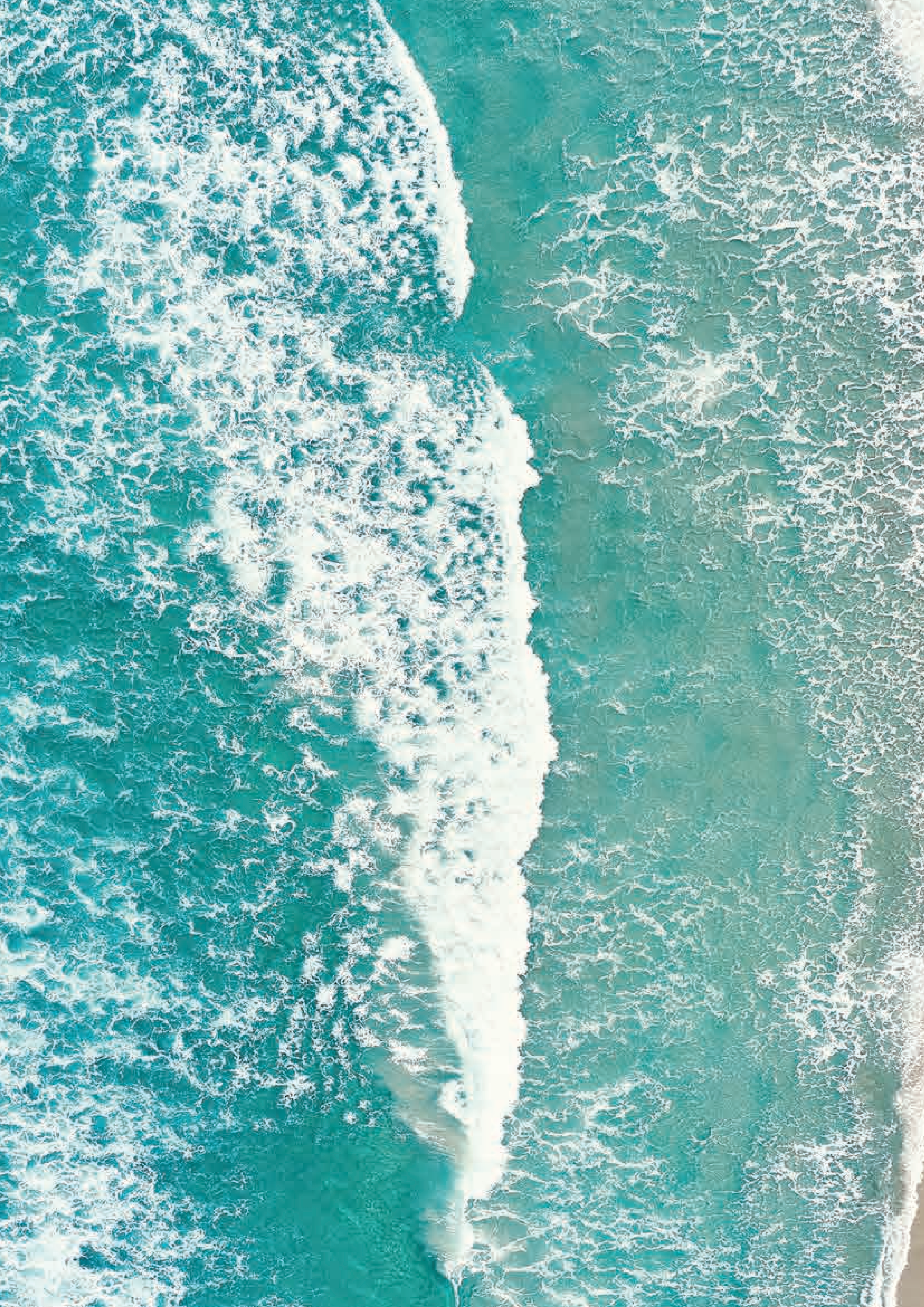
STEADY RECOVERY ENSURING SUSTAINABLE GROWTH

KEONG HONG HOLDINGS LIMITED
ANNUAL REPORT 2024



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OVERCOMING **ADVERSITIES**

Keong Hong’s financial performance improved significantly in FY2024 after completing several pandemic-impacted projects.

CHAIRMAN’S MESSAGE

DEAR SHAREHOLDERS,

I am pleased to present our Annual Report 2024 and to highlight the improvement we have made in the past year. We have narrowed our losses in the construction sector, with the completion of several challenging projects which had been impacted by the COVID-19 pandemic. Overall, we have benefitted from the improved economic conditions, with Singapore’s economy expanding by 4.3% year-on-year in the fourth quarter of 2024, and by 4.0% for the whole of 2024[1]. The construction sector registered a 4.8% growth over the same period last year, fuelled by an increase in public sector projects. Despite the economic expansion, inflationary pressures persisted with rising interest rates, increasing borrowing costs for businesses and dampening consumer demand. The war in the Middle East and the Russian-Ukraine conflict have had some impact on logistics operations. We have worked within the constraints of a challenging environment by being prudent in our financial decisions, keeping a lean workforce and restructuring our borrowing facilities so as to strengthen our cashflow. As such, we are in a more financially comfortable position to face future challenges and seize growth opportunities where they present themselves.

FINANCIAL HIGHLIGHTS

We registered a 13.6% decrease in revenue of S$172.6 million for the financial year ended 30 September 2024 (“FY2024”) as compared to revenue of S$199.8 million in the financial year ended 30 September 2023 (“FY2023”). We recorded a negative gross margin of 3.1% on the back of a gross loss of S$5.4 million in FY2024. This is compared against a negative gross margin of 13.2% following on the gross loss of S$26.4 million in the previous financial year. The Group recorded other income of S$8.7 million as compared to S$16.9 million in FY2023, a decrease of 48.3%. The higher other income recorded in FY2023 was mainly attributed to the one-off gain on disposal of investments properties in Japan. The Group, consequently, recorded net loss after tax of S$3.9 million compared to a net loss after tax of S$51.2 million in FY2023.

Our cash and cash equivalents were S$20.8 million (FY2023: S$14.6 million). The Group recorded positive net cash from operating activities of S$8.8 million in FY2024. Net asset value per share stood at 21.5 cents as at 30 September 2024.

Considering our financial performance and taking into consideration the Group’s overall financial position, working capital requirements and future investment needs, the Board is not proposing any dividends for the financial year FY2024. This is in line with our commitments to ensure financial robustness and the long-term sustainable growth of the Group.

BUILDING CONSTRUCTION – STEADY RECOVERY POISED FOR AN UPTURN

Our construction sector was the strongest performing of our business divisions. We have narrowed our losses in this sector, with many of our unprofitable projects having been completed. We have made significant progress in our ongoing projects and are on schedule for projected completions.

[1] Ministry of Trade and Industry, “Singapore’s GDP Grew by 4.3 Per Cent in the Fourth Quarter of 2024 and by 4.0 Per Cent in 2024,” 2 January 2025.

CHAIRMAN'S MESSAGE

Our first mixed-use commercial construction project in the Central Business District, Solitaire on Cecil, has completed ground strengthening and progressed to piling phase. The project consists of a 20-storey office building comprising restaurants on the first storey with two basement carparks on Cecil Street. Our residential construction project, Sky Eden @ Bedok, had its topping out ceremony before Lunar New Year on 27 January 2025. Phase 1 of the additions and alterations work to the Grand Hyatt Singapore Hotel was completed in April 2024 with the soft opening having been held in July 2024. The next phase, which comprises among other things, refurbishment to over 400 rooms, is slated for completion in the second quarter of this year. With respect to our public sector projects, Phase 2 of the new National Skin Centre at Mandalay Road, comprising a five-storey building with basement and Mechanical and Electrical roof was awarded Temporary Occupation Permit ("TOP") in December 2024. We hope to receive the Certificate of Substantial Completion in the first quarter of 2025. The Punggol Regional Sports Centre is almost completed. However, with additional variation works on rain screens and football pitch lightings, the TOP is expected in the third quarter of this year. Bored piling has been completed for the Housing and Development Board's ("HDB") Tengah Plantation C5 project, with superstructure structural works reaching the fourth and sixth storeys for the more advanced blocks. We enter 2025 with a healthy order book currently valued at approximately S$368 million as at 30 September 2024. With our latest portfolio of projects, our residential projects and commercial projects are in the proportion of 49% and 51% respectively.

CHAIRMAN'S MESSAGE

Total construction demand is expected to range between S$47 billion and S$53 billion in 2025[2]. The demand will be driven from both private as well as public sector initiatives such as construction of Changi Airport Terminal 5, the expansion of the Marina Bay Sands Integrated Resort, new HDB flats, the cross-island MRT Line contracts, Tuas Port development, and major road enhancements and drainage improvement. With many of the public sector projects ongoing for the foreseeable future and more in the pipeline, particularly health, educational and community facilities, total construction demand in the medium term is expected to be between S$39 billion and S$46 billion per year from 2026 to 2029.

Considering the opportunities in both public and private sector construction, we will continue to seek new projects with attractive returns, given our strong track record in the sector.

PROPERTY DEVELOPMENT AND INVESTMENT – CHALLENGING NEAR-TERM OUTLOOK, LONG-TERM FUNDAMENTALS UNCHANGED

Recent data have indicated that the property sector is beginning to moderate slightly after reaching frenzied levels in recent years. Private housing pricing increased by 2.3% in the fourth quarter of 2024, with an increase of 3.9% for the whole of 2024. This represents a moderation from the increase of 6.8% in 2023 and 8.6% in 2022. The effects of increased Additional Buyer's Stamp Duty rates, higher borrowing costs and uncertain economic growth have turned buyer sentiment cautious. Developers sold 6,469 private residential units for the whole of 2024 as compared with 6,421 units in 2023[3].

Despite the relatively muted property market as compared with recent years, in land-scarce Singapore with limited supply of prime locations, property development projects which afford healthy investment returns will always be in demand. While there are no plans for land acquisition in the immediate future, it remains a sector that is of particular interest and importance to the Group. As such, we will continue to be on alert for opportunities which afford an attractive return on investment. In the meantime, we will ensure that we are in a strong financial position to take advantage of such opportunities should they present themselves.

HOTEL DEVELOPMENT AND INVESTMENT – TOURISM REVIVAL

The Maldivian tourism sector continues to improve, recording 2.0 million tourists in 2024 as compared with 1.9 million tourists in the previous year (an 8.9% increase). Nevertheless, high operating costs impacted the profitability of our investment, with the Group registering a share of losses in our two hotel investments, Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort in which we have a 49% equity interest.

We have taken steps to address this, among other measures, restructuring the costs' structure, which will improve our liquidity. We are also looking at ways to attract more tourists and are currently studying proposals to achieve this.

We have initiated the process of selling our minority interest in Katong Holdings Pte Ltd. The sale would enable us to utilise the net proceeds from the sale for our working capital requirements as well as for potential business opportunities. The divestment will allow the Group to focus on other aspects of its business and strategic endeavours instead of having to allocate resources and effort to this investment.

BUILDING FINANCIAL AND OPERATIONAL RESILIENCE

With the completion of the Group's disposal of its two commercial properties in Honmachi and Minamihorie, Osaka, Japan in February 2023, the Group's liquidity has improved with enhanced working capital and stronger cashflow.

There are no plans at the moment to reinvest these realised gains from our investments but the Group will not discount future investments which will be beneficial to our portfolio and financial strategy.

While raw material costs have stabilised and, in some cases, decreased, operating, manpower and borrowing costs coupled with a slowing economy make it imperative that cost management,

[2] Building and Construction Authority, "Construction Demand to Remain Strong for 2025," 23 January 2025.

[3] Urban Redevelopment Authority, "Release of 4th Quarter 2024 real estate statistics," 24 January 2025.

CHAIRMAN'S MESSAGE

productivity enhancement and digital investment remain front and centre. Given the shortage of skilled labour, digitalisation will be a key strategy. Building on the digitalisation experience gained from implementing Aptiv8 IT Solutions and AirSquire's cloud-based 360-degree virtual sites at Grand Hyatt Singapore Hotel, we are continuing our IDD journey with the experimental implementation of Doxa Connex's procurement-to-payment system company-wide, and Autodesk Construction Cloud on new projects. In Maldives, Lumitics Artificial Intelligence ("AI") smart food waste tracker has recently been installed at Pullman Maldives Maamutaa Resort and Mercure Maldives Kooddoo Hotel offering insights to Chefs on how to reduce their food waste by up to 40% and food cost by 2% to 8%. For HDB's Tengah Plantation C5 project, we use IFCA Contract Management Solution to connect project site offices, contract and cost management and purchasing to pursue excellence in project cost control.

We have adopted AI in enhancing worker safety as it remains our priority. This, together with ongoing worker safety education and upskilling initiatives provide a safer, more effective and productive work environment for all. We have also implemented digitalisation in various stages of our construction process, for example QR code enabled components which can be tracked.

SOCIAL RESPONSIBILITY AND SUSTAINABILITY

We have been a staunch advocate of training and education for the next generation of professionals in our field. We continued to support Institute of Technical Education's ("ITE") Work-Learn Technical Diploma programme. We have one ITE trainee continuing his Work-Learn Technical Diploma programme at the Tengah Plantation C5 project site.

On the sustainability front, the solar panel installation at our Chin Bee factory has been commissioned and begun providing green energy since July 2023, supplementing the power requirement at the production floors and administration blocks of 20 Chin Bee Drive and 21 Fourth Chin Bee Road. The solar panels are capable of generating 800 amperes of green electricity and offsetting up to 215 tons of carbon dioxide per year. New sustainability initiatives have also been implemented in Maldives. Food composters have been installed at both the resort hotels to convert food waste to compost as fertilisers for the gardens.

Please refer to our Sustainability Report 2024 for an in-depth account of our sustainability and conservation programmes.

BUILDING ON OUR CORE STRENGTH; ENSURING SUSTAINABLE GROWTH

We have never put short-term gains ahead of long-term sustainable growth and this strategy is set to continue. Tight costs control, careful investment decisions, prudent financial planning as well as an effective and comprehensive project management have stood us well through downturns and uptrends. We are certain that this will continue to stand us in good stead, allowing us to growth sustainably and assuredly in the long-term.

APPRECIATION AND ACKNOWLEDGEMENTS

Greatest appreciation from our Board of Directors and me to our staff and executive management for their efforts and hard work throughout the year. I would like to take this opportunity to welcome on board our new Chief Financial Officer, Mr Heng Fook Chang who brings with him a wealth of experience. We are certain he will be a great asset to our team. Lastly, thank you to our business partners, associates, customers, and shareholders for continuing to support the Group. Working together, we are confident of bringing greater value to all our stakeholders and the community at large.

LEO TING PING RONALD
Chairman and Chief Executive Officer

STEADY RECOVERY

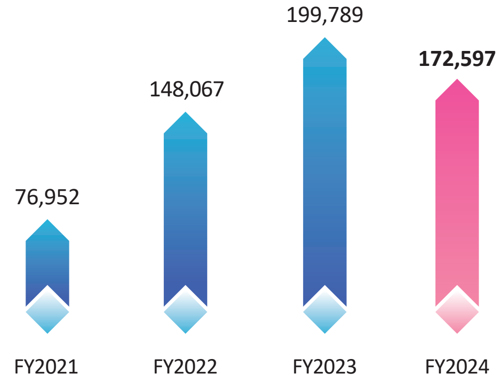
The Group is poised to benefit from improved economic conditions, higher construction demand and strong tourism growth.

FINANCIAL HIGHLIGHTS

REVENUE ($'000)

Group's revenue decreased by 13.6% to S$172.6 million.

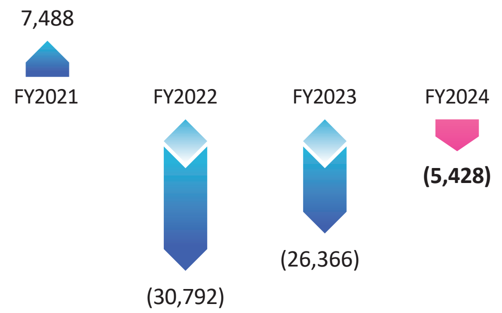
The decrease in revenue was mainly due to lower revenue recognition for construction projects which have already obtained Temporary Occupation Permit in FY2023, namely The Antares, Wilshire Residences and Sky Everton, while construction projects such as Tengah Plantation C5 and Solitaire on Cecil have just started.



GROSS PROFIT/LOSS ($'000)

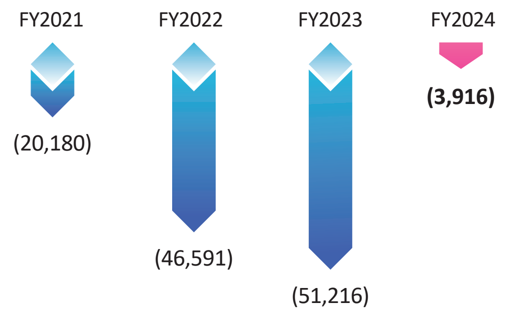
In line with the lower revenue recorded, cost of sales decreased to S$178.0 million in FY2024 as compared to S$226.2 million in FY2023.

The Group significantly narrowed its gross loss to S$5.4 million or by 79.4% from S$26.4 million in FY2023. The decrease in gross loss was mainly attributable to the near completion of pre-pandemic projects which had higher construction costs for materials and labour.



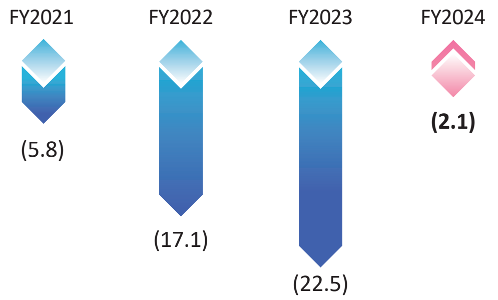
NET LOSS ($'000)

The Group recorded a net loss after tax of S$3.9 million in FY2024, as compared to a net loss after tax of S$51.2 million in FY2023.

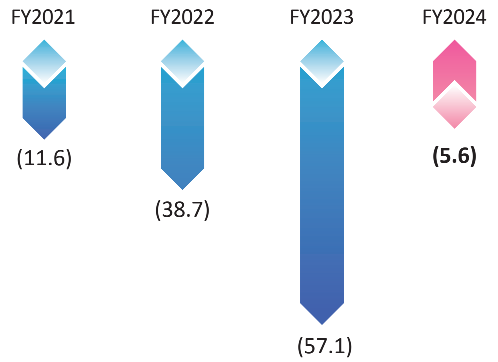


FINANCIAL HIGHLIGHTS

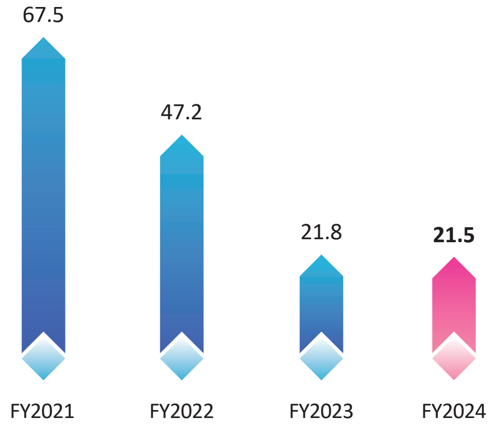
RETURN ON ASSETS (PER CENT)



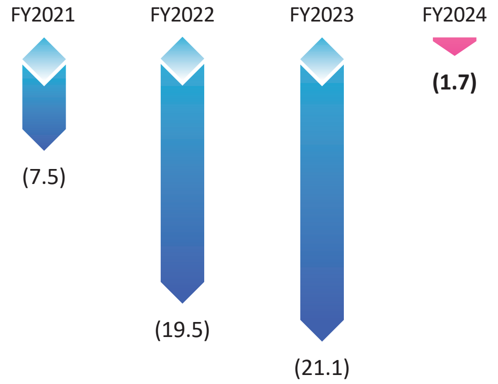
RETURN ON EQUITY (PER CENT)



NET ASSET VALUE (SINGAPORE CENTS)



BASIC EPS (SINGAPORE CENTS)



FINANCIAL AND OPERATIONS REVIEW

Singapore registered growth of 4.0% in 2024[1] as compared to the modest 1.1% in 2023. Our results, likewise, mirrored the overall improvement in economic conditions. In particular, we registered commendable performance in our construction sector, in tandem with the performance of that sector in the overall economic performance of Singapore. The construction sector in Singapore posted growth of 4.8% easing from the 5.2% growth in 2023.

Keong Hong Holdings Limited ("Keong Hong" or together with its subsidiaries, the "Group"), turned in revenue of S$172.6 million for the full year ended 30 September 2024 ("FY2024") as compared to S$199.8 million for the full year ended 30 September 2023 ("FY2023"). This represents a contraction in revenue of 13.6%. The decrease in revenue was mainly due to lower revenue recognition of construction projects which have obtained Temporary Occupation Permit ("TOP") in FY2023, namely The Antares, Wilshire Residence and Sky Everton, while construction projects such as Tengah Plantation C5 and Solitaire on Cecil have just started. The Group, however, has made great strides in narrowing its gross loss and turning in a net profit.

The Group significantly narrowed its gross loss to S$5.4 million or by 79.4% from S$26.4 million in FY2023. The decrease in gross loss was mainly attributable to the near completion of pre-pandemic projects which had higher construction costs for materials and labour, and as well as the effectiveness of our cost management strategies. In line with the lower revenue, cost of sales decreased by 21.3% to S$178.0 million in FY2024 as compared to S$226.2 million in FY2023. Consequent to our lower gross loss, we recorded a negative gross profit margin of 3.1%, as compared to a negative gross profit margin of 13.2% in FY2023.

The Group's registered other income of S$8.7 million in FY2024, as compared to S$16.9 million in FY2023, representing a 48.3% decrease, mainly attributable to the one-off gain on disposal of investment properties of S$7.8 million and higher interest income in FY2023. The Group's share of results from its joint ventures decreased to S$44,000 in FY2024 as compared to S$0.3 million in FY2023. The Group's share of net losses of associates increased to S$10.6 million in FY2024 as compared to S$8.4 million in FY2023. The increase was mainly attributed to its investment in an associate that owns and operates an airport, hotel and resort in the Maldives. A higher loss was reported arising from higher operating and finance costs during the current financial year reported on.

Following from the above, the Group recorded a net loss after tax of S$3.9 million in FY2024, as compared to a net loss after tax of S$51.2 million in FY2023.

Balance sheet-wise, as at 30 September 2024, the Group's net cash position was S$20.8 million as compared to S$14.6 million in FY2023. Total assets stood at S$194.3 million as against total liabilities of S$143.7 million (FY2023: total assets of S$181 million and total liabilities of S$129.7 million). The Group's gearing ratio was 0.65 (FY2023: 0.65). The Group recorded loss per share of 1.7 cents and a net asset value per share of 21.5 cents.

BUILDING AND CONSTRUCTION – HIGHLIGHTS

Despite a strongly-performing construction sector and overall improvement in the economic conditions, the Group still had to operate within a challenging environment of high interest rates, increased business borrowing costs, manpower and productivity challenges. Nonetheless, we succeeded in leveraging

[1] Ministry of Trade and Industry, "Singapore's GDP Grew by 4.3 Per Cent in the Fourth Quarter of 2024 and by 4.0 Per Cent in 2024" 2 January 2025.

FINANCIAL AND OPERATIONS REVIEW

on technology, managing costs and improving our operations to overcome some of these challenges. The construction order book as at 30 September 2024 stood at approximately S$368 million, with our residential and commercial projects forming 49% and 51% of our portfolio respectively.

The Group's current project pipeline consists of Solitaire on Cecil and Tengah Plantation C5. Sky Eden @ Bedok had its topping out ceremony before Lunar New Year on 27 January 2025. Solitaire on Cecil, a 20-storey office building development comprising restaurants on the first storey with two basement carparks on Cecil Street has completed ground strengthening works and is progressing on to bored piling and foundation phase. Bored piling works for Housing and Development Board's Tengah Plantation C5 project have been completed with structural works having progressed to fourth and sixth storeys for the more advanced blocks.

With Phase 1 of the additions and alterations work to the Grand Hyatt Singapore Hotel having been completed in April 2024 and Phases 2 and 3 both completed in July 2024, we have now moved on to Phase 4. This phase includes, among other improvements, the refurbishment of over 400 rooms, which remains on track for completion in the second quarter of this year.

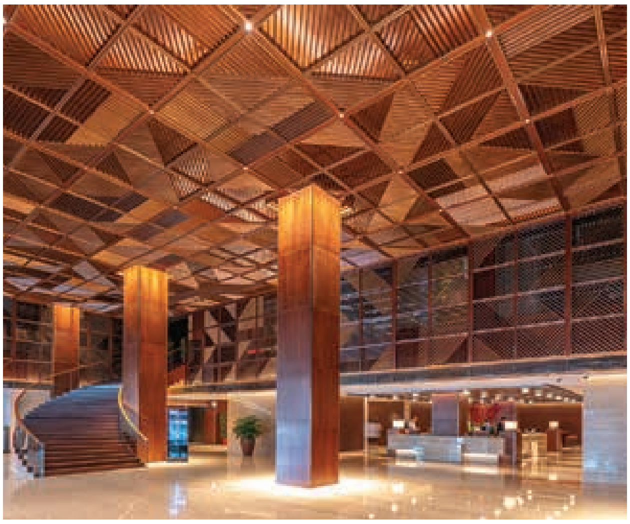
Phase 2 of the new National Skin Centre at Mandalay Road, comprising a five-storey building with basement and Mechanical and Electrical roof obtained TOP in December 2024 and the award of the Certificate of Substantial Completion is anticipated to be in the first quarter of 2025. The TOP date for Punggol Regional Sports Centre has been revised to July 2025 due to additional variation works involving rain screens and football pitch lightings.

The Building and Construction Authority ("BCA") has projected the total construction demand in 2025 to range between S$47 billion and S$53 billion, mainly driven by several large scale projects such as such as Changi Airport Terminal 5 and the expansion of the Marina Bay Sands Integrated Resort, as well as public housing development and upgrading works such as Build-To-Order flats, Cross Island MRT Line contracts, and Tuas Port developments. Over the medium-term, the total construction demand is projected to reach an average of between S$39 billion and S$46 billion per year from 2026 to 2029 due to public sector housing, community educational and health projects and urban rejuvenation works[2].

We will continue to focus efforts on winning projects in both the private as well as public housing and healthcare sectors. We are confident that our track record in these areas will stand us in good stead to attain new projects.

PROPERTY DEVELOPMENT AND INVESTMENTS

The property market in 2024 lost some momentum from 2023. For the whole of 2024, prices of private residential projects increased by 3.9% as compared to 6.8% in 2023 and 8.6% in 2022[3]. The effects of increased Additional Buyer's Stamp Duty ("ABSD") rates, higher borrowing costs and uncertain economic growth have negatively impacted buyer sentiment. 3,420 completed and



uncompleted units were sold in the fourth quarter of 2024 as compared to 1,160 units in the previous quarter, with 6,469 units sold for the whole of 2024 as compared to 6,421 units in 2023[4].

In land scarce Singapore, the demand for property will always remain strong. Furthermore, given Singapore's attractiveness as an investment haven, with its transparent and robust legal environment, stable government and strategic location, property as an asset class will always be attractive for foreign and local investors. There may, in the near term, be vicissitudes brought about by, among other things, cooling measures or cyclical economic downturns but in the longer term, property will maintain its lustre. While there are no plans for land acquisition in the immediate future, it remains a sector that is of particular interest and importance to the Group. We will continue to look out for opportunities which will provide an attractive return on investment.

2 Building and Construction Authority, "Construction Demand to Remain Strong for 2025", 23 January 2025.
3 Urban Redevelopment Authority, "Release of 4th Quarter 2024 real estate statistics," 24 January 2025.
4 Urban Redevelopment Authority, "Release of 4th Quarter 2024 real estate statistics," 24 January 2025.

FINANCIAL AND OPERATIONS REVIEW

HOTEL DEVELOPMENT AND INVESTMENTS

The tourism sector continued to make up ground post-COVID-19 pandemic and is on its way to making a full recovery. As of the first nine months of 2024, global tourism has recovered 98% of pre-pandemic levels[5]. In tandem with the strong global tourism growth, Maldives' tourism sector continued to perform strongly which augured well for our two resorts, the Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort. Maldives received 2.0 million visitors for 2024 as compared with 1.9 million tourists in the previous year (an 8.9% increase)[6].

The combined average occupancy of Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort for 2024 was 62.5%, higher than the industry average of 59.1%. Nevertheless, our investment bottomline was impacted due to high operating costs. The Group registered a share of losses in our two hotel investments. We are working closely with the hotel operator, Accor, on improving the performance of these two properties among other measures.

Despite some threats to this sector such as weaker consumer sentiment in 2025 amid global uncertainties, the overall demand for travel will continue to contribute to the sector's resilience.

SUSTAINING COMPETITIVENESS THROUGH INNOVATION, DIGITALISATION AND PRODUCTIVITY

We have fully integrated Design for Manufacturing and Assembly ("DfMA") technologies into our manufacturing process. The Prefabricated Prefinished Volumetric Construction ("PPVC"), Prefabricated Bathroom Unit ("PBU"), and Mechanical Electrical Plumbing ("MEP") modules improve productivity at construction sites, as the manufacturing of these building components can be completed off-site in a safe and controlled environment.

We have upgraded our digital capability in Building Information Modelling ("BIM"), Virtual Design and Construction ("VDC"), and Virtual Reality ("VR"). We are proud to be one of the pioneers in adopting the Digit-alpha capability transformation Programme, a pilot project with VR as a core module sponsored by Info-communications Media Development Authority.

We will continue to invest in innovation and new technology to improve our operations, enhance productivity and maintain our competitive advantage.

A SKILLED, PRODUCTIVE AND SATISFIED WORKFORCE OUR CORE COMPETITIVE ADVANTAGE

As with previous years, our staff were sent for various reskilling, upskilling and other productivity training programmes to enable them to operate effectively and more importantly safely at the worksites and our offices. With the emphasis on innovative technology being deployed, we ensure all affected staff are well-equipped to operate confidently in this digital age. For example, we have established a drone team and have sent them for certified drone training, comprising of practical and theory sessions. This will enable them to attain a license to operate drones for our building and construction projects. These drones will be utilised for a variety of applications.

We continued to send our staff for training in certification courses such as those for Green Mark Manager and Specialist Diploma in Construction Productivity as well as production-related areas such as Good Industry Practices, BIM Management and BIM Architecture to ensure they are well-versed in specific sustainability and innovation programmes.

Our basic skilled workers were enrolled for higher skills training such as in the BCA Coretrade Skills training and Multi-Skilling training. To-date, 43.5% of our 259 work permit holders are higher skilled (R1) certified, surpassing the minimum 10% as required by the Ministry of Manpower ("MOM").

We met work-site safety targets over and above compliance with the Workplace Safety and Health ("WSH") Act. Training in workplace safety included designation of Peer Support Leaders to reach out to fellow workers with mental health issues or in distress. We also participated in the CultureSAFE program to cultivate a progressive and prevalent WSH culture in the organisation which extends beyond merely executing WSH practices. By actively promoting a safety awareness culture, we ensure that every employee embodies and expounds our WSH values for an accident-free, safe and healthy work environment.

[5] UN Tourism, "Global tourism set for full recovery by end of the year with spending growing faster than arrivals," 4 December 2024.
[6] Ministry of Tourism, Republic of Maldives.

FINANCIAL AND OPERATIONS REVIEW

We provide recreational amenities such as mini games courts, gym sites and planting corners for relaxation, well-being and exercise, at our various worker accommodations. Proper rest and canteen areas provide on-site relief and relaxation for workers during their shifts.

Our overseas staff in the Maldives were also given essential training for their jobs such as x-ray operation, airline security, wildlife hazard management, fire-fighting training and more.

In FY2024, we recoded 3,394 training hours; 8.2 hours of training per employee and 11.5 hours of training per worker were expended. Our Sustainability Report 2024 provides a more detailed narration of our training, staff benefits and welfare, workplace safety and health initiatives.

SUSTAINABILITY EFFORTS AND CORPORATE RESPONSIBILITY

Our corporate social responsibility efforts included support for educational programmes, donations to charitable organisations and scholarship awards for our staff and workers.

In FY2024, our programmes aimed at helping our staff and workers attain their potential within the organisation included our assistant project manager, Ms Michelle Leu. She will complete her master's degree in international construction management from Nanyang Technological University in 2025. We continued our Institute of Technical Education ("ITE") sponsorship, supporting ITE's Work-Learn Technical Diploma programme.

Donations to various charitable organisations were also part of our corporate social responsibility programme. Among the beneficiaries in FY2024 were the Church of The Immaculate Heart of Mary, Singapore Children's Society and the ITE Education Fund.

Among our various sustainability programmes, energy use due to the nature of our industry remains one area of focus. The Group endeavours to utilise renewable energy sources instead of non-renewable sources so as to preserve the environment, reduce production and operating costs, and meet compliance standards. We incorporate, where possible, green-label appliances and energy-efficient light fittings to reduce energy consumption and emissions. In 2023, we completed the installation of solar panels on the rooftop of our Chin Bee Factory. These have begun to provide low-carbon energy to our operations in the factory and will potentially provide excess solar energy to the electrical grid. The Group also utilises solar energy to power noise meters and traffic warning signs.

In order to preserve the pristine and natural beauty of the Maldives and to counter damage to corals due to tourist activities, the Group has imposed rules on boat operators on the island such as anchoring, boat operation, boat sewage, and garbage disposal. Strict rules have also been placed surrounding activities such as fishing, marine wildlife viewing, snorkelling, diving, and scuba. We continued to maintain the corals at our corals nursery and those transplanted to Ocean Villas and Underwater Villas.

OUTLOOK FOR 2025

The Ministry of Trade and Industry has forecasted slower growth for Singapore in 2025. Challenges facing Singapore and the world include the United Staes (US) and China trade conflict which may intensify under a new US administration, continued tensions globally and market volatility with continued inflationary pressures exacerbated by potential increased tariffs and high interest rates. All these would translate into a difficult operating environment for the Group.

Nevertheless, we have time and time again demonstrate resilience and fortitude. With a strong order book, financial prudence, sound management strategies and an innovative mindset, we are confident of overcoming whatever obstacles lie ahead.

SUSTAINABLE GROWTH

Digital transformation, financial prudence, effective project management and an innovative mindset are essential to achieving long-term growth.


INTERLIFT

BOARD OF DIRECTORS

MR LEO TING PING RONALD
Chairman and Chief Executive Officer

MR LEO TING PING RONALD, 73, was appointed to our Board on 15 April 2008 and was re-elected on 30 January 2023. As Chairman and Chief Executive Officer, he oversees the day-to-day operations and the Group's strategic direction and corporate business expansion. Mr Leo also holds directorships in the Group's subsidiaries and associated companies.

Mr Leo is a civil engineer with over 40 years of post-graduate experience in the industry. From 1974 to 1983, he was a senior structural engineer in the Structural Engineering Department at Housing and Development Board ("HDB"). In 1980, as head of the construction technology unit of HDB, he spearheaded the drive towards prefabrication and mechanisation of the local construction industry. He later joined Eng Hup Heng Construction Pte Ltd from 1983 to 1985 as its general manager and was responsible for construction and management of their projects, including Housing and Urban Development Corporation, HDB housing, factories and institutional buildings.

Mr Leo joined Keong Hong Construction Pte. Ltd. ("KH Construction") in 1985 as Managing Director, where he grew the business from a subcontractor to an established design and build main contractor of Building and Construction Authority A1 Grading. He led the Group to its initial public offering on the Catalist Board of the Singapore Exchange Securities Trading Limited on 16 December 2011. The Group was subsequently transferred to the Mainboard on 2 August 2016.

Mr Leo graduated with a Bachelor of Engineering (Civil) with First Class Honours and a Master of Science (Construction Engineering) from the National University of Singapore ("NUS"), in 1974 and 1977 respectively. He became a member of The Institution of Engineers Singapore and an associate of The Institute of Structural Engineers, United Kingdom, in 1978 and 1992 respectively. He was also registered as a professional engineer with the Singapore Professional Engineers Board in 1979.

Mr Leo is not related to any existing Director, executive officer or substantial shareholder of the Company or any of its principal subsidiaries.

MR ER ANG HOOA
Executive Director

MR ER ANG HOOA, 72, joined our Group in 1996. He was appointed to our Board on 26 September 2011 and was re-elected on 30 January 2023.

He has been the Project Director of our wholly owned subsidiary, KH Construction, since June 2010. He is responsible for all operational activities relating to construction projects undertaken by our Group. Mr Er also holds directorships in the Group's subsidiaries and associated companies.

Prior to being a Project Director, he was the General Manager from 2005 to 2010, Assistant General Manager from 2001 to 2004 and Senior Project Manager from 1996 to 2000 of KH Construction.

He graduated from the University of Dundee, United Kingdom, with a Bachelor of Science in Civil Engineering in 1978. He also graduated from Imperial College London, United Kingdom, with a Master of Science in Structural Steel Design in 1985. He obtained a graduate diploma in management and administration from Bradford University, United Kingdom, in 1986.

Mr Er is not related to any existing Director, executive officer or substantial shareholder of the Company or any of its principal subsidiaries.

BOARD OF DIRECTORS

MR XU QUANQIANG
Executive Director

MR XU QUANQIANG, 46, was appointed to our Board on 29 March 2021 as Non-Executive Non-Independent Director. He was subsequently re-designated as Executive Director on 1 September 2022 to oversee the Group's investments and was re-elected on 28 March 2024. Mr Xu also holds directorships in Kori Holdings Limited, FT Development Pte. Ltd., Forevertrust International (S) Pte. Ltd., LJHB Capital (S) Pte. Ltd., PT Forevertrust International Indonesia, Wisestone Pte. Ltd., Innotrust Pte. Ltd. and two subsidiaries of the Group. From 2013 to 2016, Mr Xu was a Director of BSI Group Singapore Pte Ltd.

Besides overseeing the Group's investments, Mr Xu is the Chief Executive Officer of LJHB Holdings (S) Pte Ltd ("LJHB"), responsible for LJHB's strategic decisions and growth plans in the region. LJHB is the controlling shareholder of the Group and is primarily in the assets investment business in real estate, hospitality and tourism sectors. He also concurrently holds the appointment as Chief Executive Officer of related company of LJHB, namely Continental Hope Singapore Industrial Development Pte. Ltd.

Prior to joining LJHB, Mr Xu held senior leadership positions including Chief Executive Officer of Ronghua Group Pte Ltd, Regional General Manager of GIC Group Pte Ltd, Country General Manager of BSI Group Singapore Pte Ltd, and Assistant Vice President (Sales) of TUV SUD PSB Pte Ltd.

Mr Xu holds a Master of Business Administration degree from the University of South Australia. He is a Certified Property Manager awarded by the Institute of Real Estate Management (REM) USA and a Certified Commercial Investment Member of the CCIM Institute USA.

Mr Xu is an associate of LJHB. Except as disclosed, he is not related to any existing Director, executive officer or substantial shareholder of the Company or any of its principal subsidiaries.

MR FONG HENG BOO
Lead Independent Director

Chairman – Audit Committee
Member – Nominating Committee, Remuneration Committee

MR FONG HENG BOO, 75, was appointed to our Board on 1 January 2022 and was re-elected on 25 March 2022. He was appointed as Lead Independent Director on 29 February 2024.

Mr Fong has over 46 years of experience in auditing, finance, business development and corporate governance. He was with the Auditor-General's Office ("AGO"), Singapore and held the position of Assistant Auditor-General when he left AGO in 1993. Mr Fong was also the Director (Special Duties) at the Singapore Totalisator Board, where he led the finance and investment functions. He retired from the board of CapitaLand China Trust Management Limited in 2022, where he was a non-executive independent director since 2013. Mr Fong currently holds directorships in Surbana Jurong Private Limited, TA Corporation Ltd, Livingstone Health Holdings Limited, Agency for Integrated Care Pte Ltd and Bonvest Holdings Limited.

Mr Fong graduated from the University of Singapore (now known as the NUS) with a Bachelor of Accountancy (Honours) in 1973. He was a Fellow Member of the Institute of Singapore Chartered Accountants.

BOARD OF DIRECTORS

MR CHONG WAI SIAK
Independent Director

Chairman – Remuneration Committee
Member – Audit Committee,
Nominating Committee

MR CHONG WAI SIAK, 77, was appointed to our Board on 1 October 2019 and was re-elected on 28 March 2024.

Mr Chong joined HDB in 1971 and rose to the position of Senior Principal Structure Engineer before he was appointed in 1980 to establish and head a government owned construction company, Construction Technology Pte Ltd to spearhead and introduce mechanisation and appropriate technology in the construction industry.

In 1989, he joined NSL Ltd (formerly known as NatSteel Ltd) and held various senior positions there, as Deputy President of NSL and President/CEO of its major subsidiary, Eastern Industries/Eastern Pretech Group. He was responsible for the overall management of the operations and business activities of the Group and its many subsidiaries, involved mainly in construction products and services, property development and engineering design. His work involved establishing and managing business activities in Singapore, Malaysia, Indonesia, Hong Kong, China, the Philippines, Vietnam, United Arab Emirates and Finland. He retired from the NSL Group in 2014 with wide business experience in many aspects of the building and construction industry.

Mr Chong was a Director of Changi Airport Planners & Engineers Pte Ltd from 2007 to 2014. He had previously served as Council Member in Singapore Contractors Association Ltd and Institution of Engineers, Singapore and as a member in various Advisory and Technical Committees of the former CIDB and SISIR.

Mr Chong graduated with a Bachelor of Science (Honours) in Civil Engineering and a Master of Science in Structural Engineering from the University of Manchester, Institute of Science and Technology, United Kingdom, in 1970 and 1971 respectively.

He was a Chartered Engineer (UK) and a registered Professional Engineer with both the Singapore and Malaysia Engineering Boards. He was a member of the Institution of Civil Engineers (UK) and a member of both the Institution of Engineers, Singapore and Malaysia.

MR KOH TEE HUCK KENNETH
Independent Director

Chairman – Nominating Committee
Member – Audit Committee,
Remuneration Committee

MR KOH TEE HUCK KENNETH, 66, was appointed to our Board on 30 September 2021 and was re-elected on 28 March 2024.

He commenced his legal career in 1984 with Singapore's then largest law practice. Whilst actively engaged in dispute resolution, his focus on infrastructure and construction work began when he joined a London-based international law firm. His practice ranges from representing clients in court, arbitration, adjudication and mediation to advisory work in engineering, procurement and construction contracts. After several years in a local partnership, he co-founded UniLegal LLC, and chaired its board of directors from 2002 to 2018. He currently serves as its consultant.

Mr Koh graduated with a Bachelor of Laws in 1983 from the National University of Singapore and is an Advocate & Solicitor of the Supreme Court of Singapore. He holds memberships in the Singapore Academy of Law, the Law Society of Singapore, Society of Construction Law (Singapore) and the Singapore Institute of Directors ("SID"). He was recognised by the SID as a Senior Accredited Director on 16 January 2024. His previous appointments include being Honorary Legal Advisor to the Singapore Contractors Association Ltd. He also authored the Singapore chapters in two international publications.

BOARD OF DIRECTORS

MS WONG EE KEAN
Non-Executive Independent Director

MS WONG EE KEAN, 40, was appointed to our Board on 31 January 2024 and was re-elected on 28 March 2024.

Ms Wong is currently the CEO of Industrial Securities (Singapore) Corporate Advisory Pte Ltd. Prior to that, Ms Wong served as the CEO of a corporate finance advisory firm where she has over 15 years of experience in the investment and corporate financial industry in Asia Pacific with a focus on REITS, business trusts, real estate and capital markets.

Ms Wong was previously a corporate lawyer and a partner with WongPartnership, a leading law firm in Singapore where she practiced law for over 10 years, representing listed companies and institutional clients on a broad range of corporate transactions including IPOs, follow-on offerings, block trades and private placements.

Ms Wong graduated with a Bachelor of Laws (Honours) in 2007 and hold a Master of Science in Real Estate from the National University of Singapore. Currently, she serves on the board of the Children's Charities Association of Singapore and as Vice President of the Deaf Education Committee for the Singapore Association for the Deaf.

KEY MANAGEMENT

MR HENG FOOK CHANG
Chief Financial Officer

MR HENG FOOK CHANG, 54, joined our Group in July 2024. As the Chief Financial Officer, his responsibilities include overseeing all financial, accounting and corporate secretarial matters.

Prior to joining our Group, he was the Financial Controller at Singapore Exchange (SGX) Catalist-listed Boldtek Holdings Limited. Mr Heng has held executive positions in several SGX Mainboard-listed companies, where he was responsible for financial accounting and treasury functions, corporate secretarial and regulatory compliance matters.

Mr Heng graduated with a Bachelor of Commerce (Accounting and Finance) degree from Curtin University of Technology, Western Australia, and obtained a Master of Commerce in Professional Accounting from Macquarie University, New South Wales. He is a member of the Institute of Singapore Chartered Accountants and holds a Certified Practising Accountant (Australia) qualification.

MS NG SIEW KHIM CORINNE
Head of Contracts

MS NG SIEW KHIM, 52, joined our Group in 1993 and is currently the Head of Contracts of our Group. She is responsible for overseeing quantity surveying, tender process administration, technical correspondences preparation and other contractual documentation.

Ms Ng graduated from South Bank University (London), United Kingdom, with a Bachelor of Science in Quantity Surveying in 1997. She also obtained a diploma in Building from the Singapore Polytechnic in 1993.

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN AND CHIEF EXECUTIVE OFFICER
Leo Ting Ping Ronald

EXECUTIVE DIRECTORS
Er Ang Hooa
Xu Quanqiang

LEAD INDEPENDENT DIRECTOR
Fong Heng Boo

INDEPENDENT DIRECTORS
Chong Wai Siak
Fong Heng Boo
Koh Tee Huck Kenneth
Wong Ee Kean

AUDIT COMMITTEE
Fong Heng Boo (Chairman)
Chong Wai Siak
Koh Tee Huck Kenneth

NOMINATING COMMITTEE
Koh Tee Huck Kenneth (Chairman)
Chong Wai Siak
Fong Heng Boo

REMUNERATION COMMITTEE
Chong Wai Siak (Chairman)
Fong Heng Boo
Koh Tee Huck Kenneth

COMPANY SECRETARIES
Heng Michelle Fiona
Lim Guek Hong

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Singapore 068896

AUDITORS
FORVIS MAZARS LLP
135 Cecil Street
#10-01
Singapore 069536

PARTNER-IN-CHARGE
Zhang Liang
Appointed on 22 August 2022

PRINCIPAL BANKERS
Malayan Banking Berhad
Overseas-Chinese Banking Corporation
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

CORPORATE GOVERNANCE REPORT

The Company is committed to a high standard of corporate governance to ensure effective self-regulation practices are in place to enhance corporate performance and accountability.

This report outlines the Company's corporate governance practices throughout the financial year ended 30 September 2024 ("FY2024"), with specific references made to the principles of the Code of Corporate Governance 2018 (the "Code").

Pursuant to Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") ("SGX-ST Listing Manual"), the Board of Directors (the "Board") confirms that the Company has for FY2024 complied with the Principles as set out in the Code. The Board also confirms that where there are deviations from the provisions of the Code, explanations for the deviation and how the Group's practices are consistent with the intent of the relevant principle, are provided in the sections below:

BOARD MATTERS

The Board's Conduct of its Affairs

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

Principal Duties of the Board

Provision 1.1

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company, and hold management accountable for performance. The Board oversees the business affairs of the Group, approves the financial objectives and the strategies to be implemented by the management of the Company (the "Management") and monitors standards of performance and issues of policy. In addition to its statutory duties, the Board's principal functions are:

(i) supervising the overall management of the business and affairs of the Group and approving the Group's corporate and strategic policies and direction;

(ii) formulating and approving financial objectives of the Group and monitoring its performance such as reviewing and approving of financial results announcement and financial statements;

(iii) overseeing the processes for evaluating the adequacy of internal controls and risk management including the review and approval of interested person transactions;

(iv) assuming responsibility for corporate governance and compliance with the Companies Act 1967 and the rules and regulations of the relevant regulatory bodies;

(v) evaluating performance of Management;

(vi) reviewing and approving the remuneration framework for the Board and key executives; and

(vii) considering sustainability issues e.g. environmental and social factors, as part of its strategic formulation.

The Company's Constitution requires a Director and, the Chief Executive Officer (or person(s) holding an equivalent position), who is in any way whether directly or indirectly interested in a contract or proposed contract with the Company, to declare the nature of his interest at a meeting of the Directors in accordance with Section 156 of the Companies Act 1967 (the "Act). A Director and, Chief Executive Officer (or person(s) holding an equivalent position), shall not vote in respect of any contract or proposed contract or arrangement with the Company in which he has a personal material interest, directly or indirectly, and shall not be counted in the quorum present at the meeting.

Accordingly, the Board is obliged to exercise reasonable due diligence and independent judgement when making decisions. It sets appropriate tone-from-the-top and desired organizational culture and ensures proper accountability within the Group. When there is any conflict of interest, Directors will voluntarily recuse themselves from the discussions and decisions involving the issues of conflict.

CORPORATE GOVERNANCE REPORT

Board Orientation, Training and Updates

Upon the appointment of a new Director, the Company will provide him/her with a formal letter, setting out his/her duties and obligations. The Company has put in place an orientation program for all newly appointed Director(s) to assimilate him/her into his/her new role and will provide him/her with a set of the Company's policies, terms of reference of various board committees (where applicable) and corporate meeting calendar for the year. He/She will be briefed by Management on the business activities of the Group and its strategic directions as well as the duties and responsibilities as a Director. *Provision 1.2*

Changes to regulations and accounting standards are monitored closely by Management. To keep pace with the regulatory changes, where these changes have an important bearing on the Company's or Director's disclosure obligations, Directors are briefed by the Company Secretary on the continuing obligations under the SGX-ST Listing Manual and are regularly provided with news releases, articles and updates on changes to the Listing Manual from time to time. The Directors have also been kept abreast of the principles and provisions of the Code.

During the financial year, a number of Directors attended the Listed Company Directors courses conducted by the Singapore Institute of Directors ("SID") and other professional organisations including but not limited to "Director's Conference", "Sustainability as Corporate Strategy: Risks and Opportunities Beyond Reporting", "ISCA Annual Conference", "Annual Construction Law Update 2024", "Sustainability as Corporate Strategy: Risks and opportunities beyond Reporting", "Top Executive WSH Programme", "Understanding and Applying the Public Sector Standard Conditions of Contract", "Sustainability Reporting: Board & Director Responsibilities", Sustainable Digital Transformation & Smart Everything", "Green Infrastructure", "Beyond the 9-Year Rule", Nominating Committee Essentials", Non-Executive Directors Arrested" What can go wrong?", SGTI Forum – Navigating Sustainable Governance", and "Legal Liabilities of Board Members (Commissioner of Charities and Charity Council)". Appropriate external training for Directors conducted by the SID and other organisations will be arranged by the Company when necessary.

Pursuant to Rule 720(7) of the Listing Manual, all directors have to undergo training on sustainability matters as prescribed by the SGX-ST. All the Directors have attended the LED-Environmental, Social and Governance Essentials (Core) conducted by the SID. *Rule 720(7)*

During FY2024, Ms Wong Ee Kean, a newly appointed Director, completed her mandatory training courses (LED 1, 2, 3, 4 and 9) conducted by SID as well as elective modules, Audit Committee Essentials (LED 5) and Board Risk Committee Essentials (LED 6). *Practice Note 2.3*

Matters Requiring Board Approval

The Board has adopted a set of internal guidelines on the matters requiring Board's approval. Matters that are specifically reserved for the approval of the Board include, among others, any material acquisitions and disposals of assets, corporate or financial restructuring, share issuance, proposal of dividends, announceable matters, legal claims and litigation, and other matters as may be considered by the Board from time to time. *Provision 1.3*

Delegation to Board Committees

The Board has delegated certain functions to various Board Committees, namely the Audit Committee ("AC"), the Remuneration Committee ("RC"), and the Nominating Committee ("NC"). Each Committee operates within clearly defined terms of reference and operating procedures, which are reviewed periodically. All Board Committees are chaired by an independent director. While these Board Committees are delegated with certain responsibilities, the responsibility for decisions relating to matters under the purview of the Board Committees ultimately lies with the Board. *Provision 1.4*

Attendance at Board and Board Committees Meetings

The Company's Constitution permits directors of the Company (the "Directors") to attend meetings through the use of audio-visual communication equipment. *Provision 1.5*

The Board and Board Committees conduct meetings on a regularly basis which are planned in advance. Ad-hoc meetings are conducted as and when circumstances require. In between Board meetings, important matters concerning the Company are also put to the Board for its decision by way of circulating resolutions in writing for the Directors' approval together with supporting memorandum, enabling the Directors to make informed decisions. *Provisions 1.5 & 1.6*

CORPORATE GOVERNANCE REPORT

The number of Board and Board Committees meetings held and attended by each Board member during FY2024 are as follows: *Provision 1.5*

	Board	Audit Committee	Remuneration Committee	Nominating Committee
	Number of Meetings attended in FY2024			
Number of meetings held	5	5	2	2
Executive Directors				
Leo Ting Ping Ronald	5	*	*	*
Er Ang Hooa	5	*	*	*
Xu Quanqiang	5	*	*	*
Independent Directors				
Chong Wai Siak	5	5	2	2
Koh Tee Huck Kenneth	5	5	2	2
Fong Heng Boo	5	5	2	2
Wong Ee Kean**	3	*	*	*

* *Attendance by invitation.*

** *Appointed on 31 January 2024.*

When a director has multiple board representations, the NC also considers whether the director is able to and has adequately carried out his duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments.

The profile of each Director and other relevant information are set out on pages 18 to 21 of this Annual Report. Similar information is also published on the Company's website.

Access to Information

All Directors receive a set of Board papers (with background or explanatory information relating to matters to be brought before the Board, where necessary), copies of disclosure notes and internal group financial statements, prior to Board meetings. The Board papers are issued to the Directors at least three days prior to Board meetings. This is to allow sufficient time for the Board members to obtain further explanations, where necessary, and to be properly briefed and adequately prepared for Board meetings. *Provision 1.6*

The Directors are also provided with the following information:

<u>Quarterly</u>
– updates on the Group's operations and the markets in which the Group operates in

<u>Quarterly/Yearly</u>
– budgets and/or forecasts and the Group's financial performances

<u>Yearly</u>
– enterprise risk framework and risk governance report
– external auditors' report
– internal auditors' report

<u>Ad hoc</u>
– reports on on-going or planned corporate actions
– research report(s)
– feasibility study on property investments
– regulatory updates and implications

CORPORATE GOVERNANCE REPORT

The Directors are also regularly briefed on the development of the business activities of the Group. In order to ensure that the Board is able to fulfil its responsibilities, prior to the Board meetings, Management will provide the members of the Board with management accounts, as well as relevant background information and documents relating to items of business to be discussed at a Board meeting.

Separate and Independent Access

Provision 1.7

The Independent Directors have separate and independent access to senior Management of the Company and other employees to seek additional information, if required. To facilitate such access, the contact particulars of senior Management have been provided to the Directors. Directors have the right to seek independent professional advice, if required or as and when necessary, to enable them to discharge their duties and responsibilities effectively. The costs of such independent professional advice will be borne by the Company.

The Directors have separate and independent access to the Company Secretaries at all times. The Company Secretaries have the responsibility to ensure that Board procedures are followed and that all applicable rules and regulations including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Act and the SGX-ST Listing Manual, are complied with. The Company Secretaries will assist the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long-term shareholder value. Either one or both of the Company Secretaries will be in attendance at meetings of the Board and Board Committees and prepare minutes of meetings. The Company Secretaries will assist the Board Chairman, the Chairman of each Board Committee and key management personnel in the development of the agenda for the various Board and Board Committee meetings. The appointment and removal of the Company Secretaries should be a matter for the Board as a whole.

Board Composition and Guidance

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

As at 30 September 2024, the Board comprises seven (7) members of whom three (3) are Executive Directors and four (4) are Independent Directors, as follows:

Leo Ting Ping Ronald	Chairman and Chief Executive Officer
Er Ang Hooa	Executive Director
Xu Quanqiang	Executive Director
Fong Heng Boo	Lead Independent Director
Chong Wai Siak	Independent Director
Koh Tee Huck Kenneth	Independent Director
Wong Ee Kean	Independent Director (Appointed on 31 January 2024)

A majority of the Directors are non-executive and include professionals with relevant industry knowledge and experience, accounting and finance, legal, business and management experience, and strategic planning experience. This provides Management with the benefit of an external diverse and objective perspective of issues that are brought before the Board.

Board Independence

Provision 2.1

Under Provision 2.1 of the Code, an “independent” director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interest of the company.

Rule 210(5)(d) of the Listing Manual of the SGX-ST also sets out circumstances under which a director will not be independent.

CORPORATE GOVERNANCE REPORT

The independence of each Director is reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an independent director as well as the independence criteria as set out in Rule 210(5)(d) of the SGX-ST Listing Manual in its review. The NC is satisfied that none of the Independent Director (i) is employed by the Company or any of its related corporations for the current or any of the past three financial years; or (ii) has an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the RC. The NC has reviewed and determined that the Independent Directors are independent. There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent. *Rule 210(5)(d)(i) and (ii)*

According to Provision 2.2 of the Code, independent directors should make up at least a majority of the board where the chairman of the board and the chief executive officer or equivalent is the same person or they are related or the chairman is part of the management team or the chairman is not an independent director. As Mr Leo Ting Ping Ronald is the Chairman and Chief Executive Officer of the Company, the Company fulfils the Code's requirements with a majority of the Board being made up of independent non-executive directors and there was also a Lead Independent Director being appointed. *Provision 2.2*

The Independent Directors have confirmed that they do not have any relationship with the Company or its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company and its shareholders.

For FY2024, the Company has four (4) Non-Executive Directors which constituted a majority of the Board and thus had complied with Provision 2.3 of the Code. *Provision 2.3*

Independence of Directors who have served on the Board beyond Nine Years

With effect from 11 January 2024, Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST further provides that a director will not be independent if he has been a director of the Company for an aggregate period of more than nine years (whether before or after listing) although such director may continue to be considered independent until the conclusion of the next annual general meeting of the Company.

No Independent and Non-executive Independent Directors have served on the Board for more than nine years. *Rule 210(5)(d)(iv)*

Board Diversity

The Company has a written policy on Board Diversity and maintains a culture of diversity to benefit from a wide talent pool. Guided by the Board Diversity Policy, the Company recognises and strives to achieve an appropriate balanced mix of talent on the Board with a diversity of experience, age, skill sets, knowledge, industry discipline, age, gender, tenure of service, culture and ethnicity on the Board ("Board Diversity"). The Board views Board Diversity as an essential element to support the attainment of its strategic objectives and sustainable development of the Group. *Provision 2.4 & Rule 710A(2)*

The current Board composition provides a diversity of skills, experience, and knowledge of the Company and their core competencies include relevant industry knowledge and experience, accounting and finance, legal and corporate governance, business and management experience, and strategic planning experience and new directors will be selected based on their merits and the potential contributions which they can bring to the Board.

Ms Wong Ee Kean was appointed as a Non-Executive Independent Director on 31 January 2024 which inaugurated female representation of the Board in addition to enhancing the Board's core competencies and diversity of skills.

CORPORATE GOVERNANCE REPORT

The Board has a good mix of Directors and believes that its composition achieves a diversity of skills, knowledge, experience as well as gender to the Company as follows:

Diversity of the Board (FY2024)		
Core Competencies	**Number of Directors**	**Proportion of Board**
– Accounting or finance	2	29%
– Business management	5	71%
– Legal and corporate governance	4	57%
– Relevant Industry Knowledge or experience	5	71%
– Strategic planning experience	5	71%
– Gender	1	14%

Targets and Progress

In addition to having the relevant and appropriate professional experience, the Company aims to achieve a diversity of tenure of service, female representation, age as well as to maintain a majority Board members to be independent.

(a) Tenure of Service of Independent Directors

The tenure of each independent Director is monitored closely every year so that the process for Board renewal is reviewed and considered ahead of any independent Director reaching the nine-year mark to facilitate a smooth transition and to ensure that the Board continues to have an appropriate level of independence. The tenure of service of Independent and Non-executive Independent Directors as at 30 September 2024 falls within 2 out of the 3 age categories as described below:

Years of service	**Number of Directors**	**Proportion of Board**
3 years or less	3	75%
Between 4 and 7 years	1	25%
More than 7 years	0	–

The Company's target is to maintain the current level of tenure diversity as part of the Board renewal process to facilitate the Board renewal process.

(b) Female Board Representation

Ms Wong Ee Kean's appointment as an Non-executive Independent Director on 31 January 2024 marks the Company's inaugural appointment of a female director on its Board.

(c) Diversity of Age

There is no age limit fixed for its Directors as weight should be given to suitable candidates with repute and experience regardless of age. Nonetheless, the Company will endeavour to promote age diversity when considering the composition of board members for any board appointment. At the same time, the Company continues to value contribution of its members regardless of age.

(d) Maintain majority Board members to be independent

As of 30 September 2024, the Board of Directors comprised seven members of which four were Independent Directors. The Company will continue to maintain the same number of independent Board members to ensure compliance with the CG Code.

CORPORATE GOVERNANCE REPORT

The Board has taken the following steps to maintain or enhance its balance and diversity:

(i) annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

(ii) annual evaluation by the Directors with a view to understanding the range and level of expertise which is potentially lacking on the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.

Provision 2.5

Non-Executive and/or Independent Directors, led by the Lead Independent Director, will meet at least once a year without the presence of Management to discuss pertinent matters like the performance of Management, risk management, internal controls, Management succession planning and important business issues. During the financial year, the Independent Directors met at least once without the presence of Management to confer and discuss pertinent matters.

Chairman and Chief Executive Officer ("CEO")

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 and Provision 3.2

The roles of the Chairman and the CEO are currently assumed by Mr Leo Ting Ping Ronald ("Mr Leo") which has deviated from Provision 3.1 of the Code. The Board is of the opinion that it will not be in the Group's interests to institute a separation in the role of the Chairman from that of the CEO, after taking into account the size, scope and nature of the operations of the Group. With in-depth industry knowledge and experience, Mr Leo plays an instrumental role in developing the business of the Group and has provided the Group with strong leadership and vision.

Mr Leo is involved in significant corporate matters, especially those strategic in nature. In addition, he is responsible for the effective functioning of the Board and exercises control over the quality, quantity and timeliness of the flow of information between Management and the Board, and in ensuring compliance with the guidelines set out in the Code.

Although the roles of Chairman and the CEO are not separated, the Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and is based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence and there is accountability for good corporate governance. All the Board Committees are chaired by Independent Directors.

The Board has no dissenting views on the Chairman's Statement to the shareholders for the financial year under review.

Lead Independent Director

Provision 3.3

As the Executive Chairman is not being regarded as independent, a Lead Independent Director is available to the shareholders if they have concerns when contact through the normal channels to the Chairman and CEO or the Chief Financial Officer has failed resolution or when such contact is inappropriate or inadequate. Mr Fong Heng Boo is the Lead Independent Director appointed on 29 February 2024. Shareholders can send their enquiries through email to Mr Fong at hengboo.fong@gmail.com.

Based on the above reasons, the Board is of the view that the practices adopted by the Company are consistent with the intent of Principle 3 of the Code.

CORPORATE GOVERNANCE REPORT

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NC Composition and Role

During FY2024, the NC comprised the following three Directors, all members, including its Chairman were independent: *Provision 4.1 and Provision 4.2*

Koh Tee Huck Kenneth*	–	Chairman (Independent)
Chong Wai Siak	–	Member (Independent)
Fong Heng Boo	–	Member (Independent)

* *Appointed as Chairman of the NC on 29 February 2024.*

The NC is guided by its terms of reference which sets out its responsibilities. The terms of reference are in line with the Code. The NC is responsible for: *Provision 4.1*

(i) reviewing and recommending the nomination or re-nomination of the Directors having regard to the Director' contribution and performance;

(ii) determining on an annual basis whether or not a Director is independent having regard to the circumstances set forth in Provision 2.1 of the 2018 Code and the Listing Manual of the SGX-ST;

(iii) prior to 1 January 2022, conducting a rigorous review of the independence of any Director who has served on the Board for more than nine years from the date of his first appointment and the reasons for considering him as independent;

(iv) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director;

(v) deciding whether a Director with multiple board representations is able to and has been adequately carrying out his duties as a director and where a Director holds a significant number of listed company directorships and principal commitments, assessing the ability of such a Director to diligently discharge his or her duties;

(vi) reviewing the composition of the Board annually to ensure that the Board has an appropriate balance of expertise, skills, attributes and abilities;

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

(viii) reviewing Board succession plans for Directors, in particular the Chairman & CEO and key management personnel; and

(ix) reviewing training & professional development programs for the Board and its Directors.

Board succession Planning

The Board believes in carrying out succession planning for itself and the CEO to ensure continuity of leadership. Board renewal is a continuing process. In this regard, the NC reviews annually the composition of the Board, which includes size and mix, and recommends to the Board the selection and appointment of new Directors, whether in addition to, or in replacement of retiring Board members, with a view to identifying any gaps in the Board's skills sets taking into account the Company's business operations. The Board will be able to function smoothly notwithstanding any resignation or retirement of any Director given the present number of members and mix of competence of the Board.

As part of the Company's effort in ensuring a smooth transition of Board renewal, Ms Wong Ee Kean was appointed as a new Non-executive Independent Director of the Company on 31 January 2024 in place of Mr Chong Weng Hoe who stepped down on 29 February 2024.

CORPORATE GOVERNANCE REPORT

Nomination and selection of Directors

When the need to appoint a new Director arises, the NC reviews the range of expertise, skills and attributes of the Board members, and identifies the Board's need and shortlists candidates who will complement the skills, competencies and attributes of the existing Board members and the requirements of the Group. Potential candidates are selected through internal resources, referrals from existing Directors and/or external search. The candidate must also be able to commit sufficient time and attention to the affairs of the Company, especially if he/she is serving on multiple boards. The Board believes that board diversity is more than just about gender diversity and embraces other factors such as a need for individuals from all backgrounds, skill sets, work experience, abilities and beliefs for better Board performance. New Directors are appointed by way of a Board resolution after the NC has reviewed and recommended the appointment of these new Directors. Article 122 of the Company's Constitution requires that new Directors appointed by the Board to hold office until the next Annual General Meeting ("AGM"). For re-appointment/re-election, the NC is charged with the responsibility of recommending to the Board the re-appointment/re-election of Director(s) having regard to, among other things, his/their/her past contribution and performance. *Provision 4.3*

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to the Constitution of the Company, one third of the Board or if their number is not a multiple of three, the number nearest but not less than one third with a minimum of one, to retire from office by rotation and be subjected to re-election at the AGM of the Company. A newly appointed Director must also subject himself/herself to retirement and re-election at the AGM immediately following his/her appointment. Thereafter, he/she is subject to retirement by rotation once every three years. *Rule 720(5)*

Key information of each director is set out on pages 18 to 21 of this report and the dates of their initial appointment and last re-appointment/re-election are set out below:

Name of Director	Date of initial appointment	Date of last re-appointment/re-election
Leo Ting Ping Ronald	15 April 2008	30 January 2023
Er Ang Hooa	26 September 2011	30 January 2023
Xu Quanqiang	29 March 2021	28 March 2024
Chong Wai Siak	1 October 2019	28 March 2024
Koh Tee Huck Kenneth	30 September 2021	28 March 2024
Fong Heng Boo	1 January 2022	25 March 2022
Wong Ee Kean	31 January 2024	31 January 2024

The Directors due for re-nomination and re-election at the forthcoming AGM under Article 117 of the Company's Constitution are Mr Leo Ting Ping Ronald, Mr Er Ang Hooa and Mr Fong Heng Boo.

After assessing the contribution and performance of the retiring Directors, the NC has recommended the re-election of Mr Leo Ting Ping Ronald, Mr Er Ang Hooa and Mr Fong Heng Boo, who will be retiring under Article 117 of the Company's Constitution at the forthcoming AGM. Mr Leo Ting Ping Ronald, Mr Er Ang Hooa and Mr Fong Heng Boo have each offered themselves for re-election and the Board has accepted the recommendations of the NC. Each director had recused himself relating to the recommendation on his re-election as director of the Company. *Rule 720(5)*

Information relating to Mr Leo Ting Ping Ronald, Mr Er Ang Hooa and Mr Fong Heng Boo is set out on pages 144 to 146 of the Annual Report, in accordance with Rule 720(6) of the Listing Manual of SGX-ST.

Mr Fong Heng Boo will, upon re-election as a director, remain as the Lead Independent Director, Chairman of the AC and a member of the NC and RC. *Rule 720(6)*

CORPORATE GOVERNANCE REPORT

Continuous review of Directors' independence

The NC determines the independence of each non-executive director annually, and when circumstances require, having regard to the circumstances set out in the Provision 2.1 of the Code, its Practice Guidance and Rule 210(5)(d) of the SGX-ST Listing Manual. The NC requires all the Independent Directors to confirm their independence and their relationships with the Directors, Management and substantial shareholders (5% or more stake) of the Company by a declaration in writing annually. *Provision 4.4*

The NC had assessed the independence of Mr Chong Wai Siak, Mr Koh Tee Huck Kenneth, Mr Fong Heng Boo and Ms Wong Ee Kean, and was satisfied that there was no relationship or other factors such as financial assistance, past association, business dealings, being a representative of a shareholder, financial dependence, relationship with the Group or the Group's management, which would impair or compromise their independent judgment or which would deem them not to be independent. Therefore, the NC is of the view that there is sufficient independence on the Board and its composition is appropriate to facilitate effective decision-making. Each Independent Director had recused himself/herself in the determination of his/her own independence.

Alternate Directors

The Board takes the stand that alternate directors should only be appointed in exceptional circumstances. The Company has no alternate director on its Board.

Commitment of Directors with Multiple Board Representatives

The NC has set guidelines on the maximum number of Board appointments in listed companies that a Board member can hold to ensure that the Directors are able to commit their time to effectively discharge their responsibilities. Based on the guidelines set by the NC, each Board member shall not have more than seven listed Board representations including the Company. None of the Directors currently have more than seven directorships on listed companies. As the number of board representations should not be the only measurement of a Director's commitment and ability to contribute effectively, the NC takes the view that if a Director wishes to hold board representations in more than the maximum stated per the guidelines, a request shall be made to the NC before consideration before it is submitted to the Board for approval. *Provision 4.5*

The considerations in assessing the capacity of Directors include the following:

- expected and/or competing time commitments of Directors;
- size and composition of the Board;
- nature and scope of the Group's operations and size;
- relevant industry knowledge and experience; and
- relevant corporate, professional and management experience.

CORPORATE GOVERNANCE REPORT

The directorships and principal commitments of each of the Directors are set out below: *Provision 4.5*

Name of Director	Listed Company Directorships	Principal Commitments
Leo Ting Ping Ronald	Nil	1. Keong Hong group of companies
Er Ang Hooa	Nil	2. Keong Hong group of companies
Xu Quanqiang	Kori Holdings Limited	3. LJHB Capital (S) Pte Ltd 4. LJHB USA Inc 5. LJHB Holdings (S) Pte Ltd 6. Forevertrust International (S) Pte Ltd 7. Continental Hope Singapore Industrial Development Pte Ltd 8. Wisewind International Pte Ltd 9. Nuform System Asia Pte. Ltd. 10. Pristine Islands Investment Pte. Ltd.
Chong Wai Siak	Nil	Nil
Koh Tee Huck Kenneth	Nil	UniLegal LLC
Fong Heng Boo	Present 1. TA Corporation Ltd 2. Livingstone Health Holdings Ltd 3. Bonvest Holdings Limited 4. Sheng Ye Capital Ltd 5. Kwan Yong Holdings Limited 6. UOA Development Berhad Past three years –	1. Agency For Integrated Care Pte Ltd 2. Surbana Jurong Pte Ltd
Wong Ee Kean (Appointed on 31 January 2024)	Nil	1. Industrial Securities (Singapore) Corporate Advisory Pte. Ltd. 2. Singapore Association for the Deaf 3. Children Charities Association

The NC has reviewed each Director’s external directorships, their principal commitments, as well attendance and contributions to the Board. Although some Directors hold multiple directorships in non-Group entities, the NC is satisfied that these Directors are able to contribute and adequately performed their duties as Directors of the Company.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The performance of the Board is closely tied to the performance of the Company. The Board should ensure compliance with applicable laws. Board members should act in good faith, exercise due diligence and care in the best interests of the Company and its shareholders.

The Board, through the delegation of its authority to the NC, had made its best efforts to ensure each Director possesses the experience, knowledge and skills critical to the Group’s business. This is necessary to enable the Board to make sound and well-considered decisions. The NC, in considering the nomination of any Director for re-election, will evaluate the performance of the Director based on a set of assessment criteria.

CORPORATE GOVERNANCE REPORT

Board Evaluation Process

The NC will decide how the Board's performance is to be evaluated and will also propose objective performance criteria which, subject to the approval of the Board, address how the Board has enhanced long-term shareholders' value. The Board has implemented a process which has been carried out by the NC for assessing the effectiveness of the Board as a whole and its Board Committees, and the contribution of each individual Director to the effectiveness of the Board. *Provision 5.1*

Performance Criteria for Board Evaluation

For the performance of the Board as a whole, the appraisal process focuses on the evaluation of factors such as the size and composition of the Board, the Board's access to information, the Board's processes and accountability, communication with senior Management and the Directors' standard of conduct.

Performance Criteria for Board Committees

For the performance of the Board Committees, the appraisal process focuses on the evaluation of factors such as the size and composition of the respective Board Committees, the availability of training and resources to assist the Board Committees in discharging their duties, and ability to fulfil their duties and complete the tasks set out by the Board for the respective committees.

Performance Criteria for Individual Directors

The contribution of each individual Director to the effectiveness of the Board is assessed individually. The assessment criteria include, inter-alia, commitment of time, attendance record, level of participation and preparedness, candour and independence.

Annual Assessment

Evaluation of the performance of the Board will be undertaken on a continuous basis by the NC with input from other Board members and the Chairman and CEO. In FY2024, all Directors individually completed a board evaluation questionnaire on the effectiveness of the Board, board committees and the individual Directors based on the assessment criteria. To ensure confidentiality, all duly completed evaluation forms were submitted to the Company Secretary for collation. The responses on a collective basis are then discussed by the NC. *Provision 5.2*

The NC discusses the results of the Board's performance evaluation to identify areas where improvements are necessary and makes recommendations to the Board for action to be taken. Each member of the NC abstains from voting on any resolutions in respect of the assessment of his performance or re-nomination as a Director. In the event that any member of the NC has an interest in a matter being deliberated upon by the NC, he will abstain from participating in the review and approval process relating to that matter.

The NC will then share the observation and findings with the Board. The Chairman and CEO will act on the results of the evaluation and where appropriate and in consultation with the NC, propose the appointment of new directors or seek the resignation of current Directors. Any renewal or replacement of directors does not necessarily reflect their contribution to date and it may be driven by the need to position and shape the Board in line with the medium term needs of the Group and its business.

The NC has assessed the current performance of the Board and Board Committees to-date, as well as the performance of each individual Director and is of the view that the performance of the Board as a whole, the Board Committees and of each individual Director had met their performance objectives.

No external evaluation facilitator was engaged for the financial year in review.

REMUNERATION MATTERS

Procedures for developing remuneration policies, level and mix of remuneration and disclosure of remuneration

CORPORATE GOVERNANCE REPORT

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

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

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

Role and Composition of Remuneration Committee

During FY2024, the RC comprises the following three Directors, all of whom are independent: *Provision 6.2*

Chong Wai Siak	–	Chairman (Independent)
Koh Tee Huck Kenneth	–	Member (Independent)
Fong Heng Boo	–	Member (Independent)

The RC is guided by its terms of reference which is in line with the Code. The RC's principal responsibilities are: *Provision 6.1*

(i) reviewing and making recommendations to the Board on:

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

(b) the specific remuneration packages for each Executive Director as well as for the key management personnel,

and in doing so the RC considers all aspects of remuneration, including termination terms, to ensure they are fair;

(ii) where external remuneration consultant is appointed, reviewing whether the remuneration consultant has any relationship with the Company that could affect his or her independence and objectivity;

(iii) reviewing annually the remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company and whose remuneration exceeds S$100,000 during the year; and

(iv) administering the Company's Employee Share Option Scheme, if any.

Remuneration Framework

The RC ensures that a formal and transparent procedure is in place for fixing the remuneration packages of individual Directors and key management personnel. Although the recommendations are made in consultation with the Chairman and CEO, the remuneration packages are ultimately approved by the entire Board. No Director will be involved in deciding his own remuneration. Each member of the RC shall abstain from voting on any resolution and making any recommendations in respect of his remuneration package. *Provision 6.3*

The RC also reviews the Company's obligations arising in the event of termination of the Chairman and CEO, and key management personnel's contracts of service, to ensure that such contract of service contain fair and reasonable termination clauses which are not overly generous. At the moment, the Company does not use any contractual provisions to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. If required, the RC will consider instituting such contractual provisions to allow the Company to reclaim the incentive components of the remuneration of the Executive Directors and key management personnel paid in prior years in such exceptional circumstances.

RC's access to Independent Advice *Provision 6.4*

CORPORATE GOVERNANCE REPORT

The RC may from time to time, when necessary or required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management, so that the Group remains competitive in this regard. During FY2024, the Company did not engage any independent remuneration consultant.

Performance-linked Remuneration

Provisions 7.1 and 7.3

The Company adopts a remuneration policy for Executive Directors and key management personnel comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Company and the individual's performance, the latter of which is assessed based on their respective key performance indicators allocated to them. Staff appraisals are conducted once a year. The Executive Directors do not receive Directors' fees. The corporate and individual performance-related elements of remuneration are designed to align the interests of Executive Directors with those of shareholders in order to promote the long-term success of the Company. The Executive Directors and key management personnel had met their respective key performance indicators in respect of FY2024.

Mr Leo had entered into a service agreement with the Company in which the terms of his employment are stipulated. His current term of employment is for a period of two years from 1 July 2023 and on such terms as may be agreed between the Company and Mr Leo. In accordance to the service agreement, Mr Leo will be paid performance bonus based on the audited consolidated profit before taxation of the Group, when it exceeds S$5.0 million for the financial year.

Directors' Fees for Non-Executive Directors

Provision 7.2

Director's fees for the Independent Directors and Non-Executive Director are set in accordance with the remuneration framework comprising basic fees and committee fees, taking into account their effort, time spent and responsibilities. These are subject to the approval of the Company's shareholders during the Company's AGM.

Remuneration Report for Directors and Key Management Personnel

Provisions 8.1 and 8.3

The remuneration components paid to each of the Executive Directors and Independent Directors for FY2024 are as follows:

Remuneration Bands and Name	Fees %	Salary %	Bonus %	Benefits in kind %	Total Remuneration %
Executive Directors					
S$250,000 to below $500,000					
Leo Ting Ping Ronald	–	85	6	9	100
Er Ang Hooa	–	91	3	6	100
Below S$250,000					
Xu Quanqiang	–	96	4	–	100
Independent Directors					
Below S$250,000					
Chong Wai Siak	100	–	–	–	100
Koh Tee Huck Kenneth	100	–	–	–	100
Fong Heng Boo	100	–	–	–	100
Wong Ee Kean[1]	100	–	–	–	100

(1) Ms Wong was appointed as an Independent Director on 31 January 2024.

CORPORATE GOVERNANCE REPORT

Notwithstanding that it is a variation from Provision 8.1 of the Code, the Company wishes to disclose the remuneration of the Executive Directors in bands of $250,000 for FY2024. The Company is of the view that the intent of Principle 8 was met, as the remuneration policies and the procedure for setting remuneration applicable to the Executive Directors are described above, and the level and mix of remuneration is disclosed in the above table.

The Board supports and is aware of the need for transparency. However, after deliberation and debate, the Board is of the view that as the remuneration packages are confidential and sensitive in nature, full disclosure of the specific remuneration of each individual Director and the Group's key management personnel (who are not directors) is not in the best interest of the Company. Inter alia, the Board has taken into account the very sensitive nature of the matter, the relative size of the Group, the highly competitive business environment the Group operates in, the competitive pressures in the talent market and the irrevocable negative impact such disclosure may have on the Group and which would place the Group in a competitively disadvantageous position.

A breakdown showing the level and mix of each key management personnel's remuneration payable for FY2024 in bands of S$250,000 which provides sufficient overview of the remuneration of the key management personnel are as follows: *Provisions 8.1 and 8.3*

Remuneration Bands and Name	Salary (%)	Bonus (%)	Benefits in kind (%)	Total (%)
Key Management Personnel				
S$250,000 to S$500,000				
Ng Siew Khim	96	4	–	100
Below S$250,000				
Chiang Yi Shin(2)	100	–	–	100
Loh Chye Aik(3)	100	–	–	100
Heng Fook Chang(4)	94	6	–	100

(2) Mr Chiang Yi Shin resigned as a Chief Financial Officer of the Company on 12 April 2024.

(3) Mr Loh Chye Aik resigned as a General Manager (Operators) of Keong Hong Construction Pte Ltd, a wholly-owned subsidiary of the Company on 18 October 2023.

(4) Mr Heng Fook Chang was appointed as the Chief Financial Offer on 8 July 2024.

The annual aggregate remuneration paid to the key management personnel for FY2024 was S$0.4 million.

There is no employee who is related to a Director, Chairman and CEO, or substantial shareholder, whose remuneration exceeds S$100,000 in the Group's employment for FY2024. *Provision 8.2*

There is no termination, retirement, post-employment benefits that are granted to the Directors, Chairman and CEO, and top key management personnel.

Share Option Scheme

The Keong Hong Employee Share Option Scheme (the "Scheme"), which was approved by the shareholders at an extraordinary general meeting held on 21 November 2011 had expired on 21 November 2021. *Provision 8.3*

Notwithstanding the expiry of the Scheme, there are still options granted previously which have yet to be exercised/expired. Further details of the outstanding options are found in the Directors' Statement. *Rule 1207 (16)*

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls and Audit Committee

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

Risk Management and Internal Control Systems

The Board is responsible for the governance of risk and sets the tone and direction for the Company in the way that it expects risks to be managed. The Board has overall responsibility for approving the business strategies of the Company in a manner which addresses stakeholders' expectations and does not expose the Company to an unacceptable level of risk which could impede the achievement of the Company's objectives. The Board sets the direction for how risk is to be managed in the pursuit of business objectives and promotes a risk aware and risk conscious culture, which is one where Management understands the importance of risk management and their responsibilities therein. *Provision 9.1*

Enterprise Risk Management Framework

The Company has developed and continues to review and update the Risk Governance and Internal Control Framework Manual ("The Manual"). The Manual sets out the risk governance responsibilities, business strategies, risk tolerances, risk appetites and the accountability and oversight for the appropriate risk management activities which mitigate the occurrence and exposure to significant risks that could impede business objectives. Management has defined the business objectives to be pursued for the financial year and the specific risk tolerance and appetite limits. The Board has been provided the basis for which they are able to delegate their responsibilities and the authority and limits assigned to Management in respect of these critical business activities. The Board and the Company have through this Manual articulated the operating policies and risk mitigation activities that are in place to mitigate and provide contingencies to deal with the occurrence of significant business risks. In addition to this, Management has been evaluated on their ability to maintain an adequate and effective system of internal control environment. This evaluation takes into consideration the key internal control principles of ISO 31000:2009 Risk Management framework and the components of the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") which are the control environment, risk assessment, control activities, information and communication, and the monitoring activities within the Company. Management has provided responses to the Board to explain how they intend to resolve any potential internal control deficiencies identified through this process.

To supplement the Manual, the Company already has in place an Enterprise Risk Management ("ERM") framework which is aligned with the requirements of COSO Internal Controls Integrated Framework.

The Company has updated the risk profile in the ERM framework through a Group-wide risk assessment exercise conducted in FY2024. This ensures that the risk register is current and reflects the changing business risk exposures and addresses the significant and relevant risks to the Group, the risk owners responsible for managing the identified risks and the internal controls in place to address those risks. Management continues to regularly review and update the risk register with the objective of assigning clear accountability and ownership of risks at the operating level to manage risks, addressing any material breaches in risk thresholds and highlighting any emerging or material risks to the Board. This serves to uphold the effectiveness of risk management as the second line of defense.

The Group's Internal Auditors, RSM SG Risk Advisory Pte. Ltd. have taken into consideration the Risk Governance and Internal Control Framework Manual, the updated risk register and risk profile contained within the Group's Risk Assessment Report when preparing the annual internal audit plan. This risk-based internal audit plan is approved by the AC and internal audits are conducted to assess the adequacy and effectiveness of the Group's system of internal controls and risk management in addressing financial, operational, information technology and compliance risks. This serves to ensure that internal audit as the third line of defense is able to function effectively. In addition, material control weaknesses over financial reporting, if any, are highlighted by the external auditors, Forvis Mazars LLP in the course of the statutory audit.

CORPORATE GOVERNANCE REPORT

Risk Committee

The Company has not established a separate Risk Committee. The responsibility for risk governance and oversight of the ERM framework and program rests with the AC.

The AC is independent and assists the Company in its oversight of risk management. The AC's responsibilities on risk management are as follows:

- to review and adopt the risk governance approach and risk policies of the Company which are then proposed to the Board;
- to review the risk management methodology adopted by the Company;
- to review the strategic, financial, operational, regulatory, compliance, information technology and other emerging risks and threats relevant to the Company;
- to review Management's assessment of risks and Management's action plans to mitigate such risks;
- to propose the risk appetite and risk tolerance limits to the Board;
- to review any material breaches of risk limits;
- to review the Company's anti-fraud procedures including the Whistle Blowing Policy and ensures appropriate follow-up actions;
- to report to the Board on matters, findings and recommendations relating to risk management; and
- to review the adequacy and effectiveness of the Company's risk management systems.

Adequacy and Effectiveness of Risk Management and Internal Control Systems

The Board has received assurances from: *Provision 9.2*

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

(b) the CEO and other key management personnel who are responsible for the Group's risk management and internal control system that the Group's risk management and internal control system remain adequate and effective; and

(c) there has been full conformance with the risk governance activities and responsibilities as outlined in the Company's Risk Governance and Internal Control Framework Manual.

The Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective during the financial year and up to the date of this report. This opinion is based on the internal control policies and procedures established and maintained by the Company, the work done by the Internal and External Auditors, reviews carried out by Management, various Board Committees and the Board. The Board, together with the AC and Management, will continue to enhance and improve the existing internal controls framework to identify and mitigate these risks. There were no material weaknesses identified by the Board or the AC for FY2024. *Rule 1207 (10)*

The system of internal controls and risk management established by the Company provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board is also mindful that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error losses, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

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

Roles, Responsibilities and Authority of AC

The AC comprises the following three Directors, all the members, including its Chairman were independent: *Provision 10.2*

Fong Heng Boo – Chairman (Independent)
Chong Wai Siak – Member (Independent)
Koh Tee Huck Kenneth – Member (Independent)

The profiles of each AC members are set out on pages 19 and 20 of this Annual Report. The Board is of the view that the members of the AC have recent and relevant accounting or related financial management knowledge, expertise and experience to discharge their responsibilities properly. *Provision 10.2*

None of the AC members are former partners or Directors of, or have any financial interests in, the Company's existing auditing firm or auditing corporation. *Provision 10.3*

The role of the AC is to assist the Board in overseeing the adequacy and effectiveness of the overall system of internal control, the internal audit functions within the Group, the scope of audit by the external auditor as well as their independence. The AC's roles and responsibilities are described in its terms of reference. The duties of the AC include: *Provision 10.1*

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

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

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

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

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

(vi) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

(vii) reviewing the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board;

(viii) reviewing the assistance given by the Company's officers to the external auditors;

(ix) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and Management's response;

(x) reviewing the interested person transaction in accordance with the Listing Manual of the SGX-ST (if any);

(xi) meeting with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually; and

(xii) reporting to the Board the significant issues and judgements that the AC considered in relation to the financial statements, and how these issues were addressed.

CORPORATE GOVERNANCE REPORT

Apart from the duties listed above, the AC, if required, may commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

The AC has been given full access and obtained the co-operation of Management. The AC has the explicit authority to investigate any matter within its terms of reference. It has full discretion to invite any Director or executive officer to attend its meetings, and be given reasonable resources to enable it to discharge its functions properly.

The AC has met with Forvis Mazars LLP, the external auditors of the Company, without the presence of Management, to discuss the results of their audit and their evaluation of the systems of internal accounting controls. *Provision 10.5*

For FY2024, Forvis Mazars LLP provided non-audit services to the Group. However, the non-audit fees paid to Forvis Mazars LLP were not significant as it did not exceed 50% of the audit fees paid. The AC confirms that it has reviewed the nature and extent of all audit and non-audit services performed by Forvis Mazars LLP, to establish if their independence and objectivity as external auditor of the Company, had in any way been compromised. *Rule 1207(6(b)*

The AC has also reviewed and confirmed that Forvis Mazars LLP is a suitable audit firm to meet the Company's audit obligations, after taking into consideration the Audit Quality Indicators Disclosure Framework published by the ACRA and having regard to the adequacy of resources and experience of the firm and the assigned audit engagement partner, the external auditors' non-audit service, the size and complexity of the Group, number and experience of supervisory and professional staff assigned to the Group's audit.

The AC is satisfied with the independence and objectivity of the external auditors and has recommended that Forvis Mazars LLP be re-appointed as the Company's external auditors in respect of financial year ending 30 September 2025 ("FY2025") at the forthcoming AGM. The aggregate audit fees paid to the external auditors for FY2024 are S$196,000 as set out on page 89 of this Annual Report.

To keep abreast of the changes in accounting standards and issues which have a direct impact on financial statements, discussions are held with the external auditors when they attend the AC meetings every half yearly. The AC members were encouraged to attend external courses conducted by relevant professional institutes as and when deemed necessary or upon request.

The Company confirms that Rules 712 and 715 of the SGX-ST Listing Manual in relation to its auditing firms have been complied with *Rules 712 and 715*

The Board conducts periodic reviews and assessments of the internal controls for its financial, operational and compliance functions, and the internal audit systems put in place by Management to ensure the integrity and reliability of the Group's financial information and to safeguard its assets. Any recommendations from the internal and external auditors to further improve the Company's internal controls are reported to the AC.

In the review of the financial statements of the Group and the Company for FY2024, the AC had discussed with Management the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The AC reviewed and addressed, among other matters, the following key audit matters ("KAMs") as reported by the external auditors for FY2024.

CORPORATE GOVERNANCE REPORT

Key audit matters	How these Issues were addressed by the AC
Accounting for construction contracts	The AC reviewed the contract revenue recognition using cost-based input method that reflects the over-time transfer of control to its customers. The AC considered Management's judgements and estimates used in the determination of total construction contract costs and found them to be appropriate.
Impairment assessment of investment in associates	The AC considered Management's approach and assumptions in assessing for impairment of its investments in the associates. The AC considered the fair value assessed by independent valuers, the reasonableness of the significant judgements and estimates involved in determining the present value of future cash flows from the associates and the adequacy of the expected credit loss allowance and were satisfied that these were appropriate.

Details on the KAMs can be found on pages 54 and 55 of the Annual Report.

Internal Audit Function

The AC is tasked to oversee the implementation of an effective system of internal controls as well as putting in place a risk management framework to continually identify, evaluate and manage significant business risks of the Group. The AC has the mandate to authorise special reviews or investigations, where appropriate in discharging its responsibilities.

The internal audit function of the Group is currently outsourced to RSM SG Risk Advisory Pte Ltd (the "Internal Auditor"), a professional advisory firm providing corporate governance, internal audit, enterprise risk assessment, technology as well as fraud risks and regulatory compliance services. The internal audit team is led by Mr Dennis Lee, a Chartered Accountant of Singapore and Certified Public Accountant of Australia, with extensive internal and risk management experience. All his team members have the relevant qualifications and experience and are members of The Institute of Internal Auditors of Singapore and/or members of relevant professional bodies. *Provision 10.4*

The Internal Auditor reports directly to the AC and supports the AC in their role to assess the adequacy and effectiveness of the Group's overall system of operational, financial, technology and compliance related controls and this forms the third line of defense for the AC to discharge its responsibilities.

To ensure the adequacy of the internal audit function, the AC reviews and approves the risk based internal audit plan on an annual basis. All IA reports are given to the AC, the key management personnel and the Heads of the relevant business divisions, with a summary report of IA results presented at the AC meeting. The AC was satisfied that recommendations made were dealt with by the Management in a timely and appropriate manner, with outstanding exceptions or recommendations being closely monitored and reported back to the AC.

The Internal Audit function is independent of all the areas and activities which are covered under the scope of review and they have unfettered access to all documents and personnel relating to the areas or activities which are covered under the annual internal audit plan. *Provision 10.4*

The internal audit function operates within the standards consistent with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors (IIA), an international professional association with global headquarters in United States of America.

RSM SG Risk Advisory Pte Ltd is a corporate member of the Institute of Internal Auditors Singapore (IIAS), an affiliate of the IIA. Processes are in place to ensure that the professional competence of the IA staff is maintained and upgraded through continuing training and education programmes which comprised technical and non-technical training for the development of the IA staff.

During the year, the AC met with the Internal Auditor of the Company, without the presence of Management, to discuss the results of their audit and their evaluation of the Company's systems of internal controls. *Provision 10.5*

The AC is satisfied with the quality and effectiveness of the Internal Audit function and that the Internal Audit function is currently adequately resourced and has appropriate independent standing within the Group to perform its functions effectively.

CORPORATE GOVERNANCE REPORT

Whistleblowing Policy

The Company has implemented a Whistleblowing Policy whereby accessible channels are provided for employees, shareholders, clients, consultants, vendors, contractors and sub-contractors, to raise concerns about possible improprieties in financial reporting, fraudulent acts and other irregularities, and to ensure that arrangements are in place for independent investigations of such matters and timely implementation of appropriate preventive and corrective actions.

The AC is responsible for oversight and monitoring of whistleblowing and the AC reviews all whistleblowing complaints, if any, at every meeting to ensure independence thorough investigation and appropriate follow-up actions are taken.

The Company will treat all information received as confidential and will protect the identity of all whistleblowers from reprisal. It is also committed to ensuring that whistleblowers will be treated fairly, and protected against detrimental or unfair treatment for whistleblowing in good faith. The details of the Whistleblowing Policy are available on the Company's website. During FY2024, there was no incident of concern reported to the AC.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Opportunity for Shareholders to Participate and Vote at General Meetings

The Company does not practise selective disclosure. Price sensitive information is promptly released on SGXNet after trading hours. Financial results and annual reports are announced or issued within the mandatory periods. Apart from the SGXNet announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at www.keonghong.com.

General Meetings

Shareholders are encouraged to attend the AGM to ensure a greater level of shareholders' participation and for them to be kept up to date with the strategies and goals of the Group. All shareholders of the Company receive a copy of the annual report, the notice of AGM and circulars and notices pertaining to any extraordinary general meeting of the Company. To facilitate participation by the shareholders, the Constitution of the Company allows the shareholders entitled to attend and vote at general meetings of the Company to appoint not more than two proxies to attend and vote on behalf. In the case of a shareholder who is a relevant intermediary (as defined in the Act), it may appoint more than two proxies but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. The proxy forms are to be deposited at the Company's Share Registrar office not less than 72 hours before the meeting. Detailed information on each item of the AGM agenda can be found in the explanatory notes to the AGM Notice in the Annual Report. *Provision 11.1*

The AGM of the Company in respect of the financial year ended 30 September 2023 was conducted physically on 28 March 2024. Shareholders were able to participate effectively in the AGM held in respect of FY2023, and vote in person or appoint proxy/proxies or the Chairman of the AGM to vote on their behalf at the AGM. Shareholders could submit questions related to the resolutions that were tabled at the AGM in advance of the lodgement of the proxy forms for the AGM. During the AGM, Shareholders could also ask questions after each resolution was tabled at the AGM. Such questions were addressed by the Board, Management or other professionals invited by the Company to attend the AGM, before the corresponding resolution was voted upon by shareholders at the AGM. The Company had set out detailed information on the above arrangements in the Notice of AGM dated 13 March 2024 on the SGXNet.

The forthcoming AGM of the Company to be held in respect of FY2024 will be held, in a wholly physical format, in Singapore at Banquet Hall, Sembawang Country Club, 249 Sembawang Road, Singapore 758352. Shareholders may continue to: (i) appoint proxy/proxies or the Chairman of the AGM to vote on their behalf at the AGM, if they are unable to vote in person; and (ii) submit questions related to the resolutions to be tabled at the forthcoming AGM in advance of the lodgement of the proxy forms for the AGM.

CORPORATE GOVERNANCE REPORT

Separate Resolutions at General Meetings

Provision 11.2

The Company provides for separate resolutions at general meeting on each distinct issue. All the resolutions at the general meetings are single item resolutions. Where resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting.

All resolutions at general meeting are put to the vote by way of poll. Votes cast for, or against, for each resolution will be read out by the Chairman of the Meeting immediately at the meeting. The total numbers and percentage of votes cast for or against the resolutions are also announced after the conclusion of the general meeting via SGX-ST's website.

The Company will appoint an independent external party as scrutineer for the poll voting process for the purpose of directing and supervising the count of the votes cast through proxy and in person. Prior to the commencement of the general meetings, the scrutineer will review the proxies and proxy process and also ensure that satisfactory procedures of the voting process are in place. Shareholders are informed of the voting process at each general meeting.

Attendees at General Meeting

Provision 11.3

All the Directors (including chairpersons of the Board Committees) attend all general meetings of the Company and the external auditors will also be present in addressing queries raised by shareholders relating to the conduct of the audit and the preparation and the content of the auditors' report. All the Directors held in office during the financial year were present at the AGM held in 2024. The external auditors, Forvis Mazars LLP were also present at the AGM held on 28 March 2024.

Absentia Voting at General Meetings

Provision 11.4

As authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, facsimile or email.

Minutes of General Meetings

Provision 11.5

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. Provision 11.5 requires companies to publish minutes of general meetings with shareholders on its corporate website as soon as practicable. The Company published its minutes of general meetings via the SGXNet and on the Company's corporate website within one (1) month from the conclusion of the general meetings.

Dividend Policy Guideline

Provision 11.6

The Company does not have a fixed dividend policy. The frequency and amount of dividend distribution will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow and general business conditions, development plans and other factors as the Directors may deem appropriate. Any pay-outs are clearly communicated to shareholders via the financial results announcements through SGXNet.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Communication with Shareholders

In line with the continuous disclosure obligations under the requirements of the SGX-ST Listing Manual and requirements of the Act, the Board informs the shareholders promptly of all major developments that may have a material impact on the Group.

The Company communicates (at least once annually at the AGM) with its shareholders and facilitates the participation of shareholders during general meetings and (where applicable) other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

CORPORATE GOVERNANCE REPORT

Investor Relations Policy

The Company has in place an investor relations policy and has engaged an external professional investor relation ("IR") firm, 29 Communications LLP as its IR with the aim to better communicate with its shareholders and analyst on a regular basis and to gather views or inputs and take any of their queries or concerns. The IR firm also manages the dissemination of information to the media, public, institutional investors and public shareholder, and act as liaison with these parties. Shareholders can contact or provide their views directly to the IR firm via a dedicated 'Investor Relations' link at the Company's website. *Provisions 12.1, 12.2 and 12.3.*

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Relationship with Stakeholders

The Company values input from all of its stakeholder groups and uses a variety of channels and platforms to engage with them as well as receive their feedback. The Company identifies stakeholders as groups that have an impact or have the potential to be impacted by its business, as well as those external organisations that have expertise in aspects that the Company considers material. *Provision 13.1*

Sustainability Report

The Company is committed to corporate social responsibility, built on a strong foundation of transparency, governance and ethics that create value for its stakeholders which comprise employees, suppliers and subcontractors, guests, developers and customers, industrial organisations. governments and regulators, community as well as shareholders and investors. *Provision 13.2*

The Sustainability Report which highlights the Group's strategy and key areas of focus in relation to managing stakeholders' relationships during FY2024 have been set out in the Company's standalone Sustainability Report to be released before 1 April 2025.

Corporate website

The Company maintains a corporate website to communicate and engage with all stakeholders. The Company's corporate website is at www.keonghong.com. *Provision 13.3*

OTHER CORPORATE GOVERNANCE MATTERS

CODE OF CONDUCT AND DISCIPLINE

Employees of the Group are required to observe and maintain high standard of integrity, and to comply with the relevant laws, regulations including the Group's policies. The Group's employee handbook and internal policies set out the standards of ethical conduct such as work ethics and disciplinary procedures.

DEALINGS IN SECURITIES

The Company has adopted an internal compliance code which prohibits dealings in the securities of the Company by Directors and officers while in possession of price-sensitive information. The Company, Directors and officers should not deal in the Company's securities on short term consideration and are prohibited from dealing in the securities of the Company during the period beginning two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and one month before the announcement of full year results, and ending on the date of such announcements (if the Company announce its quarterly financial statements, whether required by the SGX-ST or otherwise), or one month before the announcement of the Company's half year financial statement and full year financial statements (if the Company does not announce its quarterly financial statements), and ending on the date of announcement of the relevant results. In addition, Directors and officers are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. *Rule 1207(19)(a) and (C)*

CORPORATE GOVERNANCE REPORT

During 2024, SGX-ST notified the Company to start quarterly financial reporting starting from the quarter of April 2025 to June 2025, being the third quarter ("3Q") of the financial year ending 30 September 2025 ("FY2025") pursuant to Rule 704(2)(e) of the Listing Manual. This quarterly requirement will continue until such time the auditor issues a clean opinion on the financial statements of the Company and has not highlighted any material uncertainty on going concern. In this respect, Directors and employees will be required to refrain from dealing with the securities of the Company during the period beginning two weeks prior to the announcement of the 3Q financial results from FY2025 onwards.

MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts entered into by the Company or its subsidiaries involving the interest of the Chairman and CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year. *Rule 1207(8)*

INTERESTED PERSON TRANSACTIONS

The Company has set out procedures governing all interested person transactions to ensure that they are reported in a timely manner to the AC and that the transactions are carried out fairly on an arm's length basis and on normal commercial terms, and will not be prejudicial to the interests of the Company and its shareholders. All interested person transactions are subject to review by the AC to ensure compliance. *Rule 1207(17), 1207(18) and 907*

During the year, the following interested person transactions were entered into with the following Director and controlling shareholder:

Name of interested person	Aggregate value of all interested person transactions conducted during the financial year (excluding transactions below $100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	S$'000	**S$'000**
Director and Substantial Shareholder Leo Ting Ping Ronald	309,000	
Controlling Shareholder LJHB Capital (S) Pte. Ltd.	520,000	–

The Company does not have a general shareholders' mandate for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Keong Hong Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 September 2024.

1. Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group, and the statement of financial position and the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

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

2. Directors

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

<u>Chairman and Chief Executive Officer</u>
Leo Ting Ping Ronald

<u>Executive Directors</u>
Er Ang Hooa
Xu Quanqiang

<u>Lead Independent Director</u>
Fong Heng Boo

<u>Non-Executive Independent Directors</u>
Chong Wai Siak
Koh Tee Huck Kenneth
Wong Ee Kean

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraph 4 and 5 below.

DIRECTORS' STATEMENT

4. Directors' interests in shares, warrants or debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital, warrants and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as disclosed below:

	Direct interest		Deemed interest	
Name of the directors and respective companies in which interests are held	**At beginning of the financial year**	**At end of the financial year**	**At beginning of the financial year**	**At end of the financial year**
	Number of ordinary shares			
The Company				
Keong Hong Holdings Limited				
Leo Ting Ping Ronald	5,231,180	5,231,180	22,500,000	22,500,000
Er Ang Hooa	350,000	350,000	–	–
Xu Quanqiang	–	–	–	586,800

By virtue of Section 7 of the Act, Mr. Leo Ting Ping Ronald is deemed to have an interest in all related corporations of the Company. In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 October 2024 in the shares or debentures of the Company and its related corporations have not changed from those disclosed as at 30 September 2024.

5. Share options

(a) Options to take up unissued shares

At the Company's Extraordinary General Meeting held on 21 November 2011, the shareholders approved the Keong Hong Holdings Limited Employee Share Option Scheme (the "Scheme"). The Scheme is administered by the Company's Remuneration Committee, comprising Chong Wai Siak, Fong Heng Boo and Koh Tee Huck Kenneth (the "Committee"). This Scheme is designed to reward and retain the eligible participants whose services are vital to the success of the Company. Under the rules of the Scheme, Executive Directors and Non-Executive Directors and employees of the Group, who are not controlling shareholders are eligible to participate in the Scheme.

Other information regarding the Scheme is set out below:

- The exercise price of the options can be set at a price at a discount to the market price not exceeding 20% of the market price;
- The market price is determined based on the average of the last dealt prices of the ordinary shares of the Company on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") over the five consecutive market days immediately preceding the date of grant;
- The vesting of the options is conditional on the eligible participants completing another two years of service to the Group. Once they have vested, the options are exercisable over a period of 8 years; and
- All options are settled by physical delivery of shares.

The aggregate number of shares over which the Committee may grant options on any date, when added to the number of shares issued or issuable and/or transferred or transferable in respect of all options granted under the Scheme and any other share schemes of the Company, shall not exceed 15% of the issued shares (excluding treasury shares) of the Company on the date immediately preceding the grant of an option (or such other limit as the SGX-ST may determine from time to time).

This scheme had expired on 21 November 2021.

Notwithstanding the expiry of the scheme, there are options granted previously which have yet to be exercised/expired.

DIRECTORS' STATEMENT

5. **Share options** (Continued)

(b) Unissued shares under option and options exercised

The number of outstanding share options under the scheme is as follows:

Number of options to subscribe for ordinary shares of the Company

Date of grant	Balance at beginning of financial year	Granted during the financial year	Exercised during the financial year	Forfeited during the financial year	Balance at end of financial year	Exercise price $	Exercisable period
1.12.2014	200,000	–	–	–	200,000	0.315	1.12.2016 to 30.11.2024
8.1.2016	1,650,000	–	–	–	1,650,000	0.400	8.1.2018 to 7.1.2026
3.4.2017	300,000	–	–	–	300,000	0.355	3.4.2019 to 2.4.2027
2.4.2018	2,525,000	–	–	–	2,525,000	0.460	2.4.2020 to 1.4.2028
16.4.2019	500,000	–	–	–	500,000	0.400	16.4.2021 to 15.4.2029
Total	5,175,000	–	–	–	5,175,000		

There were no options granted to executive directors, key executive officers and employees during the financial year (2023: Nil).

No employees or employee of related corporations has received 5% or more of the total options available under this scheme, except as disclosed below.

Name of employee	Options granted during the financial year	Aggregate options granted since commencement of the Scheme to the end of financial year	Aggregate options exercised since commencement of the Scheme to the end of financial year	Aggregate options lapsed since commencement of the Scheme to the end of financial year	Aggregate options outstanding as at the end of financial year
Er Ang Hooa	–	1,300,000	(200,000)	(400,000)	700,000
Ng Siew Khim	–	950,000	(320,000)	(130,000)	500,000
Khoo Hong Choon	–	775,000	(625,000)	–	150,000
Toh Goon Yong	–	775,000	(625,000)	–	150,000

There are no options granted to any of the Company's controlling shareholders or their associates (as defined in the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual).

The information on Directors of the Company participating in the Scheme is as follows:

Name of Director	Options granted during the financial year	Aggregate options granted since commencement of the Scheme to the end of financial year	Aggregate options exercised since commencement of the Scheme to the end of financial year	Aggregate options lapsed since commencement of the Scheme to the end of financial year	Aggregate options outstanding as at the end of financial year
Er Ang Hooa	–	1,300,000	(200,000)	(400,000)	700,000

DIRECTORS' STATEMENT

6. Audit Committee

The Audit Committee comprises the following members, who are all Non-Executive Directors and a majority of whom, including the Chairman, are Independent Directors. The members of the Audit Committee at the date of this statement are:

Fong Heng Boo (Chairman)
Chong Wai Siak
Koh Tee Huck Kenneth

The Audit Committee has met 5 times during the financial year ended 30 September 2024. The Audit Committee carries out its functions in accordance with Section 201B (5) of the Act, and the Code of Corporate Governance, including the following:

(a) review with the external auditors the audit plans, their evaluation of the system of internal controls relevant to the audit, their audit report, their management letter and the management's response;

(b) review with the internal auditors the internal audit plans and their evaluation of the adequacy of the internal control and accounting system before submission of the results of such review to the Board for approval prior to the incorporation of such results in the annual report (where necessary);

(c) review the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board;

(d) review the internal control and procedures relevant to the audit and ensure co-ordination between the external auditors, internal auditors and the management, and review the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);

(e) review the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group and external auditors' report on those financial statements before their submission to the Directors of the Company;

(f) review the co-operation and assistance given by the Company's officers to the external and internal auditors;

(g) review the quarterly and half-yearly financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

(h) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

(i) consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;

(j) review transactions falling within the scope of Chapter 9 and Chapter 10 of the SGX-ST Listing Manual (if any);

(k) review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;

(l) review the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;

(m) review the key financial risk areas, with a view to providing an independent oversights on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or the findings are material, immediately announced via SGXNet;

(n) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee;

DIRECTORS' STATEMENT

6. Audit Committee (Continued)

The Audit Committee carries out its functions in accordance with Section 201B (5) of the Act, and the Code of Corporate Governance, including the following: (Continued)

(o) generally to undertake such other functions and duties as may be required by statute or the SGX-ST Listing Manual, and by such amendments made thereto from time to time;

(p) review arrangements by which the staff may, in confidence, raise concerns about possible improprieties or other matters financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and

(q) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the SGX-ST Listing Manual, including such amendments made thereto from time to time.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, Forvis Mazars LLP (formerly known as Mazars LLP), be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

7. Auditors

The auditors, Forvis Mazars LLP (formerly known as Mazars LLP), have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Leo Ting Ping Ronald
Director

Er Ang Hooa
Director

Singapore
7 March 2025

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KEONG HONG HOLDINGS LIMITED

Report on the Audit of Financial Statements

Qualified Opinion

We have audited the financial statements of Keong Hong Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2024 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Qualified Opinion

During the financial year ended 30 September 2024, the management restated the classification of the Group's investment in Katong Holdings Pte Ltd ("KHPL"), including the loans extended to KHPL, as an investment in associate when the investment was previously recorded at fair value through other comprehensive income while the corresponding loans was recorded at fair value through profit or loss. The Group recorded share of losses from the investment in KHPL of $1,317,000 and $2,299,000 in the statement of profit or loss and other comprehensive income for the financial years ended 30 September 2023 and 2024 respectively, and carrying amounts of the equity-accounted for investment in KHPL of $37,733,000 and $36,416,000 in the statement of financial position as of 1 October 2022, 30 September 2023 respectively. As of 30 September 2024, with reference to SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the investment in KHPL was presented as non-current asset for sale in the statement of financial position, with carrying amount of $34,117,000.

During the course of our audit, we were unable to obtain sufficient appropriate audit evidence, including meeting minutes and resolutions as well as KHPL's financial information for the affected financial years, to support the management's restatements. We understood from management that they faced limitations in retrieving the information. In the absence of alternative procedures and necessary audit evidence, we were unable to ascertain the appropriateness of the re-classification and restatement of the carrying amounts of the Group's investment in KHPL as an associate nor the loans extended to KHPL, as well as the corresponding financial information and disclosures. We were hence also unable to assess the appropriateness of the carrying amount of KHPL presented as non-current asset held for sale as of 30 September 2024.

Should adjustments be made to the carrying amounts of the investment in the associate and/or the non-current asset held for sale and/or the share of results of the investments in the respective financial years, corresponding and consequential adjustments would need to be made to the corresponding financial line items in the affected financial years.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the "ACRA code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KEONG HONG HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section above, we have determined the matter described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key audit matter 1</th><th>Audit response</th></tr>
<tr><td colspan="2">Accounting for construction contracts (Refer to Notes 3.2, 4 and 30 to the financial statements)</td></tr>
<tr><td>Revenue from construction contracts amounted to approximately $172,597,000 and it represented 100% of the total revenue of the Group for the financial year ended 30 September 2024. As at the financial year end, the Group provided $5,503,000 for the unavoidable costs of fulfilling certain construction contracts with customers, that were in excess of the economic benefits expected to be received under the contract. The provision for the onerous contracts is expected to be utilised throughout the remaining contract period.

The Group's core businesses are those of general and building contractors. Revenue from construction contracts is recognised by applying the cost-based input method that reflects the over-time transfer of control to its customers. The amount of revenue recognised is dependent on the stage of completion of the construction contracts, which is measured based on the proportion of contract costs incurred to date over the estimated total contract costs for each construction contract. The Group's accounting policy on revenue recognition from construction contracts is set out in Note 2.4 to the financial statements.

Significant judgement is required to estimate the total construction contract costs, variations or claims recognised as contract revenue, as well as provision for liquidated damages. These will affect the measure of progress and revenue and profit margins recognised from construction contracts.

Accordingly, we have identified this area as a key audit matter.</td><td>We performed the following audit procedures, amongst others:

• Understood and evaluated the Group's design and implementation of its system of internal controls relating to revenue recognition, with a focus on key controls;

• Agreed the variation orders sum to the approved variation orders by customers;

• Assessed the adequacy of provision for liquidated damages to be net off against contract revenue recognised (where relevant);

• Tested the costs incurred for projects on a sample basis by checking that the costs are properly allocated to their respective contracts and that these costs are directly attributable to costs supported by suppliers' invoices or other supporting documents;

• Reviewed and assessed the estimated costs-to-complete for significant ongoing construction contracts by evaluating the reasonableness of the subcontractors' expenses, estimated labour hours, estimated labour rates, materials costs, and overhead expenses;

• Evaluated the reasonableness of the management's budgets by comparing budgeted contract costs against actual contract costs for completed projects;

• Obtained an understanding of the Group's consideration of SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets ("SFRS(I) 1-37") in their application of the corresponding requirements of the standard and assess the appropriateness thereof;

• Checked the arithmetical accuracy of the revenue recognised based on the input method computations; and

• Reviewed the completeness and appropriateness of corresponding disclosures made in the financial statements.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KEONG HONG HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter 2	Audit response
Impairment of investment in associate – Pristine Islands Investment Pte. Ltd. and its subsidiary ("PIIPL Group") (Refer to Notes 3.2, 14, 19 and 36 to the financial statements)	
As at 30 September 2024, the Group's investments in associate comprise investments in equity interests and amounts due from PIIPL Group, which are mainly in the business of hospitality operations and related business. As at financial year end, the Group applied the general approach to measure the expected credit losses on the non-trade amounts due from PIIPL Group and determined the loss allowance based on 12-month expected credit loss ("ECL"), a loss allowance of $4,000,000 was recorded to reflect the credit risk exposure. During the financial year, the management identified indicators of impairment in PIIPL Group and carried out an impairment assessment to determine whether an impairment loss should be recognised in the financial statements. Recoverable amount was determined based on higher of value-in-use or fair value less cost of disposal. The determination of the recoverable amount involved estimating the present value of future cash flows of PIIPL Group, the fair value of PIIPL Group's business and estimated disposal costs. Accordingly, a reversal of impairment loss amounting to $27,285,000 was recognised in the current financial year. We focused on this area as a key audit matter due to significant management judgements and estimates involved in determining the market value of the PIIPL Group.	We performed the following audit procedures, amongst others: • Evaluated management's assessment of whether the credit risk of the non-trade amount due from an associate has increased significantly; • Reviewed the adequacy of ECL allowance at end of the financial year, including assessing whether management's approach is consistent with SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") requirements; • Evaluated management's assessment of whether the investment in an associate has any indicators of impairment; • Assessed the reasonableness of key assumptions used in the valuations to derive fair value less cost of disposal, which included the range adjustments applied, the marketability discount with assistance of internal valuation specialist and obtained management representation on the accuracy and completeness of financial data; • Assessed the reasonableness of the key assumptions and estimates used in the future cash flows to derive value-in-use, including the revenue growth rates, discount rates and terminal growth rates used with the assistance of internal valuation specialist to independently develop expectations on the discount rates and terminal growth rates applied; • Carried out sensitivity analysis on revenue growth rates, discount rates and terminal growth rates applied by management to determine the impact on the carrying amount of the investment in associate; and • Reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As a result of the matter described in the *Basis for Qualified Opinion* section above, we are unable to conclude whether or not the other information is materially misstated for the same matter.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KEONG HONG HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KEONG HONG HOLDINGS LIMITED

Report on Other Legal and Regulatory Requirements

In our opinion, except for the matters described in the *Basis for Qualified Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company and by the subsidiary entity incorporated in Singapore of which we are auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Zhang Liang.

FORVIS MAZARS LLP
(FORMERLY KNOWN AS MAZARS LLP)
Public Accountants and
Chartered Accountants

Singapore
7 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

	Note	2024 $'000	2023 $'000 (Restated)
Revenue	4	**172,597**	199,789
Cost of sales		**(178,025)**	(226,155)
Gross loss		**(5,428)**	(26,366)
Other item of income			
Other income	5	**8,739**	16,892
Other items of expense			
Administrative expenses		**(18,310)**	(18,998)
Reversal/(Provision) of loss allowance			
– Trade and other receivables		**438**	(662)
– Contract assets		**283**	714
– Long-term interests		**(4,000)**	–
– Financial guarantee contracts		**(187)**	205
Impairment reversed/(loss) on investment of an associate		**27,285**	(8,532)
Finance costs	6	**(2,138)**	(4,093)
Other expenses		**–**	(1,746)
Share of results of joint ventures, net of tax		**44**	300
Share of results of associates, net of tax		**(10,642)**	(8,362)
Loss before income tax	7	**(3,916)**	(50,648)
Income tax expense	8	**–**	(568)
LOSS FOR THE FINANCIAL YEAR		**(3,916)**	(51,216)
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss			
Exchange difference on translating foreign operations		**3,248**	1,582
Other comprehensive income for the financial year that will be reclassified to profit or loss, net of tax		**3,248**	1,582
Items that will not be reclassified subsequently to profit or loss			
Share of other comprehensive loss of an associate		**–**	(709)
Fair value (loss)/gain on financial assets at FVTOCI	17	**(90)**	60
Total other comprehensive income for the financial year, net of tax		**3,158**	933
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		**(758)**	(50,283)
Loss for the financial year attributable to:			
Owners of the Company		**(3,916)**	(49,900)
Non-controlling interests		**–**	(1,316)
Loss for the financial year		**(3,916)**	(51,216)
Total comprehensive loss for the financial year attributable to:			
Owners of the Company		**(758)**	(48,967)
Non-controlling interests		**–**	(1,316)
Total comprehensive loss for the financial year		**(758)**	(50,283)
Loss per share attributable to owners of the Company (cents per share)			
Basic	9	**(1.67)**	(21.23)
Diluted	9	**(1.67)**	(21.23)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

		Group			Company	
	Note	**30/9/2024 $'000**	30/9/2023 $'000 (Restated)	1/10/2022 $'000 (Restated)	**30/9/2024 $'000**	30/9/2023 $'000
ASSETS						
Non-current assets						
Property, plant and equipment	10	**11,218**	13,180	15,140	**–**	–
Right-of-use assets	11	**4,391**	6,636	6,805	**–**	–
Investment properties	12	**–**	–	16,910	**–**	–
Investments in subsidiaries	13	**–**	–	–	**21,139**	21,139
Investments in associates	14	**26,480**	46,105	65,350	**7,123**	7,123
Investments in joint ventures	15	**4,453**	6,181	6,717	**–**	–
Intangible assets	16	**43**	142	165	**–**	–
Financial assets at FVTOCI	17	**2,385**	2,475	2,415	**2,385**	2,475
Deferred tax assets	31	**28**	28	70	**–**	–
Total non-current assets		**48,998**	74,747	113,572	**30,647**	30,737
Current assets						
Inventories	18	**–**	–	671	**–**	–
Trade and other receivables	19	**60,434**	67,714	95,558	**29,998**	12,414
Contract assets	20	**28,754**	22,347	38,514	**–**	–
Tax recoverable		**–**	1,323	–	**–**	–
Prepayments		**173**	190	1,262	**18**	17
Fixed deposits	21	**2,964**	2,883	4,820	**1,505**	–
Cash and bank balances	21	**18,811**	11,760	20,097	**214**	733
		111,136	106,217	160,922	**31,735**	13,164
Non-current assets classified as held for sale	22	**34,117**	–	–	**–**	–
Total current assets		**145,253**	106,217	160,922	**31,735**	13,164
Total assets		**194,251**	180,964	274,494	**62,382**	43,901
EQUITY AND LIABILITIES						
Equity						
Share capital	23	**25,048**	25,048	25,048	**25,048**	25,048
Treasury shares	24	**(3,303)**	(3,303)	(3,303)	**(3,303)**	(3,303)
Share option reserve	25	**2,041**	2,041	2,041	**2,041**	2,041
Foreign currency translation reserve	26	**3,451**	203	(1,379)	**–**	–
Merger reserve	26	**(4,794)**	(4,794)	(4,794)	**–**	–
Fair value reserve	26	**28,102**	28,192	28,841	**(4,440)**	(4,350)
Other reserves		**1,125**	1,125	1,125	**–**	–
Retained earnings		**(1,169)**	2,747	52,647	**28,654**	10,618
Equity attributable to owners of the Company		**50,501**	51,259	100,226	**48,000**	30,054
Non-controlling interests		**–**	–	(1,755)	**–**	–
Total equity		**50,501**	51,259	98,471	**48,000**	30,054

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

	Note	Group			Company	
		30/9/2024 $'000	30/9/2023 $'000 (Restated)	1/10/2022 $'000 (Restated)	**30/9/2024 $'000**	30/9/2023 $'000
Non-current liabilities						
Trade and other payables	27	**17,636**	16,401	14,644	**12,750**	12,750
Bank borrowings	28	**4,353**	6,201	7,627	**–**	–
Lease liabilities	29	**4,120**	4,649	4,960	**–**	–
Provisions	30	**512**	512	512	**–**	–
Deferred tax liabilities	31	**1**	1	1	**–**	–
Total non-current liabilities		**26,622**	27,764	27,744	**12,750**	12,750
Current liabilities						
Contract liabilities	20	**16,244**	3,155	997	**–**	–
Trade and other payables	27	**79,462**	61,720	70,749	**1,632**	1,097
Bank borrowings	28	**9,855**	19,859	21,054	**–**	–
Lease liabilities	29	**635**	2,294	1,993	**–**	–
Medium term notes		**–**	–	35,228	**–**	–
Provisions	30	**9,106**	12,967	15,942	**–**	–
Current income tax payable		**1,826**	1,946	2,316	**–**	–
Total current liabilities		**117,128**	101,941	148,279	**1,632**	1,097
Total liabilities		**143,750**	129,705	176,023	**14,382**	13,847
Total equity and liabilities		**194,251**	180,964	274,494	**62,382**	43,901

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

		Attributable to owners of the Company									
	Note	Share capital $'000	Treasury shares $'000	Share option reserve $'000	Foreign currency translation reserve $'000	Merger reserve $'000	Fair value reserve $'000	Other reserve[1] $'000	Retained earnings $'000	Non-controlling interests $'000	Total $'000
2024											
Group											
Balance at 1 October 2023, as restated		25,048	(3,303)	2,041	203	(4,794)	28,192	1,125	2,747	–	51,259
Loss for the financial year		–	–	–	–	–	–	–	(3,916)	–	(3,916)
Other comprehensive income											
Exchange differences on translating foreign operations		–	–	–	3,248	–	–	–	–	–	3,248
Fair value loss on financial assets at FVTOCI	17	–	–	–	–	–	(90)	–	–	–	(90)
		–	–	–	3,248	–	(90)	–	–	–	3,158
Total comprehensive loss for the financial year		–	–	–	3,248	–	(90)	–	(3,916)	–	(758)
Balance at 30 September 2024		**25,048**	**(3,303)**	**2,041**	**3,451**	**(4,794)**	**28,102**	**1,125**	**(1,169)**	–	**50,501**

(1) This relates to the share of associate's and joint venture's hedging reserve and transactions between owners of an associate.

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

	Note	Attributable to owners of the Company										
		Share capital $'000	Treasury shares $'000	Share option reserve $'000	Foreign currency translation reserve $'000	Merger reserve $'000	Fair value reserve $'000	Other reserve[(1)] $'000	Retained earnings $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total $'000
2023												
Group												
Balance at 1 October 2022, as previously reported		25,048	(3,303)	2,041	(1,379)	(4,794)	(25,289)	1,125	117,578	111,027	(1,755)	109,272
Prior year restatements	40	–	–	–	–	–	54,130	–	(64,931)	(10,801)	–	(10,801)
Balance at 1 October 2022, as restated		25,048	(3,303)	2,041	(1,379)	(4,794)	28,841	1,125	52,647	100,226	(1,755)	98,471
Loss for the financial year:												
– As previously reported		–	–	–	–	–	–	–	(49,488)	(49,488)	(1,316)	(50,804)
– Prior year restatements	40	–	–	–	–	–	–	–	(412)	(412)	–	(412)
– As restated		–	–	–	–	–	–	–	(49,900)	(49,900)	(1,316)	(51,216)
Other comprehensive income												
Exchange differences on translating foreign operations		–	–	–	1,582	–	–	–	–	1,582	–	1,582
Share of other comprehensive loss of an associate		–	–	–	–	–	(709)	–	–	(709)	–	(709)
Fair value gain/(loss) on financial assets at FVTOCI:												
– As previously reported		–	–	–	–	–	1,290	–	–	1,290	–	1,290
– Prior year restatements		–	–	–	–	–	(1,230)	–	–	(1,230)	–	(1,230)
– As restated	17	–	–	–	–	–	60	–	–	60	–	60
Total comprehensive income/(loss) for the financial year		–	–	–	1,582	–	(649)	–	(49,900)	(48,967)	(1,316)	(50,283)
Transactions with owners, recognised directly in equity												
Liquidation of subsidiary		–	–	–	–	–	–	–	–	–	3,071	3,071
Balance as at 30 September 2023 restated		25,048	(3,303)	2,041	203	(4,794)	28,192	1,125	2,747	51,259	–	51,259

(1) This relates to the share of associate's and joint venture's hedging reserve and transactions between owners of an associate.

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

	Note	Share capital $'000	Treasury shares $'000	Share option reserve $'000	Fair value reserve $'000	Retained earnings $'000	Total $'000
2024							
Company							
Balance at 1 October 2023		25,048	(3,303)	2,041	(4,350)	10,618	30,054
Profit for the financial year		–	–	–	–	18,036	18,036
Other comprehensive income							
Fair value loss on financial assets at FVTOCI	17	–	–	–	(90)	–	(90)
Total comprehensive income for the financial year		–	–	–	(90)	18,036	17,946
Balance at 30 September 2024		25,048	(3,303)	2,041	(4,440)	28,654	48,000

	Note	Share capital $'000	Treasury shares $'000	Share option reserve $'000	Fair value reserve $'000	Retained earnings $'000	Total $'000
2023							
Company							
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							
Fair value gain on financial assets at FVTOCI	17	–	–	–	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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

	Note	2024 $'000	2023 $'000 (Restated)
Operating activities			
Loss before income tax		**(3,916)**	(50,648)
Adjustments for:			
(Reversal)/Provision of loss allowance			
– Trade and other receivables		**(438)**	662
– Contract assets		**(283)**	(714)
– Long-term interests	7	**4,000**	–
– Financial guarantee contracts		**187**	(205)
Impairment (reversed)/loss on investment of an associate	7	**(27,285)**	8,532
Loss on liquidation of a subsidiary	7	**–**	1,746
Amortisation of intangible assets	7	**99**	160
Depreciation of investment properties	7	**–**	166
Depreciation of property, plant and equipment	7	**2,382**	2,384
Depreciation of right-of-use assets	7	**2,415**	2,513
Gain on disposal of investment properties	5	**–**	(7,755)
Gain on disposal of plant and equipment	5	**–**	(108)
Reversal of loss allowance for inventory obsolescence	7	**–**	(12)
Interest income	5	**(6,344)**	(6,749)
Interest expense	6	**2,138**	4,093
(Decrease)/Increase in:			
– Provision for onerous contract	30	**(3,861)**	(4,256)
– Provision for warranty	30	**–**	(619)
– Provision for reinstatement cost	30	**–**	1,900
Loss on unrealised foreign exchange, net	7	**6,047**	4,626
Share of results of joint ventures		**(44)**	(300)
Share of results of associates		**10,642**	8,362
Operating cash flows before movements in working capital		**(14,261)**	(36,222)
Changes in working capital:			
Inventories		**–**	577
Trade and other receivables		**(3,474)**	8,696
Prepayments		**17**	859
Contract assets		**(6,124)**	17,718
Contract liabilities		**13,089**	2,158
Trade and other payables		**18,259**	(5,080)
Cash generated from/(used in) operations		**7,506**	(11,294)
Income taxes refund/(paid)		**1,293**	(2,308)
Net cash generated from/(used in) operating activities		**8,799**	(13,602)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

	Note	2024 $'000	2023 $'000 (Restated)
Investing activities			
Advance to a joint venture		**(50)**	–
Advance to an associate		**(2,868)**	–
Purchase of property, plant and equipment		**(420)**	(173)
Purchase of intangible assets		**–**	(137)
Proceeds from disposal of investment properties		**–**	24,563
Proceeds from disposal of property, plant and equipment		**–**	108
Repayment of loan from associate		**719**	1,125
Repayment of loan from joint ventures		**14,669**	20,842
Interest received		**419**	665
Dividend from associate		**–**	300
Dividend from joint venture		**1,732**	800
Net cash generated from investing activities		**14,201**	48,093
Financing activities			
Fixed deposit (pledged)/unpledged with financial institutions		**(1,000)**	537
Proceeds from bank borrowings		**6,000**	22,628
Repayment of lease liabilities		**(2,363)**	(2,374)
Repayment of bank borrowings		**(17,852)**	(24,605)
Repayment of medium term notes		**–**	(35,250)
Interest paid		**(1,819)**	(4,319)
Net cash used in financing activities		**(17,034)**	(43,383)
Net increase/(decrease) in cash and cash equivalents		**5,966**	(8,892)
Cash and cash equivalents at beginning of financial year		**14,643**	23,712
Effect of exchange rate changes on cash and cash equivalents		**166**	(177)
Cash and cash equivalents at end of financial year	21	**20,775**	14,643

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

Reconciliation of liabilities arising from financing activities

			Non-cash movements				
	At beginning of financial year $'000	Financing cashflows $'000	Additions of right-of-use assets under finance leases $'000	Lease modification & disposal of subsidiary $'000	Accretion of interest $'000	Foreign exchange movement $'000	At end of financial year $'000
2024							
Shareholders' loan	**12,750**	**–**	**–**	**–**	**–**	**–**	**12,750**
Lease liabilities	**6,943**	**(2,363)**	**175**	**–**	**–**	**–**	**4,755**
Bank borrowings	**26,060**	**(11,852)**	**–**	**–**	**–**	**–**	**14,208**
	45,753	**(14,215)**	**175**	**–**	**–**	**–**	**31,713**
2023							
(Restated)							
Shareholders' loan	12,750	–	–	–	–	–	12,750
Medium term notes	35,228	(35,250)	–	–	22	–	–
Lease liabilities	6,953	(2,374)	2,744	(380)	–	–	6,943
Bank borrowings	28,013	(1,977)	–	–	–	24	26,060
	82,944	(39,601)	2,744	(380)	22	24	45,753

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

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

1. GENERAL

Keong Hong Holdings Limited (the "Company") (Registration Number: 200807303W) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The registered office and principal place of business of the Company is located at 9 Sungei Kadut Street 2, Singapore 729230.

The principal activity of the Company is that of investment holding. The principal activities of the respective subsidiaries and associate are disclosed in Notes 13 and 14 to the financial statements.

The immediate holding company is LJHB Capital (S) Pte Ltd ("LJHB Capital"), a wholly-owned subsidiary of Forevertrust International (S) Pte. Ltd. ("Forevertrust") which is, in turn, a wholly-owned subsidiary of LJHB Holdings (S) Pte. Ltd. ("LJHB Holdings"). The ultimate controlling party is Ms. Liu Haiyan who wholly owns LJHB Holdings.

The statement of financial position of Company as at 30 September 2024 and the consolidated financial statements of the Company and its subsidiaries (the "Group") and statement of changes in equity of the Company for the financial year ended 30 September 2024 were authorised for issue in accordance with a Directors' resolution on the date of Directors' Statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group, and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I) ("SFRS(I)s INT") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are presented in Singapore dollar ("$") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("'$'000"), unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I)s INT that are relevant to its operations and effective for annual periods beginning on or after 1 October 2023. The adoption of these new or revised SFRS(I)s and SFRS(I)s INT did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

Going concern

The Group has faced delays in its construction projects since the COVID-19 outbreak. For the financial year ended 30 September 2024, the Group incurred net loss of $3,916,000 (2023: $50,648,000).

These conditions may cast significant doubt on the Group's abilities to continue as a going concern.

In assessing the appropriateness of the going concern assumptions of the Group, the Directors are of the view that the use of going concern assumptions to prepare the consolidated financial statements is appropriate based on the following factors:

(a) On 19 February 2025, the Group entered into a share purchase agreement with MCSK Pte. Ltd. ("Purchaser") for the disposal of 20% of its ordinary shares in KHPL. The total consideration for the sale transaction is $34,500,000, which will be disbursed in 3 instalments over the 18 months from the completion date. This cash inflow is expected to enhance the Group's liquidity position by strengthening its cash position over the next 18 months from the reporting date.

(b) Achieving the forecasted operating cashflows from the Group's core business comprising but not limited to improvement of the profit margin by streamlining the business operations, timeliness in the completion of the construction projects, and improved liquidity management.

The Group adopted the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* in the current financial year. The amendments require the disclosure of "material" instead of "significant" accounting policy information and provides guidance to assist the entity in providing useful, entity-specific accounting policy information for the users' understanding of the financial statements. Accordingly, management had reviewed the accounting policies and updated the information disclosed in Note 2 *Summary of material accounting policies* in line with the amendments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

SFRS(I)s and SFRS(I)s INT issued but not yet effective:

At the date of authorisation of these financial statements, the following SFRS(I)s and SFRS(I)s INT that are relevant to the Group were issued but not yet effective:

SFRS (I)s	Title	Effective date (annual periods beginning on or after)
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: *Classification of liabilities as Current or Non-current*	1 January 2024
Various	Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024
SFRS(I) 16	Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*	1 January 2024
SFRS(I) 1-21, SFRS(I) 1	Amendments to SFRS(I) 1-21: *Lack of Exchangeability*	1 January 2025
SFRS(I) 9, SFRS(I) 7	Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Various	Annual Improvements to SFRS(I)s – Volume 11	1 January 2026
SFRS(I) 9, SFRS(I) 7	Amendments to SFRS(I) 9 and SFRS(I) 7: *Contracts Referencing Nature-dependent Electricity*	1 January 2026
SFRS(I) 18	Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group and the Company do not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards, with the exception of SFRS(I) 18 *Presentation and Disclosure in Financial Statements* (“SFRS (I) 18”), will not have a material impact on the financial statements of the Company in the period of their initial adoption.

SFRS(I) 18, effective for annual periods beginning on or after 1 January 2027, replaces SFRS(I) 1 – 1 *Presentation of Financial Statements* (“SFRS (I) 1-1”) and introduces new requirements for presentation and disclosure in financial statements. SFRS(I) 18 mandates a new structure for the statement of profit or loss and also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified “roles” of the primary financial statements and the notes. As a consequential result of SFRS(I) 18 requirements, all entities are required to use the operating profit subtotal, instead of profit or loss, as the starting point for presenting operating cash flows under the indirect method. The classification of cash flows from dividends and interests in either operating, investing and financing cash flows is also fixed.

SFRS(I) 18 will apply retrospectively. The Group is still in the process of assessing the corresponding impact on the primary financial statements and notes to the financial statements.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstances indicate that there are changes to one or more of the three elements of control.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in capital reserve and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 Financial Instruments ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* ("SFRS(I) 3") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition

The Group is principally in the business of construction and general building contractors. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

Contract revenue

The Group provides building construction services to customers through fixed-price contracts. Contract revenue is recognised when the Group's performance creates or enhance an asset that the customer controls as the asset is created or enhanced.

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"). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In some circumstances such as in the early stages of a contract where the Group may not be able to reasonably measure its progress but expects to recover the contract costs incurred, contract revenue is recognised only to the extent of the contract costs incurred until such time when the Group can reasonably measure its progress.

Contract modifications that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items. The promised consideration can also vary if an entity's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event. Revenue from construction contracts are also adjusted with variations to the contracts claimable from customers, as well as liquidated damages due to delays or other causes, payable to customers.

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.

The period between the transfer of the promised services and customer payment may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the customers from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. **SUMMARY OF MATERIAL ACCOUNTING POLICIES** (CONTINUED)

2.6 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2.7 Employee leave entitlements

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

2.8 Share-based payments

The Group issues equity-settled share-based payments to certain employees.

Equity-settled share-based payments are measured at fair value of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share option reserve.

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

2.9 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Income tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with amount of sales tax included.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

2.11 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Exchange differences relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Investments in associates

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of those policies, and generally accompanying a shareholding of 20% or more of the voting power.

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired. Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

The results and assets and liabilities of the associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under SFRS(I) 5 from the date on which the investees become classified as held for sale. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investments in associates at cost less any accumulated impairment in its separate financial statements

2.13 Interests in joint arrangements

Investments in joint ventures

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as a joint operation or a joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation.

To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only decisions about the relevant activities require unanimous consent of the parties sharing control.

On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill and is included in the carrying amount of the investment. Any excess of the Group's net fair value of the joint venture's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the joint venture's profit or loss in the reporting period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Interests in joint arrangements (Continued)

Investments in joint ventures (Continued)

The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for under SFRS(I) 5, from the date on which the investees become classified as held for sale. Under the equity method, investments in joint ventures are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any accumulated losses of individual investments. The profit or loss reflects the share of results of the operations of the joint venture. Distributions received from the joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Group's share of losses in a joint venture in excess of the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the joint ventures. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Any goodwill arising on the acquisition of the Group's interest in a joint venture is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

The Company has accounted for its investments in joint ventures at cost less any accumulated impairment in its separate financial statements.

The Group accounts for assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

Investments in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group as joint operators recognise in relation to their interests in joint operations:

(i) their assets, including their shares of any assets held jointly;

(ii) their liabilities, including their shares of any liabilities incurred jointly;

(iii) their revenue from the sale of their shares of the output arising from the joint operations;

(iv) their shares of the revenue from the sale of the output by the joint operations; and

(v) their expenses, including their shares of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in joint operations to the particular assets, liabilities, revenues and expenses.

2.14 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Property, plant and equipment (Continued)

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

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

	Years
– Building	10 – 17
– Office equipment	2 – 3
– Furniture and fittings	3 – 5
– Motor vehicles	5
– Plant and machinery	3 – 5

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 29.

No depreciation is charged on building under construction as this asset is not yet in use as at the end of the financial year.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to accumulated profits directly.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2.15 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful life of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite life are amortised on a straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in profit or loss through the 'administrative expenses' line item.

Intangible assets with indefinite useful life or not yet available for use are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying amount may be impaired either individual or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Intangible assets (Continued)

Computer software

Computer software licenses are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the software for its intended use. Direct expenditure, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense as incurred.

Computer software licenses are subsequently carried at cost less accumulated amortisation and impairment loss, if any.

Amortisation is calculated on the straight-line method so as to write off the cost of the computer software over the estimated useful life of two years.

The useful life and amortisation method are reviewed at the end of each reporting period to ensure that the period of amortisation and amortisation method are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the computer software.

2.16 Impairment of non-financial assets excluding goodwill

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset’s carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.17 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I)15 in Note 2.4.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

The classification of the financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL") depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost include trade and other receivables, cash and cash equivalents and unquoted corporate bonds.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable and recognised in interests income.

Financial assets held at FVTOCI

Investments in quoted corporate bonds are debt instruments and are subsequently measured at FVTOCI as these are held within a business model whose objective is achieved by both collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and selling the financial assets. Gains or losses are recognised in other comprehensive income, except for impairment gains or losses, foreign exchange gains or losses and interest which are recognised in profit or loss. Upon derecognition cumulative fair value changes recognised in other comprehensive income is recycled to profit or loss.

At initial recognition, the Group may make an irrevocable election to classify its investment in equity instruments, for which the equity instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3, as subsequently measured at FVTOCI so as to present subsequent changes in fair value in other comprehensive income. The election is made on an investment-by-investment basis. The group has elected to designate investments in unquoted equity instruments at FVTOCI. Upon derecognition cumulative fair value changes are transferred to accumulated profits.

Dividends from equity instruments are recognised in profit or loss only when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, unless the dividend clearly represents a recovery of part of the cost of investment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVTOCI, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on financial assets measured at amortised cost and debt instruments measured at FVTOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

While they are not financial assets, contract assets arising from the Group’s contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group’s accounting policy for its impairment of financial assets, refer to Note 36.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Treasury shares

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

Financial liabilities

Initial recognition and measurement

All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (Continued)

Other financial liabilities (Continued)

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.5). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Financial guarantee contracts

The Group and the Company have issued corporate guarantees to banks for banking facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Group and the Company are required to reimburse the banks if these subsidiaries breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statements of financial position when and only when, an entity:

(a) Currently has a legally enforceable right to set-off the recognised amounts; and

(b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.19 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude deposits pledged with the financial institutions as collateral and are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within "property, plant and equipment". See Note 11 for details.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

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

– fixed payments, including in-substance fixed payments less any lease incentive receivable,

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,

– amounts expected to be payable under a residual value guarantee,

– the exercise price under a purchase option that the Group is reasonably certain to exercise, and

– payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Leases (Continued)

The Group as a lessor

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assesses and classifies each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset. The right-of-use assets are depreciated over the useful life as follows:

	Years
Land	6 – 16
Equipment	4
Motor vehicles	5 – 7
Dormitories & office	1 – 3

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.16 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities is recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Group and Company revise their estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

When the Group and Company renegotiate the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional asses being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Leases (Continued)

Subsequent measurement (Continued)

When the Group and Company renegotiate the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification (Continued):

- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;

- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Group and Company have elected to account for the entire contract as a lease. The Group and Company do not allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

A provision is recognised for onerous contracts when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it and is measured at the lower of the cost of fulfilling it and any expected cost of terminating it. In determining the cost of fulfilling the contract, the Group includes both the incremental costs and an allocation of others costs that relate directly to fulfilling contracts. Before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets used in fulfilling the contract.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

2.23 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

Non-monetary government grant is recognised at nominal amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.24 Non-current assets as held for sale

Non-current assets are classified as held-for-sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable with the asset being available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to be completed within one year from the date of classification.

They are measured at the lower of the carrying amount and fair value less costs to sell. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

Depreciation and amortisation for a non-current asset ceases once it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Determination of the classification of Hyundai-Keong Hong JV Limited Partnership

Management assesses the substance of joint arrangements to determine the classification as either joint ventures or joint operations. This involves evaluating whether the Group has rights to the net assets (joint venture) or specific assets, liabilities, expenses, and revenue (joint operation).

The Group holds a 30% interest in Hyundai-Keong Hong JV Limited Partnership. The investee's financial position and performance are recognised in the Company's accounts using the proportionate method, based on shareholding proportion, construction cost proportion, or specific actual costs borne by the relevant parties.

The Group has assessed and determined that its joint arrangement with Hyundai-Keong Hong JV Limited Partnership grants the Group rights to and obligations for specific assets, liabilities, revenues, and expenses. Therefore, it is classified as a joint operation.

Determination of significant influence over an associate, Katong Holdings Pte Ltd ("KHPL")

The Group held 20% of the voting rights in one of its associates, KHPL as at 30 September 2024. In consideration of the relatively voting rights, the Group considered both SFRS(I) 1-28 *Investments in Associates and Joint Ventures* and SFRS(I) 10 *Consolidated Financial Statements* to determine whether it has significant influence over KHPL. The Group considered factors, including but not limited to, the size of its holding of voting rights relative to the size and dispersion of holdings of the other vote holders, its representation at shareholders' and directors' meetings and the voting patterns, the composition of key management personnel in KHPL, and contractual arrangements. Consequently, the Group assessed that it has significant influence over KHPL and classified the investee entity as an associate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below:

Construction contracts

The Group has significant ongoing construction contracts as at 30 September 2024 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. 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. If the remaining estimated contract costs were increase by 0.3% (2023: 0.3%) from management's estimates, the Group's profit or loss before income tax will decrease or increase by approximately $1,089,000 (2023: $1,180,000).

Significant judgement is also used to estimate variations or claims recognised as contract revenue and provision for liquidated damages that will affect the revenue and profit margins recognised from construction contracts. In making the judgement, the Group evaluates and places reliance on past experience, contractual obligations, estimates from quantity surveyors and value of work performed as determined by the architects. Customers have a right to claim for liquidated damages under the contractual terms of the contracts if contractual obligations, including completion of the project by a specific date, are not fulfilled. Due to COVID-19 pandemic, certain projects were completed after the contractual completion date. Management evaluated the probability of liquidated damages claims from customers by considering whether extension of time would be reasonably granted by its customers. The determination of the probability of claims are based on the circumstances and relevant events that were known to management at the date of these financial statements. If the provision for liquidated damages were increase by 15% (2023: 15%) from management's estimates, the Group's loss before income tax will increase by approximately $2,100,000 (2023: $1,350,000).

Impairment of investments in subsidiaries, associates and joint ventures

Management follows the guidance of SFRS(I) 1-36 Impairment of Assets ("SFRS(I) 1-36"), in determining whether investments in subsidiaries, associates and joint ventures are impaired. This requires assumption to be made regarding the duration and extent to which the recoverable amount of an investment is less than its carrying amount, the financial health, and near-term business outlook of the investments including factors such as industry and sector performance, changes in technology and operational and financing cash flows. Investment in subsidiaries, associates and joint ventures are tested for impairment whenever there is 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 higher of value-in-use calculations and fair value less cost of disposal. The determination of recoverable amounts involved estimating the present value of future cash flows of the associates, the fair value of the associates' business and estimated disposal costs. The Company's carrying amount of investments in subsidiaries as at 30 September 2024 was $21,139,000 (2023: $21,139,000) (Note 13). The Company's carrying amount of investments in associates as at 30 September 2024 was $7,123,000 (2023: $7,123,000) (Note 14). The Group's carrying amounts of investments in associates and joint ventures as at 30 September 2024 were $26,480,000 (2023: $46,105,000) and $4,453,000 (2023: $6,181,000) respectively (Notes 14 and 15).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Fair value measurement 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 the 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. Information about the valuation techniques and inputs used in determining the fair values is included in Notes 17 and 38 to the financial statements. The carrying amounts of the Group's assets measured at fair value as at 30 September 2024 are included in Notes 17 to the financial statements.

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 end of each financial year, 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. The aggregate carrying amount of the Group's trade receivables, retention sum and contract assets as at 30 September 2024 was $51,783,000 (2023: $43,398,000). The Group's credit risk exposure is set out in Note 36 to the financial statements.

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.

The carrying amount of the Company's non-trade receivables from subsidiaries and associates as at 30 September 2024 and 2023 were disclosed in Notes 13, 14 and 19 respectively. The carrying amount of the Group's non-trade receivables from associates and joint ventures as at 30 September 2024 and 2023 were disclosed in Note 14, 15 and 19 respectively.

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.

The weighted average incremental borrowing rate applied to the Group's lease liabilities as at 30 September 2024 was 4.6% (2023: 3.6%). The carrying amount of the Group's lease liabilities as at 30 September 2024 was $4,755,000 (2023: $6,943,000) (Note 29). If the incremental borrowing rate had been 0.5% higher or lower than management's estimates, the Group's lease liabilities would have been lower or higher by $24,000 (2023: $34,000).

4. REVENUE

	Group	
	2024 $'000	2023 $'000 (Restated)
Construction contracts – over time	**172,597**	199,248
Rental income from investment properties	**–**	541
	172,597	199,789

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

4. REVENUE (CONTINUED)

The disaggregation of revenue from contracts with customers is as follows:

	Buildings and Construction		Investment Property		Total	
	2024 $'000	2023 $'000 (Restated)	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000 (Restated)
Geographical markets[a]						
Singapore	**172,177**	198,798	**–**	–	**172,177**	198,798
Maldives	**420**	450	**–**	–	**420**	450
Japan	**–**	–	**–**	541	**–**	541
	172,597	199,248	**–**	541	**172,597**	199,789
Timing of revenue recognition						
Services transferred overtime	**172,597**	199,248	**–**	541	**172,597**	199,789

(a) The disaggregation is based on the location of customers from which revenue was generated.

5. OTHER INCOME

	Group	
	2024 $'000	2023 $'000
Gain on disposal of plant and equipment	**–**	108
Gain on disposal of investment properties	**–**	7,755
Interest income		
– banks	**66**	523
– loan due from joint ventures	**79**	423
– loan due from associates	**6,199**	5,803
Late charges charged to subcontractors	**216**	305
Rental income	**1,380**	1,293
Sales of scrap steel	**140**	91
Management fee	**300**	300
Government grants	**79**	168
Others	**280**	123
	8,739	16,892

Included in government grants is an amount of $3,000 (2023: $108,000) which was recognised during the financial year under the Job Growth Incentive.

6. FINANCE COSTS

	Group	
	2024 $'000	2023 $'000 (Restated)
Interest expenses:		
– medium term notes	**–**	1,950
– term loans	**1,080**	984
– trust receipt	**–**	81
– lease liabilities	**229**	230
– bank overdraft	**–**	26
– unwinding of discount on medium term notes	**–**	22
– shareholders' loan	**829**	800
	2,138	4,093

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

7. LOSS BEFORE INCOME TAX

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

	Group	
	2024 $'000	2023 $'000 (Restated)
Cost of sales		
Construction costs	**153,412**	193,432
Cost of inventories	**–**	3,375
Employee benefit expenses	**15,896**	18,234
Depreciation of property, plant and equipment	**6**	7
Depreciation of investment properties	**–**	166
Reversal on allowance for inventory obsolescence	**–**	(12)
Administrative and other expenses		
Audit fees		
– Auditors of the Company	**196**	184
– Other auditors	**14**	43
Non-audit fees		
– Auditors of the Company	**–**	10
Amortisation of intangible assets	**99**	160
Depreciation of property, plant and equipment	**2,376**	2,377
Depreciation of right-of-use assets	**2,415**	2,513
Employee benefit expenses	**3,001**	3,776
Provision of loss allowance on long term interests	**4,000**	–
(Reversal)/impairment loss on investment of an associate	**(27,285)**	8,532
Loss on liquidation of a subsidiary	**–**	1,746
Loss on unrealised foreign exchange, net	**6,047**	4,626
Professional fees	**891**	471

The loss before income tax also includes:

	Group	
	2024 $'000	2023 $'000 (Restated)
Employee benefit expenses:		
Salaries, wages, bonuses and other staff benefits	**18,084**	20,994
Contributions to defined contribution plans	**813**	1,016
	18,897	22,010

Included in the employee benefit expenses were directors' remuneration as shown in Note 32 to the financial statements.

8. INCOME TAX EXPENSE

	Group	
	2024 $'000	2023 $'000 (Restated)
Current income tax		
– current financial year	**–**	1,166
– over provision in prior financial years	**–**	(536)
	–	630
Deferred income tax		
– origination and reversal of temporary differences (Note 31)	**–**	(62)
Total income tax expense recognised in profit or loss	**–**	568

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

8. INCOME TAX EXPENSE (CONTINUED)

The income tax expense varied from the amount of income tax expense determined by applying the applicable income tax rate of 17% (2023: 17%) to loss before income tax as a result of the following differences:

	Group	
	2024 $'000	2023 $'000 (Restated)
Loss before income tax	**(3,916)**	(50,648)
Add/(Less):		
Share of result of joint ventures	**(44)**	(300)
Share of result of associates	**10,642**	8,362
	6,682	(42,586)
Income tax calculated at applicable income tax rate of 17% (2023: 17%)	**1,136**	(7,240)
Effect of different tax rate in other countries	**62**	18
Tax effect of income not subject to income tax	**(5,081)**	(7,982)
Tax effect of expenses not deductible for income tax purposes	**2,408**	13,327
Over provision in prior financial years' current income tax	**–**	(536)
Unrecognised deferred tax assets	**1,475**	2,981
	–	568

Unrecognised deferred tax assets

	Group	
	2024 $'000	2023 $'000 (Restated)
Balance at beginning of financial year	**10,403**	9,140
Liquidation of a subsidiary	**–**	(1,718)
Amount not recognised during the financial year	**1,475**	2,981
Balance at end of financial year	**11,878**	10,403

Unrecognised deferred tax assets are attributable to:

	Group	
	2024 $'000	2023 $'000 (Restated)
Unutilised tax losses	**10,781**	8,645
Unutilised capital allowance	**176**	199
Others	**921**	1,559
	11,878	10,403

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

8. INCOME TAX EXPENSE (CONTINUED)

Unrecognised deferred tax assets (Continued)

As at 30 September 2024, the Group has unutilised tax losses amounting to approximately $63,418,000 (2023: $50,853,000) available for set-off against future taxable profits subject to agreement with the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Deferred tax assets have not been recognised as there is no certainty that there will be sufficient future taxable profits in the Group to realise these future benefits. Accordingly, the deferred tax assets have not been recognised in the financial statements in accordance with the accounting policy in Note 2.9 to the financial statements.

Included in unutilised tax losses are the following tax losses of KHA Resorts & Hotels Construction Pvt Ltd which are available for offset against future taxable income for a period of 5 years from the year incurred:

		Group	
Year incurred	**Year of expiry**	**2024** **$'000**	2023 $'000
2018	2023	–	14
2019	2024	–	43
		–	57

9. LOSS PER SHARE

9.1 Basic loss per share

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

	2024	2023 (Restated)
The calculation of basic loss per share is based on the following data:		
Loss attributable to owners of the Company ($'000)	**(3,916)**	(49,900)
Weighted average number of ordinary shares at 30 September ('000)	**235,010**	235,010
Basic loss per share (cents)	**(1.67)**	(21.23)

9.2 Diluted loss per share

The diluted loss per share is the same as the basic loss per share as the Group does not have any potential anti-dilutive ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

10. PROPERTY, PLANT AND EQUIPMENT

Group	Building $'000	Office equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Plant and machinery $'000	Total $'000
Cost						
Balance at 1 October 2022 (Restated)	35,299	1,386	795	949	16,280	54,709
Additions	–	61	2	110	–	173
Disposals	–	–	–	(574)	–	(574)
Liquidation of a subsidiary	355	(31)	(25)	(44)	(101)	154
Currency realignments	–	(2)	–	(1)	(9)	(12)
Balance at 30 September 2023 (Restated)	35,654	1,414	772	440	16,170	54,450
Additions	416	–	4	–	–	420
Balance at 30 September 2024	**36,070**	**1,414**	**776**	**440**	**16,170**	**54,870**
Accumulated depreciation						
Balance at 1 October 2022 (Restated)	18,042	1,341	761	894	16,045	37,083
Depreciation	2,209	50	8	36	81	2,384
Disposal	–	–	–	(574)	–	(574)
Liquidation of a subsidiary	70	(31)	(24)	(14)	(98)	(97)
Currency realignments	–	(2)	–	(1)	(9)	(12)
Balance at 30 September 2023 (Restated)	20,321	1,358	745	341	16,019	38,784
Depreciation	2,243	37	6	22	74	2,382
Balance at 30 September 2024	**22,564**	**1,395**	**751**	**363**	**16,093**	**41,166**
Accumulated impairment loss						
Balance at 1 October 2022, 30 September 2023 and 2024	2,486	–	–	–	–	2,486
Net carrying amount						
At 1 October 2022 (Restated)	14,771	45	34	55	235	15,140
At 30 September 2023 (Restated)	12,847	56	27	99	151	13,180
At 30 September 2024	**11,020**	**19**	**25**	**77**	**77**	**11,218**

As at 30 September 2024, the Group's buildings with carrying amounts of $10,170,000 located in Chin Bee Road and Fourth Chin Bee Road (2023: $12,847,000) has been pledged with banks for bank facilities (Note 28).

As at 30 September 2024, building was revalued by an independent professional valuation firm, by reference to market evidence of recent transactions for similar properties. Management is of the view that no further impairment loss is required for the financial year ended 30 September 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

11. RIGHT-OF-USE ASSETS

Group	Land $'000	Equipment $'000	Motor vehicles $'000	Warehouse $'000	Office/ Dormitories $'000	Total $'000
Cost						
Balance at 1 October 2022 (Restated)	6,214	531	1,081	205	2,713	10,744
Additions	55	432	30	–	2,231	2,748
Disposal/write-off	–	(515)	(11)	–	(1,557)	(2,083)
Liquidation of a subsidiary	–	–	(420)	(205)	(1,209)	(1,834)
Balance at 30 September 2023 (Restated)	6,269	448	680	–	2,178	9,575
Additions	29	–	141	–	–	170
Disposal/write-off	–	–	(5)	–	(37)	(42)
Balance at 30 September 2024	**6,298**	**448**	**816**	**–**	**2,141**	**9,703**
Accumulated depreciation						
Balance at 1 October 2022 (Restated)	1,453	360	692	205	1,229	3,939
Depreciation	508	100	209	–	1,696	2,513
Disposal/write off	–	(438)	(11)	–	(1,542)	(1,991)
Liquidation of a subsidiary	–	–	(318)	(205)	(999)	(1,522)
Balance at 30 September 2023 (Restated)	1,961	22	572	–	384	2,939
Depreciation	520	90	85	–	1,720	2,415
Disposal/write off	–	–	(5)	–	(37)	(42)
Balance at 30 September 2024	**2,481**	**112**	**652**	**–**	**2,067**	**5,312**
Net carrying amount						
At 1 October 2022 (Restated)	4,761	171	389	–	1,484	6,805
At 30 September 2023 (Restated)	4,308	426	108	–	1,794	6,636
At 30 September 2024	**3,817**	**336**	**164**	**–**	**74**	**4,391**

Included in the above, motor vehicles with a carrying amount of $164,000 (2023: $108,000), is secured over the lease liabilities of $208,000 (2023: $129,000) (Note 29). The motor vehicles will be returned to lessor in the event of default by the Group.

12. INVESTMENT PROPERTIES

Group	Freehold land $'000	Commercial buildings $'000	Total $'000
Cost			
Balance at 1 October 2022	6,372	13,352	19,724
Disposal	(6,397)	(13,403)	(19,800)
Currency realignments	25	51	76
Balance at 30 September 2023 and 30 September 2024	–	–	–
Accumulated depreciation			
Balance at 1 October 2022	–	2,814	2,814
Depreciation	–	166	166
Disposal	–	(2,992)	(2,992)
Currency realignments	–	12	12
Balance at 30 September 2023 and 30 September 2024	–	–	–
Net carrying amount			
At 30 September 2023 and 30 September 2024	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

12. INVESTMENT PROPERTIES (CONTINUED)

The following amounts are recognised in profit or loss:

	Group	
	2024	2023
	$'000	$'000
Rental income from investment properties	**–**	541
Direct operating expenses (including repairs and maintenance arising from rental generating investment properties)	**–**	142

The Group has completed the disposal of its investment properties 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. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024	2023
	$'000	$'000
Unquoted equity share, at cost	**24,573**	28,817
Amount due from subsidiaries		
– Interest free	**274**	274
Allowance for impairment loss	**(3,708)**	(3,708)
Liquidation of a subsidiary	**–**	(4,244)
	21,139	21,139

Movements in the allowance for impairment loss are as follows:

	Company	
	2024	2023
	$'000	$'000
At beginning of financial year	**3,708**	9,738
Impairment loss	**–**	1,966
Reversal of impairment loss	**–**	(3,752)
Liquidation of a subsidiary	**–**	(4,244)
At end of the financial year	**3,708**	3,708

The amounts due from subsidiaries form part of the Company's net investment in subsidiaries. These loans are unsecured, has no fixed repayment terms and is repayable only when the cashflows of the subsidiary permit.

During the financial year, the Company carried out a review of the recoverable amount of its investments in subsidiaries. The review led to the recognition of an impairment loss of $Nil (2023: $1,966,000) that has been recognised in profit or loss, representing the write down of the investments in subsidiaries to their recoverable amount based on the subsidiaries' fair value less cost of disposal, which the management is of the opinion that it approximates to the net tangible assets of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

13. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows:

Name of company (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership interest held by the Group 2024 %	2023 %
Held by the Company			
Keong Hong Construction Pte Ltd[1] ("KHC") (Singapore)	General and building contractors	**100**	100
KH Capital Pte Ltd[1] (Singapore)	Investment holdings and trading of building construction materials	**100**	100
K.H. Land Pte Ltd[1] ("KHL") (Singapore)	Investment holding, real estate development and building construction	**100**	100
Grandwood Holdings Pte Ltd[1] (Singapore)	Investment holding	**100**	100
Held by K.H. Land Pte Ltd			
KHA Resorts & Hotels Construction Pvt Ltd[2] (Cayman Islands)	Hotel building contractors	**100**	100
KHA Resorts & Hotels Construction (Maldives) Pvt Ltd[2][3] ("KHAM") (Republic of Maldives)	Hotel building contractors	**100**	100
Held by Grandwood Holdings Pte. Ltd.			
Grandwood (Japan) Pte Ltd[1] (Singapore)	Investment holding	**100**	100

(1) Audited by Forvis Mazars LLP, Singapore (formerly known as Mazars LLP).

(2) Audited by Ernst & Young, Maldives.

(3) Proportion of ownership interest of 5% (2023: 5%) held by KHC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

14. INVESTMENTS IN ASSOCIATES

	Group			Company	
	2024 **$'000**	2023 $'000 (Restated)	2022 $'000 (Restated)	**2024** **$'000**	2023 $'000
Unquoted equity shares, at cost	**13,655**	13,855	13,855	**7,123**	7,123
Share of reserves of associates, net of dividend received and tax	**(66,081)**	(41,328)	(31,957)	**–**	–
Amounts due from associates					
– interest bearing	**84,924**	86,895	90,725	**–**	–
– interest free	**1,199**	35,800	35,800	**–**	–
– loss allowance on amount due from associates	**(4,000)**	(14,795)	(14,795)	**–**	–
	82,123	107,900	111,730	**–**	–
Less: allowance for impairment loss	**–**	(27,285)	(18,753)	**–**	–
Less: elimination of unrealised profit	**(7,235)**	(7,654)	(8,104)	**–**	–
Currency realignment	**4,018**	617	(1,421)	**–**	–
Carrying amount	**26,480**	46,105	65,350	**7,123**	7,123

The amounts due from associates form part of the Group's net investment in associates. These loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future.

Pursuant to agreement dated 15 July 2020, the Group and the Company increased the investment in an associate by $1,513,000 by capitalising the non-trade amount due from the associate as additional ordinary shares. The Group and the Company have increased their shareholdings in associate from 30.6% to 31.1% following the capitalisation of the non-trade amount due from the associate.

The amounts due from associates are non-trade in nature, unsecured and non-interest bearing except for an amount of $84,924,000 (2023: $86,895,000) which bears effective interest rate of 9% (2023: 6% to 9%) per annum.

The amounts due from associates are denominated in the following currencies:

	Group		
	2024 **$'000**	2023 $'000 (Restated)	2022 $'000 (Restated)
Singapore dollar	**–**	34,601	34,601
United States dollar	**86,123**	88,094	91,924
	86,123	122,695	126,525

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

14. INVESTMENTS IN ASSOCIATES (CONTINUED)

Movements in the allowance for impairment loss and loss allowance are as follows:

	Group		
	2024 **$'000**	2023 $'000 (Restated)	2022 $'000 (Restated)
Balance at beginning of financial year	**42,080**	33,548	33,548
Reclassification to non-current assets held for sale (Note 22)	**(14,795)**	–	–
(Reversal)/Provision of loss allowance	**(27,285)**	8,532	–
Loss allowance	**4,000**	–	–
Balance at end of financial year	**4,000**	42,080	33,548

Previously, the financial performance of Pristine Islands Investment Pte. Ltd. and its subsidiary ("PIIPL Group") has yet to reach the performance level expected by the Group. The resort is showing signs of recovery but requires additional time to stabilise and restore business activity to pre-pandemic levels. The Group thus carried out a review on the recoverable amount of its investments in PIIPL Group as at 30 September 2024 and 30 September 2023. The assessment resulted in the reversal of an impairment loss of $27,285,000 (2023: allowance for impairment loss of $8,532,000).

The reversal was made following a change in the basis of determining the recoverable amount, from the Value-in-Use ("VIU") method to Fair Value Less Costs of Disposal ("FVLCD"), reflecting improved market conditions and higher asset valuations. The reversal of the impairment loss has been recognised in the statement of profit or loss and other comprehensive income. The fair value measurement is catagorised with Level 3 of the fair value hierarchy.

Key assumptions used for VIU calculations for investments in PIIPL Group are as follows:

	2024 **%**	2023 %
Average revenue growth rate	**8.0**	5.4
Terminal growth rate	**2.0**	2.0
Discount rate (Pre-tax)	**19.4**	17.9

Key assumptions used for FVLCD calculations for investments in PIIPL Group include:

- The +/- 5% adjustment applied is the independent valuer's practice to provide a range of values, with the mid-point of the range remaining unaffected. The adjustment reflects the variability in market conditions and transaction values.

- The marketability discount of 25% is based on reference made to historical empirical studies including inter alia, to Maher Study, Trout Study, Standard Research Consultant, Management Planning, Inc. Study and Columbia Financial Study.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

14. INVESTMENTS IN ASSOCIATES (CONTINUED)

On 3 September 2024, the Group held a board of directors' meeting for the disposal of its 20% interest in KHPL for a consideration of S$34,500,000. Consequently, due to the intended disposal plan, the Group reclassified its investment in KHPL to non-current assets classified as held for sale (Note 22).

Name of company (Country of incorporation and principal place of business)	Principal activities	Effective equity interest held by the Group	
		2024	2023
		%	%
Held by the Company			
Nuform System Asia Pte. Ltd. ("NSAPL")[4] (Singapore)	Trading and renting of construction and civil engineering machinery and equipment	**31.1**	31.1
Held by Nuform System Asia Pte. Ltd.			
Nuformsystem (M) Sdn. Bhd.[4][5] (Malaysia)	Trading and renting of formwork equipment	**31.1**	31.1
HLMG-Nuform System Pte. Ltd.[8] (Singapore)	Renting, repair, servicing and storage of tower crane	**15.6**	–
Held by Keong Hong Construction Pte Ltd			
Punggol Residences Pte. Ltd. ("PRPL")[3] (Singapore)	Property development	**20**	20
Pristine Islands Investment Pte. Ltd. ("PIIPL")[3] (Singapore)	Investment holdings	**49**	49
Katong Holdings Pte. Ltd. ("KHPL")[7][8][9] (Singapore)	Own, operate and management of hotel	**30**	30
Held by KH Capital Pte. Ltd.			
Sembawang Residences Pte. Ltd. ("SRPL")[3] (Singapore)	Property development	**20**	20
Held by Pristine Islands Investment Pte. Ltd.			
Pristine Islands Investment (Maldives) Pvt Ltd ("PIIMPL")[2][4][6] (Republic of Maldives)	Own, operate and management of airport, hotel and resort	**49**	49

(1) Audited by Forvis Mazars LLP, Singapore (formerly known as Mazars LLP)
(2) Proportion of ownership interest of 0.1% (2023: 0.1%) held by KHC
(3) Equity accounted based on the management financial statements
(4) Equity accounted based on the management financial statements aligned to the Group's financial year
(5) Audited by Forvis Mazars PLT, Malaysia (formerly known as Mazars PLT)
(6) Audited by Ernst & Young, Maldives
(7) Audited by Ecovis Assurance LLP, Singapore
(8) Equity accounted based on the management financial statements as at 31 December
(9) Reclassed to non-current asset classified as held for sales as at 30 September 2024

The financial year-end of PRPL, SRPL and PIIPL Group are 30 September. The financial year-end of NSAPL Group and KHPL are 31 December.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

14. INVESTMENTS IN ASSOCIATES (CONTINUED)

Set out below are the summarised financial information of the Group's significant associates.

Summarised statements of financial position

	KHPL $'000	PIIPL Group $'000	SRPL $'000	NSAPL Group $'000	Total $'000
30 September 2024					
Current assets	**–**	**17,195**	**5,043**	**9,533**	**31,771**
Non-current assets	**–**	**134,517**	**–**	**24,555**	**159,072**
Current liabilities	**–**	**(54,458)**	**(3,473)**	**(17,394)**	**(75,325)**
Non-current liabilities	**–**	**(207,379)**	**–**	**–**	**(207,379)**
30 September 2023 (Restated)					
Current assets	8,484	14,489	4,965	8,371	36,309
Non-current assets	645,387	157,729	–	26,699	829,815
Current liabilities	(58,629)	(62,814)	(3,471)	(16,255)	(141,169)
Non-current liabilities	(343,432)	(208,831)	–	(2,596)	(554,859)
1 October 2022 (Restated)					
Current assets	13,236	21,050	4,862	9,508	48,656
Non-current assets	655,799	174,400	–	28,664	858,863
Current liabilities	(64,907)	(64,748)	(3,402)	(15,143)	(148,200)
Non-current liabilities	(345,735)	(219,543)	–	(5,404)	(570,682)

Summarised statements of comprehensive income

	KHPL $'000	PIIPL Group $'000	SRPL $'000	NSAPL Group $'000	Total $'000
30 September 2024					
Revenue	**31,125**	**50,491**	**–**	**12,808**	**94,424**
(Loss)/Profit before tax	**(11,497)**	**(17,821)**	**82**	**1,339**	**(27,897)**
Income tax	**–**	**198**	**(7)**	**(468)**	**(277)**
(Loss)/Profit after tax, representing total comprehensive income/(loss)	**(11,497)**	**(17,623)**	**75**	**871**	**(28,174)**
30 September 2023 (Restated)					
Revenue	38,139	51,150	–	13,104	102,393
(Loss)/Profit before tax	(5,351)	(14,668)	99	(1,955)	(21,875)
Income tax	2,312	(69)	(65)	(170)	2,008
Other comprehensive income	(3,543)	–	–	–	(3,543)
(Loss)/Profit after tax, representing total comprehensive (loss)/income	(6,582)	(14,737)	34	(2,125)	(23,410)

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

14. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of the Group's individually immaterial associates accounted for using the equity method.

	2024 $'000	2023 $'000	2022 $'000
The Group's share of profit before income tax	**14**	20	283
The Group's share of profit after income tax	**14**	20	283
The Group's share of total comprehensive income	**14**	20	283
Aggregate carrying amount of the Group's interest in these associates	**270**	256	537

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in significant associates for the financial year ended 30 September 2024, 30 September 2023 and 30 September 2022, are as follows:

	PIIPL Group $'000	**SRPL $'000**	**NSAPL Group $'000**	**Total $'000**
30 September 2024				
Proportion of Group ownership	**49%**	**20%**	**31.1%**	
Net assets/(liabilities) of the associates	**(110,125)**	**1,570**	**16,694**	**(91,861)**
Interest in associates	**(53,961)**	**314**	**4,969**	**(48,678)**
Carrying value of Group's interest in associates	**(53,961)**	**314**	**4,969**	**(48,678)**
Amount due from associates	**86,123**	**–**	**–**	**86,123**
Less: allowance for impairment loss	**(4,000)**	**–**	**–**	**(4,000)**
Less: elimination of unrealised profit	**(7,235)**	**–**	**–**	**(7,235)**
Total carrying value of significant associates	**20,927**	**314**	**4,969**	**26,210**
Add:				
Carrying amount of individually immaterial associate, in aggregate				**270**
Carrying amount of Group's interest in associates				**26,480**

	KHPL $'000	**PIIPL Group $'000**	**SRPL $'000**	**NSAPL Group $'000**	**Total $'000**
30 September 2023 (Restated)					
Proportion of Group ownership	20%	49%	20%	31.1%	
Net assets/(liabilities) of the associates	251,810	(99,427)	1,494	16,219	170,096
Less: equity reserve	(168,758)	–	–	–	(168,758)
Interest in associates	16,609	(48,718)	299	4,698	(27,112)
Carrying value of Group's interest in associates	16,609	(48,718)	299	4,698	(27,112)
Amount due from associates	34,601	88,094	–	–	122,695
Less: allowance for impairment loss	(14,795)	(27,285)	–	–	(42,080)
Less: elimination of unrealised profit	–	(7,654)	–	–	(7,654)
Total carrying value of significant associates	36,415	4,437	299	4,698	45,849
Add:					
Carrying amount of individually immaterial associate, in aggregate					256
Carrying amount of Group's interest in associates					46,105

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

14. INVESTMENTS IN ASSOCIATES (CONTINUED)

	KHPL $'000	PIIPL Group $'000	SRPL $'000	NSAPL Group $'000	Total $'000
30 September 2022 (Restated)					
Proportion of Group ownership	20%	49%	20%	31.1%	
Net assets/(liabilities) of the associates	258,393	(88,841)	1,460	17,625	188,637
Less: equity reserve	(168,763)	–	–	–	(168,763)
Interest in associates	17,926	(43,532)	292	5,254	(20,060)
Carrying value of Group's interest in associates	17,926	(43,532)	292	5,254	(20,060)
Amount due from associates	34,601	91,924	–	–	126,525
Less: allowance for impairment loss	(14,795)	(18,753)	–	–	(33,548)
Less: elimination of unrealised profit	–	(8,104)	–	–	(8,104)
Total carrying value of significant associates	37,732	21,535	292	5,254	64,813
Add:					
Carrying amount of individually immaterial associate, in aggregate					537
Carrying amount of Group's interest in associates					65,350

15. INTERESTS IN JOINT ARRANGEMENTS

Investments in joint ventures

	Group		
	2024 $'000	2023 $'000 (Restated)	2022 $'000 (Restated)
Unquoted equity investment, at cost	**2,933**	2,933	2,933
Amount due from joint venture – interest free	**714**	714	714
Share of reserves of joint ventures, net of dividend received and tax	**1,702**	3,391	4,153
Less: allowance for impairment loss	**(823)**	(823)	(823)
Less: elimination of unrealised profit	**–**	–	(263)
Currency realignment	**(73)**	(34)	3
	4,453	6,181	6,717

The amount due from joint venture forms part of the Group's net investment in joint ventures. The loan is unsecured and settlement is neither planned nor likely to occur in the foreseeable future.

The amount due from joint ventures is denominated in Singapore dollar.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

15. INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

Investments in joint ventures (Continued)

Movements in the allowance for impairment loss are as follows:

	Group		
	2024 $'000	2023 $'000 (Restated)	2022 $'000 (Restated)
At beginning and end of financial year	**823**	823	823

At the end of each financial year, the Group assessed the latest performance and financial position of the joint venture and accordingly, the Group measured the loss allowance using 12-month ECL and concluded a recognition of an impairment loss of $Nil (2023: $Nil).

The details of the joint ventures are as follows:

Name of company (Country of incorporation and principal place of business)	**Principal activities**	**Effective equity interest held by the Group**	
		2024 %	2023 %
Held by Keong Hong Construction Pte Ltd			
K&H Innovative Systems Pte. Ltd. ("K&H")(1) (Singapore)	Manufacturing of prefabricated bathroom unit	**50**	50
Held by K&H Innovative Systems Pte. Ltd.			
KHL Capital Holdings Pte. Ltd. ("KHLPL")(1) (Singapore)	Investment holding company and production of pre-cast concrete components	**60**	60
Held by KHL Capital Holdings Pte. Ltd.			
KHL Capital Holdings Sdn. Bhd. ("KHLSB")(4) (Malaysia)	Manufacturing, export and import of precast concrete, cement or artificial stone activities used in construction	**60**	60
Held by K.H. Land Pte Ltd			
Keong Hong-MK Development Co., Ltd ("KH-MK")(2) (Vietnam)	Development of real estate	**49**	49
Held by KH Capital Pte. Ltd.			
East Vue Pte. Ltd. ("EVPL")(5) (Singapore)	Property developer of a parcel of land at Siglap Road	**20**	20
FSKH Development Pte. Ltd. ("FSKH")(6) (Singapore)	Property developer of a parcel of land at Mattar Road	**35**	35

(1) Audited by Forvis Mazars LLP, Singapore (formerly known as Mazars LLP)
(2) Equity accounted based on the management financial statements
(3) Equity accounted based on the management financial statements aligned to the Group's financial year
(4) Audited by Forvis Mazars PLT, Malaysia (formerly known as Mazars PLT)
(5) Audited by KPMG, Singapore
(6) Audited by Ernst & Young, Singapore

NOTES TO THE FINANCIAL STATEMENTS

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15. INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

Investments in joint ventures (Continued)

The financial year end of K&H and EVPL are 30 September and KH-MK is 31 December.

Set out below are the summarised financial information of the Group's significant joint ventures.

Summarised statements of financial position

	FSKH $'000	EVPL $'000	Total $'000
30 September 2024			
Current assets	**10,661**	**14,417**	**25,078**
Current liabilities	**(2,384)**	**(9,236)**	**(11,620)**
30 September 2023			
Current assets	59,318	14,327	73,645
Current liabilities	(45,983)	(9,511)	(55,494)

The above amounts of assets and liabilities include the following:

	FSKH $'000	EVPL $'000
30 September 2024		
Cash and cash equivalents	**10,399**	**7,352**
Current liabilities (excluding trade and other payables and provisions)	**(2,382)**	**–**
30 September 2023		
Cash and cash equivalents	4,375	14,140
Current liabilities (excluding trade and other payables and provisions)	(3,162)	–

Summarised statements of comprehensive income

	FSKH $'000	EVPL $'000
30 September 2024		
Revenue	**–**	**–**
Income tax (expenses)/credit	**(6)**	**20**
Interest expenses	**(29)**	**–**
Profit after tax	**74**	**364**
Total comprehensive income	**74**	**364**
30 September 2023		
Revenue	16,326	1,073
Income tax credit/(expenses)	150	(48)
Interest expenses	(2,002)	–
(Loss)/Profit after tax	(730)	1,360
Total comprehensive (loss)/income	(730)	1,360

The information above reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint venture. Dividend received from EVPL and FSKH amounted to $Nil (2023: $800,000) and $1,732,000 (2023: $Nil) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

15. INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

Investments in joint ventures (Continued)

Aggregate information of joint ventures that are not individually material

The following table summarises, in aggregate, the Group's share of loss and other comprehensive income of the Group's individually immaterial joint ventures accounted for using the equity method.

	2024	2023	2022
	$'000	$'000 (Restated)	$'000 (Restated)
The Group's share of profit before tax	**9**	21	5
The Group's share of profit after tax	**9**	21	5
The Group's share of total comprehensive income/(loss)	**(31)**	(15)	27
Aggregate carrying amount of the Group's interest in these joint ventures	**520**	551	566

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in significant joint ventures for the financial year ended 30 September 2024 and 2023, are as follows:

	FSKH	**EVPL**	**Total**
	$'000	**$'000**	**$'000**
30 September 2024			
Proportion of Group ownership	**35%**	**20%**	
Net assets of the joint ventures	**8,277**	**5,180**	**13,457**
Interest in joint ventures	**2,897**	**1,036**	**3,933**
Total carrying value of significant joint ventures	**2,897**	**1,036**	**3,933**
Add:			
Carrying value of individually immaterial joint ventures, in aggregate			**520**
Carrying value of Group's interest in joint ventures			**4,453**
30 September 2023			
Proportion of Group ownership	35%	20%	
Net assets of the joint ventures	13,335	4,816	18,151
Interest in joint ventures	4,667	963	5,630
Total carrying value of significant joint ventures	4,667	963	5,630
Add:			
Carrying value of individually immaterial joint ventures, in aggregate			551
Carrying value of Group's interest in joint ventures			6,181

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

15. INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

Investments in joint operations

Details of the joint operations are as follow:

Name of joint operation	Proportion of ownership 2024 %	2023 %	Principal activities
Unincorporated in Singapore			
Hyundai-Keong Hong JV Limited Partnership*	**30**	30	Undertake of construction works for Punggol Recreation Sport Centre
Unincorporated in Singapore			
Building Works at Tengah Plantation Contract 5 and Common Green*	**51**	–	Undertake of construction works for Housing & Development Board

* Audited by Forvis Mazars LLP, Singapore (formerly known as Mazars LLP).

16. INTANGIBLE ASSETS

	Computer software $'000	Contractual customers relationship $'000	Goodwill $'000	Total $'000
Group				
Cost				
Balance at 1 October 2022	502	309	1,611	2,422
Additions	137	–	–	137
Liquidation of a subsidiary	–	(309)	(1,611)	(1,920)
Balance at 30 September 2023 and 2024	639	–	–	639
Accumulated amortisation				
Balance at 1 October 2022	249	–	–	249
Amortisation	160	–	–	160
Balance at 30 September 2023	409	–	–	409
Amortisation	99	–	–	99
Balance at 30 September 2024	**508**	**–**	**–**	**508**
Impairment				
Balance at 1 October 2022	88	309	1,611	2,008
Liquidation of a subsidiary	–	(309)	(1,611)	(1,920)
Balance at 30 September 2023 and 2024	**88**	**–**	**–**	**88**
Net carrying amount				
Balance at 30 September 2023	142	–	–	142
Remaining useful life	1 – 2 years	–	–	N.A.
Balance at 30 September 2024	**43**	**–**	**–**	**43**
Remaining useful life	1 – 2 years	–	–	N.A.

Intangible assets with indefinite useful life are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The amortisation expense is included in the "Administrative expenses" line item in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

	Group and Company		
	2024	2023	2022
	$'000	$'000	$'000
		(Restated)	(Restated)
Quoted equity shares	**2,385**	2,475	2,415

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

Movements in financial assets at FVTOCI were as follows:

	Group and Company		
	2024	2023	2022
	$'000	$'000	$'000
		(Restated)	(Restated)
Balance at beginning of financial year	**2,475**	2,415	2,145
Fair value changes recognised in other comprehensive income (Note 26)	**(90)**	60	270
Balance at end of financial year	**2,385**	2,475	2,415

The Group intends to hold these investments for long-term for appreciation in value as well as strategic investments purposes.

The financial assets at FVTOCI are denominated in Singapore dollar.

18. INVENTORIES

The cost of inventories recognised as an expense and included in "cost of sales" line item in profit or loss amounted to approximately $Nil (2023: $3,375,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

19. TRADE AND OTHER RECEIVABLES

	Group			Company	
	2024 **$'000**	2023 $'000 (Restated)	2022 $'000 (Restated)	**2024** **$'000**	2023 $'000
Trade receivables					
– third parties	**18,334**	16,111	19,673	**–**	–
– associates	**4,025**	4,290	4,507	**–**	–
– joint ventures	**43**	43	1,494	**–**	–
Loss allowance on trade receivables from third parties	**(302)**	(322)	(440)	**–**	–
	22,100	20,122	25,234	**–**	–
Retention sum					
– third parties	**1,698**	1,698	2,750	**–**	–
– associates	**2,900**	3,091	3,247	**–**	–
– joint ventures	**–**	–	5,376	**–**	–
Loss allowance on retention sum:					
– third parties	**(769)**	(769)	(862)	**–**	–
– associates	**(2,900)**	(3,091)	(3,247)	**–**	–
– joint ventures	**–**	–	(403)		
Security deposits	**939**	1,225	1,125	**–**	–
Non-trade receivables					
– third parties	**2,266**	1,508	1,582	**–**	–
– subsidiaries	**–**	–	–	**29,998**	12,414
– associates	**33,086**	28,745	24,498	**–**	722
– joint ventures	**1,304**	16,752	37,207	**–**	–
– joint operations	**1,869**	1,324	868	**–**	–
Loss allowance on non-trade receivables:					
– third parties	**(1,720)**	(1,447)	(1,447)	**–**	–
– associates	**(815)**	(1,564)	(1,821)	**–**	(722)
– joint ventures	**(1,254)**	(1,254)	(1,254)	**–**	–
– joint operations	**(1,324)**	(1,324)	–	**–**	–
Goods and Services Tax receivable	**334**	409	525	**–**	–
Advance payments	**2,720**	2,289	2,180	**–**	–
Total	**60,434**	67,714	95,558	**29,998**	12,414

Trade receivables from third parties, associates and joint ventures are unsecured, non-interest bearing and generally on 30 to 60 days (2023: 30 to 60 days) credit terms.

Non-trade receivables from third parties are unsecured, non-interest bearing and generally on 30 to 60 days (2023: 30 to 60 days) credit terms.

Non-trade amounts due from subsidiaries are unsecured and bear an effective interest rate of 3.5% (2023: 3.5%) per annum.

Non-trade amounts due from joint ventures and joint operations are unsecured, repayable on demand and non-interest bearing except for an amount of $Nil (2023: $14,928,000) which bears interest rate of Nil (2023: 2%) per annum as it has been fully repaid during the financial year.

Non-trade amounts due from associates are unsecured, non-interest bearing and repayable on demand except for amounts of $14,463,000 (2023: $9,061,000) which bears interest rate of 9% (2023: 6% to 9%) per annum.

Advance payments are related to advance payment to subcontractors for the purchase of materials.

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FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

Movements in the loss allowance for trade receivables are as follows:

	Group	
	2024	2023
	$'000	$'000
Balance at beginning of financial year	**322**	440
Liquidation of a subsidiary	**–**	(102)
Currency realignment	**(20)**	(16)
Balance at end of financial year	**302**	322

At 30 September 2024, retention sum held by customers for contract work amounted to $4,598,000 (2023: $4,789,000). Retention sum is due for settlement after more than 12 months. They have been classified as current asset because they are expected to be realised in the normal operating cycle of the Group.

Movements in the loss allowance for retention sum are as follows:

	Group	
	2024	2023
	$'000	$'000
Balance at beginning of financial year	**3,860**	4,512
Reversal of loss allowance	**–**	(424)
Liquidation of a subsidiary	**–**	(157)
Currency realignment	**(191)**	(71)
Balance at end of financial year	**3,669**	3,860

Movements in the loss allowance for non-trade receivables due from a third party is as follows:

	Group	
	2024	2023
	$'000	$'000
Balance at beginning and end of financial year	**1,447**	1,447
Loss allowance recognised in the financial year		
– non-credit impaired	**284**	–
Currency realignment	**(11)**	–
Balance at end of financial year	**1,720**	1,447

Individual analysis of impaired non-trade receivables:

	Group	
	2024	2023
	$'000	$'000
Amount past due of more than 6 months and no response to repayment demands	**1,720**	1,447

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FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

Movements in the loss allowance for non-trade receivables due from subsidiaries is as follows:

	Company	
	2024 **$'000**	2023 $'000
Balance at beginning of financial year	**–**	3,579
Reversal of loss allowance	**–**	(3,579)
Balance at end of financial year	**–**	–

Movements in the loss allowance for non-trade receivables due from associates are as follows:

	Group		Company	
	2024 **$'000**	2023 $'000	**2024** **$'000**	2023 $'000
Balance at beginning of financial year	**1,564**	1,821	**722**	958
Reversal of loss allowance made in prior year				
– non-credit impaired	**(722)**	(236)	**(722)**	(236)
Currency realignment	**(27)**	(21)	**–**	–
Balance at end of financial year	**815**	1,564	**–**	722

During the financial year ended 30 September 2024, there is a reversal of loss allowance of $722,000 (2023: $236,000) was recognised in profit or loss.

Movements in the loss allowance for non-trade receivables due from joint ventures are as follows:

	Group	
	2024 **$'000**	2023 $'000 (Restated)
Balance at beginning and end of financial year	**1,254**	1,254

Movements in the loss allowance for non-trade receivables due from joint operations are as follows:

	Group	
	2024 **$'000**	2023 $'000 (Restated)
Balance at beginning of financial year	**1,324**	–
Loss allowance recognised in the financial year		
– credit impaired	**–**	1,324
	1,324	1,324

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FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables are denominated in the following currencies:

	Group			Company	
	2024 $'000	2023 $'000 (Restated)	2022 $'000 (Restated)	**2024 $'000**	2023 $'000
Singapore dollar	**27,443**	36,264	69,350	**29,998**	12,414
United States dollar	**32,950**	31,409	26,154	**–**	–
Japanese yen	**–**	–	13	**–**	–
Maldives rufiyaa	**41**	41	41	**–**	–
	60,434	67,714	95,558	**29,998**	12,414

20. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group		
	2024 $'000	2023 $'000 (Restated)	2022 $'000 (Restated)
Contract assets	**28,754**	22,347	38,514
Contract liabilities	**16,244**	3,155	997

During the financial year, the Group has recognised a reversal on loss allowance on contract assets arising from contracts with customers amounting to $283,000 (2023: $714,000).

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for building construction contracts. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for building construction contracts. Contract liabilities are recognised as revenue as the Group fulfils its performance obligations under the contract.

a) Significant changes in contract assets are explained as follows:

	Group		
	2024 $'000	2023 $'000 (Restated)	2022 $'000 (Restated)
Contract assets reclassified to receivables	**(3,571)**	(31,525)	(37,309)
Changes in measurement of progress	**9,270**	10,514	42,967

b) Significant changes in contract liabilities are explained as follows:

	Group		
	2024 $'000	2023 $'000 (Restated)	2022 $'000 (Restated)
Changes in measurement of progress	**13,089**	2,158	2,866

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FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

20. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

c) Remaining performance obligations

The aggregate amount of transaction price allocated to the unsatisfied (or partially satisfied) performance obligations as at 30 September 2024 is $380,561,000 (2023: $404,985,000). This amount has not included the following:

- Performance obligation for which the Group has applied the practical expedient not to disclose information about its remaining performance obligations if:
  - The performance obligation is part of a contract that has an original expected duration for one year or less, or
  - The Group recognises revenue to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to date.
- Variable consideration that is constrained and therefore is not included in the transaction price.

The amount of Group's revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is analysed as follows:

	2025 $'000	2026 $'000	2027 $'000	Total $'000
As at 30 September 2024				
Construction contracts	**229,163**	**95,436**	**55,962**	**380,561**

	2024 $'000 (Restated)	2025 $'000 (Restated)	2026 $'000 (Restated)	Total $'000 (Restated)
As at 30 September 2023				
Construction contracts	291,359	88,808	24,818	404,985

	2023 $'000 (Restated)	2024 $'000 (Restated)	2025 $'000 (Restated)	Total $'000 (Restated)
As at 30 September 2022				
Construction contracts	347,159	114,115	33,737	495,011

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FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

21. CASH AND BANK BALANCES

	Group			Company	
	2024 $'000	2023 $'000 (Restated)	2022 $'000 (Restated)	**2024 $'000**	2023 $'000
Fixed deposits	**2,964**	2,883	4,820	**1,505**	–
Cash at bank balances	**18,811**	11,760	20,097	**214**	733
	21,775	14,643	24,917	**1,719**	733
Fixed deposits pledged	**(1,000)**	–	(537)	**–**	–
Bank overdraft	**–**	–	(668)	**–**	–
Cash and cash equivalents per consolidated statement of cash flows	**20,775**	14,643	23,712	**1,719**	733

Fixed deposits will mature within 1 to 12 months (2023: 1 to 12 months) from the financial year-end and the effective interest rate on the fixed deposits ranges from between 1.7% to 5.2% (2023: 1.7% to 4.9%) per annum.

For the purpose of presenting consolidated statement of cash flows, cash and cash equivalents include short-term deposits with an average maturity of more than 3 months, as there is no significant loss or penalty in converting these deposits into liquid cash before maturity.

Cash and bank balances on statements of financial position are denominated in the following currencies:

	Group			Company	
	2024 $'000	2023 $'000 (Restated)	2022 $'000 (Restated)	**2024 $'000**	2023 $'000
Malaysian Ringgit	**1**	729	753	**–**	–
Singapore dollar	**20,217**	10,084	18,806	**1,665**	675
United States dollar	**929**	3,143	3,683	**54**	58
Maldives rufiyaa	**273**	441	531	**–**	–
Japanese yen	**355**	246	1,144	**–**	–
	21,775	14,643	24,917	**1,719**	733

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

22. NON-CURRENT ASSETS HELD FOR SALE

On 2 September 2024, management expressed the intention to dispose off the 20% interest in Katong Holdings Pte. Ltd. (“KHPL”) to MCSK Pte Ltd (“MCSK”), the major shareholder of KHPL. The disposal includes the sale of the entire shareholding interest in KHPL and the shareholder’s loan for a consideration of $34,500,000. The sale and purchase agreement were signed and completed on 19 February 2025. The disposal of KHPL is expected to be completed within a year from the reporting date. Accordingly, investments in KHPL have been reclassified as a non-current assets held for sale as at 30 September 2024.

Details of non-current assets held for sale are as follows:

	2024	2023
	$’000	$’000
Cost	**200**	–
Share of reserves of associates, net of dividend received and tax	**14,111**	–
Amount due from associate	**34,601**	–
Impairment loss	**(14,795)**	–
	34,117	–

Impairment loss relating to the investments in KHPL

The disposal group is held at its carrying amount on the date of transfer and no impairment loss is recognised as its fair value less costs to sell is higher than the carrying amount.

Cumulative income or expense recognised in Other Comprehensive Income (“OCI”)

There was no cumulative income or expenses included in OCI relating to the disposal group.

Measurement of fair values

Fair value hierarchy

The non-recurring fair value measurement for the non-current assets held for sale of $34,500,000 has been categorised as a Level 2 fair value based on the sales and purchase agreement signed with the buyer.

23. SHARE CAPITAL

	Group and Company			
	2024		2023	
	No. of shares ’000	**$’000**	No. of shares ’000	$’000
Issued and fully paid, with no par value				
At beginning and end of financial year	**242,565**	**25,048**	242,565	25,048

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

24. TREASURY SHARES

	Group and Company			
	2024		2023	
	No. of shares ’000	**$’000**	No. of shares ’000	$’000
At beginning and end of financial year	**7,555**	**3,303**	7,555	3,303

The treasury shares have been used and released for share awards vested under the Keong Hong Group 2011 Employee Share Option Scheme. The difference between the average price paid to acquire treasury shares and the share grant price has been presented within the statements of changes in equity.

25. SHARE OPTION RESERVE

Equity-settled share option scheme

The Keong Hong Holdings Limited Employee Share Option Scheme (the “Scheme”) was approved in November 2011. This Scheme is designed to reward and retain the eligible participants whose services are vital to the success of the Group. Under the rules of the Scheme, Executive Directors and Non-Executive Directors and employees of the Group, who are not controlling shareholders are eligible to participate in the Scheme.

Pursuant to the Scheme,

a) On 1 October 2013, the Company granted 4,000,000 share options (“2014 Options”) to subscribe for 4,000,000 ordinary shares in the Company at an exercise price of $0.47, which is at 19.7% discount to the market price. The market price is the average of the last dealt prices for the ordinary shares on the Singapore Exchange Securities Trading Limited (“SGX-ST”) for the five consecutive trading days immediately preceding the date of grant. The vesting of the options is conditional on the eligible participants completing another two years of service to the Group. Once they have vested, the Options are exercisable over a period of 8 years, from 1 October 2015 and expire on 30 September 2023. The Options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price. The Group has no legal or constructive obligation to repurchase or settle the Options in cash.

b) Following a bonus issue to the Company’s ordinary shareholders on 20 June 2014 (“2014 Options”), the Company granted additional share options to the holders of the 2014 Options. The additional share options were granted based on one additional bonus share option for every two existing issued share options. The exercise price for the bonus share options and existing share options were also revised from $0.47 to $0.31. The vesting conditions remains unchanged.

c) On 1 December 2014, the Company had granted 825,000 share options (“2015 Options”) to subscribe for 825,000 ordinary shares in the Company at an exercise price of $0.32. The vesting of the Options is conditional on the eligible participants completing another two years of service to the Group. Once they have vested, the Options are exercisable over a period of 8 years, from 1 December 2016 and expire on 30 November 2024.

d) On 8 January 2016, the Company had granted 4,175,000 share options (“2016 Options”) to subscribe for 4,175,000 ordinary shares in the Company at an exercise price of $0.40. The vesting of the options is conditional on the eligible participants completing another two years of service to the Group. Once they have vested, the Options are exercisable over a period of 8 years, from 8 January 2018 and expire on 7 January 2026.

e) On 3 April 2017, the Company had granted 700,000 share options (“2017 Options”) to subscribe for 700,000 ordinary shares in the Company at an exercise price of $0.355. The vesting of the options is conditional on the eligible participants completing another two years of service to the Group. Once they have vested, the Options are exercisable over a period of 8 years, from 3 April 2019 and expire on 2 April 2027.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

25. SHARE OPTION RESERVE (CONTINUED)

Equity-settled share option scheme *(Continued)*

Pursuant to the Scheme (Continued),

f) On 2 April 2018, the Company had granted 2,950,000 share options ("2018 Options") to subscribe for 2,950,000 ordinary shares in the Company at an exercise price of $0.46. The vesting of the options is conditional on the eligible participants completing another two years of service to the Group. Once they have vested, the Options are exercisable over a period of 8 years, from 2 April 2020 and expire on 1 April 2028.

g) On 16 April 2019, the Company had granted 650,000 share options ("2019 Options") to subscribe for 650,000 ordinary shares in the Company at an exercise price of $0.40. The vesting of the options is conditional on the eligible participants completing another two years of service to the Group. Once they have vested, the Options are exercisable over a period of 8 years, from 16 April 2021 and expire on 15 April 2029.

Movements in the number of unissued ordinary shares under option and their exercise prices are as follows:

Date of grant	Balance at beginning of financial year	Granted during the financial year	Exercised during the financial year	Forfeited during the financial year	Balance at end of financial year	Exercise price $	Exercisable period
1/12/2014	200,000	–	–	–	200,000	0.315	1.12.2016 to 30.11.2024
8/1/2016	1,650,000	–	–	–	1,650,000	0.400	8.1.2018 to 7.1.2026
3/4/2017	300,000	–	–	–	300,000	0.355	3.4.2019 to 2.4.2027
2/4/2018	2,525,000	–	–	–	2,525,000	0.460	2.4.2020 to 1.4.2028
16/4/2019	500,000	–	–	–	500,000	0.400	16.4.2021 to 15.4.2029
Total	5,175,000	–	–	–	5,175,000		

During the financial year ended 30 September 2024, no (2023: no) options were exercised for the equity-settled share option scheme. The options outstanding at end of the reporting period have remaining exercisable life of 1 to 4.5 years (2023: 1 to 5.5 years).

Out of the total equity-settled share option schemes of 5,175,000 (2023: 5,175,000) options, 5,175,000 (2023: 5,175,000) options are exercisable as at 30 September 2024.

The Group recognised share based payment expenses and a corresponding share option reserve of $Nil (2023: $Nil) for the financial year ended 30 September 2024.

26. OTHER RESERVES

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency and is non-distributable. Movements in this reserve are set out in the consolidated statements of changes in equity.

Merger reserve

Merger reserve represents the difference between the consideration paid and the share capital of subsidiaries acquired under common control.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

26. OTHER RESERVES (CONTINUED)

Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of financial asset until it is disposed of.

	Group			Company	
	2024 $'000	2023 $'000 (Restated)	2022 $'000 (Restated)	**2024 $'000**	2023 $'000
At beginning of financial year	**28,192**	28,841	19,133	**(4,350)**	(4,410)
Fair value changes recognised in other comprehensive income	**(90)**	(649)	9,708	**(90)**	60
At end of financial year	**28,102**	28,192	28,841	**(4,440)**	(4,350)

27. TRADE AND OTHER PAYABLES

	Group			Company	
	2024 $'000	2023 $'000 (Restated)	2022 $'000 (Restated)	**2024 $'000**	2023 $'000
Non-current					
Trade payables					
– accrued subcontractor expenses	**4,886**	3,651	1,894	**–**	–
Non-trade payables					
– Loan from ultimate shareholders	**12,750**	12,750	12,750	**12,750**	12,750
	17,636	16,401	14,644	**12,750**	12,750
Current					
Trade payables					
– third parties	**17,039**	9,904	15,985	**–**	–
– accrued subcontractor expenses	**51,698**	45,100	45,952	**–**	–
	68,737	55,004	61,937	**–**	–
Non-trade payables					
– third parties	**2,486**	947	67	**–**	–
– due to associates	**1,280**	–	–	**–**	–
– due to a joint venture	**1,400**	–	–	**–**	–
– due to a director and non-controlling interest of a subsidiary	**–**	–	2,422	**–**	–
Rental deposits	**10**	–	699	**–**	–
Accrued operating expenses	**3,571**	3,251	4,390	**738**	390
Corporate guarantee liability	**894**	707	912	**894**	707
Goods and Services Tax payable	**1,084**	1,811	322	**–**	–
	79,462	61,720	70,749	**1,632**	1,097
Total	**97,098**	78,121	85,393	**14,382**	13,847

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

27. TRADE AND OTHER PAYABLES (CONTINUED)

Non-trade amounts due from ultimate shareholders are unsecured, bears interest rate of 6.5% (2023: 6.25% to 6.5%) per annum and has no fixed repayment terms and is repayable only when the cashflows of the subsidiary permit.

Trade and non-trade payables to third parties are unsecured, non-interest bearing and generally on 30 to 60 (2023: 30 to 60) days credit terms.

Non-trade amount due to associates, a joint venture, a director and non-controlling interest of subsidiary is unsecured, non-interest bearing and repayable on demand.

The provision for corporate guarantees is related to corporate guarantees to bank for borrowings of an associate. These guarantees qualify as financial guarantees because the Group and the Company is required to reimburse the banks in the event of breach of any repayment term.

Trade and other payables are denominated in the following currencies:

	Group			Company	
	2024 $'000	2023 $'000 (Restated)	2022 $'000 (Restated)	**2024 $'000**	2023 $'000
Singapore dollar	**96,489**	76,137	83,861	**14,382**	13,847
United States dollar	**609**	854	14	**–**	–
Japanese yen	**–**	1,130	1,518	**–**	–
	97,098	78,121	85,393	**14,382**	13,847

28. BANK BORROWINGS

	Group	
	2024 $'000	2023 $'000
Non-current liabilities		
Secured		
– Term loan II	**4,353**	5,769
– Term loan III	**–**	432
	4,353	6,201
Current liabilities		
Secured		
– Term loan I	**–**	16,000
– Term loan II	**9,423**	3,437
– Term loan III	**432**	422
	9,855	19,859
Total bank borrowings	**14,208**	26,060

NOTES TO THE FINANCIAL STATEMENTS

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28. BANK BORROWINGS (CONTINUED)

The Group bank borrowings are as follows:

a) Term loan I

The Group entered into a banking facility amounting to $18,500,000 on 28 March 2018, which was revised to $17,000,000 on 9 July 2018 and $50,937,000 on 3 November 2021. The facility is a specific advance facility meant for financing the Group's building construction project, which the limit is subject to a step up/down schedule, fully repayable by 31 July 2024. The loan carries an interest at 1.15% per annum over the Bank's prevailing Cost of Funds. The loan is secured by:

(i) a charge over the receivables of construction contract, including charge on non-checking account for the specific property development project; and

(ii) the corporate guarantee provided by the Company.

As at the end of the reporting period, the outstanding borrowing amounted to $Nil (2023: $16,000,000) and the interest rate is 5.03 % (2023: 5.05%) per annum. The term loan I was fully repaid during the financial year.

b) Term loan II

The Group entered into a banking facility amounting to $8,600,000 on 5 November 2018, which is to finance the purchase of two properties. The loan carries an interest at 3.32% for the first and second year of the loan, 2.95% for the third year of loan and 6.25% thereafter plus the bank cost of borrowings. The loan is secured by a first legal mortgage over the two buildings under Group's property, plant and equipment (Note 10). The term loan is repayable over 132 monthly instalments comprising of the principal amount and monthly interest. The monthly repayment commences on 17 June 2019 and will continue until 17 April 2030.

On 11 May 2022, the banking facility was revised with conversion of interest rate on the outstanding borrowing amounts of $7,019,000. The revised loan carries an interest at 0.88% over the applicable 3-month Compound Singapore Overnight Rate Average ("SORA") for the first year of conversion, 1.08% over the applicable 3-month Compounded SORA for the second year of conversion and 2.00% the applicable 3-month Compounded SORA for the third year of conversion and thereafter.

As at the end of the reporting period, the outstanding borrowing amounts to $5,147,000 (2023: $5,911,000), comprising of both current and non-current loan amount of $794,000 (2023: $771,000) and $4,353,000 (2023: $5,140,000) respectively.

The Group entered into an additional banking facility amounting to $3,000,000 on 9 April 2020, which can be drawn down based on the Group's financing requirements. The loan carries an interest at 2.75% plus the bank cost of borrowings. The loan is secured by a corporate guarantee provided by the Company. The term loan is repayable over 60 monthly instalments comprising of the principal amount and monthly interest. The monthly repayment commences on 31 October 2020 and will continue until 30 September 2025.

As at the end of reporting period, the outstanding borrowings amounted to $629,000 (2023: $1,295,000), comprising of both current and non-current loan amount of $629,000 (2023: $666,000) and $Nil (2023: $629,000) respectively.

The Group entered into two additional banking facilities amounting to $6,000,000 and $10,000,000 on 31 January 2023 (revised on 6 July 2023) and 6 July 2023, which can be drawn down based on the Group's financing requirements. The facilities are revolving short term loan meant for financing the building construction projects, which the limits are subjected to a step up/down schedule and are repayable by 31 August 2025 and 1 February 2026. The loans carry an interest of 1.5% per annum over the Bank's Cost of Funds as determined by the Bank on the day of transaction. The loans are secured by:

(i) a charge over the receivables of construction contract, including charge on non-checking account for the specific property development projects; and

(ii) the corporate guarantee provided by the Company.

As at the end of the reporting period, the outstanding borrowing amounts to $8,000,000 (2023: $2,000,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

28. BANK BORROWINGS (CONTINUED)

The Group bank borrowings are as follows (Continued):

c) Term loan III

The Group entered into a banking facility amount to $2,000,000 on 9 April 2020. The facility is a temporary bridging loan under the Enterprise Financing Scheme for working capital requirements. The loan carries an interest at 2.75% (2023: 2.75%) per annum and is repayable over 60 monthly instalments. The loan is secured by the corporate guarantee provided by the Company.

As at the end of reporting period, the outstanding borrowings amounted to $432,000 (2023: $854,000), comprising of both current and non-current loan amount of $432,000 (2023: $422,000) and $Nil (2023: $432,000) respectively.

The Group is up to date with the scheduled repayments of the term loans and does not consider it probable that the banks will exercise its discretion to demand repayment for so long as the Group continues to meet the requirements. Further details of the Group's management of liquidity risk are set out in Note 36 to the financial statements.

Management estimates that the carrying amounts of the Group's borrowings approximate their fair values as these borrowings are at floating interest rates and repriced regularly.

Undrawn banking and credit facilities

As at 30 September 2024, the Group has undrawn banking and credit facilities of $13.5 million (2023: $43.3 million) in respect of which all conditions precedent had been met.

29. LEASE LIABILITIES

	Land $'000	Equipment $'000	Motor Vehicles $'000	Dormitories/ Office $'000	Total $'000
Group					
Balance at 1 October 2023 (Restated)	4,573	429	129	1,812	6,943
Additions	29	–	146	–	175
Interest expenses (Note 6)	158	19	8	44	229
Repayment during the financial year					
– Principal portion	(486)	(75)	(67)	(1,735)	(2,363)
– Interest portion	(158)	(19)	(8)	(44)	(229)
Balance at 30 September 2024	**4,116**	**354**	**208**	**77**	**4,755**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

29. LEASE LIABILITIES (CONTINUED)

	Land $'000	Equipment $'000	Motor Vehicles $'000	Dormitories/ Office $'000	Total $'000
Group					
Balance at 1 October 2022 (Restated)	4,976	179	296	1,502	6,953
Additions	51	432	30	2,231	2,744
Modifications	4	(79)	–	(14)	(89)
Disposal of a subsidiary	–	–	(82)	(209)	(291)
Interest expense (Note 6)	171	7	12	40	230
Repayment during the financial year					
– Principal portion	(458)	(103)	(115)	(1,698)	(2,374)
– Interest portion	(171)	(7)	(12)	(40)	(230)
Balance at 30 September 2023 (Restated)	4,573	429	129	1,812	6,943

The maturity analysis of lease liabilities of the Group and the Company at the end of the reporting period are as follows:

	2024 $'000	2023 $'000 (Restated)
Group		
Contractual undiscounted cash flows		
– Not later than one financial year	**810**	2,501
– After one financial year but within five financial years	**2,714**	2,996
– More than five financial years	**2,118**	2,544
	5,642	8,041
Less: Future interest expense	**(887)**	(1,098)
Present value of lease liabilities	**4,755**	6,943
Presented in statements of financial position		
– Non-current	**635**	2,294
– Current	**4,120**	4,649
	4,755	6,943

The Group leases land, equipment, dormitories and warehouse in Singapore. As at 30 September 2024, the average incremental borrowing rate applied in the lease were 4.6% (2023: 3.6%).

As at 30 September 2024, the Group leased certain motor vehicles under finance lease and the average discount rate implicit in finance lease was 5.43% (2023: 5.1%).

Interest rates are fixed at the contract date. All finance leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's lease liabilities of $208,000 (2023: $129,000) were secured over motor vehicles (Note 11).

The details for right-of-use assets are disclosed in Note 11.

The lease liabilities are denominated in Singapore dollar.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

30. PROVISIONS

	Current liabilities			Non-current liabilities	
	Provision for onerous contracts $'000	Provision for warranty and defects $'000	Provision for reinstatement $'000	Provision for restoration costs $'000	Total $'000
Group					
30 September 2024					
Balance at beginning of financial year	**9,364**	**1,703**	**1,900**	**512**	**13,479**
Utilisation	**(3,861)**	**–**	**–**	**–**	**(3,861)**
Balance at end of financial year	**5,503**	**1,703**	**1,900**	**512**	**9,618**
30 September 2023 (Restated)					
Balance at beginning of financial year	13,620	2,322	–	512	16,454
(Utilisation)/provision made	(4,256)	(619)	1,900	–	(2,975)
Balance at end of financial year	9,364	1,703	1,900	512	13,479

During the financial year ended 30 September 2024, the Group recognised $1,745,000 (2023: $2,472,000) provision for the unavoidable costs of fulfilling certain construction contract with customers, that were in excess of the economic benefits expected to be received under the contract. The provision for the onerous contract is expected to be utilised by the end of the contract term.

Provision for warranty and defects is recognised based on the claims experienced in the past and the level of repairs experienced and defaults for similar projects. A reversal of provision for warranty is made due to expiration of warranty period for completed project. The Group has undertaken to perform the necessary repairs should the work carried out by the Group fail to perform satisfactorily.

A provision is recognised for expected restoration cost in relation to properties. The provision for restoration costs are the estimated costs of dismantlement, removal or restoration of property arising from the acquisition or use of assets, which are capitalised and included in the cost of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

31. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2024	2023
	$'000	$'000
Deferred tax assets	**28**	28
Deferred tax liabilities	**(1)**	(1)

Movements in deferred tax assets are as follows:

	Group	
	2024	2023
	$'000	$'000
Balance at beginning of financial year	**28**	70
Credited to profit or loss (Note 8)	**–**	62
Liquidation of a subsidiary	**–**	(102)
Foreign currency translation differences	**–**	(2)
Balance at end of financial year	**28**	28

Movements in deferred tax liabilities are as follows:

	Group	
	2024	2023
	$'000	$'000
Balance at beginning and end of financial year	**(1)**	(1)

Deferred tax assets are attributable to the following temporary differences:

	Group	
	2024	2023
	$'000	$'000
Accelerated tax depreciation	**28**	28

Deferred tax liabilities are attributable to the following temporary differences:

	Group	
	2024	2023
	$'000	$'000
Accelerated tax depreciation	**(1)**	(1)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

31. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The amount of the deferred tax income or expense in respect of each type of unutilised tax losses and unutilised tax credits recognised in profit or loss are as follows:

	Accelerated tax depreciation $'000
2024	
Balance at beginning and end of financial year	**28**
2023	
Balance at beginning of financial year	70
Credited to profit or loss	62
Liquidation of a subsidiary	(102)
Foreign currency translation differences	(2)
Balance at end of financial year	28

32. SIGNIFICANT RELATED PARTY TRANSACTIONS

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

32. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company entered into the following transactions with their related parties during the financial year at rates and terms between the parties:

	Group		
	2024 $'000	2023 $'000 (Restated)	2022 $'000 (Restated)
Joint ventures			
Contract revenue from joint ventures	**477**	177	23,029
Interest charged to joint ventures	**79**	423	667
Advance to joint ventures	**50**	–	–
Associates			
Advance to an associate	**2,868**	–	–
Payment made on behalf of associates	**9**	8	9
Subcontract services by associates	**410**	71	–
Management fee charged to associates	**300**	300	300
Interest charge to associates	**6,198**	5,803	3,463
Rental charged to associates	**1,179**	1,020	–

As at end of reporting period, the outstanding balances in respect of the above related party transactions are disclosed in Note 14 and 15 to the financial statements.

	Group and Company	
	2024 $'000	2023 $'000
Directors' interest in medium term notes		
Interest expense		
– Leo Ting Ping, Ronald	**–**	111
– Chong Weng Hoe	**–**	14
– Fong Heng Boo	**–**	28
Loan from shareholders		
Interest expense		
– LJHB Capital (S) Pte Ltd	**520**	502
– Leo Ting Ping, Ronald	**309**	298

Compensation of key management personnel

The remuneration of the key management personnel of the Group during the financial year was as follows:

	Group	
	2024 $'000	2023 $'000
Directors of the Company		
– Short-term benefits	**921**	1,251
– Post-employment benefits	**14**	29
– Directors' fees	**162**	187
Other key management personnel		
– Short-term benefits	**600**	590
– Post-employment benefits	**44**	35
	1,741	2,092

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

33. COMMITMENTS

Operating lease commitments

Group as a lessor

The Group lease out its warehouse to third parties and an associate under non-cancellable operating leases. These leases have a tenure range from 1 to 2 financial years with options to renew.

Future minimum rentals receivables under non-cancellable operating leases as at the reporting date are as follows:

	Group	
	2024 **$'000**	2023 $'000
Not later than one financial year	**1,858**	959
Later than one financial year but not later than five financial years	**1,242**	–
	3,100	959

34. FINANCIAL GUARANTEES

As at 30 September 2024, the Company has issued corporate guarantees amounting to $151,894,000 (2023: $241,455,000) to banks for banking facilities of certain subsidiaries and associate. In addition, the Company has also issued corporate guarantees amounting to $11,400,000 (2023: $17,600,000) to financial institutions on performance bonds relating to the projects of its subsidiaries.

The maximum amount of the Company could be forced to settle under the guarantees obligation if the full guaranteed amount is claimed by the counterparties to the guarantees, is $151,894,000 (2023: $241,455,000). The earliest period that the guarantees could be called is within 1 year from reporting date. As at 30 September 2024, the Group and the Company have accounted for a corporate guarantee liability of $894,000 (2023: $707,000) (Note 27).

The Company has not recognised any liability in respect of the guarantees given to the banks for banking facilities granted to the subsidiaries and an associate as the Company's directors have assessed that the likelihood of defaulting on repayment of its banking facilities are remote. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

As at the end of the financial year, the Company had also given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

35. SEGMENT INFORMATION

For management reporting purposes, the Group is organised into four main operating divisions as follows:

- The construction segment is in the business of general building contractors.
- The property development segment is in the business of developing properties with other partners. The Group has investments in associates or joint ventures and available-for-sale financial assets which are special purpose entities set up for the purpose of property development. The returns from this segment is included in the "Share of results from associates or joint ventures".
- The investment property segment is in the business of leasing office and retail shops in two commercial buildings acquired in Osaka Japan. The Group has completed the disposal of its investment properties on 28 February 2023.
- Investment holding segment is related to Group-level corporate services and investments in quoted and unquoted equity shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

35. SEGMENT INFORMATION (CONTINUED)

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit from operations.

Inter-segment pricing, if any, is determined on an arm's length basis.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operations before tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

	Buildings and construction $'000	Property development $'000	Investment property $'000	Investment holding $'000	Elimination $'000	Total $'000
Group						
2024						
Revenue						
External revenue	172,597	–	–	–	–	172,597
Inter-segment sales	–	206	–	–	(206)	–
	172,597	206	–	–	(206)	172,597
Loss from operations						
Share of results from joint ventures, net of tax	–	44	–	–	–	44
Share of results from associates, net of tax	–	(10,642)	–	–	–	(10,642)
Interest income	6,313	–	–	31	–	6,344
Interest expenses	(1,309)	–	–	(829)	–	(2,138)
Provision of loss allowance on long term interests	–	(4,000)	–	–	–	(4,000)
Impairment reversed on investment of an associate	–	27,285	–	–	–	27,285
Depreciation and amortisation	(4,896)	–	–	–	–	(4,896)
Reportable segment (loss)/profit before income tax	(15,284)	12,768	(35)	(1,365)	–	(3,916)
Net (loss)/profit for the financial year after tax	(15,284)	12,768	(35)	(1,365)	–	(3,916)
Other information:						
Additions to non-current assets	420	–	–	–	–	420
Investments in joint ventures	–	4,453	–	–	–	4,453
Investments in associates	–	26,480	–	–	–	26,480
Segment assets	113,205	36,815	385	9,135	–	159,540
Non current assets held for sale	–	34,711	–	–	–	34,711
Segment liabilities	127,238	2,116	9	14,387	–	143,750

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

35. SEGMENT INFORMATION (CONTINUED)

	Buildings and construction $'000 (Restated)	Property development $'000 (Restated)	Investment property $'000 (Restated)	Investment holding $'000 (Restated)	Elimination $'000 (Restated)	Total $'000 (Restated)
<u>Group</u>						
2023						
Revenue						
External revenue	199,248	–	541	–	–	199,789
Inter-segment sales	–	481	–	–	(481)	–
	199,248	481	541	–	(481)	199,789
Loss from operations						
Share of results from joint ventures, net of tax	–	300	–	–	–	300
Share of results from associates, net of tax	–	(8,362)	–	–	–	(8,362)
Interest income	6,264	–	–	485	–	6,749
Interest expenses	(1,288)	–	(33)	(2,772)	–	(4,093)
Impairment loss on investment of an associate	–	(8,532)	–	–	–	(8,532)
Depreciation and amortisation	(5,057)	–	(166)	–	–	(5,223)
Reportable segment (loss)/profit before income tax	(34,358)	(16,193)	6,646	(6,743)	–	(50,648)
Income tax credit/(expense)	331	–	(899)	–	–	(568)
Net (loss)/profit for the financial year after tax	(34,027)	(16,193)	5,747	(6,743)	–	(51,216)
<u>Other information:</u>						
Additions to non-current assets	310	–	–	–	–	310
Investments in joint ventures	–	6,181	–	–	–	6,181
Investments in associates	–	46,105	–	–	–	46,105
Segment assets	122,216	49,164	1,661	7,923	–	180,964
Segment liabilities	114,629	86	1,143	13,847	–	129,705

	Group	
	2024 $'000	2023 $'000 (Restated)
Non-current assets		
Singapore	**46,585**	72,244

Non-current assets consist of property, plant and equipment, right-of-use assets, intangible assets, investments in associates and investments in joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

35. SEGMENT INFORMATION (CONTINUED)

Major customers

During the financial year, the Group's revenue attributable to 3 (2023: 3) customers represent approximately 79% (2023: 82%) of total revenue. Revenue from certain customers (named alphabetically A to C of the Group's construction segment amount to approximately $139,193,000 (2023: $162,673,000). The details of these customers which individually contributed 10 percent or more of the Group's revenue in the financial year are as follows:

	2024		2023 (Restated)	
	$'000	**%**	$'000	%
Customer A	**90,561**	**51**	117,511	59
Customer B	**26,631**	**15**	23,769	12
Customer C	**22,001**	**13**	21,393	11
	139,193	**79**	162,673	82

36. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

The Group's and the Company's activities expose them to credit risk, market risk (including equity price risk, foreign exchange risk and interest rate risk) and liquidity risk. The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange rates.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Group's and the Company's management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's and the Company's exposures to these financial risks or the manner in which it manages and measures the risk.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group. The Group's major classes of financial assets are trade and other receivables, contract assets, financial assets at FVTOCI and cash and bank balances. The Group has adopted a policy of only bidding for contracts from developers with good financial standings. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collaterals.

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

	Company	
	2024	2023
	$'000	$'000
Committed corporate guarantees provided to banks for subsidiaries' and associate's banking facilities as at the end of reporting period	**151,894**	241,455

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

36. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

***Credit risk** (Continued)*

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except as follows:

a) At the end of the reporting period, the Group has outstanding trade receivables from 4 (2023: 2) customers which represent 76% (2023: 69%) of total trade receivables balance.

b) At the end of the reporting period, the retention sum from 2 (2023: 2) customers represent 100% (2023: 100%) of total retention sum receivables.

The Group defines counterparties as having similar characteristics if they are related entities. Ongoing evaluation is performed on the financial condition of accounts receivable.

Trade receivables and contract assets

Expected credit loss model is initially based on the Group's and the Company's historical observed default rates. The Group and the Company 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 and the Company also evaluate expected credit loss on credit-impaired receivables separately at each reporting period.

The expected credit loss computed is derived from historical data and credit assessment includes forward-looking information which management view is representative of the customers' credit situation at the reporting date.

The following table provides information about the exposure to credit loss for trade receivables and contract assets as at the end of reporting period:

	Group			
	Expected credit loss rates	Gross carrying amount $'000	Loss allowance $'000	Carrying amount $'000
2024				
Trade receivables				
Not past due	0%	**17,700**	**–**	**17,700**
Past due but not impaired				
– less than 1 month	0%	**66**	**–**	**66**
– 1 to 3 months	0%	**303**	**–**	**303**
– 3 to 6 months	0%	**103**	**–**	**103**
– over 6 months	7%	**4,230**	**(302)**	**3,928**
Contract assets				
Not past due	7%	**30,875**	**(2,121)**	**28,754**
		53,277	**(2,423)**	**50,854**
2023				
Trade receivables				
Not past due	0%	15,813	–	15,813
Past due but not impaired				
– less than 1 month	0%	33	–	33
– 1 to 3 months	0%	169	–	169
– 3 to 6 months	0%	26	–	26
– over 6 months	7%	4,403	(322)	4,081
Contract assets				
Not past due	10%	24,751	(2,404)	22,347
		45,195	(2,726)	42,469

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

36. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Credit risk *(Continued)*

Trade receivables and contract assets (Continued)

A loss allowance of $2,423,000 (2023: $2,726,000) related to trade receivables and contract assets was recognised for trade receivables and contract assets.

Management believes that no impairment allowance is necessary for the remaining trade receivables and contract assets as these are well known customer and government agencies, with good collection track record and no recent history of default, hence the expected credit loss is not material.

Retention sum

The Group has assessed expected credit loss allowance for remaining retention sum based on 12-month expected credit loss model.

The Group's impaired retention sum as at 30 September 2024 amounted to $3,669,000 (2023: $3,860,000). The impaired retention sum related to customers who had indicated that they were not likely to repay the outstanding balances due to economic circumstances or who have defaulted in payment terms. Management is of the view that loss allowance on remaining retention sum is insignificant.

Non-trade amounts due from third parties

The Group has assessed expected credit loss for non-trade amounts due from third parties based on 12-month expected credit loss model. The expected credit loss of these receivables has recognised at $1,720,000 (2023: $1,447,000).

Non-trade amounts due from joint ventures

In determining the recoverability of receivable from the joint ventures, the Group considers the financial performance of the joint ventures. The expected credit loss of these receivables has recognised at $1,254,000 (2023: $1,254,000).

Non-trade amounts due from joint operation

In determining the recoverability of receivable from the joint operation, the Group considers the financial performance of the joint operation. The expected credit loss of these receivables has remained unchanged at $1,324,000 (2023: $1,324,000).

Non-trade amounts due from associates

For non-trade amounts due from associates, the Group and the Company have taken into account the financial strength and financial performance of the associates. The Group and the Company monitor and assess at each reporting date for any indicator of significant increase in credit risk on the amounts due from associates, by considering their financial performance.

At the end of the reporting period, the Group and the Company have assessed the associates' financial performance to meet the contractual cash flow obligations and have recognised an expected credit loss allowance of $815,000 and $Nil (2023: $1,564,000 and $722,000) for non-trade amounts due from associates respectively (Note 19).

Non-trade amounts due from subsidiaries

For non-trade amounts due from subsidiaries and the amounts due from subsidiaries which formed part of the Company's net investment in subsidiaries, the Board of Directors has taken into account information that available internally about these subsidiaries' past, current and expected operating performance and cash flow position. The Board of Directors monitors and assesses at each reporting date of any indicator of significant increase in credit risk on the amount due from the respective subsidiaries, by considering their financial performance and results. At the end of the reporting period, the Company has assessed its subsidiaries financial performance to meet the contractual cash flow obligations and has recognised expected credit loss allowance of $Nil (2023: $Nil) for non-trade amounts due from subsidiaries (Note 19).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

36. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Credit risk *(Continued)*

Cash and bank balances

The cash and bank balances are held with bank and financial institution counterparties, which are rated A3 to Aa1 for long-term deposit and P2 to P1 for short term deposit, based on Moody's rating. The Board of Directors monitors the credit ratings of counterparties regularly. Impairment on cash and bank balances has been measured on the 12-month expected credit loss model. At the reporting date, the Group and the Company did not expect any material credit losses from non-performance by the counterparties.

Market risk

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

(i) Equity prices

The Group is exposed to equity price risks arising from equity investments classified as financial assets at FVTOCI. Equity investments carried at FVTOCI are held for strategic reasons rather than trading purpose. The Group does not actively trade equity investments.

Further details of these equity investments can be found in Note 17 to the financial statements.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.

In respect of quoted equity investments carried at FVTOCI, if the prices for equity securities listed on the Catalist Board of the Singapore Exchange Securities Trading Limited had been 33% (2023: 32%) higher or lower with all other variables including tax rate being held constant, the effects on loss after tax and other comprehensive income would be as follows:

– The Group's net loss for the financial years ended 30 September 2024 and 30 September 2023 would have been unaffected as the equity investments are classified as financial assets at FVTOCI and no investments were disposed of or impaired; and

– The Group's fair value reserves would increase or decrease by $776,000 (2023: $789,000).

The equity price sensitivity analysis for unquoted equity investments carried at FVTOCI is disclosed in Note 38.

(ii) Foreign exchange risk management

Currency risk arises from transactions denominated in currency other than the functional currency of the entities within the Group. The currencies that give rise to this risk are primarily United States dollar, Malaysian Ringgit and Maldives rufiyaa.

It is not the Group's policy to take speculative positions in foreign currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

36. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Market risk *(Continued)*

(ii) Foreign exchange risk management (Continued)

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currency of the entities within the Group are as follows:

	Assets		Liabilities	
	2024 $'000	2023 $'000 (Restated)	**2024 $'000**	2023 $'000 (Restated)
United States dollar	**120,002**	122,646	**609**	854
Malaysian Ringgit	**1**	729	**–**	–
Maldives rufiyaa	**314**	482	**–**	–

The Group has foreign operations, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Exposure to foreign currency risk is monitored on an ongoing basis in accordance with the Group's risk management policies to ensure that the net exposure is at an acceptable level.

Foreign currency sensitivity analysis

The following table details the sensitivity to a 5% (2023: 5%) increase and decrease in the relevant foreign currencies against the functional currency of the entities within the Group. The 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2023: 5%) change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Group where they gave rise to an impact to the Group's profit or loss.

If the relevant foreign currency strengthen or weakens by 5% against the functional currency of each group entity, profit or loss will increase/(decrease) by:

	Profit or loss	
	2024 $'000	2023 $'000 (Restated)
Group		
United States dollar		
Strengthens against functional currencies*	**6,000**	6,132
Weakens against functional currencies*	**(6,000)**	(6,132)
Malaysian Ringgit		
Strengthens against functional currencies#	**–**	36
Weakens against functional currencies#	**–**	(36)
Maldives rufiyaa		
Strengthens against functional currencies	**16**	24
Weakens against functional currencies	**(16)**	(24)

* Primary Singapore dollar and Japanese yen

\# Primary Singapore dollar

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

36. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Market risk *(Continued)*

(iii) Interest rate risk

The Group's exposure to market risk for changes in interest rates relate primarily to variable rate bank borrowings with financial institutions. The Group maintains an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short term borrowings.

The exposure of the Group's borrowings to interest rate changes and contractual repricing dates as at the end of the reporting period are as follows:

	Weighted average effective interest rate		Group	
	2024	2023	**2024**	2023
	%	%	**$'000**	$'000
Within 6 months	**4.31**	4.45	**8,921**	18,947
After 6 months but within 12 months	**3.53**	3.25	**934**	912
After one year but within five financial years	**5.60**	3.25	**3,660**	4,541
After five financial years	**5.60**	4.78	**693**	1,660
Total			**14,208**	26,060

The Company is not exposed to significant interest rate risk.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher or lower and all other variables were held constant, the Group's loss for the financial year ended 30 September 2024 would decrease/increase by $71,000 (2023: decrease/increase by $130,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Company's profit or loss and equity are not significantly affected by the changes in interest rates as the Company has no significant variable interest-bearing financial instruments.

Liquidity risk

Liquidity risk refers to the risk in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

The Group and the Company actively manage their operating cash flows so as to ensure that all repayment needs are met. As part of overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

36. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

***Liquidity risk** (Continued)*

The following tables detail the Group's and the Company's remaining contractual maturity for financial instruments. The tables has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to pay. The tables includes both interest and principal cash flows.

Contractual maturity analysis

	Within one financial year $'000	After one financial year but within five financial years $'000	After five financial years $'000	Total $'000
Group				
30 September 2024				
Financial liabilities				
Trade and other payables (excluding Goods and Services Tax payable and corporate guarantee liability)	**78,313**	**18,053**	**–**	**96,366**
Corporate guarantee liability	**1,192**	**–**	**–**	**1,192**
Bank borrowings	**10,190**	**4,249**	**707**	**15,146**
Lease liabilities	**810**	**2,714**	**2,118**	**5,642**
30 September 2023				
Financial liabilities (Restated)				
Trade and other payables (excluding Goods and Services Tax payable and corporate guarantee liability)	60,031	16,820	–	76,851
Corporate guarantee liability	1,413	–	–	1,413
Bank borrowings	20,244	5,209	1,723	27,176
Lease liabilities	2,501	2,996	2,544	8,041

	Within one financial year $'000	After one financial year but within five financial years $'000	After five financial years $'000	Total $'000
Company				
30 September 2024				
Financial liabilities				
Trade and other payables	**1,566**	**13,167**	**–**	**14,733**
Corporate guarantee liability	**1,192**	**–**	**–**	**1,192**
Financial guarantee contracts	**151,000**	**–**	**–**	**151,000**
30 September 2023				
Financial liabilities				
Trade and other payables	1,219	13,169	–	14,388
Corporate guarantee liability	1,413	–	–	1,413
Financial guarantee contracts	240,748	–	–	240,748

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

37. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as going concern and maintains an optimal capital structure so as to maximise shareholder's value. The Group and the Company are subject to and complied with externally imposed capital requirements which are financial covenants for the financial years ended 30 September 2024 and 30 September 2023, as disclosed in Note 28 to the financial statements.

The Group and the Company constantly review the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayment and interests) based on its operating cash flows. The Group's and the Company's overall strategy remain unchanged during the financial years ended 30 September 2024 and 30 September 2023.

The Group and the Company monitor capital based on a gearing ratio, which is net debt divided by total capital. The Group and the Company include within net debt, trade and other payables, bank borrowings, and lease liabilities less cash, bank balances and fixed deposits which are not pledged. Total equity consists of total share capital, other reserves plus retained earnings. Total capital consists of net debt plus total equity.

	Group		Company	
	2024 $'000	2023 $'000 (Restated)	**2024 $'000**	2023 $'000
Trade and other payables	**97,098**	78,121	**14,382**	13,847
Bank borrowings	**14,208**	26,060	**–**	–
Lease liabilities	**4,755**	6,943	**–**	–
Less: Cash, bank balances and fixed deposits which are not pledged	**(20,775)**	(14,643)	**(1,719)**	(733)
Net debt	**95,286**	96,481	**12,663**	13,114
Total equity	**50,501**	51,259	**48,000**	30,054
Total capital	**145,787**	147,740	**60,663**	43,168
Gearing ratio (%)	**65.4**	65.3	**20.9**	30.4

38. FAIR VALUE

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. 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).

	Level 1 $'000
Group and Company	
30 September 2024	
Financial assets	
Financial assets, at FVTOCI	
– Quoted equity shares	**2,385**
30 September 2023 (Restated)	
Financial assets	
Financial assets, at FVTOCI	
– Quoted equity shares	2,475

There were no transfers between levels of the fair value hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

38. FAIR VALUE (CONTINUED)

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

The carrying amounts of the Group's and Company's current financial assets and current financial liabilities approximate their fair values as at the end of the reporting periods due to the relatively short period of maturity of these financial instruments. The management considers that the fair values of Group's and Company's non-current financial liabilities were not materially different from their carrying amounts at the end of the reporting years except as disclosed in Note 27 to the financial statements.

39. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:

	Group			Company	
	2024 $'000	2023 $'000 (Restated)	2022 $'000 (Restated)	**2024 $'000**	2023 $'000
Financial assets					
Financial assets at FVTOCI	**2,385**	2,475	2,415	**2,385**	2,475
Financial assets at amortised cost	**79,155**	79,659	117,770	**31,717**	13,147
Financial liabilities					
Financial liabilities at amortised cost	**114,977**	109,313	155,933	**14,382**	13,847

40. PRIOR YEAR ADJUSTMENTS

Restatement adjustment has been made to the prior year's financial statement to reflect the following changes that:

i. the investment in Hyundai-Keong Hong JV Limited Partnership has been reclassified as a joint operation instead of joint venture. The reclassification as a joint operation better reflects the economic substance and legal forms of the arrangement, where the partners are directly involved in the assets and liabilities of the partnership; and

ii. the financial asset at FVTOCI and FVTPL relating to the 20% share of interest in KHPL and loan to KHPL respectively have been classified as investment in associate. The reclassification as an associate reflects the presumed significant influence the Group has on the investee when it holds 20% of the voting power over KHPL unless demonstrate otherwise.

As a result of the restatement to the comparative figures, certain line items have been amended on the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows and related notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

40. PRIOR YEAR ADJUSTMENTS (CONTINUED)

Summary of the accounts for the financial year ended 30 September 2023 and 2022 consolidated financial statements before and after the restatement are as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 30 September 2023

	As previously reported S$'000	Adjustment S$'000	Restated S$'000
2023			
Revenue	176,020	23,769	199,789
Cost of sales	(195,961)	(30,194)	(226,155)
Administrative expenses	(18,230)	(768)	(18,998)
Reversal/(Loss) allowance on trade and other receivables	(1,229)	567	(662)
Finance costs	(4,091)	(2)	(4,093)
Other expenses	(3,486)	1,740	(1,746)
Share of results of joint ventures, net of tax	(4,784)	5,084	300
Share of results of associates, net of tax	(7,754)	(608)	(8,362)
Share of other comprehensive loss of an associate	–	(709)	(709)
Fair value gain on financial assets at FVTOCI	1,290	(1,230)	60

Consolidated Statement of Financial Position
As at 30 September 2022

	As previously reported S$'000	Adjustments S$'000	Balance as restated S$'000
2022			
Non-current assets			
Property, plant and equipment	15,113	27	15,140
Right-of-use assets	6,759	46	6,805
Investment in associates	27,618	37,733	65,351
Financial assets at FVTOCI	31,142	(28,727)	2,415
Financial assets at FVTPL	19,806	(19,806)	–
Current assets			
Trade and other receivables	93,214	2,344	95,558
Cash and bank balances	18,987	1,110	20,097
Equity			
Fair value reserve	25,289	(54,130)	(28,841)
Retained earnings	(117,578)	64,931	(52,647)
Non-current liabilities			
Trade and other payables	(12,750)	(1,894)	(14,644)
Lease liabilities	(4,942)	(18)	(4,960)
Current liabilities			
Contract liabilities	(70)	(927)	(997)
Trade and other payables	(65,792)	(4,957)	(70,749)
Lease liabilities	(1,965)	(28)	(1,993)
Provisions	(20,239)	4,297	(15,942)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

40. PRIOR YEAR ADJUSTMENTS (CONTINUED)

Consolidated Statement of Financial Position
As at 30 September 2023

	As previously reported S$'000	Adjustments S$'000	Balance as restated S$'000
2023			
Non-current assets			
Property, plant and equipment	13,155	25	13,180
Right-of-use assets	6,546	90	6,636
Investment in associates	9,690	36,415	46,105
Financial assets at FVTOCI	32,432	(29,957)	2,475
Financial assets at FVTPL	19,610	(19,610)	–
Current assets			
Trade and other receivables	64,919	2,795	67,714
Contract assets	22,122	225	22,347
Cash and bank balances	9,816	1,944	11,760
Equity			
Fair value reserve	23,999	(52,191)	(28,192)
Retained earnings	(68,090)	65,343	(2,747)
Non-current liabilities			
Trade and other payables	(12,750)	(3,651)	(16,401)
Lease liabilities	(4,558)	(91)	(4,649)
Current liabilities			
Trade and other payables	(53,456)	(8,264)	(61,720)
Provisions	(19,894)	6,927	(12,967)

Consolidated Statement of Cash Flows
For the financial year ended 30 September 2023

	As previously reported S$'000	Adjustments S$'000	Balance as restated S$'000
2023			
Operating activities			
Loss before income tax	(50,236)	(412)	(50,648)
Loss allowance			
– Trade and other receivables	1,229	(567)	662
Impairment loss on investment in a joint venture	1,740	(1,740)	–
Fair value change on FVTPL	196	(196)	–
Depreciation of properties, plant and equipment	2,380	4	2,384
Depreciation of right of use asset	2,457	56	2,513
Interest expense	4,091	2	4,093
Decrease in:			
– Provision for onerous contract	(6,710)	2,454	(4,256)
Share of results of associates	7,754	608	8,362
Share of results of joint ventures	4,784	(5,084)	(300)
Changes in working capital:			
Trade and other receivables	8,580	116	8,696
Contract assets	17,943	(225)	17,718
Contract liabilities	3,085	(927)	2,158
Trade and other payables	(10,142)	5,062	(5,080)
Investing activities			
Loan to a joint venture	(1,740)	1,740	–
Purchase of property. plant and equipment	(171)	(2)	(173)
Financing activities			
Repayment of lease liabilities	(2,319)	(55)	(2,374)
Net decrease in cash and cash equivalents	(9,726)	834	(8,892)
Cash and cash equivalents at beginning of financial year	22,602	1,110	23,712
Cash and cash equivalents at end of financial year	12,699	1,944	14,643

ANALYSIS OF SHAREHOLDINGS

AS AT 25 FEBRUARY 2025

Issued and Fully Paid-Up Capital (including Treasury Shares):	S$25,817,265
Issued and Fully Paid-Up Capital (excluding Treasury Shares):	S$22,514,415
Number of Issued Shares (excluding Treasury Shares):	235,010,000
Number/Percentage of Treasury Shares:	7,555,000 (3.21%)
Class Of Shares:	Ordinary shares
Voting Rights (excluding Treasury Shares):	One Vote Per Share

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	3	0.78	100	0.00
100 – 1,000	33	8.59	16,100	0.01
1,001 – 10,000	137	36.68	871,100	0.37
10,001 – 1,000,000	199	51.82	19,791,802	8.42
1,000,001 AND ABOVE	12	3.13	214,330,898	91.20
TOTAL	384	100.00	235,010,000	100.00

Based on the information available to the Company, as at 25 February 2025, approximately 13.31% of the issued ordinary shares of the Company is held by the public. Hence, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

TOP TWENTY SHAREHOLDERS AS AT 7 FEBRUARY 2025	NO. OF SHARES	%
CITIBANK NOMINEES SINGAPORE PTE LTD	113,218,720	48.18
LJHB CAPITAL (S) PTE LTD	61,411,398	26.13
IFAST FINANCIAL PTE LTD	9,574,400	4.07
DBS NOMINEES PTE LTD	8,443,100	3.59
LEO TING PING RONALD	5,231,180	2.23
BNP PARIBAS NOMINEES SINGAPORE PTE LTD.	5,000,000	2.13
LIM SIAK MENG	3,835,800	1.63
LIM EWE GHEE	2,000,000	0.85
LEO SHU YAN, NICOLE (LIANG SHUYAN)	1,700,000	0.72
TEOU KEM ENG @TEOU KIM ENG	1,402,000	0.60
RAFFLES NOMINEES (PTE) LIMITED	1,381,400	0.59
CHEONG SHUEK MUI	1,132,900	0.48
TEOU CHUN TONG JASON	1,000,000	0.42
ANG JUI KHOON	835,900	0.36
TEOU CHOON GEE	746,500	0.32
CHOW KWOK HONG	700,000	0.30
LIM AND TAN SECURITIES PTE LTD	588,000	0.25
ABN AMRO CLEARING BANK N.V.	540,600	0.23
ONG SZE WANG (WANG SIYUAN)	517,300	0.22
CHUA KHOON SENG	500,000	0.21
	219,759,198	93.51

ANALYSIS OF SHAREHOLDINGS

AS AT 25 FEBRUARY 2025

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 25 FEBRUARY 2025 AS RECORDED IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS	NO. OF SHARES HELD AS DIRECT	%	NO. OF SHARES HELD AS DEEMED	%
LEO TING PING RONALD[1]	5,231,180	2.23	22,500,000	9.57
LJHB CAPITAL (S) PTE LTD[2]	61,411,398	26.13	111,525,620	47.46
FOREVERTRUST INTERNATIONAL (S) PTE. LTD.[3]	–	–	172,937,018	73.59
LJHB HOLDINGS (S) PTE. LTD.[4]	–	–	172,937,018	73.59
LIU HAIYAN[5]	–	–	172,937,018	73.59

Notes:

1 Mr Leo Ting Ping Ronald is deemed interested in 5,000,000 shares held in the name of BNP Paribas Nominees Singapore Pte Ltd, 7,500,000 shares held in the name of DBS Nominees Pte Ltd and 10,000,000 shares held in the name of Citibank Nominees Singapore Pte Ltd.

2 LJHB Capital (S) Pte. Ltd, ("LJHB Capital") is deemed interested in 102,359,020 shares held in the name of Citibank Nominees Singapore Pte. Ltd. and 9,166,600 shares held in the name of iFast Financial Pte Ltd.

3 Forevertrust International (S) Pte. Ltd. ("Forevertrust") is the holding company of LJHB Capital and is therefore deemed to have interest in the shares held through LJHB Capital.

4 LJHB Holdings (S) Pte. Ltd. ("LJHB Holdings") is the holding company of Forevertrust and is therefore deemed to have interest in the shares held through LJHB Capital, its indirect wholly-owned subsidiary.

5 Liu Haiyan is the sole shareholder of LJHB Holdings.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting ("**AGM**" or "**Meeting**") of Keong Hong Holdings Limited (the "**Company**") will be held at Banquet Hall, Sembawang Country Club, 249 Sembawang Road, Singapore 758352 on Friday, 28 March 2025 at 10.30 a.m. for the purpose of transacting the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2024 and the Auditor's Report thereon. **Resolution 1**

2. To approve the proposed Directors' Fees of S$161,667 for the financial year ended 30 September 2024. (2023: S$187,000) **Resolution 2**

3. To re-elect the following Directors who are retiring by rotation pursuant to Article 117 of the Company's Constitution:–

   (i) Mr Leo Ting Ping Ronald *[See Explanatory Note (a)]* **Resolution 3**
   (ii) Mr Er Ang Hooa *[See Explanatory Note (a)]* **Resolution 4**
   (iii) Mr Fong Heng Boo *[See Explanatory Note (b)]* **Resolution 5**

4. To re-appoint Forvis Mazars LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following Ordinary Resolution:

5. **Share Issue Mandate** **Resolution 7**

   "That pursuant to Section 161 of the Companies Act 1967 (Singapore) (the "**Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Listing Manual**"), the Directors of the Company be authorised and empowered to:

   (a) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (b) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit pursuant to Section 161 of the Act and Rule 806 of the Listing Manual; and

   (c) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time of such issuance of Shares,

   provided that:

   (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution), shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of total issued Shares shall be based on the total issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising of share options or vesting of share awards outstanding and/or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Mainboard Rules; and

(iii) any subsequent bonus issue, consolidation or sub-division of Shares.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Mainboard Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution for the time being of the Company; and

(4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."
[See Explanatory Note (c)]

By Order of the Board

Heng Michelle Fiona and Lim Guek Hong
Company Secretaries

13 March 2025
Singapore

Explanatory Notes:

(a) Detailed Information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Leo Ting Ping Ronald and Mr Er Ang Hooa can be found on pages 144 to 146 of the Annual Report.

(b) Mr Fong Heng Boo, if re-elected, will continue to serve as the Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee, Mr Fong Heng Boo is considered to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Fong Heng Boo can be found on pages 144 to 146 of the Annual Report.

(c) The Ordinary Resolution 7 proposed in item 5 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting whichever is the earlier, to allot and issue Shares and/or the convertible securities. The aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue under this Resolution, shall not exceed fifty per cent (50%) of the total issued Shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of Shares and/or convertible securities other than on a pro-rata basis to all existing shareholders of the Company shall not exceed twenty per cent (20%) of the total issued Shares (excluding treasury shares and subsidiary holdings).

Notes:

1. **Conduct of Meeting**

The AGM will be held, in a wholly physical format, at the venue, date and time stated above. Members, including CPF and SRS investors, and (where applicable) duly appointed proxies or representatives will be able to ask questions and vote at the AGM by attending the AGM in person. There will be no option for shareholders to participate virtually.

NOTICE OF ANNUAL GENERAL MEETING

2. **Annual Report 2024, Notice of AGM and Proxy Form**

Documents relating to the business of the AGM which comprise the Company's Annual Report 2024, Notice of AGM and Proxy Form have been published on SGX website at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.keonghong.com/newsroom.html. Printed copies of this Notice and the accompanying Proxy Form will be despatched by post to the Members accordingly.

Members may request for printed copies of the Annual Report 2024 of the Company by completing and submitting the request form sent to them by post together with printed copies of this Notice of AGM and the accompanying proxy form, no later than 21 March 2025 to the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road #06-03, Robinson 77, Singapore 068896.

3. **Submission of Questions relating to the Agenda of the AGM**

Members, including CPF and SRS investors, can submit questions relating to the business of the AGM in advance by **5.00 p.m.** on **20 March 2025**:

(a) by post to the Company's registered address at 9 Sungei Kadut Street 2, Singapore 729230; or

(b) via email at ir@keonghong.com.

When submitting questions by post or via email, members should provide the following details; (i) the member's full name; (ii) his/her/its identification/registration number; (iii) contact for verification purposes; and (iv) the manner in which the member holds shares in the Company (e.g. via CDP, CPF, SRS and/or scrip), for verification purposes.

4. **Publication of Responses**

The Company will endeavour to address all substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) received from members by publishing its responses to such questions on the Company's corporate website at https://www.keonghong.com/newsroom.html and the SGX website at https://www.sgx.com/securities/company-announcements, either 23 March 2025, being at least 48 hours prior to the deadline for the submission of Proxy Form, or at AGM.

If there are any relevant and subsequent questions received after the deadline for submission of questions on **20 March 2025**, the Company will address them during the AGM. For questions which are addressed during the AGM, the responses to such questions will be included in the minutes of AGM which will be published on the SGX website and the Company's website within one (1) month after the date of AGM.

5. **Submission of Proxy Forms**

(a) The instrument appointing proxy(ies) must be submitted to the Company in the following manner:

(i) If submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S Private Limited, at 77 Robinson Road #06-03, Robinson 77, Singapore 068896; or

(ii) If submitted electronically, be submitted via email to the Company's Share Registrar at main@zicoholdings.com

in either case, by **10.30 a.m.** on **25 March 2025**, being 72 hours before the time appointed for holding the AGM.

(b) Members are strongly encouraged to submit the completed proxy form electronically.

(c) CPF/SRS investors who hold the Company's shares:

(i) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operations if they have any queries regarding their appointment as proxies; or

(ii) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m.** on **18 March 2025**.

(d) The instrument of proxy must be signed by the appointor or his attorney duly authorised in writing. In the case of joint shareholders, all holders must sign the instrument of proxy.

Personal data privacy:

By submitting an instrument appointing proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of proxy(ies) for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes (the "Warranty"), and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of Warranty. Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes to be prepared for the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he may propose/second) may be recorded by the Company for such purpose.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Leo Ting Ping Ronald, Mr Er Ang Hooa and Mr Fong Heng Boo, are the Directors seeking re-election at the annual general meeting of the Company on 28 March 2025 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of SGX-ST is set out below:

Name of Director	**Leo Ting Ping Ronald**	**Er Ang Hooa**	**Fong Heng Boo**
Date of appointment	15 April 2008	26 September 2011	1 January 2022
Date of last re-appointment (if applicable)	30 January 2023	30 January 2023	23 January 2022
Age	73	72	75
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this re-appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the performance, contributions, qualifications, expertise, work experience and suitability of Mr Leo Ting Ping Ronald ("Mr Leo") for re-election as the Chairman and Chief Executive Officer of the Company. The Board has accepted the NC's recommendation and concluded that Mr Leo continues to possess the experience, expertise, knowledge and skills to contribute positively to the diversity of the Board. His leadership will continue to enhance Board deliberations and set the direction for the Group. With his in-depth knowledge of the Group's operations, Mr Leo is in a good position to oversee and manage the Group's operations in Singapore and overseas.	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the performance, contributions, qualifications, expertise, work experience and suitability of Mr Er Ang Hooa ("Mr Er") for re-election as the Executive Director of the Company. The Board has accepted the NC's recommendation and concluded that Mr Er continues to possess the experience, expertise, knowledge and skills to contribute positively towards core competencies and diversity of the Board. With his in-depth knowledge of the construction business, Mr Er is in a good position to manage the operational activities in relation to the Group's construction projects.	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the qualifications, work experience and knowledge of Mr Fong Heng Boo ("Mr Fong") for re-election as an Independent Director of the Company. The Board has accepted the NC's recommendation and concluded that Mr Fong will be able to contribute beneficially towards the core competencies of the Board.
Whether Board appointment is executive, and if so, the area of responsibility	The appointment is Executive. As Chairman & Chief Executive Officer, Mr Leo is responsible for formulating the Group's strategic direction and overall management of the Group's operations and business expansion.	The appointment is Executive. As Executive Director, Mr Er is responsible for all operational activities in relation to construction projects undertaken by the Group.	The appointment is Non-Executive

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Leo Ting Ping Ronald	Er Ang Hooa	Fong Heng Boo
Job Title (e.g. Lead ID, AC Chairman, AC Member)	Chairman and Chief Executive Officer.	Executive Director.	Lead Independent Director, Chairman of the Audit Committee and Member of the Nominating Committee and Remuneration Committee.
Academic/Professional qualifications	1) Bachelor of Engineering (Civil) with First Class Honours, National University of Singapore 2) Master of Science (Construction Engineering), National University of Singapore 3) Member, The Institution of Engineers Singapore 4) Associate, The Institute of Structural Engineers, United Kingdom 5) Professional Engineer, Singapore Professional Engineers Board in 1979.	1) Bachelor of Science in Civil Engineering, University of Dundee, United Kingdom 2) Master of Science in Structural Steel Design, Imperial College, London 3) Graduate diploma in management and administration, Bradford University, United Kingdom	1) Bachelor of Accountancy (Honours) in 1973, University of Singapore (now known as the National University of Singapore) 2) Formerly a Fellow Member of the Institute of Singapore Chartered Accountants.
Working experience and occupation(s) during the past 10 years	Mr Leo joined Keong Hong Construction Pte Ltd in 1985 as Managing Director, where he grew the business from a subcontractor to an established design and build main contractor of Building and Construction Authority A1 Grading. He led the Group to its initial public offering on the Catalist Board of the Singapore Exchange Securities Trading Limited on 16 December 2011. The Group was subsequently transferred to the Mainboard on 2 August 2016.	Mr Er has been the project director of Keong Hong Construction Pte Ltd since June 2010 and overseeing all operational activities relating to construction projects undertaken by the Group.	Mr Fong has over 46 years of experience in auditing, finance, business development and corporate governance, He was with the Auditor-General's Office ("AGO"), Singapore and held the position of Assistant Auditor-General when he left AGO in 1993. He was also the Director (Special Duties) at the Singapore Totalisator Board, where he led the finance and investment functions.
Any relationship (including immediate family relationships) with any existing director/existing executive officer of the Company or any of its principal subsidiaries and/or substantial shareholder	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Leo Ting Ping Ronald	Er Ang Hooa	Fong Heng Boo
Conflict of interest (including any competing business)	No	No	No
Other Principal Commitments including Directorships			
Past 5 years	Nil	Nil	1. Colex Holdings Limited 2. Sapphire Corporation Limited 3. Asian American Medical Group Ltd 4. Certis CISCO Securities Pte Ltd 5. Capital Township Development Fund II Pte Ltd 6. Capital Township Development Fund Pte Ltd 7. CapitaLand China Trust Management Limited 8. Singapore Health Services Pte Ltd
Present	Director of Keong Hong Group's subsidiaries, associated companies and joint venture companies.	Director of Keong Hong Group's subsidiaries, associated companies and joint venture companies.	Directorships: 1. TA Corporation Ltd 2. Livingstone Health Holdings Limited 3. Bonvest Holdings Limited 4. Keong Hong Holdings Limited 5. Sheng Ye Capital Ltd 6. Kwan Yong Holdings Limited 7. UOA Development BHD 8. Surbana Jurong Private Limited 9. Agency for Integrated Care Pte Ltd

Mr Leo Ting Ping Ronald, Mr Er Ang Hooa and Mr Fong Heng Boo have each provided an undertaking set out in Appendix 7.7 under Rule 720(1) of SGX-ST.

Mr Leo and Mr Fong have also individually confirmed that on each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST, the answer is "No".

As for Mr Er, he has confirmed that on each of the questions as set out in paragraphs (a), (c) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST, the answer is "No", and "Yes" for paragraph (b) which stated that he was a director of Hansin Timber Specialist and Trading Pte Ltd which was one of the Company's 60.0%-owned subsidiary that the Group had placed under creditors' voluntary liquidation. See the Company's announcement dated 11 August 2023.

The shareholding interest in the Company and its subsidiaries of each of these Directors are disclosed in the Directors' Statement on pages 49 and 50 of the Annual Report.

The disclosure on prior experience as a director of an issuer listed on the Exchange and details of prior experience is not applicable as this disclosure is only applicable to the appointment of a new director.

KEONG HONG HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
UEN: 200807303W

PROXY FORM
(Please see notes overleaf before completing this form)

Important

1. The Seventeenth Annual General Meeting ("**AGM**" or "**Meeting**") will be held, in a wholly physical format, at the venue, date and time stated below. There will be no option for members to participate virtually.
2. Pursuant to Section 181(1C) of the Companies Act 1967 (the "**Act**"), relevant intermediaries may appoint more than two proxies to attend, speak and vote at the AGM.
3. For investors who have used their Central Provident Fund or Supplementary Retirement Scheme monies to buy Shares in the Company (the "**CPF Investors**" or "**SRS Investors**"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS investors:
   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m.** on **18 March 2025**.
4. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies) to vote on his/her/its behalf at the Meeting.**

Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 March 2025.

I/We ______________________________ (Name) ______________ (NRIC/Passport/Unique Entity Number) of ______________________________ (Address) being a member/members of KEONG HONG HOLDINGS LIMITED hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing the person, or either or both the persons, referred to the above, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the AGM of the Company to be held at Banquet Hall, Sembawang Country Club, 249 Sembawang Road, Singapore 758352 on **Friday, 28 March 2025 at 10.30 a.m.** and at any adjournment thereon in the following manner.

Please indicate your vote "For", "Against" or "Abstain" with an "X" within the box provided. Alternatively, please indicate the number of votes "For" or "Against" within the box provided. If you wish to abstain from voting on a resolution, please indicate "X" in the "Abstain" box in respect of that resolution. Alternatively, please indicate the number of shares that your proxy is directed to abstain from voting in that resolution.

In the absence of specific directions in respect of a resolution, the proxy/proxies will vote or abstain from voting at his/her/its discretion.

No.	Resolutions relating to:	For*	Against*	Abstain*
1.	To adopt the Directors' Statements, Auditor's Report and Audited Financial Statements for financial year ended 30 September 2024			
2.	To approve Directors' Fees of S$161,667 for the financial year ended 30 September 2024			
3.	To re-elect Mr Leo Ting Ping Ronald as a Director of the Company			
4.	To re-elect Mr Er Ang Hooa as a Director of the Company			
5.	To re-elect Mr Fong Heng Boo as a Director of the Company			
6.	To re-appoint Forvis Mazars LLP as Auditor of the Company and to authorize Directors to fix their remuneration			
	Special Business			
7.	General authority to allot and issue new shares pursuant to Section 161 of the Companies Act 1967 of Singapore			

Dated this ________ day of ________________ 2025

Total Number of Shares:	No. of Shares
CDP Register	
Register of Members	

____
Signature(s) of Member(s) or Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's Proxy Form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

   "Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.

   A member who wishes to submit an instrument of proxy must complete and sign the Proxy Form, before submitting it in the manner set out below.

2. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy. If no name is inserted in the space for the name of your proxy on the form of proxy, the Chairman of the Meeting will act as your proxy.

3. The instrument appointing proxy/proxies must be submitted to the Company in the following manner:

   (i) if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road #06-03, Robinson 77, Singapore 068896; or

   (ii) if submitted electronically, be submitted via email to the Company's Share Registrar at main@zicoholdings.com,

   in either case, by **10.30 a.m. on 25 March 2025**, being 72 hours before the time appointed for holding the AGM.

   A member who wishes to submit an instrument appointing proxy must complete and sign the Proxy Form, before scanning and sending it by email to the email address provided above or submitting it by post to the address provided above.

   Members are strongly encouraged to submit the completed Proxy Form electronically.

4. CPF/SRS investors who hold the Company's shares may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case, they should approach their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the AGM to submit their votes which is by 5.00 p.m. on 18 March 2025.

5. Completion and return of this instrument appointing a proxy/proxies shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy/proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member.

7. The instrument appointing proxy/proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing proxy/proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its authorised officer(s) or its attorney duly authorised.

8. Where an instrument appointing proxy/proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing proxy/proxies is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing proxy/proxies is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.

10. The Company shall be entitled to reject the instrument appointing proxy/proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing proxy/proxies (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject an instrument appointing proxy/proxies lodged or submitted if such members are not shown to have shares against their names in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

11. Members should take note that once this Proxy Form is submitted electronically via email to the Company's Share Registrar, they cannot change their vote as indicated in the box provided above.

KEONG HONG HOLDINGS LIMITED
强枫控股有限公司

(INCORPORATED IN THE REPUBLIC OF SINGAPORE ON 15 APRIL 2008)
(COMPANY REGISTRATION NO.: 200807303W)

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WWW.KEONGHONG.COM

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ISO 9001
ISO 14001
ISO 45001

SAC Accredited Certification Body
QS-1999-05
ES-2018-07
OSH-2008-01