNTARY LIQUIDATION OF A SUBSIDIARY

On 11 August 2023, one of the Company's subsidiaries, namely Hansin Timber Specialist and Trading Pte Ltd was placed into Creditors Voluntary Liquidation ("CVL") as the subsidiary cannot by reason of its liabilities continues its business. The subsidiary is consolidated until the date it ceases to be a subsidiary of the Company.

17. TRADE AND OTHER PAYABLES (NON-CURRENT)

	The Group and the Company	
	30 September 2023	30 September 2022
	S\$'000	S\$'000
Non-current liabilities		
Non-trade payables		
- Loan from shareholders ⁽¹⁾	12,750	12,750

⁽¹⁾

On 5 April 2022, the Company entered into a loan agreement with its shareholders, namely LJHB Capital (S) Pte. Ltd. and Mr Leo Ting Ping Ronald amounting S\$12,750,000 to meet the Group's financing requirement. The loan is unsecured, bearing an interest of 6.25% per annum, repayable on 19 August 2023.

On 29 September 2022, the Company entered into an Addendum to the loan agreement dated 5 April 2022, extending the repayment date to 31 March 2025 and, bearing an interest of 6.5% per annum from 19 August 2023.

18. BORROWINGS

	The Group	
	30 September 2023	30 September 2022
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
Secured	19,859	21,054
Unsecured	-	35,228
Amount repayable after one year		
Secured	6,201	7,627
Unsecured	-	-

18.1. The secured borrowings of the Group are secured by:

- a) charge over property, plant and equipment;
- b) charge over receivables of construction contracts; and
- c) corporate guarantees provided by the Company

The secured borrowings of the Group as at 30 September 2022 were secured by:

- a) charge over investment properties;
- b) charge over property, plant and equipment;
- c) charge over receivables of construction contracts;
- d) deposits pledge with financial institutions; and
- e) corporate guarantees provided by the Company

18.2. The unsecured borrowings of the Group as at 30 September 2022, repayable in one year or less, or on demand related to the outstanding 6.25 per cent. Notes due 2023 comprised in Series 003 (the "Notes") issued under the S\$200,000,000 Multicurrency Medium Term Note Programme. The Notes that matured on 19 August 2023 had been fully repaid on the same date.

19. SUBSEQUENT EVENTS

There are no known significant subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of Keong Hong Holdings Limited and its subsidiaries as at 30 September 2023 and the related consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and consolidated statement of cash flows for the twelve months then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

REVIEW OF FINANCIAL PERFORMANCE

Revenue

For the full year ended 30 September 2023 (“FY2023”), revenue increased by 18.9% or S\$27.9 million to S\$176.0 million as compared to S\$148.1 million for the full year ended 30 September 2022 (“FY2022”).

The increase in revenue was mainly due to the progress made in various on-going construction projects as well as increase in productivity of construction activities year on year.

Gross loss and Gross profit margin

Cost of sales rose by 9.6% to S\$195.9 million in FY2023 as compared to S\$178.9 million in FY2022 taking into account higher construction costs and employee benefit expenses.

In FY2023, the Group sustained a gross loss of S\$19.9 million as compared to a gross loss of S\$30.8 million in FY2022. The negative gross profit margin for FY2023 was 11.3%, as compared to negative gross profit margin of 20.8% in FY2022.

The gross loss sustained was mainly attributable to higher construction costs for materials and labour of pre-pandemic projects that are ongoing during the current reporting period.

Other income

Other income increased by 80.6% or S\$7.5 million to S\$16.9 million in FY2023, as compared to S\$9.4 million in FY2022, mainly attributable to the one-off gain on disposal of investment properties of S\$7.8 million and higher interest income, partially offset by absence of foreign exchange gain and lower grant income in the current reporting period.

Administrative expenses

Administrative expenses increased by 11.0%, from S\$16.4 million in FY2022 to S\$18.2 million in FY2023. The increase was mainly attributed to net foreign exchange loss of S\$4.6 million as compared to net foreign exchange gain of S\$1.9 million in FY2022. The net foreign exchange differences are mainly unrealised. These was partially offset by a decrease in other administrative expenses as compared to FY2022.

Loss allowance on financial assets

Arising from the Group assessment at reporting date, the Group recorded a loss allowance of S\$8.8 million in FY2023 as compared to S\$5.4 million in FY2022 mainly attributable to impairment loss on investment in an associate amounting S\$8.5 million.

Finance costs

Finance costs decreased by 4% to S\$4.1 million in FY2023 as compared to S\$4.3 million in FY2022 taking into the net effects of higher interest rates and lower borrowings in the current reporting period.

2. Review of performance of the Group (continued)

Other expenses

In FY2023, other expenses increased by 40.2% to S\$3.5 million as compared to S\$2.5 million in FY2022. The increase was attributed to the loss on liquidation of one of its subsidiary amounted to S\$1.8 million and impairment loss on investment in a joint venture of S\$1.7 million in FY2023. In FY2022, the Group recorded an impairment loss of S\$2.5 million on its property situated at Sungei Kadut arising from the annual review of its property, plant and equipment.

Share of results of joint ventures, net of tax

The Group recorded a net loss of S\$4.8 million in FY2023, mainly attributed to the share of losses relating to the joint venture construction project of a sports and recreational centre.

Share of results of associates, net of tax

Group's share of net losses of associates increased to S\$7.8 million in FY2023 as compared to S\$5.5 million in FY2022. The increase was mainly attributed to its investments in an associate that own, operate and manage airport, hotel and resorts in Maldives. The associate reported a higher net loss arising from higher finance costs and operational expenses incurred during the current reporting period.

Loss for the year

Consequence to the above, the Group sustained a net loss after tax of S\$50.8 million in FY2023, as compared to a net loss after tax of S\$46.6 million in FY2022.

REVIEW OF FINANCIAL POSITION

Non-current assets

Non-current assets decreased by S\$36.5 million to S\$87.8 million in FY2023, mainly attributed to the following:

- depreciation of property, plant and equipment and right-of-use assets;
- disposal of investment properties;
- lower carrying value of investments in associates; and
- lower carrying value of investments in joint ventures

Current assets

Group's current assets in FY2023 decreased by S\$56.2 million or 35.7% at S\$101.3 million as compared to S\$157.5 million in FY2022. The decrease was mainly due to the net effects of the following:

- decrease in trade and other receivables by S\$28.3 million arising mainly from the repayment of loan from joint ventures amounting S\$20.8 million;
- decrease in contract assets of S\$16.4 million;
- decrease in prepayments of S\$1.1 million; and
- decrease in fixed deposits and cash and bank balances by S\$11.1 million mainly attributed to repayment of medium term notes of S\$35.3 million that matured on 19 August 2023.

Non-current and current liabilities

Total liabilities (non-current and current) decreased by S\$47.9 million to S\$124.6 million in FY2023 mainly attributable to net effects of the following:

- increase in contract liabilities by S\$3.1 million as the invoices and/or payment received for certain construction projects exceed the revenue recognised to date;
- decrease in trade and other payables (current) by S\$12.3 million;
- the net effects of proceeds and repayment of bank borrowings, decrease by S\$2.0 million
- the repayment of medium term notes of S\$35.3 million as detailed in Note 18.2.; and

2. Review of performance of the Group (continued)

REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS

As at 30 September 2023, the Group cash and cash equivalents stood at S\$12.7 million as compared to S\$22.6 million in FY2022.

The Group recorded a deficit in net cash from operating activities of S\$12.8 million in FY2023, mainly attributable to the loss making construction projects.

Net cash generated from investing activities amounted S\$46.4 million in FY2023 comprised mainly of proceeds from the disposal of investment properties of S\$24.6 million and repayment of loan from a joint venture company of S\$20.8 million.

Net cash used in financing activities amounted to S\$43.3 million in FY2023, primarily due to repayment of medium term notes of S\$35.3 million, net repayment of bank borrowings of S\$2.0 million, repayment of lease liabilities of S\$2.3 million and interest payment of S\$4.3 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement was previously disclosed to shareholders.

4. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Overview

For the whole of 2023, Singapore's economy grew by 1.2%, moderating from the 3.6% growth in 2022. The construction sector was the best performing sector, registering a 7.7% expansion year-on-year¹. Growth was supported by expansions in both public and private sector construction output.

Despite this seemingly positive state of the economy, inflationary pressures persisted, weighing down profits. Rising interest rates made the cost of borrowing more expensive, in turn impacting consumer demand. Furthermore, an increasingly tense geopolitical landscape with the ongoing Russian-Ukraine conflict, the Israel-Hamas war and the more recent Red Sea crisis could also lead to renewed supply disruptions, dampen consumer and business confidence.

Building Construction

The Group's current project pipeline consists of Grand Hyatt Hotel Singapore, Sky Eden@Bedok, Solitaire on Cecil and Tengah Plantation. The construction order book as at 30 September 2023 stood at approximately S\$364 million; with the commencement of Tengah Plantation in January 2024, the current order book stands at approximately S\$658 million, with residential projects forming 55% of the portfolio and commercial projects making up the remainder.

The Building and Construction Authority has projected the total construction demand in 2024 to range between S\$32 billion and S\$38 billion, mainly driven by public housing and infrastructure projects such as Build-To-Order flats, Cross Island MRT Line contracts, Changi Airport Terminal 5 and Tuas Port developments. Private sector construction demand was projected to be between S\$14 billion and S\$17 billion, underpinned by residential developments, expansion of the two integrated resorts, as well as development of mixed-used properties and industrial facilities².

4. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months (continued)

Building Construction (continued)

Despite increased costs associated with manpower and higher fuel and utility expenses, the outlook for the building construction sector remains optimistic in the near term. As such, we will be actively seeking new opportunities to strengthen our project pipeline, particularly in the healthcare and public housing sector.

Property Development and Investment

The increased Additional Buyer's Stamp Duty (ABSD) rates, especially for foreigners purchasing residential property, higher costs of borrowing, a slowing global economy and weakening consumer sentiment, have resulted in the market showing some signs of deceleration. Based on the Urban Redevelopment Authority's flash estimates, prices of private residential properties increased by 6.7% for the whole of 2023, moderating from the 8.6% increase in 2022; while sale transaction volume fell by about 15% compared to 2022³.

The outlook for the property market in the nearer term is resulting more cautious. With more regulatory scrutiny being accorded to purchases of high-end property in a bid to counter money laundering activities, overall buying sentiment may be impacted. Higher interest rates and increased ABSD rates are expected to negatively affect the mass market segment as well. With limited land supply and ever-increasing competition for prime locations, the opportunities for securing property development projects which will afford good returns on investment are limited. Nevertheless, we will continue to seek opportunities with good value proposition, in partnership with reputable and strong players in the industry, while remaining prudent in any land acquisitions.

Hotel Development and Investment

The Maldives recorded visitor arrivals of 1.88 million in 2023, an increase of 12.1% as compared to 1.68 million in 2022. The top five visitor generating markets were Russia, India, China, United Kingdom and Germany⁴. While the tourism sector has been strong, finance and operating costs have escalated which have impacted our share of profits from our two hotel investments in the Maldives.

The combined average occupancy of Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort for 2023 was 69.2%, higher than the industry average of 57.6%.

Global tourism has not yet rebounded completely to pre-COVID levels. Airlines are still finding it challenging to ramp up operations given labour shortages, higher fuel and other operating costs. Furthermore, travel may be affected by the threats of a global economic slowdown and an increasingly tense geopolitical landscape. As such, we are cautiously optimistic of the performance of this sector, which may impact our hotel properties and influence our future hotel investment strategy.

¹ Ministry of Trade and Industry, "Singapore's GDP Grew by 2.8 Per Cent in the Fourth Quarter of 2023 and by 1.2 Per Cent in 2023", 2 January 2024.

² Building and Construction Authority, "Steady Demand for the Construction Sector Projected for 2024", 15 January 2024.

³ Urban Redevelopment Authority, "URA releases flash estimate of 4th Quarter 2023 private residential property price index", 2 January 2024.

⁴ Maldives Ministry of Tourism, Tourism statistics December 2023.

5. Dividend information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? No.

Name of Dividend	Final
Dividend type	Cash
Dividend per share	0 cents
Tax rate	Tax exempt

5. Dividend information (continued)

5b. Corresponding Period for the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

Name of Dividend	Final
Dividend type	Cash
Dividend per share	0 cents
Tax rate	Tax exempt

5c. Date Payable

Not applicable

5d. Books Closure Date

Not applicable

6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

In view of the challenging business environment and the financial performance of the Group, no dividend has been declared or recommended, as it is critical for the Group to conserve its cash resources to sustain its business operations.

7. Interested person transactions

The Group has not obtained a general mandate from shareholders for interested person transactions.

The aggregate values of all interested person transactions during the twelve months ended are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholder's mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
LJHB Capital (S) Pte. Ltd.	Controlling shareholder	S\$502,000	Nil
Leo Ting Ping Ronald	Substantial shareholder and director	S\$409,000	Nil

8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 under Rule 720(1)).

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

9. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

The buildings and construction segment contributed 99.7% (FY2022: 99.1%) of the Group's total revenue of S\$176.0 million. Improvement in the Group's total revenue was due to progress made in various on-going construction projects as well as increase in productivity of construction activities year on year.

The buildings and construction segment reported a net loss of S\$50.2 million in FY2023 as compared to a net loss of S\$45.0 million in FY2022 mainly attributable to higher construction costs for materials and labour of pre-pandemic projects that are ongoing during the year.

The investment property segment reported a net profit of S\$5.7 million in FY2023 as compared to a net loss of S\$2.6 million in FY2022 arising from the gain on disposal of investment properties during the year.

The investment holding segment reported a higher net loss of S\$6.7 million in FY2023 as compared to a net loss of S\$3.8 million in FY2022 mainly attributable to loss on liquidation of subsidiary.

Consequently, the Group reported a net loss of S\$50.8 million for the year under review.

10. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder.

Pursuant to Rule 704(13) of the Mainboard Rules, the Company confirms that there are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder.

On behalf of the Board of Directors

Leo Ting Ping Ronald
Executive Chairman and Chief Executive Officer

Er Ang Hooa
Executive Director

Singapore
31 January 2024