



KEONG HONG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200807303W)

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2022**

These condensed interim financial statements are issued pursuant to the requirement of the Singapore Exchange Securities Trading Limited (“SGX-ST”) under Rule 705(2C) of the Listing Manual of the SGX-ST in view of the material uncertainty related to going concern raised by the Company’s statutory auditor in the latest audited financial statements for the financial year ended 30 September 2021.

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KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE THREE MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2022

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

		The Group					
		Three months ended 30 September 2022	Three months ended 30 September 2021	Change	Full year ended 30 September 2022	Full year ended 30 September 2021	Change
Note		S\$'000	S\$'000	%	S\$'000	S\$'000	%
	Revenue	58,761	22,453	>100	148,067	76,952	92.4
	Cost of sales	(74,898)	(16,100)	>100	(178,859)	(69,464)	>100
	Gross (loss)/profit	(16,137)	6,353	n.m.	(30,792)	7,488	n.m.
	Other income	4,088	1,571	>100	9,352	7,398	26.4
	Administrative expenses	(4,937)	(7,926)	(37.7)	(16,428)	(19,476)	(15.7)
	(Loss)/Reversal allowance on financial assets						
	- trade and other receivables	(3,483)	(210)	>100	(3,483)	(210)	>100
	- contract assets	(2,578)	(703)	>100	(2,578)	(703)	>100
	- long-term interests	-	2,990	n.m.	-	2,990	n.m.
	- Financial guarantee contracts	704	1,306	(46.1)	704	1,306	(46.1)
	Finance costs	(994)	(1,642)	(39.5)	(4,262)	(7,026)	(39.3)
	Other expenses	(2,486)	(686)	>100	(2,486)	(686)	>100
	Share of results of joint ventures, net of tax	2,755	(4,864)	n.m.	9,568	(2,835)	n.m.
	Share of results of associates, net of tax	(2,133)	410	n.m.	(5,529)	(5,853)	(5.5)
	Loss before income tax	(25,201)	(3,401)	>100	(45,934)	(17,607)	>100
	Income tax expense	(236)	(2,517)	(90.6)	(657)	(2,573)	(74.5)
	Loss for the period	(25,437)	(5,918)	>100	(46,591)	(20,180)	>100
	Other comprehensive income:						
	<i>Items that may be reclassified subsequently to profit or loss:</i>						
	Exchange difference on translating foreign operations	(1,187)	(716)	65.8	(2,054)	(162)	>100
	<i>Items that may not be reclassified subsequently to profit or loss:</i>						
	Fair value gain/(loss) on financial assets at FVOCI	45	(10,324)	n.m.	317	(11,149)	n.m.
	Other comprehensive income for the period, net of tax	(1,142)	(11,040)	(89.7)	(1,737)	(11,311)	(84.6)
	Total comprehensive income for the period	(26,579)	(16,958)	56.7	(48,328)	(31,491)	53.5
	Loss attributable to:						
	Owners of the parent	(25,534)	(4,726)	>100	(45,901)	(17,500)	>100
	Non-controlling interests	97	(1,192)	n.m.	(690)	(2,680)	(74.3)
		(25,437)	(5,918)	>100	(46,591)	(20,180)	>100
	Total comprehensive income attributable to						
	Owners of the parent	(26,676)	(15,766)	69.2	(47,638)	(28,811)	65.3
	Non-controlling interests	97	(1,192)	n.m.	(690)	(2,680)	(74.3)
		(26,579)	(16,958)	56.7	(48,328)	(31,491)	53.5
	Loss per share (cents)						
	• Basic	9	(10.87)	(2.01)	(19.53)	(7.45)	
	• Diluted	9	(10.87)	(2.01)	(19.53)	(7.45)	

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE THREE MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2022

B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		30	30	30	30
		September	September	September	September
		2022	2021	2022	2021
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	11	15,113	20,908	-	-
Right-of-use assets		6,759	6,353	-	74
Investment properties	12	16,910	21,382	-	-
Investments in subsidiaries		-	-	23,803	29,181
Investments in associates		27,618	31,055	7,123	7,123
Investments in joint ventures		6,717	32,275	-	-
Intangible assets	13	165	9	-	-
Financial assets at FVOCI	14	31,142	30,872	2,415	2,145
Financial assets at FVTPL		19,806	19,806	-	-
Non-trade receivables		-	36,815	-	-
Deferred tax assets		70	67	-	-
Total non-current assets		124,300	199,542	33,341	38,523
Current assets					
Inventories		671	836	-	-
Trade and other receivables		93,214	42,756	19,451	22,160
Contract assets		38,514	35,443	-	-
Prepayments		1,262	992	13	13
Fixed deposits		4,820	2,172	3,215	623
Cash and bank balances		18,987	20,874	2,598	2,252
		157,468	103,073	25,277	25,048
Non-current assets classified as held for sale		-	1,880	-	-
Total current assets		157,468	104,953	25,277	25,048
Total assets		281,768	304,495	58,618	63,571
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		(1,379)	675	-	-
Merger reserve		(4,794)	(4,794)	-	-
Fair value reserve		(25,289)	(25,559)	(4,410)	(4,680)
Other reserve		1,125	1,125	-	-
Retained earnings		117,578	163,432	(10,341)	(5,872)
Equity attributable to owners of the parent		111,027	158,665	9,035	13,234
Non-controlling interests		(1,755)	(1,065)	-	-
Total equity		109,272	157,600	9,035	13,234
Non-current liabilities					
Trade and other payables	16	12,750	-	12,750	-
Bank borrowings	17	7,627	9,801	-	-
Lease liabilities		4,942	5,423	-	58
Provisions		512	512	-	-
Deferred tax liabilities		1	1	-	-
Total non-current liabilities		25,832	15,737	12,750	58

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE THREE MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2022

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

	Note	The Group		The Company	
		30 September 2022	30 September 2021	30 September 2022	30 September 2021
		S\$'000	S\$'000	S\$'000	S\$'000
Current liabilities					
Contract liabilities		70	129	-	-
Trade and other payables		65,792	28,327	1,605	2,303
Bank borrowings	17	21,054	34,948	-	-
Lease liabilities		1,965	892	-	21
Medium term notes	17	35,228	47,955	35,228	47,955
Provisions		20,239	14,119	-	-
Current income tax payable		2,316	4,788	-	-
Total current liabilities		146,664	131,158	36,833	50,279
Total liabilities		172,496	146,895	49,583	50,337
Total equity and liabilities		281,768	304,495	58,618	63,571

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
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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 parent	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 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 period	-	-	-	-	-	-	-	(45,901)	(45,901)	(690)	(46,591)
Other comprehensive income for the financial period:											
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 period	-	-	-	(2,054)	-	270	-	(45,854)	(47,638)	(690)	(48,328)
Transactions with owners, recognised directly in equity											
Amortisation of fair value for share options granted to employees	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
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

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE THREE MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2022

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 parent S\$'000	Non-controlling interests S\$'000	Total S\$'000
Full year ended 30 September 2021											
Balance at 1 October 2020	25,048	(3,303)	2,030	837	(4,794)	(14,465)	1,125	180,987	187,465	1,615	189,080
Loss for the financial period	-	-	-	-	-	-	-	(17,500)	(17,500)	(2,680)	(20,180)
Other comprehensive income for the financial period:											
Exchange differences on translating foreign operations	-	-	-	(162)	-	-	-	-	(162)	-	(162)
Fair value loss on financial assets at FVOCI	-	-	-	-	-	(11,149)	-	-	(11,149)	-	(11,149)
Reclassification upon divestment of financial assets at FVOCI	-	-	-	-	-	55	-	(55)	-	-	-
Total comprehensive income for the financial period	-	-	-	(162)	-	(11,094)	-	(17,555)	(28,811)	(2,680)	(31,491)
Transactions with owners, recognised directly in equity											
Amortisation of fair value for share options granted to employees	-	-	11	-	-	-	-	-	11	-	11
	-	-	11	-	-	-	-	-	11	-	11
Balance at 30 September 2021	25,048	(3,303)	2,041	675	(4,794)	(25,559)	1,125	163,432	158,665	(1,065)	157,600

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE THREE MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2022

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 2022						
Balance at 1 October 2021	25,048	(3,303)	2,041	(4,680)	(5,872)	13,234
Loss for the financial period	-	-	-	-	(4,469)	(4,469)
Other comprehensive income for the financial period:						
Fair value gain on financial assets at FVOCI	-	-	-	270	-	270
Total comprehensive income for the financial period	-	-	-	270	(4,469)	(4,199)
Contribution by and distribution to owners of the parent:						
Amortisation of fair value for share options granted to employees	-	-	-	-	-	-
Total transactions with owners of the parent	-	-	-	-	-	-
Balance at 30 September 2022	25,048	(3,303)	2,041	(4,410)	(10,341)	9,035
Full year ended 30 September 2021						
Balance at 1 October 2020	25,048	(3,303)	2,030	(3,930)	2,851	22,696
Loss for the financial period	-	-	-	-	(8,723)	(8,723)
Other comprehensive income for the financial period:						
Fair value loss on financial assets at FVOCI	-	-	-	(750)	-	(750)
Total comprehensive income for the financial period	-	-	-	(750)	(8,723)	(9,473)
Contribution by and distribution to owners of the parent:						
Amortisation of fair value for share options granted to employees	-	-	11	-	-	11
Total transactions with owners of the parent	-	-	11	-	-	11
Balance at 30 September 2021	25,048	(3,303)	2,041	(4,680)	(5,872)	13,234

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	The Group	
		Full year ended 30 September 2022	Full year ended 30 September 2021
		S\$'000	S\$'000
Operating activities			
Loss before income tax		(45,934)	(17,607)
Adjustments for:			
Loss/(Reversal) allowance on financial assets			
- Trade and other receivables		3,483	210
- Contract assets		2,578	703
- Long-term interests		-	(2,990)
- Financial guarantee contracts		(704)	(1,306)
Impairment loss on investment in a joint venture		-	686
Impairment loss on property, plant and equipment		2,486	-
Impairment loss on non-current assets held for sale		-	329
Fair value changes on financial asset at FVTPL		-	3,586
Amortisation of intangible assets	13	111	11
Depreciation of investment properties	12	555	627
Depreciation of property, plant and equipment		3,291	3,501
Depreciation of right-of-use assets		1,547	1,209
Gain on disposal of plant and equipment		(86)	(21)
Loss on disposal of intangible assets		-	191
Allowance for inventory obsolescence		-	321
Interest income		(4,196)	(4,088)
Interest expense		4,262	7,026
Increase in provisions			
- Provision for onerous contract		3,668	4,809
- Provision for warranty		-	500
Amortisation of fair value for share options granted to employees		-	11
(Gain)/Loss on unrealised foreign exchange		(1,944)	1,319
Share of results of joint ventures		(9,568)	2,835
Share of results of associates		5,529	5,853
Operating cash flows before working capital changes		(34,922)	7,715
Working capital changes			
Inventories		165	85
Trade and other receivables		(12,488)	3,898
Prepayments		(331)	(273)
Contract assets		(5,361)	(18,476)
Contract liabilities		(59)	(249)
Trade and other payables		35,188	(14,424)
Cash used in operations		(17,808)	(21,724)
Income tax paid		(3,208)	(6,066)
Net cash used in operating activities		(21,016)	(27,790)

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

	Note	The Group	
		Full year ended	Full year ended
		30 September 2022	30 September 2021
		S\$'000	S\$'000
Investing activities			
Cash advances to associate		-	(470)
Loan to associates		-	(1,626)
Loan to joint ventures		-	(2,895)
Purchase of property, plant and equipment	11	(125)	(1,152)
Purchase of investment properties		-	(31)
Purchase of intangible assets	13	(267)	-
Purchase of right-of-use assets		(87)	(45)
Proceeds from disposal of non-current asset held for sales		1,900	-
Proceeds from disposal of property, plant and equipment		279	39
Repayment of loan from joint ventures		2,135	61,053
Repayment of loan from associate		615	737
Repayment of loan from third parties		15	261
Interest received		163	6,099
Dividend income from joint venture		37,600	-
Redemption of capital upon divestment of financial assets at FVOCI		47	150
Net cash from investing activities		42,275	62,120
Financing activities			
Fixed deposit pledge with financial institutions		(2)	(3)
Loan from shareholders		12,750	-
Proceeds from bank borrowings		24,328	20,190
Proceeds from finance lease		85	-
Repayment of lease liabilities		(1,428)	(991)
Repayment of bank borrowings		(38,884)	(13,385)
Repayment of medium term notes		(12,750)	(51,250)
Interest paid		(4,239)	(6,921)
Net cash used in financing activities		(20,140)	(52,360)
Net change in cash and cash equivalents		1,119	(18,030)
Cash and cash equivalents at beginning of financial year		21,813	40,000
Effect of foreign exchange rate changes on cash and cash equivalents		(330)	(157)
Cash and cash equivalents at end of financial period		22,602	21,813
Cash and cash equivalents:			
Fixed deposits		4,820	2,172
Cash and bank balances		18,987	20,874
		23,807	23,046
Fixed deposits pledge		(537)	(535)
Bank overdraft		(668)	(698)
Cash and cash equivalents at end of financial period		22,602	21,813

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 2022 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 2022 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 2021.

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 2021, 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 2021.

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 2022 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. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

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. In making these estimates, management has relied on past experience and the work of specialists.

(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. 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.

2.2. Use of judgements and estimates (continued)

- (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\$46.6 million for the financial year ended 30 September 2022 and reported a net current assets of S\$10.8 million as at 30 September 2022.

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

- (a) The continuing financial support from the ultimate controlling company, LJHB Holdings Pte. Ltd.;
- (b) The adequacy of funds, including receipt of projected dividend income and cash flows for ongoing projects, and
- (c) Continued support from its bankers on the unutilised banking facilities will be forthcoming.

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

- Buildings and Construction – general building contractors
- Property development – developing properties with other partners
- Investment property – leasing office and retail shops in two commercial buildings acquired in Osaka Japan
- 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
	Three months ended 30 September 2022					
	Buildings and Construction	Property development	Investment Property	Investment Holding	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	58,449	-	312	-	-	58,761
Inter-segment sales	-	135	-	-	(135)	-
	58,449	135	312	-	(135)	58,761
Loss from operations						
Share of results from joint ventures, net of tax	-	2,755	-	-	-	2755
Share of results from associates, net of tax	-	(2,133)	-	-	-	(2,133)
Interest income	1,210	-	-	45	-	1,255
Interest expenses	(214)	-	(21)	(759)	-	(994)
Depreciation and Amortisation	(1,369)	-	(127)	-	-	(1,496)
Income tax expense	67	-	(303)	-	-	(236)
Reportable segment (loss)/profit before income tax	(25,632)	(3,320)	(266)	4,017	-	(25,201)
Net (loss)/profit for the period after tax	(25,565)	(3,320)	(569)	4,017	-	(25,437)
Other information						
Additions to non-current assets	28	-	-	-	-	28
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

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4.1. Reportable segments (continued)

	The Group					Total
	Three months ended 30 September 2021					
	Buildings and Construction	Property development	Investment Property	Investment Holding	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	22,076	-	377	-	-	22,453
Inter-segment sales	-	39	-	-	(39)	-
	22,076	39	377	-	(39)	22,453
Loss from operations						
Share of results from joint ventures, net of tax	-	(4,864)	-	-	-	(4,864)
Share of results from associates, net of tax	-	410	-	-	-	410
Interest income	800	-	-	77	-	877
Interest expenses	(172)	-	(28)	(1,442)	-	(1,642)
Depreciation and Amortisation	(1,345)	-	(154)	(12)	-	(1,511)
Income tax expense	(2,517)	-	-	-	-	(2,517)
Reportable segment (loss)/profit before income tax	(4,815)	293	96	1,025	-	(3,401)
Net (loss)/profit for the period after tax	(7,332)	293	96	1,025	-	(5,918)
Other information						
Additions to non-current assets	413	-	23	-	-	436
Investment in joint ventures	-	32,275	-	-	-	32,275
Investment in associates	-	31,055	-	-	-	31,055
Segment assets	179,586	88,167	25,102	11,640	-	304,495
Segment liabilities	85,350	33	11,172	50,340	-	146,895

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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)	703	(2,268)	242	-	(45,934)
Net (loss)/profit for the period after tax	(44,969)	703	(2,571)	246	-	(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

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4.1. Reportable segments (continued)

	The Group					Total
	Full year ended 30 September 2021					
	Buildings and Construction	Property development	Investment Property	Investment Holding	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue						
External revenue	75,411	-	1,541	-	-	76,952
Inter-segment sales	-	216	-	-	(216)	-
	75,411	216	1,541	-	(216)	76,952
Loss from operations						
Share of results from joint ventures, net of tax	-	(2,835)	-	-	-	(2,835)
Share of results from associates, net of tax	-	(5,853)	-	-	-	(5,853)
Interest income	3,860	-	-	228	-	4,088
Interest expenses	(853)	-	(117)	(6,056)	-	(7,026)
Depreciation and Amortisation	(4,672)	-	(627)	(49)	-	(5,348)
Income tax expense	(2,565)	-	-	(8)	-	(2,573)
Reportable segment (loss)/profit before income tax	(16,872)	3,351	(598)	(3,488)	-	(17,607)
Net (loss)/profit for the period after tax	(19,437)	3,351	(598)	(3,496)	-	(20,180)
Other information						
Additions to non-current assets	1,299	-	31	-	-	1,330
Investment in joint ventures	-	32,275	-	-	-	32,275
Investment in associates	-	31,055	-	-	-	31,055
Segment assets	179,586	88,167	25,102	11,640	-	304,495
Segment liabilities	85,350	33	11,172	50,340	-	146,895

4.2. Disaggregation of revenue

	The Group				
	Three 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	58,449	-	-	-	58,449
Rental	-	-	312	-	312
Total revenue	58,449	-	312	-	58,761
Timing of revenue recognition					
At a point in time	-	-	-	-	-
Over time	58,449	-	312	-	58,761
Total revenue	58,449	-	312	-	58,761
Geographical information					
Singapore	58,642	-	-	-	58,642
Maldives	(193)	-	-	-	(193)
Japan	-	-	312	-	312
Total revenue	58,449	-	312	-	58,761

	The Group				
	Three months ended 30 September 2021				
	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	22,076	-	-	-	22,076
Rental	-	-	377	-	377
Total revenue	22,076	-	377	-	22,453
Timing of revenue recognition					
At a point in time	-	-	-	-	-
Over time	22,076	-	377	-	22,453
Total revenue	22,076	-	377	-	22,453
Geographical information					
Singapore	22,336	-	-	-	22,336
Maldives	(260)	-	-	-	(260)
Japan	-	-	377	-	377
Total revenue	22,076	-	377	-	22,453

4.2. Disaggregation of revenue (continued)

	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

	The Group				
	Full year ended 30 September 2021				
	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	75,411	-	-	-	75,411
Rental	-	-	1,541	-	1,541
Total revenue	75,411	-	1,541	-	76,952
Timing of revenue recognition					
At a point in time	-	-	-	-	-
Over time	75,411	-	1,541	-	76,952
Total revenue	75,411	-	1,541	-	76,952
Geographical information					
Singapore	74,783	-	-	-	74,783
Maldives	628	-	-	-	628
Japan	-	-	1,541	-	1,541
Total revenue	75,411	-	1,541	-	76,952

4.3. A Breakdown of sales

	The Group		
	Financial year ended 30 September 2022	Financial year ended 30 September 2021	Increase/ Decrease
	S\$'000	S\$'000	%
Sales reported for first half year	54,706	28,100	94.7
Operating (loss) after tax before deducting non-controlling interests reported for 1st half year	(11,305)	(2,118)	>100
Sales reported for 2nd half year	93,361	48,852	91.1
Operating (loss) after tax before deducting non-controlling interests reported for 2nd half year	(35,286)	(18,062)	95.4

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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 2022 and 30 September 2021.

	Note	The Group		The Company	
		30 September 2022	30 September 2021	30 September 2022	30 September 2021
		S\$'000	S\$'000	S\$'000	S\$'000
Financial assets					
Financial assets at FVOCI	14	31,142	30,872	2,415	2,145
Financial assets at FVTPL		19,806	19,806	-	-
Financial assets at amortised cost		116,044	102,067	25,264	25,035
Financial liabilities					
Financial liabilities at amortised cost		149,036	127,271	49,583	50,337

6. LOSS BEFORE TAXATION

6.1. Significant items

	The Group			
	Three months ended 30 September 2022	Three months ended 30 September 2021	Full year ended 30 September 2022	Full year ended 30 September 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Other income				
Gain on disposal of plant and equipment	20	21	86	21
Interest income	1,255	877	4,196	4,088
Sales of scrap steel	22	19	191	69
Rental income from warehouse	131	255	1,101	1,020
Management fee	75	75	300	300
Government grant	243	272	1,239	1,697
Foreign exchange gain, net	2,223	-	1,944	-
Others	119	52	295	203
	4,088	1,571	9,352	7,398
Expenses				
<i>Cost of sales</i>				
Construction costs	62,766	2,955	148,073	40,583
Cost of inventories	1,118	1,445	3,992	3,269
Employee benefit expenses	4,984	4,072	15,269	12,463
Depreciation of property, plant and equipment	3	3	15	12
Depreciation of investment properties	127	154	555	627
Allowance for inventory obsolescence	-	329	-	329
<i>Administrative and other expenses</i>				
Amortisation of intangible assets	33	3	111	11
Depreciation of property, plant and equipment	812	1,045	3,276	3,489
Depreciation of right-of-use asset	521	306	1,547	1,209
Employee benefit expenses	2,020	1,991	5,564	5,964
Fair value changes on financial asset FVTPL	-	3,586	-	3,586
Impairment loss on investment in joint venture	-	686	-	686
Impairment loss on property, plant and equipment	2,486	-	2,486	-
Loss of disposal of intangible assets	-	191	-	191
Professional fees	217	158	1,769	462
Foreign exchange loss/(gain), net	-	(772)	-	1,319

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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			
	Three months ended 30 September 2022	Three months ended 30 September 2021	Full year ended 30 September 2022	Full year ended 30 September 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Joint ventures				
Contract revenue from joint ventures	6,643	9,570	23,029	26,144
Loan to joint ventures	-	1,065	-	2,895
Interest charged to joint ventures	164	174	667	1,024
Payment on behalf of joint ventures	134	142	575	479
Associates				
Loan to associates	-	-	-	1,626
Cash advances to associates	-	271	-	470
Payment made on behalf of associates	(347)	113	9	389
Management fee charged to associates	75	75	300	300
Interest charged to associates	1,050	655	3,463	2,945
Directors' interest in medium term notes				
- Leo Ting Ping Ronald	2,000	2,000	2,000	2,000
- Fong Heng Boo	500	500	500	500
- Chong Weng Hoe	250	250	250	250
Interest expense				
- Leo Ting Ping Ronald	31	31	125	125
- Fong Heng Boo	8	8	31	31
- Chong Weng Hoe	4	4	16	16
Loan from shareholders				
Interest expense				
- LJHB Capital (S) Pte Ltd	126	-	237	-
- Leo Ting Ping Ronald	75	-	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			
	Three months ended 30 September 2022	Three months ended 30 September 2021	Full year ended 30 September 2022	Full year ended 30 September 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax expense	236	2,517	657	2,573
Deferred income tax expense relating to origination and reversal of temporary differences	-	-	-	-
	236	2,517	657	2,573

8. DIVIDENDS

	The Group			
	Three months ended 30 September 2022	Three months ended 30 September 2021	Full year ended 30 September 2022	Full year ended 30 September 2021
	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			
	Three months ended 30 September 2022	Three months ended 30 September 2021	Full year ended 30 September 2022	Full year ended 30 September 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Loss attributable to owners of the parent	(25,534)	(4,726)	(45,901)	(17,500)
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)	(10.87)	(2.01)	(19.53)	(7.45)
Diluted loss per share ⁽¹⁾ (cents)	(10.87)	(2.01)	(19.53)	(7.45)

⁽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 2022	As at 30 September 2021	As at 30 September 2022	As at 30 September 2021
Net asset value per ordinary share (excluding treasury shares)(cents)	47.2	67.5	3.8	5.6
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 2022, the Group acquired assets amounting to S\$125,000 (30 September 2021: S\$1,152,000) and disposed of assets amounting to S\$143,000 (30 September 2021: S\$18,000).

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 2022	30 September 2021
	S\$'000	S\$'000
Cost		
Beginning of financial year	24,230	25,749
Additions	-	31
Currency realignment	(4,505)	(1,550)
Balance at end of financial period	19,725	24,230
Accumulated depreciation		
Beginning of financial year	2,848	2,383
Depreciation	555	627
Currency realignment	(588)	(162)
Balance at end of financial period	2,815	2,848
Net book value		
Balance at end of financial period	16,910	21,382
At valuation	19,279	24,508

The Group's investment properties were valued 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 fair value of the Group's investment properties were valued at S\$19,279,000 as at 30 September 2022 (FY2021: S\$24,508,000) 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 valuation was determined by applying the income approach. The independent valuers have considered valuation techniques including the discounted cash flow method and direct capitalisation method in arriving at the open market value as at the reporting date. The discounted cash flow method involves the estimation and projection of rental income over a period of 10 years based on the typical holding period of real estate investors and discounting the rental income with an internal rate of return to arrive at the market value. The direct capitalisation method capitalises a single-year net cash flow into a present value using the capitalisation rate. The valuation conforms to International Valuation Standards and is based on the asset's highest and best use, which is in line with their actual use. The resulting fair values of freehold land and commercial building are considered Level 3 fair value measurements.

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 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 period	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	-	-	-	-

	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 2020	235	222	309	1,611	2,377
Additions	-	-	-	-	-
Disposal	-	(222)	-	-	(222)
Balance at 30 September 2021	235	-	309	1,611	2,155
Accumulated amortisation					
Balance at 1 October 2020	127	-	-	-	127
Amortisation for the financial period	11	-	-	-	11
Balance at 30 September 2021	138	-	-	-	138
Impairment					
Balance at 1 October 2020	88	31	309	1,611	2,039
Disposal	-	(31)	-	-	(31)
Balance at 30 September 2021	88	-	309	1,611	2,008
Net carrying amount					
Balance at 30 September 2021	9	-	-	-	9
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 2022	30 September 2021
	S\$'000	S\$'000
Singapore listed equity securities ⁽¹⁾	2,415	2,145
Unquoted equity securities ⁽²⁾	28,727	28,727
	31,142	30,872

⁽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 2022				
Financial assets, at FVOCI				
- Singapore listed equity securities	2,415	-	-	2,415
- Unquoted equity securities	-	-	28,727	28,727
Group – 30 September 2021				
Financial assets, at FVOCI				
- Singapore listed equity securities	2,145	-	-	2,145
- 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 2022 and 30 September 2021, 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 2022		30 September 2021	
	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 2022 and 30 September 2021, 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 2022		30 September 2021	
	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 2022 and 30 September 2021.

16. TRADE AND OTHER PAYABLES (NON-CURRENT)

	The Group and the Company	
	30 September 2022	30 September 2021
	S\$'000	S\$'000
Non-current liabilities		
Non-trade payables		
- loan from shareholders ⁽¹⁾	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.

17. BORROWINGS

	The Group	
	30 September 2022	30 September 2021
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
Secured	21,054	34,948
Unsecured	35,228	47,955
Amount repayable after one year		
Secured	7,627	9,801
Unsecured	12,750	-

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

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

17.2. The unsecured borrowings of the Group 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 will mature on 19 August 2023

For the financial year ended 30 September 2021, the Notes due payable on 19 August 2023, have been classified as current liabilities as the Group has not been able to maintain a ratio of EBITDA to interest expenses of not less than 2:00 as at 31 March 2021 and 30 September 2021 that constitutes an Event of Default (as defined in the Trust Deed).

On 28 January 2022, through a Consent Solicitation Exercise, the Group obtained the consent of its Noteholders to (a) include a cure mechanism (by way of an interest service reserve account for the Notes) in respect of any non-compliance with the required threshold for the ratio of EBITA to Interest Expense; (b) waive certain provisions of the Trust Deed and the Conditions as a result of any non-compliance with the EBITA-Interest Threshold in respect of Financial period ended 31 March 2021 and financial year ended 30 September 2021; and (c) waive the occurrence of any Event(s) of Default or Potential Event(s) of Default as a result of any non-compliance with the EBITA-Interest Threshold in respect of Financial period ended 31 March 2021 and financial year ended 30 September 2021.

On 17 February 2022, Notice was given to the Noteholders that as at 11 February 2022, a Change of Control Event has occurred under Condition 6(b)(ii) of the Notes, it therefore confers upon Noteholders the option (the “Put Option”) for early redemption of the Notes. Certain Noteholders exercised the put option, amounting to S\$12,750,000 in aggregate principle of the Notes, payable on 18 April 2022.

On 18 April 2022, the Company redeemed S\$12,750,000 in aggregate principal amount of the Notes (the “Redeemed Notes”) and that the Redeemed Notes have been cancelled on the same day, in accordance with the terms and conditions of the Notes. Following the cancellation of the Redeemed Notes, the aggregate outstanding principal amount of the Notes is S\$35,250,000.

17.3. The unsecured borrowings of the Group repayable after one year related to the shareholders loan as detailed in Note 16.

18. 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 2022 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

Revenue increased by S\$36.3 million or 161.7% to S\$58.8 million for the fourth quarter of FY2022 (“4QFY2022”) compared to the corresponding quarter in 4QFY2021. For the full year ended 30 September 2022 (“FY2022”), revenue increased by S\$71.1 million or 92.4% to S\$148.1 million as compared to S\$77.0 million for the full year ended 30 September 2021 (“FY2021”).

The increase in revenue was mainly due to the improvement in construction productivity and the commencement of upgrading works to Grand Hyatt Hotel Singapore in the current financial year.

Gross loss and Gross profit margin

In 4QFY2022, the Group recorded a negative gross profit margin of 27.5% and gross loss of S\$16.1 million as compared to a gross profit margin of 28.3% and gross profit of S\$6.4 million in 4QFY2021.

In FY2022, the Group sustained a gross loss of S\$30.8 million with negative gross profit margin of 20.8%, as compared to a gross profit of S\$7.5 million with gross profit margin of 9.7% in FY2021.

The gross loss sustained in 4QFY2022 and FY2022 was mainly attributable to higher construction costs for materials and labour of pre-pandemic projects that are ongoing amid the challenging economic condition. In addition, resulting from the higher than expected construction costs for materials and labour of pre-pandemic projects, the Group recorded a provision for onerous contracts of S\$3.7 million in FY2022.

Other income

Other income increased by S\$2.5 million or 160.2% to S\$4.1 million in 4QFY2022, as compared to S\$1.6 million in 4QFY2021, mainly attributable to net foreign exchange gain arising from appreciation of United States Dollar vis-à-vis Singapore Dollar and increase in interest income. The increase, was however, partially offset by a decrease in rental income from warehouse.

For FY2022, other income increased by S\$2.0 million or 26.4% to S\$9.4 million as compared to S\$7.4 million in FY2021 mainly attributable to net foreign exchange gain recorded whereas in FY2021, the Group reported a net foreign exchange loss of S\$1.3 million.

Administrative expenses

Administrative expenses decreased by S\$3.0 million or 37.7% to S\$4.9 million in 4QFY2022 as compared to S\$7.9 million in 4QFY2021 as the latter included a fair value loss of S\$3.6 million on financial assets at fair value through profit or loss, that is determined based on discounted cash flow method, taking into consideration the discount rate and estimated duration required for the investee to repay. The decrease was partially offset by increase in depreciation of right-of-use assets, professional fees and employee benefit expenses in the current quarter reported.

2. Review of performance of the Group (continued)

Administrative expenses decreased by S\$3.1 million or 15.7% to S\$16.4 million in FY2022 as compared to S\$19.5 million in FY2021. The decrease was mainly attributable to the net effects of the following

- the non-recurrence of fair value loss of S\$3.6 million recorded in FY2021;
- the non-recurrence of net foreign exchange loss of S\$1.3 million recorded in FY2021 with the appreciation of United States Dollar vis-à-vis Singapore dollar;
- increase in depreciation of right-of-use assets by S\$0.3 million to S\$1.5 million in FY2022 as compared to S\$1.2 million in FY2021; and
- increase in professional fees by S\$1.3 million to S\$1.8 million in FY2022 as compared to S\$0.5 million in FY2021. The increase in professional fees was in relation to series of corporate actions, e.g. consent solicitation exercise, mandatory takeover, etc in the current financial year.

Loss allowance on financial assets

As detailed on Page 1 of the condensed interim consolidated statement of profit or loss and other comprehensive income, the Group recorded a net loss allowance on financial assets of S\$5.4 million in 4QFY2022 as compared to a reversal of loss allowance of S\$3.4 million in 4QFY2021 arising from the Group assessment at reporting date.

Finance costs

Finance costs decreased by 39.5% to S\$1.0 million in 4QFY2022 and 39.3% to S\$4.3 million in FY2022 respectively, as compared to the corresponding periods in the previous financial year due to lower level of borrowings in the current financial year.

Other expenses

Other expenses increased to S\$2.5 million in 4QFY2022 and FY2022 as compared to S\$0.7 million in 4QFY2021 and FY2021, mainly attributed to the Group's annual review of its property, plant and equipment for impairment. Arising from the review, the Group recorded an impairment loss of S\$2.5 million on its property situated at Sungei Kadut.

Share of results of joint ventures, net of tax

The Group recorded a net gain of S\$2.8 million and S\$9.6 million from its joint ventures in 4QFY2022 and FY2022 respectively, attributed to the share of profit from residential development projects in Singapore. The profit, was however, partially offset by losses relating to the construction project of a sports and recreational centre.

Share of results of associates, net of tax

Group's share of losses of associates increased to S\$2.1 million in 4QFY2022 as compared to a share of gain of S\$0.4 million in 4QFY2021.

On the other hand, Group's share of losses of associates amounted to S\$5.5 million in FY2022 as compared to S\$5.9 million in FY2021. The lower losses recorded was mainly attributed to the gradual and continued recovery of hospitality business in Maldives.

Loss for the period

Consequence to the above, the Group sustained a higher net loss after tax of S\$46.6 million in FY2022, as compared to a net loss after tax of S\$20.2 million in FY2021.

2. Review of performance of the Group (continued)

REVIEW OF FINANCIAL POSITION

Non-current assets

Non-current assets decreased by S\$75.2 million or 37.7% from S\$199.5 million in FY2021 to S\$124.3 million in FY2022, mainly attributed to the following:

- The decrease in property, plant and equipment of S\$5.8 million arising from depreciation of S\$3.3 million during the year and impairment loss of S\$2.5 million on its property situated at Sungei Kadut;
- The decrease in investment properties of S\$4.5 million arising from depreciation of S\$0.6 million during the year and currency realignment loss of S\$3.9 million resulted from depreciation of Japanese Yen vis-à-vis Singapore Dollars;
- The decrease in the carrying value of the Group's interest in joint venture of S\$25.6 million mainly due to the receipt of dividend income S\$37.6 million from a joint venture in FY2022. The decrease was partially offset by share of gain of the results of the joint ventures; and
- Decrease in non-current non-trade receivables of S\$35.3 million, an amount due from joint venture, arising from reclassification to current assets.

Current assets

Group's current assets in FY2022 increased by S\$52.5 million or 50.0% at S\$157.5 million as compared to S\$105.0 million in FY2021. The increase was mainly due to the net effects of the following:

- The reclassification of non-current non-trade receivables of S\$35.3 million to current non-trade receivables;
- Increase in trade and other receivables by S\$15.2 million and contract assets by S\$3.1 million, that is in tandem with the increase in revenue; and
- Absence of Non-current assets classified as held for sale of S\$1.9 million in FY2021, with the sale completed in first quarter of FY2022 and non-recurring in nature.

Non-current liabilities

Group's non-current liabilities increased by S\$10.1 million to S\$25.8 million mainly due to:

- Increase in trade and other payables by S\$12.8 million relating to loan from shareholders for financing requirement as detailed in Note 16; and
- Partially offset by the decrease in non-current bank borrowings and lease liabilities by S\$2.7 million arising from reclassification to current bank borrowings and lease liabilities.

Current Liabilities

Current liabilities increased by 11.8% or S\$15.5 million to S\$146.7 million in FY2022, mainly attributable to the following

- Increase in trade and other payables by S\$37.5 million comprised mainly of accrued subcontractor expenses incurred for the building and construction services but not billed by subcontractors. The increase was in tandem with the increase in cost of sales;
- Increase in provisions by S\$6.1 million arising from addition provision for onerous contracts and provision for share of loss in joint venture in FY2022;
- Decrease in bank borrowing amounted to S\$13.9 million, net of proceeds and repayment during FY2022;
- Decrease in medium term notes by S\$12.7 million as detailed in Note 17.2.; and
- Decrease in current income tax payable by S\$2.5 million due mainly to lower tax expenses for FY2022.

2. Review of performance of the Group (continued)

REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS

As at 30 September 2022, the Group cash and cash equivalents of S\$22.6 million is comparable to S\$21.8 million in FY2021.

The Group recorded a deficit in net cash from operating activities of S\$21.0 million in FY2022, mainly attributable to the loss making construction projects.

The net cash generated from investing activities amounted S\$42.3 million in FY2022. It was mainly attributable to:

- Dividend income from joint venture of S\$37.6 million;
- Proceeds from the disposal of non-current asset held for sale of S\$1.9 million; and
- Partial repayment of loan from joint ventures and an associate amounted S\$2.7 million.

The net cash used in financing activities of S\$20.1 million in FY2022 was mainly due to the net repayment of bank borrowings of S\$14.6 million, repayment of lease liabilities of S\$1.4 million and interest paid of S\$4.2 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

The Singapore economy grew by 4.1% in the third quarter of 2022, easing from the 4.5% growth in the previous quarter¹. The construction sector expanded by 7.8% in the third quarter of 2022, which was an increase from the 4.8% growth in the preceding quarter. Both public and private construction output picked up during the quarter. Nevertheless, the value-added of the sector remained 18.0% below the pre-pandemic level.

While Singapore's economy reflected the general post-COVID-19 pandemic recovery, our operating environment remains challenging. We continue to face supply chain constraints and operational cost pressures amidst Russia-Ukraine conflict and COVID-19 measures in China. In a survey of business expectations for October 2022 to March 2023 conducted by the EDB², majority of the establishments expect business conditions to weaken in the coming months, citing factors such as supply chain challenges, rising operating costs such as energy and raw materials costs as well as macroeconomic uncertainties.

Building Construction

The Group's current project pipeline consists of National Skin Centre, Sky Everton condominium, Wilshire Residences condominium and the Grand Hyatt Hotel Singapore. We were awarded the construction of a proposed mixed residential-commercial development at 799 New Upper Changi Road worth S\$70 million in November 2022. The project will commence in January 2023 and is targeted to be completed by third quarter of 2025. Our current construction order book stood at approximately S\$425 million.

The Group will be proactive in seeking new opportunities to enhance our project pipeline, while exercising prudence and being selective in the projects we tender for.

¹ MTI forecast GDP Growth of around 3.5 Percent in 2022 and 0.5 to 2.5 Percent in 2023, 23 November 2022.

² The Singapore Economic Development Board (EDB), "Business Expectations of the Manufacturing Sector", 31 October 2022.

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)

Property Development and Investment

Prices of private residential properties have continued to rise in the third quarter and new residential launches have scored strong sales in recent months, resulting in the government introducing a new round of property cooling measures on 30 September 2022. While this round of cooling measures seems to be targeted at moderating the demand for resale HDB housing, it does also have some broad-based effect on the overall ability of homeowners to borrow.

The outlook for Singapore property in the longer-term horizon remains positive, however the nearer term outlook is more cautious, given the global economic uncertainties, among them, rising interest rates and inflationary pressures coupled with the real possibility of a global recession. These may have a negative impact on buyer sentiment. Nevertheless, we will continue to seek property development and investment projects and will remain prudent in any land acquisition.

Hotel Development and Investment

The international tourism market has rebounded, albeit with visitor arrivals still below pre-pandemic levels. The easing of entry requirements into most countries, the overall effectiveness in managing COVID-19 infections, and high vaccinations rates, have seen the travel sector performing strongly. The Maldives has recorded more than 1.3 million tourist arrivals from January to October 2022, which is a 32.7% increase over last year³. The country is on track to welcome 1.6 million international visitors this year, almost back to pre-pandemic level of 1.7 million visitors in 2019.

The combined average occupancy of Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort was 60.5% from January to October, higher than the industry average of 58.3%.

We remain open to opportunities for hotel development and investment in the Maldives, as well as other popular tourist destinations such as Japan, Vietnam, Australia and United Kingdom.

³ Ministry of Tourism, Republic of Maldives, <https://www.tourism.gov.mv/en/downloads/reports>

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

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

5. Dividend information (continued)

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\$237,000	Nil
Leo Ting Ping Ronald	Substantial shareholder and director	S\$266,000	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

Revenue from building and construction segment increased to S\$146.8 million in FY2022 as compared to S\$75.4 million in FY2021: 99.1% (FY2021: 98.0%) of the Group revenue was derived from the buildings and construction segment. The increase in revenue was mainly due to the improvement in construction productivity and the commencement of upgrading works to Grand Hyatt Hotel Singapore in the current financial year.

Revenue from investment property segment was lower by S\$0.2 million or 13.9% to S\$1.3 million in FY2022 as compared to S\$1.5 million in FY2021. The decrease was mainly attributable to the weakening of Japanese Yen vis-à-vis Singapore Dollar in the current financial year.

As detailed in the review of performance, the Group was adversely impacted by higher construction costs for materials and labour of pre-pandemic projects that are ongoing amid the challenging economic condition.

For the year under review, turnover and earnings of the Group are primarily derived from the operations in Singapore.

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
29 November 2022