



KEONG HONG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200807303W)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2024**

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KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2024

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

		The Group					
		Six months ended 30 September 2024	Six months ended 30 September 2023 (Restated)	Change	Full year ended 30 September 2024	Full year ended 30 September 2023 (Restated)	Change
Note		S\$'000	S\$'000	%	S\$'000	S\$'000	%
	Revenue	94,639	71,053	33.2	176,561	199,789	(11.6)
	Cost of sales	(92,098)	(96,361)	(4.4)	(176,989)	(226,155)	(21.7)
	Gross (loss)/profit	2,541	(25,308)	n.m.	(428)	(26,366)	(98.4)
	Other income	4,495	4,612	(2.5)	8,739	16,892	(48.3)
	Administrative expenses	(10,877)	(4,716)	>100	(18,310)	(18,998)	(3.6)
	Reversal of loss allowance/(loss allowance) on financial assets						
	- Trade and other receivables	(284)	(794)	(64.2)	438	(662)	n.m.
	- Contract assets	18	(193)	n.m.	283	714	(60.4)
	- Long-term interests	23,285	(8,532)	n.m.	23,285	(8,532)	n.m.
	- Financial guarantee contracts	(187)	205	n.m.	(187)	205	n.m.
	Finance costs	(923)	(1,966)	(53.1)	(2,138)	(4,093)	(47.8)
	Other expenses	-	(1,746)	n.m.	-	(1,746)	n.m.
	Share of results of joint ventures, net of tax	86	(26)	n.m.	44	300	(85.3)
	Share of results of associates, net of tax	(7,550)	(5,676)	33.0	(10,642)	(8,362)	27.3
	Profit/(Loss) before income tax	10,604	(44,140)	n.m.	1,084	(50,648)	n.m.
	Income tax expense	-	(838)	n.m.	-	(568)	n.m.
	Profit/(loss) for the period/year	10,604	(44,978)	n.m.	1,084	(51,216)	n.m.
	Other comprehensive income:						
	<i>Items that may be reclassified subsequently to profit or loss:</i>						
	Exchange differences on translating foreign operations	2,720	(1,373)	n.m.	3,248	1,582	>100
	<i>Items that may not be reclassified subsequently to profit or loss:</i>						
	Fair value gain/(loss) on financial assets at FVTOCI	(240)	(709)	(66.1)	(90)	(649)	(86.1)
	Other comprehensive income for the period/year, net of tax	2,480	(2,082)	n.m.	3,158	933	>100
	Total comprehensive income for the period/year	13,084	(47,060)	n.m.	4,242	(50,283)	n.m.
	Profit/(loss) attributable to:						
	Owners of the company	10,604	(44,326)	n.m.	1,084	(49,900)	n.m.
	Non-controlling interests	-	(652)	n.m.	-	(1,316)	n.m.
		10,604	(44,978)	n.m.	1,084	(51,216)	n.m.
	Total comprehensive loss attributable to						
	Owners of the company	13,084	(46,408)	n.m.	4,242	(48,967)	n.m.
	Non-controlling interests	-	(652)	n.m.	-	(1,316)	n.m.
		13,084	(47,060)	n.m.	4,242	(50,283)	n.m.
	Profit/(loss) per share (cents)						
	• Basic	4.51	(18.86)		0.46	(21.23)	
	• Diluted	4.51	(18.86)		0.46	(21.23)	

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

Additional notes

- Other income of S\$8.7 million (FY2023: S\$16.9 million) included gain on disposal of investment properties of nil (FY2023: S\$7.8 million).
- Administrative expenses of S\$18.3 million (FY2023: S\$19.0 million) included net foreign exchange loss of S\$6.0 million (FY2023: S\$4.6 million) that is mainly unrealised.
- Reversal of loss allowance / (loss allowance) on long-term interests of S\$23.3 million (FY2023: (S\$8.5 million)) related to reversal of impairment loss on investment in an associate determined based on valuation of its fair value.
- *Restatement* - The Group has restated its condensed interim consolidated statement of profit and loss and other comprehensive income, for the 6 months financial period and full year ended 30 September 2023, and the statement of financial position, condensed interim consolidated statements of changes in equity, and condensed interim consolidated statements of cash flows as at 30 September 2023 in order to remedied ACRA's findings on its review of the Group's FY2022 financial statements (see announcement dated 25 October 2024).

B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	The Group			The Company	
		30	30	1	30	30
		September 2024	September 2023 (Restated)	October 2022 (Restated)	September 2024	September 2023
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets						
Property, plant and equipment	11	11,218	13,180	15,140	-	-
Right-of-use assets		4,391	6,636	6,805	-	-
Investment properties	12	-	-	16,910	-	-
Investments in subsidiaries		-	-	-	21,139	21,139
Investments in associates		26,480	46,105	65,351	7,123	7,123
Investments in joint ventures		4,453	6,181	6,717	-	-
Intangible assets	13	43	142	165	-	-
Financial assets at FVTOCI	14	2,385	2,475	2,414	2,385	2,475
Deferred tax assets		28	28	70	-	-
Total non-current assets		48,998	74,747	113,572	30,647	30,737
Current assets						
Inventories		-	-	671	-	-
Trade and other receivables		60,434	67,714	95,558	29,998	12,414
Contract assets		28,754	22,347	38,514	-	-
Prepayments		173	190	1,262	18	17
Tax recoverable		-	1,323	-	-	-
Fixed deposits		2,964	2,883	4,820	1,505	-
Cash and bank balances		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		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						
Share capital	15	25,048	25,048	25,048	25,048	25,048
Treasury shares	15	(3,303)	(3,303)	(3,303)	(3,303)	(3,303)
Share option reserve		2,041	2,041	2,041	2,041	2,041
Foreign currency translation reserve		3,451	203	(1,379)	-	-
Merger reserve		(4,794)	(4,794)	(4,794)	-	-
Fair value reserve		28,102	28,192	28,841	(4,440)	(4,350)
Other reserve		1,125	1,125	1,125	-	-
Retained earnings		3,831	2,747	52,647	28,654	10,618
Equity attributable to owners of the company		55,501	51,259	100,226	48,000	30,054
Non-controlling interests		-	-	(1,755)	-	-
Total equity		55,501	51,259	98,471	48,000	30,054
Non-current liabilities						
Trade and other payables	16	17,636	16,401	14,644	12,750	12,750
Bank borrowings	17	4,353	6,201	7,627	-	-
Lease liabilities		4,120	4,649	4,960	-	-
Provisions		512	512	512	-	-
Deferred tax liabilities		1	1	1	-	-
Total non-current liabilities		26,622	27,764	27,744	12,750	12,750

• Please refer to note on *Restatement* on page 2

**KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2024**

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

	Note	The Group			The Company	
		30	30	1	30	30
		September 2024	September 2023 (Restated)	October 2022 (Restated)	September 2024	September 2023
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current liabilities						
Contract liabilities		12,280	3,155	997	-	-
Trade and other payables		79,462	61,720	70,749	1,632	1,097
Bank borrowings	17	9,855	19,859	21,054	-	-
Lease liabilities		635	2,294	1,993	-	-
Medium term notes	17	-	-	35,228	-	-
Provisions		8,070	12,967	15,942	-	-
Current income tax payable		1,826	1,946	2,316	-	-
Total current liabilities		112,128	101,941	148,279	1,632	1,097
Total liabilities		138,750	129,705	176,023	14,382	13,847
Total equity and liabilities		194,251	180,964	274,494	62,382	43,901

- Please refer to note on *Restatement* on page 2

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
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C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<u>The Group</u>	Share capital S\$'000	Treasury shares S\$'000	Share option reserve S\$'000	Foreign currency translation reserve S\$'000	Merger reserve S\$'000	Fair value reserve S\$'000	Other reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the company S\$'000	Non-controlling interests S\$'000	Total S\$'000
Full year ended 30 September 2024											
Balance at 1 October 2023, as previously reported	25,048	(3,303)	2,041	203	(4,794)	(23,999)	1,125	68,090	64,411	-	64,411
Prior year restatements	-	-	-	-	-	52,191	-	(65,343)	(13,152)	-	(13,152)
Balance at 1 October 2023, as restated	25,048	(3,303)	2,041	203	(4,794)	28,192	1,125	2,747	51,259	-	51,259
Profit for the financial year	-	-	-	-	-	-	-	1,084	1,084	-	1,084
Other comprehensive income for the financial year:											
Exchange differences on translating foreign operations	-	-	-	3,248	-	-	-	-	3,248	-	3,248
Fair value loss on financial assets at FVTOCI	-	-	-	-	-	(90)	-	-	(90)	-	(90)
Total comprehensive income for the financial year	-	-	-	3,248	-	(90)	-	1,084	4,242	-	4,242
Transactions with company, recognised directly in equity											
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 September 2024	25,048	(3,303)	2,041	3,451	(4,794)	28,102	1,125	3,831	55,501	-	55,501

- Please refer to note on *Restatement* on page 2

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2024

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

<u>The Group</u>	Share capital S\$'000	Treasury shares S\$'000	Share option reserve S\$'000	Foreign currency translation reserve S\$'000	Merger reserve S\$'000	Fair value reserve S\$'000	Other reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the company S\$'000	Non-controlling interests S\$'000	Total S\$'000
Full year ended 30 September 2023											
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	-	-	-	-	-	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	-	-	-	-	-	-	-	(412)	(412)	-	(412)
- As restated	-	-	-	-	-	-	-	(49,900)	(49,900)	(1,316)	(51,216)
Other comprehensive income for the financial year:											
Exchange differences on translating foreign operations	-	-	-	1,582	-	-	-	-	1,582	-	1,582
Fair value gain/ (loss) on financial assets at FVTOCI:											
- As previously reported	-	-	-	-	-	1,290	-	-	1,290	-	1,290
- Prior year restatements	-	-	-	-	-	(1,939)	-	-	(1,939)	-	(1,939)
- As restated	-	-	-	-	-	(649)	-	-	(649)	-	(649)
Total comprehensive income for the financial year	-	-	-	1,582	-	(649)	-	(49,900)	(48,967)	(1,316)	(50,283)
Transactions with company, recognised directly in equity											
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	3,071	3,071
Balance at 30 September 2023	25,048	(3,303)	2,041	203	(4,794)	28,192	1,125	2,747	51,259	-	51,259

- Please refer to note on *Restatement* on page 2

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

<u>The Company</u>	Share Capital S\$'000	Treasury shares S\$'000	Share option reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Full year ended 30 September 2024						
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 for the financial year:						
Fair value loss on financial assets at FVTOCI	-	-	-	(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
Full year ended 30 September 2023						
Balance at 1 October 2022	25,048	(3,303)	2,041	(4,410)	(10,341)	9,035
Profit for the financial year	-	-	-	-	20,959	20,959
Other comprehensive income for the financial year:						
Fair value gain on financial assets at FVTOCI	-	-	-	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

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	The Group	
		Full year ended 30 September 2024	Full year ended 30 September 2023 (Restated)
		S\$'000	S\$'000
Operating activities			
Profit/(Loss) before income tax		1,084	(50,648)
Adjustments for:			
(Reversal of loss allowance)/loss allowance on financial assets			
- Trade and other receivables		(438)	662
- Contract assets		(283)	(714)
- Long term interests		(23,285)	8,532
- Financial guarantee contracts		187	(205)
Loss on liquidation of a subsidiary		-	1,746
Amortisation of intangible assets	13	99	160
Depreciation of investment properties	12	-	166
Depreciation of property, plant and equipment		2,382	2,384
Depreciation of right-of-use assets		2,415	2,513
Gain on disposal of investment properties		-	(7,755)
Gain on disposal of plant and equipment		-	(108)
Reversal of loss allowance for inventory obsolescence		-	(12)
Interest income		(6,344)	(6,749)
Interest expense		2,138	4,093
(Decrease)/increase in provisions			
- Provision for onerous contract		(4,897)	(4,256)
- Provision for warranty		-	(619)
- Provision for restatement cost		-	1,900
Loss on unrealised foreign exchange		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 working capital changes		(10,297)	(36,222)
Working capital changes:			
Inventories		-	577
Trade and other receivables		(3,474)	8,696
Prepayments		17	859
Contract assets		(6,124)	17,718
Contract liabilities		9,125	2,158
Trade and other payables		18,258	(5,080)
Cash generated from/(used in) operations		7,505	(11,294)
Income tax refund/(paid)		1,293	(2,308)
Net cash generated from/(used in) operating activities		8,798	(13,602)

- Please refer to note on *Restatement* on page 2

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

	Note	The Group	
		Full year ended 30 September 2024	Full year ended 30 September 2023 (Restated)
		S\$'000	S\$'000
Investing activities			
Advance to a joint venture		(50)	-
Advance to an associate		(2,868)	-
Purchase of property, plant and equipment	11	(420)	(173)
Purchase of intangible assets	13	-	(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 income from associates		-	300
Dividend income from joint venture		1,733	800
Net cash generated from investing activities		14,202	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		(2,362)	(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		(17,033)	(43,383)
Net increase/(decrease) in cash and cash equivalents		5,967	(8,892)
Cash and cash equivalents at beginning of financial year		14,643	23,712
Effect of foreign exchange rate changes on cash and cash equivalents		165	(177)
Cash and cash equivalents at end of financial year		20,775	14,643
Cash and cash equivalents:			
Fixed deposits		2,964	2,883
Cash and bank balances		18,811	11,760
		21,775	14,643
Fixed deposits pledged		(1,000)	-
Cash and cash equivalents at end of financial year		20,775	14,643

- Please refer to note on *Restatement* on page 2

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Keong Hong Holdings Limited (the "Company") is a public limited company, incorporated and domiciled in Singapore. The Company is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the full year ended 30 September 2024 comprise the Company and its subsidiaries (collectively, the "Group").

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

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

2. BASIS OF PREPARATION

The condensed interim financial statements for the full year ended 30 September 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 September 2023.

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

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

2.1. New and amended standards adopted by the Group

The Group has adopted the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("SFRS(I) INT") that are effective for annual periods beginning on or after 1 October 2023, where applicable. The adoption of these new and revised SFRS(I) or SFRS(I) INT does not have any material impact to the Group's financial statements.

2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2023.

2.2. Use of judgements and estimates (continued)

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

(i) Determine the lease term

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

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

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

(i) Construction contracts

The Group has significant ongoing construction contracts as at 30 September 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.

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

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

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

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

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

(iii) Fair value measurements and valuation processes

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

2.2. Use of judgements and estimates (continued)

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

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

Trade receivables, retention sum and contract assets

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

Non-trade receivables from subsidiaries, associates and joint ventures

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

(v) Measurement of lease liabilities

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

3. SEASONAL OPERATIONS

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

4. SEGMENT AND REVENUE INFORMATION

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

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

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

4.1. Reportable segments

	The Group					Total
	Six months ended 30 September 2024					
	Buildings and construction	Property development	Investment property	Investment holding	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	94,639	-	-	-	-	94,639
Inter-segment sales	-	101	-	-	(101)	-
	94,639	101	-	-	(101)	94,639
Profit/(Loss) from operations						
Share of results from joint ventures, net of tax	-	86	-	-	-	86
Share of results from associates, net of tax	-	(7,550)	-	-	-	(7,550)
Interest income	3,109	-	-	8	-	3,117
Interest expenses	(509)	-	-	(414)	-	(923)
Depreciation and amortisation	(2,244)	-	-	-	-	(2,244)
Income tax expense	-	-	-	-	-	-
Reportable segment profit/(loss) before income tax	11,678	95	(15)	(1,154)	-	10,604
Net profit/(loss) for the period after tax	11,678	95	(15)	(1,154)	-	10,604
Other information						
Additions to non-current assets	341	-	-	-	-	341
Investment in joint ventures	-	4,453	-	-	-	4,453
Investment in associates	-	26,480	-	-	-	26,480
Segment assets	147,916	36,815	385	9,135	-	194,251
Segment liabilities	122,238	2,116	9	14,387	-	138,750

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4.1. Reportable segments (continued)

	The Group					Total
	Six months ended 30 September 2023					
	(Restated)					
	Buildings and construction	Property development	Investment property	Investment holding	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	71,042	-	11	-	-	71,053
Inter-segment sales	-	225	-	-	(225)	-
	71,042	225	11	-	(225)	71,053
Loss from operations						
Share of results from joint ventures, net of tax	-	(26)	-	-	-	(26)
Share of results from associates, net of tax	-	(5,676)	-	-	-	(5,676)
Interest income	3,255	-	-	323	-	3,578
Interest expenses	(701)	-	-	(1,265)	-	(1,966)
Depreciation and amortisation	(2,600)	-	-	-	-	(2,600)
Income tax (expense)/credit	61	-	(899)	-	-	(838)
Reportable segment (loss)/profit before income tax	(38,882)	116	(506)	(4,868)	-	(44,140)
Net (loss)/profit for the period after tax	(38,821)	116	(1,405)	(4,868)	-	(44,978)
Other information						
Additions to non-current assets	159	-	-	-	-	159
Investment in joint ventures	-	6,181	-	-	-	6,181
Investment 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

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4.1. Reportable segments (continued)

	The Group					Total
	Full year ended 30 September 2024					
	Buildings and construction	Property development	Investment property	Investment holding	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	176,561	-	-	-	-	176,561
Inter-segment sales	-	206	-	-	(206)	-
	176,561	206	-	-	(206)	176,561
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)
Depreciation and amortisation	(4,896)	-	-	-	-	(4,896)
Income tax expense	-	-	-	-	-	-
Reportable segment (loss)/profit before income tax	2,368	116	(35)	(1,365)	-	1,084
Net (loss)/profit for the financial year after tax	2,368	116	(35)	(1,365)	-	1,084
Other information						
Additions to non-current assets	420	-	-	-	-	420
Investment in joint ventures	-	4,453	-	-	-	4,453
Investment in associates	-	26,480	-	-	-	26,480
Segment assets	147,916	36,815	385	9,135	-	194,251
Segment liabilities	122,238	2,116	9	14,387	-	138,750

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4.1. Reportable segments (continued)

	The Group					Total
	Full year ended 30 September 2023					
	(Restated)					
	Buildings and construction	Property development	Investment property	Investment holding	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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)
Depreciation and amortisation	(5,057)	-	(166)	-	-	(5,223)
Income tax (expense)/credit	331	-	(899)	-	-	(568)
Reportable segment (loss)/profit before income tax	(50,969)	418	6,646	(6,743)	-	(50,648)
Net (loss)/profit for the finance year after tax	(50,638)	418	5,747	(6,743)	-	(51,216)
Other information						
Additions to non-current assets	310	-	-	-	-	310
Investment in joint ventures	-	6,181	-	-	-	6,181
Investment 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

4.2. Disaggregation of revenue

	The Group				
	Six months ended 30 September 2024				
	Buildings and construction	Property development	Investment property	Investment holding	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services					
Construction	94,639	-	-	-	94,639
Rental	-	-	-	-	-
Total revenue	94,639	-	-	-	94,639
Timing of revenue recognition					
At a point in time	-	-	-	-	-
Over time	94,639	-	-	-	94,639
Total revenue	94,639	-	-	-	94,639
Geographical information					
Singapore	94,417	-	-	-	94,417
Maldives	222	-	-	-	222
Japan	-	-	-	-	-
Total revenue	94,639	-	-	-	94,639

	The Group				
	Six months ended 30 September 2023				
	(Restated)				
	Buildings and construction	Property development	Investment property	Investment holding	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services					
Construction	71,042	-	-	-	71,042
Rental	-	-	11	-	11
Total revenue	71,042	-	11	-	71,053
Timing of revenue recognition					
At a point in time	-	-	-	-	-
Over time	71,042	-	11	-	71,053
Total revenue	71,042	-	11	-	71,053
Geographical information					
Singapore	70,997	-	-	-	70,997
Maldives	45	-	-	-	45
Japan	-	-	11	-	11
Total revenue	71,042	-	11	-	71,053

4.2. Disaggregation of revenue (continued)

	The Group				
	Full year ended 30 September 2024				
	Buildings and construction	Property development	Investment property	Investment holding	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services					
Construction	176,561	-	-	-	176,561
Rental	-	-	-	-	-
Total revenue	176,561	-	-	-	176,561
Timing of revenue recognition					
At a point in time	-	-	-	-	-
Over time	176,561	-	-	-	176,561
Total revenue	176,561	-	-	-	176,561
Geographical information					
Singapore	176,141	-	-	-	176,141
Maldives	420	-	-	-	420
Japan	-	-	-	-	-
Total revenue	176,561	-	-	-	176,561

	The Group				
	Full year ended 30 September 2023				
	(Restated)				
	Buildings and construction	Property development	Investment property	Investment holding	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services					
Construction	199,248	-	-	-	199,248
Rental	-	-	541	-	541
Total revenue	199,248	-	541	-	199,789
Timing of revenue recognition					
At a point in time	-	-	-	-	-
Over time	199,248	-	541	-	199,789
Total revenue	199,248	-	541	-	199,789
Geographical information					
Singapore	198,798	-	-	-	198,798
Maldives	450	-	-	-	450
Japan	-	-	541	-	541
Total revenue	199,248	-	541	-	199,789

4.3. A Breakdown of sales

	The Group		
	Financial year ended 30 September 2024	Financial year ended 30 September 2023	Increase/ (Decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	81,922	128,736	(36.4)
Operating (loss) after tax before deducting non-controlling interests reported for first half year	(9,520)	(6,238)	52.6
Sales reported for second half year	94,639	71,053	33.2
Operating (loss) after tax before deducting non-controlling interests reported for second half year	10,604	(44,978)	n.m.

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5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2024 and 30 September 2023.

	Note	The Group		The Company	
		30 September 2024	30 September 2023 (Restated)	30 September 2024	30 September 2023
		S\$'000	S\$'000	S\$'000	S\$'000
Financial assets					
Financial assets at FVTOCI	14	2,385	2,475	2,385	2,475
Financial assets at amortised cost		62,154	79,660	31,717	13,147
Financial liabilities					
Financial liabilities at amortised cost		114,577	109,313	14,382	13,847

6. LOSS BEFORE TAXATION

6.1. Significant items

	The Group			
	Six months ended 30 September 2024	Six months ended 30 September 2023 (Restated)	Full year ended 30 September 2024	Full year ended 30 September 2023 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Other income				
Gain on disposal of plant and equipment	-	-	-	108
Gain on disposal of investment properties	-	-	-	7,755
Interest income	3,117	3,578	6,344	6,749
Sales of scrap steel	31	36	140	91
Rental income from warehouse	733	646	1,380	1,293
Management fee	150	150	300	300
Government grant	14	28	79	168
Others	450	174	496	428
	4,495	4,612	8,739	16,892
Expenses				
<i>Cost of sales</i>				
Construction costs	65,135	79,258	136,343	193,432
Cost of inventories	-	1,619	-	3,375
Employee benefit expenses	5,886	9,372	14,204	18,234
Depreciation of property, plant and equipment	3	3	6	7
Depreciation of investment properties	-	-	-	166
Reversal loss allowance for inventory obsolescence	-	(12)	-	(12)
<i>Administrative and other expenses</i>				
Amortisation of intangible assets	38	88	99	160
Depreciation of property, plant and equipment	1,203	1,192	2,376	2,377
Depreciation of right-of-use asset	1,000	1,317	2,415	2,513
Employee benefit expenses	1,435	2,014	3,001	3,776
(Reversal of impairment loss)/impairment loss on investment in an associate	(23,285)	8,532	(23,285)	8,532
Loss on liquidation of a subsidiary	-	1,746	-	1,746
Professional fees	480	87	891	471
Foreign exchange loss/(gain), net	4,992	(1,728)	6,047	4,626

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6. LOSS BEFORE TAXATION (continued)

6.2. Significant related party transactions

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

	The Group			
	Six months ended 30 September 2024	Six months ended 30 September 2023 (Restated)	Full year ended 30 September 2024	Full year ended 30 September 2023 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Joint ventures				
Contract revenue from joint ventures	137	-	477	177
Advance to joint ventures	50	-	50	-
Interest charged to joint ventures	-	147	79	423
Associates				
Advance to an associate	954	-	2,868	-
Payment made on behalf of associates	9	8	9	8
Management fee charged to associates	150	150	300	300
Interest charged to associates	3,084	3,057	6,198	5,803
Rental charged to associates	669	510	1,179	1,020
Subcontractor services by associates	380	-	410	71
Directors' interest in medium term notes				
Interest expense				
- Leo Ting Ping Ronald	-	48	-	111
- Fong Heng Boo	-	13	-	28
- Chong Weng Hoe	-	6	-	14
Loan from shareholders				
Interest expense				
- LJHB Capital (S) Pte Ltd	260	253	520	502
- Leo Ting Ping Ronald	154	150	309	298

7. TAXATION

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

	The Group			
	Six months ended 30 September 2024	Six months ended 30 September 2023	Full year ended 30 September 2024	Full year ended 30 September 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax expense	-	900	-	630
Deferred income tax expense relating to origination and (reversal) of temporary differences	-	(62)	-	(62)
	-	838	-	568

8. DIVIDENDS

	The Group			
	Six months ended 30 September 2024	Six months ended 30 September 2023	Full year ended 30 September 2024	Full year ended 30 September 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Ordinary dividends paid				
- Final exempt dividend	-	-	-	-
- Interim exempt dividend	-	-	-	-
	-	-	-	-

9. PROFIT/(LOSS) PER ORDINARY SHARES

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

	The Group			
	Six months ended 30 September 2024	Six months ended 30 September 2023 (Restated)	Full year ended 30 September 2024	Full year ended 30 September 2023 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Profit/(loss) attributable to owners of the company	10,604	(44,326)	1,084	(49,900)
Weighted average number of ordinary shares (excluding treasury shares) (in thousands)	235,010	235,010	235,010	235,010
Basic and diluted profit/(loss) per share (cents)	4.51	(18.86)	0.46	(21.23)
Diluted profit/(loss) per share ⁽¹⁾ (cents)	4.51	(18.86)	0.46	(21.23)

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

10. NET ASSET VALUE

	The Group		The Company	
	As at 30 September 2024	As at 30 September 2023 (Restated)	As at 30 September 2024	As at 30 September 2023
Net asset value per ordinary share (excluding treasury shares)(cents)	23.6	21.8	20.4	12.8
Number of issued shares excluding treasury shares	235,010,000	235,010,000	235,010,000	235,010,000

11. PROPERTY, PLANT AND EQUIPMENT

During the full year ended 30 September 2024, the Group acquired assets amounting to S\$420,000 (30 September 2023: S\$173,000).

12. INVESTMENT PROPERTIES

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

The Group has completed the disposal of its commercial properties in Osaka, Japan on 28 February 2023 with the difference between the net disposal proceeds and the carrying amount of the investment properties recognised in FY2023 profit or loss.

13. INTANGIBLE ASSETS

	Computer software	Contractual customers relationship	Goodwill	Total
	S\$'000	S\$'000	S\$'000	S\$'000
The Group				
Cost				
Balance at 1 October 2023	639	-	-	639
Additions	-	-	-	-
Balance at 30 September 2024	639	-	-	639
Accumulated amortization				
Balance at 1 October 2023	409	-	-	409
Amortisation for the financial year	99	-	-	99
Balance at 30 September 2024	508	-	-	508
Impairment				
Balance at 1 October 2023	88	-	-	88
Liquidation of a subsidiary	-	-	-	-
Balance at 30 September 2024	88	-	-	88
Net carrying amount				
Balance at 30 September 2024	43	-	-	43
Remaining useful life	1 – 2 years	-	-	-
	Computer software	Contractual customers relationship	Goodwill	Total
	S\$'000	S\$'000	S\$'000	S\$'000
The Group				
Cost				
Balance at 1 October 2022	502	309	1,611	2,422
Additions	137	-	-	137
Disposal	-	(309)	(1,611)	(1,920)
Balance at 30 September 2023	639	-	-	639
Accumulated amortization				
Balance at 1 October 2022	249	-	-	249
Amortisation for the financial year	160	-	-	160
Balance at 30 September 2023	409	-	-	409
Impairment				
Balance at 1 October 2022	88	309	1,611	2,008
Liquidation of a subsidiary	-	(309)	(1,611)	(1,920)
Balance at 30 September 2023	88	-	-	88
Net carrying amount				
Balance at 30 September 2023	142	-	-	142
Remaining useful life	1 – 2 years	-	-	-

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

	The Group	
	30 September 2024	30 September 2023 (Restated)
	S\$'000	S\$'000
Singapore listed equity securities ⁽¹⁾	2,385	2,475

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

Fair value measurement

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

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : inputs other than quoted prices within Level 1 that are observable for the assets or liabilities, either directly (as prices) or indirectly (i.e. derived from prices)
- Level 3 : inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presented the assets measured at fair value:

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group – 30 September 2024				
Financial assets, at FVTOCI				
- Singapore listed equity securities	2,385	-	-	2,385
Group – 30 September 2023 (Restated)				
Financial assets, at FVTOCI				
- Singapore listed equity securities	2,475	-	-	2,475

15. SHARE CAPITAL

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

15.2. As at 30 September 2024 and 30 September 2023, there were 5,175,000 outstanding options issued under Employee Share Option Scheme, which are convertible into 5,175,000 shares.

15.3. Treasury shares

	The Group and the Company			
	30 September 2024		30 September 2023	
	Number of shares '000	Amount S\$'000	Number of shares '000	Amount S\$'000
Treasury shares	7,555	3,303	7,555	3,303

As at 30 September 2024 and 30 September 2023, the Company held 7,555,000 treasury shares representing 3.11% of the total number of issued shares of 242,565,000. The Company did not sale, transfer, cancel and/or use any treasury shares as at the current financial period reported on.

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15. SHARE CAPITAL (continued)

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

	The Group and the Company			
	30 September 2024		30 September 2023	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Issued and fully-paid (excluding treasury shares), at the beginning and end of financial period	235,010	21,745	235,010	21,745

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2024 and 30 September 2023.

16. TRADE AND OTHER PAYABLES (NON-CURRENT)

	The Group		The Company	
	As at 30 September 2024	As at 30 September 2023 (Restated)	As at 30 September 2024	As at 30 September 2023
Loan from shareholders ⁽¹⁾	12,750	12,750	12,750	12,750
Accrued subcontractor expenses (trade)	4,886	3,651	-	-
	17,636	16,401	12,750	12,750

(1)

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

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

On 4 March 2024, the Company entered into an Addendum to the loan agreement dated 5 April 2022, extending the repayment date to 31 March 2026 and, bearing an interest of 6.5% per annum from 19 August 2023.

17. BORROWINGS

	The Group	
	30 September 2024	30 September 2023
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
Secured	9,855	19,859
Amount repayable after one year		
Secured	4,353	6,201

The secured borrowings of the Group are secured by:

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

18. SUBSEQUENT EVENTS

On 8 November 2024, the Group entered into a term sheet with the buyer to dispose of its entire shareholding interest of 200,000 ordinary shares in the capital of Katong Holdings Pte Ltd for a consideration of S\$34.5 million.

On 3 Dec 2024, the Group has entered into an Agreement to Purchase with the buyer.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of Keong Hong Holdings Limited and its subsidiaries as at 30 September 2024 and the related consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and consolidated statement of cash flows for the twelve months then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

REVIEW OF FINANCIAL PERFORMANCE

Revenue

For the full year ended 30 September 2024 (“FY2024”), revenue decreased by 11.6% or S\$23.2 million to S\$176.6 million as compared to S\$199.8 million for the full year ended 30 September 2023 (“FY2023”).

The decrease in revenue was mainly due to lower revenue recognised for construction projects which have obtained Temporary Occupation Permit in FY2023, namely The Antaras, Wilshire Residence, and Sky Everton, while construction projects such as HDB@Tengah Platation, and Solitaire@Cecil Street has started.

Gross loss and Gross profit margin

In line with the lower revenue recorded, cost of sales decreased by 21.7% to S\$177.0 million in FY2024 as compared to S\$226.2 million in FY2023.

In FY2024, the Group recorded a gross loss of S\$0.4 million as compared to a gross loss of S\$26.4 million in FY2023. The negative gross profit margin for FY2024 was 0.2%, as compared to negative gross profit margin of 13.2% 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 cost management.

Other income

Other income decreased by 48.3% or S\$8.2 million to S\$8.7 million in FY2024, as compared to S\$16.9 million in FY2023, mainly attributable to the one-off gain on disposal of investment properties of S\$7.8 million and higher interest income in FY2023.

Administrative expenses

Administrative expenses decreased by 3.6%, from S\$19.0 million in FY2023 to S\$18.3 million in FY2024. The decrease was mainly attributed absence of legal and incidental costs on disposal of investment properties and reduction in employee benefit and its related expenses, partially offset by increase in net foreign exchange loss, that is mainly unrealised.

Reversal of loss allowance/(loss allowance) on financial assets

Arising from the Group assessment at reporting date, the Group recorded a reversal loss allowance of S\$23.3 million in FY2024 as compared to a loss allowance of S\$8.5 million in FY2023 mainly attributable to reversal of impairment loss on investment in an associate amounting S\$23.3 million.

Finance costs

Finance costs decreased by 47.8% to S\$2.1 million in FY2024 as compared to S\$4.1 million in FY2023 mainly attributable to the full payment of unsecured borrowings of S\$35.2 million to Medium Term Notes on 19 August 2023.

2. Review of performance of the Group (continued)

Other expenses

In FY2024, the other expenses was nil as compared to S\$1.7 million in FY2023. The decrease was attributed to the loss on liquidation of one of its subsidiary amounted to S\$1.7 million in FY2023.

Share of results of joint ventures, net of tax

The Group recorded a net profit of S\$44,000 in FY2024 as compared to S\$0.3 million in FY2023, mainly attributed to its share of profit relating to the joint venture of sale of development properties.

Share of results of associates, net of tax

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 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.

Profit/(loss) for the year

Consequence to the above, the Group recorded a net profit after tax of S\$1.1 million in FY2024, as compared to a net loss after tax of S\$51.2 million in FY2023.

The Group has been engaged in discussions with the project owner regarding the progress of a construction building project and potential extension of time. Although the Group has yet to be made liable to pay for any liquidated damages by the project owner, in the event that the delay could be attributable to the Group, the Group may be liable to pay liquidated damages and incur additional overheads. This will adversely affect our earnings and erode our profit margin for the project. In such event, our financial performance and financial condition may be adversely affected. The Board of Directors continues to closely monitor the progress of the discussions between the Group and the project owner and should the final outcome of the discussions determine that the Group would be subject to additional potential liabilities, the Group will make an announcement accordingly.

REVIEW OF FINANCIAL POSITION

Non-current assets

Non-current assets decreased by S\$25.7 million to S\$49.0 million in FY2024, mainly attributed to the following:

- decreased in property, plant and equipment and right-of-use assets due to depreciation by S\$4.2 million to S\$15.6 million (FY2023: S\$19.8 million);
- decreased in carrying value of investments in associates resulted from share of losses by S\$10.6 million and reclassification of S\$34.1 million to non-current assets classified as held for sale and reversal of impairment loss of S\$23.3 million to S\$26.5 million (FY2023: \$46.1 million); and
- decreased in carrying value of investments in joint ventures due to receipt of dividend by S\$1.7 million to S\$4.5 million (FY2023: S\$6.2 million)

Current assets

Group's current assets in FY2024 increased by S\$39.1 million or 36.8% at S\$145.3 million as compared to S\$106.2 million in FY2023. The increase was mainly due to the net effects of the following:

- increase in contract assets by S\$6.4 million due to higher unbilled work done;
- Increased in cash and bank balances by S\$7.0 million due to lower costs and slower payments to suppliers and subcontractors;
- increase in non-current assets classified as held for sale of S\$34.1 million due to reclassification from non-current assets to current assets, as the terms of the sale are being negotiated and finalised; offsetted by
- Decreased in trade and other receivables by S\$7.3 million mainly due to repayment of loans from joint ventures

2. Review of performance of the Group (continued)

Non-current and current liabilities

Total liabilities (non-current and current) increased by S\$9.1 million to S\$138.8 million in FY2024 mainly attributable to net effects of the following:

- increase in contract liabilities by S\$9.1 million as the invoices and/or payment received for certain construction projects exceed the revenue recognised to date;
- increase in trade and other payables (non-current and current) by S\$19.0 million, primarily due to retention amounts for projects; and
- partially offset by the net effects of proceeds and repayment of bank borrowings, decrease by S\$11.9 million.

REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS

As at 30 September 2024, the Group cash and cash equivalents stood at S\$20.8 million as compared to S\$14.6 million in FY2023.

The Group recorded positive net cash generated from operating activities of S\$8.8 million in FY2024, driven by changes in working capital including increase in contract liabilities and trade and other payables.

Net cash generated from investing activities amounted S\$14.2 million in FY2024 comprised mainly due to repayment of loan from a joint venture.

Net cash used in financing activities amounted to S\$17.0 million in FY2024, primarily due to repayment of bank borrowings.

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

No forecast or prospect statement was previously disclosed to shareholders.

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

Overview

The Singapore economy expanded by 4.3% on a year-on-year basis in the fourth quarter of 2024, slower than the 5.4% growth in the previous quarter. For the whole of 2024, the economy grew by 4.0%, faster than the 1.1% growth in 2023. The construction sector expanded by 5.9% year-on-year in the fourth quarter, faster than the 4.7% growth in the preceding quarter. Growth during the quarter was fuelled by an increase in public sector construction output. On a quarter-on-quarter seasonally adjusted basis, the sector grew at a faster pace of 3.4% compared to the 1.6% growth in the third quarter¹.

Despite the economic expansion and growth in the construction sector output, 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 continued to cast a worrying geopolitical shadow and impacted logistics operations.

Keong Hong has worked within the constraints of a challenging environment by being prudent in our financial decisions, keeping a lean workforce and adopting digital transformation to improve efficiency and productivity.

Building Construction

The Group's current project pipeline consists of Sky Eden @ Bedok, Solitaire on Cecil and Tengah Plantation. The construction order book as at 30 September 2024 stood at approximately S\$368 million, with residential projects forming 49% of the portfolio and commercial projects making up the remainder.

¹ Ministry of Trade and Industry Singapore, "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.

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

Building Construction (continued)

Additions and alterations work to the existing Grand Hyatt Hotel Singapore has been progressing well and we expect to complete the entire project in the second quarter of 2025. TOP for Phase 1 and Phase 2 has been obtained in April and July 2024 respectively.

The Building and Construction Authority (BCA) projects the total construction demand to range between S\$47 billion and S\$53 billion in 2025². The strong demand is underpinned by the expected award of contracts for several large-scale developments, such as Changi Airport Terminal 5 and the expansion of the Marina Bay Sands Integrated Resort, alongside public housing development and upgrading works. Other contributors include high-specification industrial buildings, educational developments, healthcare facilities, Mechanical and Engineering contracts for the Thomson-East Coast Line Extension and Cross Island Line, and infrastructure works for the Woodlands Checkpoint extension and the Tuas Port. Over the medium-term, BCA expects the total construction demand to reach an average of between S\$39 billion and S\$46 billion per year from 2026 to 2029.

In light of 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

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 (ABSD) rates, higher borrowing costs and uncertain economic growth have turned buyer sentiment cautious. Prices of private residential properties decreased marginally by 0.7% in the third quarter of 2024, reversing the 0.9% increase in the previous quarter³.

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.

Hotel Development and Investment

The Maldivian tourism sector continues to improve, recording 2.0 million tourists for 2024, an 8.9% increase as compared to 1.9 million tourists in the previous year, with an average duration of stay of 7.7 days. The top five visitor generating markets were China, Russia, United Kingdom, Germany and Italy⁴.

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, high operating costs impacted the profitability of our investment, with the Group registering 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.

² Building and Construction Authority, "Construction Demand To Remain Strong For 2025," 23 January 2025.

³ URA releases flash estimate of 4th Quarter 2024 private residential property price index, 2 January 2025.

⁴ Ministry of Tourism, Republic of Maldives.

5. Dividend information

5a. Current Financial Period Reported on

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

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

5b. Corresponding Period for the Immediate Preceding Financial Year

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

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

5c. Date Payable

Not applicable

5d. Books Closure Date

Not applicable

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

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

7. **Interested person transactions**

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

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

Name of interested person	Nature of relationship	Aggregate value of all interested transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholder's mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
LJHB Capital (S) Pte. Ltd.	Controlling shareholder	S\$520,000	Nil
Leo Ting Ping Ronald	Substantial shareholder and director	S\$309,000	Nil

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

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

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

The buildings and construction segment contributed 100% (FY2023: 99.7%) of the Group's total revenue of S\$176.6 million. The decline in the Group's total revenue was due to some of the projects had largely been completed in FY2023.

The buildings and construction segment reported a net profit of S\$2.4 million in FY2024 as compared to a net loss of S\$50.6 million in FY2023 mainly attributable to the reversal of impairment loss on investment in an associate amounting S\$23.3 million.

The investment property segment reported a net loss of S\$35,000 in FY2024 as compared to a net profit of S\$5.7 million in FY2023 arising from the gain on disposal of investment properties in FY2023.

The investment holding segment reported a lower net loss of S\$1.4 million in FY2024 as compared to a net loss of S\$6.7 million in FY2023 mainly attributable to a loss on liquidation of a subsidiary and interest on the Multicurrency Medium Term Note in FY2023.

Consequently, the Group reported a net profit of S\$1.1 million for the financial year under review.

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

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

On behalf of the Board of Directors

Leo Ting Ping Ronald
Executive Chairman and Chief Executive Officer

Er Ang Hooa
Executive Director

Singapore
28 January 2025