



KSH Holdings Limited

(Company Registration Number: 200603337G)
(Incorporated in the Republic of Singapore on 9 March 2006)

KSH HOLDINGS LIMITED and its SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023

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KSH Holdings Limited and its Subsidiaries

Condensed interim financial statements for the half year ended 30 September 2023

A(i) Condensed interim consolidated income statement

		GROUP		
		HALF YEAR ENDED		
		30.09.2023	30.09.2022	increase/ (decrease)
Note	S\$'000	S\$'000		%
REVENUE				
	Project revenue	145,789	139,651	4.4
	Rental income from investment properties	2,019	1,935	4.3
		147,808	141,586	4.4
	Other income	6,438	5,133	25.4
	Cost of construction	(149,539)	(130,143)	14.9
	Personnel expenses	(5,872)	(6,089)	(3.6)
	Depreciation of property, plant and equipment	(1,003)	(1,043)	(3.8)
	Finance costs	(4,110)	(1,464)	>100
	Other operating expenses	(3,388)	(7,743)	(56.2)
		(163,912)	(146,482)	11.9
	(Loss)/profit from operations before share of results of associates and joint ventures	(9,666)	237	(>100)
	Share of results of associates and joint ventures	(2,099)	10,208	(>100)
	(Loss)/profit before taxation	(11,765)	10,445	(>100)
	Income tax expense	(868)	(256)	>100
	(Loss)/profit for the period	(12,633)	10,189	(>100)
	Attributable to:			
	- Owners of the Company	(12,587)	10,105	(>100)
	- Non-controlling interests	(46)	84	(>100)
		(12,633)	10,189	(>100)
	(Loss)/earnings per share (cents per share)			
	- Basic and diluted	(2.23)	1.79	

Notes to Condensed interim consolidated income statement

- The increase in cost of construction was higher than the increase in project revenue from construction projects in half year ended 30 September 2023 ("**1HFY2024**") as compared to half year ended 30 September 2022 ("**1HFY2023**"). Arising from prolonged construction periods as well as higher cost of materials, labour (due to shortages), overheads, utilities, logistics, workers' dormitory, rental of equipment, and subcontractor costs due to the COVID-19 Pandemic.
- The increase in other income in 1HFY2024 was mainly due to an increase in interest income due to higher interest rates for fixed deposits.
- There was no material difference in personnel expenses between 1HFY2024 and 1HFY2023.
- The increase in finance costs in 1HFY2024 as compared to 1HFY2023 was mainly due to an increase in interest rates.
- The decrease in other operating expenses in 1HFY2024 was mainly due to the decrease in unrealised foreign exchange losses.
- Share of results of associates and joint ventures incurred a loss mainly due to an absence of contribution from property development projects.

KSH Holdings Limited and its Subsidiaries

Condensed interim financial statements for the half year ended 30 September 2023

A(ii) Condensed interim consolidated statement of comprehensive income

		GROUP		
		HALF YEAR ENDED		
		30.09.2023	30.09.2022	increase/ (decrease)
	Note	S\$'000	S\$'000	%
(Loss)/profit for the period		(12,633)	10,189	(>100)
Other comprehensive (loss)/income:				
Items that may be reclassified subsequently to profit or loss				
- Foreign currency translation	1	(7,805)	(7,269)	7.4
Other comprehensive loss for the period, net of tax		(7,805)	(7,269)	7.4
Total comprehensive (loss)/income for the period		(20,438)	2,920	(>100)
Total comprehensive (loss)/income attributable to:				
- Owners of the Company		(15,956)	4,129	(>100)
- Non-controlling interests		(4,482)	(1,209)	(>100)
Total comprehensive (loss)/income for the period		(20,438)	2,920	(>100)

Notes to Condensed interim consolidated statement of comprehensive income/(loss)

- Foreign currency translation differences arises from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. Translation loss was mainly due to depreciation of Chinese Yuan against Singapore dollars on the Group's foreign net assets which are largely denominated in Chinese Yuan.

KSH Holdings Limited and its Subsidiaries

Condensed interim financial statements for the half year ended 30 September 2023

B. Condensed interim balance sheets

	GROUP		COMPANY			
	30.09.2023	31.03.2023	30.09.2023	31.03.2023		
	Note	S\$'000	S\$'000	Note	S\$'000	S\$'000
ASSETS						
Non-current assets						
Property, plant and equipment	1	16,469	17,241		-	-
Investments in subsidiaries		-	-		16,791	16,791
Interests in associates	2	210,117	284,177		-	-
Interests in joint ventures	3	34,985	33,760		-	-
Investment securities		-	4,750	11	-	4,750
Investment properties	4	107,073	110,191		-	-
Amounts due from subsidiaries (non-trade)		-	-		180,876	197,492
Deferred tax assets		528	528		51	51
Club membership		20	23		-	-
		369,192	450,670		197,718	219,084
Current assets						
Trade receivables	5	4,045	26,233		-	-
Other receivables and deposits		1,729	2,961		366	295
Prepayments		671	651		29	35
Investment securities		5,459	8,883	11	5,459	8,883
Amounts due from a joint venture (non-trade)	3	-	28,953		-	-
Amounts due from an associate (non-trade)	2	43,476	-		-	-
Contract assets	6	82,043	65,273		-	-
Structured deposits		-	4,780		-	-
Fixed deposits		64,959	67,078		47,501	47,096
Cash and bank balances		53,014	53,688		5,865	25,173
		255,396	258,500		59,220	81,482
Total assets		624,588	709,170		256,938	300,566
LIABILITIES						
Current liabilities						
Trade payables	7	29,453	32,040		-	-
Other payables and accruals	8	82,031	77,709		986	1,667
Lease liabilities		309	469		-	-
Deferred income		18	18		-	-
Amounts due to subsidiaries (non-trade)		-	-		15,000	10,000
Provision for income tax		2,110	2,157		867	701
Contract liabilities	9	2,266	8,102		-	-
Provision for onerous contract		-	157		-	-
Bank term loans, secured	10	39,553	61,703		30,220	59,220
Bills payable to banks, secured	10	39,521	21,121		-	-
		195,261	203,476		47,073	71,588

KSH Holdings Limited and its Subsidiaries

Condensed interim financial statements for the half year ended 30 September 2023

	GROUP			COMPANY		
		30.09.2023	31.03.2023		30.09.2023	31.03.2023
	Note	S\$'000	S\$'000	Note	S\$'000	S\$'000
Non-current liabilities						
Other payables and accruals		208	215		-	-
Lease liabilities		3,793	3,702		-	-
Amounts due to subsidiaries (non-trade)		-	-		76,728	86,854
Amounts due to non-controlling interest (non-trade)		17,444	-		-	-
Bank term loans, secured	10	55,200	122,805		52,020	58,380
Deferred tax liabilities		15,019	15,237		-	-
		<u>91,664</u>	<u>141,959</u>		<u>128,748</u>	<u>145,234</u>
Total liabilities		286,925	345,435		175,821	216,822
NET ASSETS		<u>337,663</u>	<u>363,735</u>		<u>81,117</u>	<u>83,744</u>
EQUITY						
Equity attributable to Owners of the Company						
Share capital		50,915	50,915		50,915	50,915
Treasury shares		(2,128)	(2,128)		(2,128)	(2,128)
Translation reserve		(7,745)	(4,376)		-	-
Accumulated profits		269,787	288,008		29,701	32,328
Other reserves		5,742	5,742		2,629	2,629
		<u>316,571</u>	<u>338,161</u>		<u>81,117</u>	<u>83,744</u>
Non-controlling interests		21,092	25,574		-	-
TOTAL EQUITY		<u>337,663</u>	<u>363,735</u>		<u>81,117</u>	<u>83,744</u>

Notes to condensed interim balance sheets

The Group

- 1 The decrease in property, plant and equipment was mainly due to depreciation.
- 2 The decrease in interest in associates was mainly due to the decrease in loans to associates and share of loss in 1HFY2024. S\$43.5 million of the loans to associates will be received within the next 12 months period from end 1HFY2024 were reclassified as current assets.
- 3 The increase in interest in joint ventures under non-current assets was mainly due to additional shareholders' loan injected. The S\$29.0 million amount due from a joint venture under current assets as at FY2023 has been received in 1HFY2024.
- 4 The decrease in investment properties was mainly due to the translation loss from an investment property in Tianjin, the People's Republic of China ("**PRC**").
- 5 The decrease in trade receivables was mainly due to the decrease in amount of progress claims certified for construction projects in progress as at 1HFY2024 as compared to financial year ended 31 March 2023 ("**FY2023**").
- 6 Contract assets have increased based on the progress of construction projects completed but not billed as at 1HFY2024 as compared to FY2023.
- 7 The decrease in trade payables was mainly due to the decrease in billings from suppliers and subcontractors which will be due for release of payments in the next 12 months for construction activities.
- 8 The increase in other payables and accruals was mainly due to the increase in accruals made for construction projects.
- 9 Contract liabilities have decreased based on the progress of construction projects and the progress billings billed as at 1HFY2024 as compared to FY2023.
- 10 The decrease in total loans and borrowings of S\$71.3 million from S\$205.6 million as at FY2023 to S\$134.3 million as at 1HFY2024, is mainly due to repayment of bank borrowings, partially offset by an increase in bills payable to banks.

The Company

- 11 The decrease in investment securities was mainly due to payment received for quoted debt instruments which matured in 1HFY2024.

KSH Holdings Limited and its Subsidiaries

Condensed interim financial statements for the half year ended 30 September 2023

C. Condensed interim statements of changes in equity

GROUP	Attributable to Owners of the Company							Non-controlling interests	Total equity
	Share capital	Treasury shares	Translation reserve	Accumulated profits	Other reserves	Equity attributable to Owners of the Company, total			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
At 1 April 2022	50,915	(2,128)	4,630	277,163	5,742	336,322	23,906	360,228	
Profit for the period	-	-	-	10,105	-	10,105	84	10,189	
<u>Other comprehensive loss</u>									
Foreign currency translation	-	-	(5,919)	-	(57)	(5,976)	(1,293)	(7,269)	
Other comprehensive loss for the period	-	-	(5,919)	-	(57)	(5,976)	(1,293)	(7,269)	
Total comprehensive loss for the period	-	-	(5,919)	10,105	(57)	4,129	(1,209)	2,920	
<u>Contributions by and distributions to owners</u>									
Final tax-exempt dividends on ordinary shares	-	-	-	(5,634)	-	(5,634)	-	(5,634)	
Total contributions by and distributions to owners	-	-	-	(5,634)	-	(5,634)	-	(5,634)	
At 30 September 2022	50,915	(2,128)	(1,289)	281,634	5,685	334,817	22,697	357,514	
At 1 April 2023	50,915	(2,128)	(4,376)	288,008	5,742	338,161	25,574	363,735	
Loss for the period	-	-	-	(12,587)	-	(12,587)	(46)	(12,633)	
<u>Other comprehensive loss</u>									
Foreign currency translation	-	-	(3,369)	-	-	(3,369)	(4,436)	(7,805)	
Other comprehensive loss for the period	-	-	(3,369)	-	-	(3,369)	(4,436)	(7,805)	
Total comprehensive loss for the period	-	-	(3,369)	(12,587)	-	(15,956)	(4,482)	(20,438)	
<u>Contributions by and distributions to owners</u>									
Final tax-exempt dividends on ordinary shares	-	-	-	(5,634)	-	(5,634)	-	(5,634)	
Total contributions by and distributions to owners	-	-	-	(5,634)	-	(5,634)	-	(5,634)	
At 30 September 2023	50,915	(2,128)	(7,745)	269,787	5,742	316,571	21,092	337,663	

KSH Holdings Limited and its Subsidiaries

Condensed interim financial statements for the half year ended 30 September 2023

COMPANY	Share capital S\$'000	Treasury shares S\$'000	Accumulated profits S\$'000	Other reserves S\$'000	Total equity S\$'000
At 1 April 2022	50,915	(2,128)	25,266	2,629	76,682
Profit for the period	-	-	2,506	-	2,506
Total comprehensive income for the period	-	-	2,506	-	2,506
<u>Contributions by and distributions to owners</u>					
Final tax-exempt dividends on ordinary shares	-	-	(5,634)	-	(5,634)
At 30 September 2022	50,915	(2,128)	22,138	2,629	73,554
At 1 April 2023	50,915	(2,128)	32,328	2,629	83,744
Profit for the period	-	-	3,007	-	3,007
Total comprehensive income for the period	-	-	3,007	-	3,007
<u>Contributions by and distributions to owners</u>					
Final tax-exempt dividends on ordinary shares	-	-	(5,634)	-	(5,634)
At 30 September 2023	50,915	(2,128)	29,701	2,629	81,117

KSH Holdings Limited and its Subsidiaries

Condensed interim financial statements for the half year ended 30 September 2023

D. Condensed interim consolidated cash flow statement

	GROUP	
	HALF YEAR ENDED	
	30.09.2023	30.09.2022
	S\$'000	S\$'000
Operating activities		
(Loss)/profit before taxation	(11,765)	10,445
Adjustments:		
Depreciation of property, plant and equipment	1,003	1,043
Amortisation of club membership	1	1
Loss on disposal of plant and equipment, net	6	1
Loss on disposal of a joint venture	-	2
Fair value loss on quoted debt instruments (investment securities)	85	299
Write-off of bad debts	280	695
Write-back of provision for onerous contract	(157)	(131)
Interest expense	4,035	1,439
Interest income	(4,749)	(3,452)
Share of results of associates and joint ventures	2,099	(10,208)
Operating cash flows before changes in working capital	(9,162)	134
Changes in working capital:		
Decrease/(increase) in:		
Trade and other receivables, deposits and prepayments	23,398	(15,321)
Contract assets	(16,770)	(7,011)
Increase/(decrease) in:		
Trade and other payables and accruals	1,731	18,947
Contract liabilities	(5,836)	(26,894)
Cash flows used in operations	(6,639)	(30,145)
Income taxes paid	(677)	(305)
Interest income received	4,749	3,452
Exchange differences	(4,062)	2,935
Net cash flows used in operating activities	(6,629)	(24,063)
Investing activities		
Purchase of plant and equipment	(100)	(603)
Proceeds from disposal of plant and equipment	1	-
Purchase of quoted debt instruments (investment securities)	-	(3,000)
Proceeds from redemption of quoted debt instruments (investment securities)	8,090	-
Decrease in structured deposits	4,780	-
Decrease/(increase) in loans and amounts due from associates and joint ventures, net	51,854	(12,521)
Dividends received from associates and joint ventures	3,187	423
Net cash flows from/(used in) investing activities	67,812	(15,701)
Financing activities		
Dividends paid	(5,634)	(5,634)
Increase in loan and amount due to non-controlling interest	17,444	3,667
Proceeds from bank term loans	-	20,000
Repayment of bank term loans	(89,755)	(16,236)
Proceeds from bills payable to banks	18,400	-
Interest paid	(4,035)	(1,439)
Proceed from lease liabilities	14	-
Payment of principal portion of lease liabilities	(223)	(142)
Increase in pledged fixed deposits	(489)	(132)
Net cash flows (used in)/from financing activities	(64,278)	84

KSH Holdings Limited and its Subsidiaries

Condensed interim financial statements for the half year ended 30 September 2023

	GROUP	
	HALF YEAR ENDED	
	30.09.2023	30.09.2022
	S\$'000	S\$'000
Net decrease in cash and cash equivalents	(3,095)	(39,680)
Effect of exchange rate changes on cash and cash equivalents	(188)	(307)
Cash and cash equivalents at beginning of year	71,612	94,154
Cash and cash equivalents at end of period (Note A)	<u>68,329</u>	<u>54,167</u>

Note A: Cash and cash equivalents at end of period comprise:

	30.09.2023	30.09.2022
	S\$'000	S\$'000
Cash and bank balances*	53,014	29,901
Fixed deposits	64,959	73,312
	<u>117,973</u>	<u>103,213</u>
Less: Pledged fixed deposits	(49,644)	(49,046)
Cash and cash equivalents	<u>68,329</u>	<u>54,167</u>

* The Group's cash and bank balances earn interest at floating rates based on daily bank deposit rates.

Net cash flows used in operating activities

Net cash flows used in operating activities in 1HFY2024 is mainly due to loss from operating activities.

Net cash flows from investing activities

Net cash flows from investing activities in 1HFY2024 mainly due to the decrease in loans provided to associates and joint ventures, dividends received from associates and joint ventures, decreased in structured deposits and proceeds from redemption of quoted debt instruments (investment securities).

Net cash used in financing activities

Net cash flows used in financing activities in 1HFY2024 mainly due to repayment of bank term loans, dividends and interest paid, partially offset by proceeds from bills payables to banks, loan and amounts due to non-controlling interest.

E. Notes to condensed interim financial statements

1 Basis of preparation

The condensed interim financial statements for the half year ended 30 September 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting*. 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 31 March 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 1.1.

The condensed interim financial statements are presented in Singapore dollar ("SGD" or "S\$") and all values are rounded to the nearest thousand (\$'000), except when otherwise indicated.

1.1 New and amended standards adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual period beginning on or after 1 January 2023. The adoption of these standards and amendments did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current financial period.

1.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimated uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical accounting estimates in applying the Group's accounting policies in the financial statements for the half year ended 30 September 2023:

1.2(a) Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged real estate valuation experts to assess fair value as at 31 March 2023.

The fair values of investment properties are determined by independent real estate valuation experts using market comparable approach and discounted cash flow approach.

The determination of the fair values of the investment properties require the use of estimates on yield adjustments such as location, size, tenure, age and condition. These estimates are based on local market conditions existing at the end of each reporting date.

For the purpose of this condensed interim financial statements for the half year ended 30 September 2023, the management reviewed the valuation reports prepared by professional valuers as at 31 March 2023 to determine whether the facts and assumptions used has materially changed. The Management assessed that there is no material change in the estimates and assumptions used to determine the fair value of the investment properties as at 30 September 2023 and no fair value change was recorded for the half year ended 30 September 2023.

1.2(b) Impairment assessment of interest in associates and joint ventures

The Group has significant interests in associates and joint ventures. The Group's interests in associates and joint ventures comprise the investments and amounts due from associates and joint ventures. The associates and joint ventures of the Group are mainly involved in the business of property development. The Group assesses at the end of each reporting period whether there is any objective evidence that the interest is impaired.

The Group applies the general approach to provide for ECLs on amounts due from associates and joint ventures carried at amortised cost. At each reporting date, the Group assesses whether the credit risk of a financial asset has increased significantly since initial recognition. When initial credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

The assessment of whether credit risk of a financial asset has increased significantly since initial recognition is a significant estimate. Credit risk assessment is based on both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

1.2(c) Construction contracts and revenue recognition

The Group principally operates fixed price contracts. Contract revenue and contract costs are recognised over time by measuring the progress towards complete satisfaction of performance obligations. The Group has determined that the cost-based input method reflects the over-time transfer of control to customers.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. The Group is restricted contractually from directing the assets for another use as they are being constructed, and has enforceable rights to payment for performance completed to date. The revenue is recognised over time, based on the construction costs incurred to date as a proportion of estimated total construction costs to be incurred.

2 Seasonal operations

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

3 Segment and revenue information

For management purposes, the Group is organised into business units based on their product and services, and has three reportable operating segments as follows:-

- a) The construction segment is in the business of general building.
- b) The property development and investment segment is in the business of developing properties and investing, leasing and management of investment properties.
- c) The corporate and others segment is involved in Group-level corporate services, treasury functions and investments in marketable securities (if any).

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 operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transaction with third parties.

KSH Holdings Limited and its Subsidiaries
Condensed interim financial statements for the half year ended 30 September 2023
Business segments

	Construction	Property development and investment	Corporate & Others	Eliminations	Total
Half year ended 30 September 2023	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
REVENUE					
- Sales to external sales	145,789	2,019	-	-	147,808
- Inter-segment sales	-	198	-	(198)	-
	<u>145,789</u>	<u>2,217</u>	<u>-</u>	<u>(198)</u>	<u>147,808</u>

Results

Interest income	237	16	8,777	(4,281)	4,749
Finance costs	(1,087)	1	(7,305)	4,281	(4,110)
Depreciation of property, plant and equipment	(996)	(7)	-	-	(1,003)
Share of results of associates and joint ventures	-	(2,099)	-	-	(2,099)
Other non-cash items:					
- Write-back of provision for onerous contract	157	-	-	-	157
- Fair value loss on quoted debt instruments (investment securities)	-	-	(85)	-	(85)
Segment loss before taxation	<u>(10,087)</u>	<u>(1,618)</u>	<u>(60)</u>	<u>-</u>	<u>(11,765)</u>

As at 30 September 2023
Assets and liabilities

Interests in associates and joint ventures	-	239,448	5,654	-	245,102
Additions to non-current assets:					
- Property, plant and equipment	96	4	-	-	100
Segment assets	<u>304,375</u>	<u>389,762</u>	<u>112,815</u>	<u>(182,364)</u>	<u>624,588</u>
Segment liabilities	<u>172,210</u>	<u>36,890</u>	<u>217,539</u>	<u>(139,714)</u>	<u>286,925</u>

	Construction	Property development and investment	Corporate & Others	Eliminations	Total
Half year ended 30 September 2022	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
REVENUE					
- Sales to external sales	139,651	1,935	-	-	141,586
- Inter-segment sales	-	198	-	(198)	-
	<u>139,651</u>	<u>2,133</u>	<u>-</u>	<u>(198)</u>	<u>141,586</u>

Results

Interest income	47	14	7,526	(4,135)	3,452
Finance costs	(132)	-	(5,467)	4,135	(1,464)
Depreciation of property, plant and equipment	(1,035)	(8)	-	-	(1,043)
Share of results of associates and joint ventures	-	10,208	-	-	10,208
Other non-cash items:					
- Fair value loss on quoted debt instruments (investment securities)	-	-	(299)	-	(299)
- Write-back of provision for onerous contract	131	-	-	-	131
Segment profit/(loss) before taxation	<u>4,356</u>	<u>11,054</u>	<u>(4,965)</u>	<u>-</u>	<u>10,445</u>

As at 30 September 2022
Assets and liabilities

Interests in associates and joint ventures	-	270,242	6,304	-	276,546
Additions to non-current assets:					
- Property, plant and equipment	603	-	-	-	603
Segment assets	<u>249,248</u>	<u>417,408</u>	<u>151,608</u>	<u>(199,957)</u>	<u>618,307</u>
Segment liabilities	<u>106,668</u>	<u>44,414</u>	<u>290,055</u>	<u>(180,344)</u>	<u>260,793</u>

KSH Holdings Limited and its Subsidiaries

Condensed interim financial statements for the half year ended 30 September 2023

Geographical segments

	Total assets	
	30.09.2023	31.03.2023
	S\$'000	S\$'000
Singapore	445,132	521,558
Malaysia	267	282
Bhutan	1,392	1,412
Japan	3,291	3,647
Australia	4,018	4,170
England, United Kingdom	21,669	20,088
The People's Republic of China	148,819	158,013
Total	624,588	709,170

Total assets information presented above consist of property, plant and equipment, and investment properties as presented in the consolidated balance sheet.

KSH Holdings Limited and its Subsidiaries

Condensed interim financial statements for the half year ended 30 September 2023

Revenue

Disaggregation of revenue from contracts with customers

	Construction	Property development and investment	Corporate & Others	Total
Half year ended 30 September 2023	S\$'000	S\$'000	S\$'000	S\$'000
Primary geographical markets				
Singapore	145,789	162	-	145,951
The People's Republic of China	-	1,857	-	1,857
	145,789	2,019	-	147,808
Major product or service lines				
Construction contracts	145,789	-	-	145,789
Rental of investment properties	-	2,019	-	2,019
	145,789	2,019	-	147,808
Timing of transfer of goods or services				
Over time	145,789	-	-	145,789
At a point in time	-	2,019	-	2,019
	145,789	2,019	-	147,808

	Construction	Property development and investment	Corporate & Others	Total
Half year ended 30 September 2022	S\$'000	S\$'000	S\$'000	S\$'000
Primary geographical markets				
Singapore	139,651	162	-	139,813
The People's Republic of China	-	1,773	-	1,773
	139,651	1,935	-	141,586
Major product or service lines				
Construction contracts	139,651	-	-	139,651
Rental of investment properties	-	1,935	-	1,935
	139,651	1,935	-	141,586
Timing of transfer of goods or services				
Over time	139,651	-	-	139,651
At a point in time	-	1,935	-	1,935
	139,651	1,935	-	141,586

4 Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

(b) Assets and liabilities measured at fair value

Financial assets and non-financial assets were measured at fair value as at 30 September 2023 and 31 March 2023.

GROUP (\$'000)	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
30 September 2023				
Financial assets and non-financial assets at fair value through profit or loss				
Financial assets:				
Investment securities	5,459	-	-	5,459
Non-financial assets:				
Investment properties				
Commercial	-	-	88,713	88,713
Residential	-	-	18,360	18,360
	5,459	-	107,073	112,532
31 March 2023				
Financial assets and non-financial assets at fair value through profit or loss				
Financial assets:				
Investment securities	13,633	-	-	13,633
Structured deposits	-	4,780	-	4,780
Non-financial assets:				
Investment properties				
Commercial	-	-	91,831	91,831
Residential	-	-	18,360	18,360
	13,633	4,780	110,191	128,604

(c) Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under level 3 of the fair value hierarchy as at 31 March 2023:

Description	Valuation techniques	Key unobservable inputs	Range	Inter-relationship between key unobservable inputs and fair value measurement
Commercial	Market comparable approach	Price per square metre	RMB 12,000 to RMB 19,000	The estimated fair value increases with higher transacted price of comparable properties
	Discounted cash flow approach	Discount rate	5%	The estimated fair value varies inversely against the capitalisation rate, discount rate and terminal yield rate
Residential	Market comparable approach	Price per square metre	\$21,000 to \$31,500	The estimated fair value increases with higher transacted price of comparable properties

KSH Holdings Limited and its Subsidiaries

Condensed interim financial statements for the half year ended 30 September 2023

5 Related party transactions

In addition to the related party information disclosed in the condensed interim financial statements, the following significant transactions between the Group and Company and their related parties took place during the financial period at terms agreed between the parties:

Sale and purchase of goods and services

	GROUP	
	HALF YEAR ENDED	
	30.09.2023	30.09.2022
	S\$'000	S\$'000
Construction services rendered to:		
- associates	-	19
Income		
Interest income		
- associates	2,859	2,319
- joint ventures	575	442
Management and administrative fee income		
- associates	165	192
- joint ventures	36	-

6 Other income

	GROUP	
	HALF YEAR ENDED	
	30.09.2023	30.09.2022
	S\$'000	S\$'000
Interest income	4,749	3,452
Government grants and aids*	-	225
Management and administrative fee income	201	192
Foreign exchange gain	865	761
Miscellaneous income	623	503
	<u>6,438</u>	<u>5,133</u>

* Included grants received from Singapore Government to help businesses deal with impact from COVID-19.

KSH Holdings Limited and its Subsidiaries

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7 (Loss)/profit after tax

The following items have been included in arriving at (loss)/profit after tax:

	GROUP	
	HALF YEAR ENDED	
	30.09.2023	30.09.2022
	S\$'000	S\$'000
Amortisation of club membership	1	1
Depreciation of property, plant and equipment	1,003	1,043
Write-back of provision for onerous contract	(157)	(131)
Write-off of bad debts	280	695
Fair value loss on quoted debt instruments (investment securities)	85	299
Loss on disposal of plant and equipment, net	6	1
Interest expense	4,035	1,439
Foreign exchange loss, net	892	4,318

8 (Loss)/earnings per share

	GROUP	
	HALF YEAR ENDED	
	30.09.2023	30.09.2022
	(cents)	(cents)
(Loss)/earnings per ordinary share for the period:		
(i) Based on weighted average number of ordinary shares in issue (in cents)	(2.23)	1.79
(ii) On a fully diluted basis (in cents)	(2.23)	1.79
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	563,396,245	563,396,245

Basic (loss)/earnings per share ("EPS") is calculated by dividing the Group's (loss)/profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted (loss)/earnings per share is calculated by dividing the Group's (loss)/profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

9 Net asset value per share

	GROUP		COMPANY	
	as at 30.09.2023	as at 31.03.2023	as at 30.09.2023	as at 31.03.2023
Net asset value per ordinary share (cents)	56.19	60.02	14.40	14.86
Issue share capital excluding treasury shares at the end of the period/year	563,396,245	563,396,245	563,396,245	563,396,245

Net asset value per share is calculated by dividing the Group's net assets attributable to owners of the Company by the total number of issued ordinary shares as at the end of the period/year.

KSH Holdings Limited and its Subsidiaries

Condensed interim financial statements for the half year ended 30 September 2023

10 Property, plant and equipment

	Leasehold factory building	Right-of-use assets	Plant and machinery	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31.03.2023					
Cost	18,050	6,312	13,652	3,045	41,059
Accumulated depreciation and impairment	(3,635)	(2,007)	(12,620)	(5,556)	(23,818)
Net book value	14,415	4,305	1,032	(2,511)	17,241
Half year ended 30 September 2023					
Opening net book value	14,415	4,305	1,032	(2,511)	17,241
Addition	-	14	-	(54)	(40)
Re-measurement	-	140	-	-	140
Disposals	-	(1)	-	(6)	(7)
Depreciation	(245)	(93)	(316)	(349)	(1,003)
Translation difference	-	-	-	(2)	(2)
Closing net book value	14,170	4,365	716	(2,922)	16,469
As at 30.09.2023					
Cost	18,050	6,325	13,652	2,985	41,012
Accumulated depreciation and impairment	(3,880)	(1,960)	(12,936)	(5,907)	(24,683)
Net book value	14,170	4,365	716	(2,922)	16,329

11 Investment properties

	GROUP	
	30.09.2023	31.03.2023
	S\$'000	S\$'000
At beginning of period	110,191	120,007
Loss on fair value adjustment of investment properties	-	(283)
Translation difference	(3,118)	(9,533)
At end of period	107,073	110,191

12 Loans and borrowings

	GROUP	
	30.09.2023	31.03.2023
	S\$'000	S\$'000
The amount repayable in one year or less, or on demand		
- secured	79,074	82,824
The amount repayable after one year		
- secured	55,200	122,805
	134,274	205,629

Details of any collaterals:

The Group's loans and borrowings are secured by way of:

- 1) Assignment of progress payments from the developer for certain on-going construction projects;
- 2) Letters of assignment of certain progress payments and retention monies due to the Group;
- 3) First legal mortgage on the Group's investment properties and leasehold factory building;
- 4) Charge on fixed deposits and structured deposits;
- 5) First charge over the contract proceeds/project account arising from the construction project financed;
- 6) A first legal mortgage over the development property of a joint venture;
- 7) Legal assignment of sales proceeds from the development property of a joint venture;
- 8) Legal assignment of tenancy, rental, lease and licence agreements from the development property of a joint venture;
- 9) Legal assignment of the construction contract(s) and performance bonds from the development property of a joint venture;
- 10) Legal assignment of fire insurance policy from the development property of a joint venture;
- 11) Corporate guarantees from all the shareholders of a joint venture in equal share ratio; and
- 12) Debenture over all present and future assets of a joint venture.

13 Subsequent events

As at the issue date of this interim financial statements, there are no material subsequent events after 1HFY2024.

F. Other information Required by Listing Rule Appendix 7.2

Other information

1 Review

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

2 Share capital

- (i) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The changes in the Company's issued share capital (excluding treasury shares) for the financial period ended 30 September 2023 were as follows:

	Number of shares
Total number of issued shares excluding treasury shares:	
Balance as at 31 March 2023 and 1 April 2023	
- Ordinary Shares	563,396,245
Purchase of treasury shares during 1HFY2024	
- Ordinary Shares	-
Balance as at 30 September 2023	563,396,245

The total number of treasury shares held by the Company as at 30 September 2023 was 6,339,400 shares (31 March 2023: 6,339,400 shares).

- (ii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

The total number of issued shares as at 30 September 2023 was 563,396,245 shares (31 March 2023: 563,826,245 shares) excluding treasury shares.

- (iii) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

There were no sales, transfers, disposals, cancellation and/or use of treasury shares during the year.

- (iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable.

- 3 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must include discussion of any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also include discussion of any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Half year results: 1HFY2024 vs 1HFY2023

Revenue

The Group had a total revenue of S\$147.8 million for 1HFY2024, an increase of S\$6.2 million compared to S\$141.6 million in the corresponding 1HFY2023. The increase was mainly due to the increase in revenue from construction business of S\$6.1 million from S\$139.7 million in 1HFY2023 to S\$145.8 million in 1HFY2024.

Other income

The increase in other income of S\$1.3 million from S\$5.1 million in 1HFY2023 to S\$6.4 million in 1HFY2024 was mainly due to an increase in interest income from fixed deposits.

Other operating expenses

Cost of construction increased by S\$19.4 million from S\$130.1 million in 1HFY2023 to S\$149.5 million in 1HFY2024 as construction works done increased with escalating costs arising from prolonged construction periods as well as higher cost of materials, labour (due to shortages), overheads, utilities, logistics, workers' dormitory, rental of equipment, and subcontractor costs due to the COVID-19 Pandemic.

There was no material difference in personnel expenses between 1HFY2024 and 1HFY2023 with the decrease in provision for bonuses, offset by increase in salaries, wages and accommodation for workers.

Finance costs increased by S\$2.6 million from S\$1.5 million in 1HFY2023 to S\$4.1 million in 1HFY2024 mainly due to the increase in interest rates.

Other operating expenses decreased by S\$4.3 million from S\$7.7 million in 1HFY2023 to S\$3.4 million in 1HFY2024 mainly due to decrease in unrealised foreign exchange losses.

Share of results of associates and joint ventures incurred a loss of S\$2.1 million mainly attributable to an absence of contribution from Singapore property development projects which was recognised in the previous period, and sale and construction of new projects have not commenced. The losses incurred by associates and joint ventures for these projects were mainly due to pre-launch expenses, sales and marketing expenses, and operating costs that need to be recognised before commencement of sale and construction.

Tax expense increased in 1HFY2024 as compared to 1HFY2023 notwithstanding a loss from operation as deferred tax assets have not been recognised in 1HFY2024.

Overall, the Group recorded a loss attributable to owners of the Company of S\$12.6 million in 1HFY2024 as compared to a profit of S\$10.1 million in 1HFY2023.

Group Statement of Financial Position Review

Non-current assets as at 1HFY2024 decreased by S\$81.5 million or 18.1% to S\$369.2 million as compared to S\$450.7 million as at FY2023 mainly due to the S\$74.1 million decrease in loans owing from associates of which S\$43.5 million were reclassified as current assets as it will be receivable within the next 12 months period.

The net current assets (current assets less current liabilities) of the Group was S\$60.1 million as at 1HFY2024 as compared to S\$55.0 million as at FY2023.

Fixed deposits, cash and bank balances has decreased by S\$2.8 million from S\$120.8 million in FY2023 to S\$118.0 million in 1HFY2024 mainly due to a decrease in net banks borrowings, offset by repayment received for shareholders loan from joint ventures and associates.

Gearing ratio (total loans and borrowings to equity) of the Group has improved to 0.40x as at 1HFY2024 from 0.57x as at FY2023 with decrease in total loans and borrowings of S\$71.3 million from S\$205.6 million as at FY2023 to S\$134.3 million as at 1HFY2024.

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

There was no forecast or any prospect statement previously disclosed to shareholders.

5 A commentary at the date of the announcement of the significant trends and 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

The global economic backdrop has remained challenging. According to the International Monetary Fund ("IMF"), global growth is expected to slow down from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024. Global inflation continues to decline, from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024 due to tighter monetary policy aided by lower international commodity prices. Core inflation is also projected to decline, and inflation is not expected to return to target until 2025 globally. Similarly, the Monetary Authority of Singapore ("MAS") has remarked that the global economic outlook remains uncertain, and the domestic recovery could be weaker than expected and cited muted growth prospects in the near term but should improve gradually in the second half of 2024. MAS said it expects growth in 2023 to come in at the lower half of the 0.5% to 1.5% official forecast range.

Conversely, advanced estimates from the Ministry of Trade and Industry ("MTI") show that the Singapore economy grew 0.7% year-on-year in the third quarter of 2023, an improvement from the 0.5% growth in the previous quarter.

According to MTI, the construction sector grew by 6.0% year-on-year in the third quarter, extending the 7.7% growth in the preceding quarter. Growth during the quarter was supported by expansions in both public and private sector construction output. With reference to earlier estimates of contracts worth \$27 billion to \$32 billion being likely to be awarded in 2023 by the Building and Construction Authority ("BCA"), it denotes that construction demand is expected to be stable and driven by the public sector. However, in the present inflationary environment, the impact of price pressures from general inflation alone has become more significant in driving construction cost escalations. This is in addition to the challenges of supply chain disruption, climate change, labour shortages, and material and manpower costs.

The overall private home prices as reported by the Urban Redevelopment Authority ("URA") rose 0.8% in the third quarter of 2023, up from a 0.2% decline in the previous quarter. However, the average quarterly increase of private home prices of around 0.3% over the past two quarters was significantly lower than the average quarterly increase of 2.1% in the whole of 2022. The sale transaction volume totalled 5,201 in the third quarter of 2023, compared to 5,388 in the previous quarter and 6,148 in the third quarter of 2022.

Hotel performance in countries such as United Kingdom and Japan has continued to improve although uncertainties loom as global macroeconomic factors could potentially impact hotel operations and investment in the near future. While uncertainties in macroeconomic factors remain, the investment properties held by the Group in Singapore and overseas have maintained good occupancy rates and rental rates.

With the acceptance of a Letter of Award from a repeat client for a new construction project in October 2023, the Group's construction order book stood at approximately S\$166.0 million. This is expected to contribute to the Group's results up to the financial year ending 31 March 2026.

Most of the launched development projects in Singapore under the Group are either fully sold or almost fully sold to date. The Group is currently participating in 4 joint ventures for proposed residential and mixed development in Singapore, namely the redevelopment of former Peace Centre / Peace Mansion, former Euro-Asia Apartments at 1037 Serangoon Road, former Park View Mansions and former Bagnall Court. The sale and construction of these mentioned projects are targeted to commence in the year of 2024.

The Group has investments in two projects with on-going residential development in Gaobeidian, PRC - Singapore Sino Health City - Zhong Xin Yue Lang (中新健康城 - 中新悦朗) ("**ZXYL**") and Zhong Xin Yue Shang (中新悦上) ("**ZXYS**") with equity stake of 22.5% and 33.75% respectively. Phase 1 of ZXYL has been completed with more than 83.0% of the 812 units sold. Phase 2 of ZXYL has commenced construction with more than 21.0% of the 724 launched units sold and its revenue and cost of the sold units will be recognised upon completion of construction and contribute to the share of results of associates. Completion of its construction is targeted by FY2025. Construction for Phase 1 of ZXYS has been completed with more than 93.0% of the 1,011 units sold. Construction of about 204 units of Phase 2 of ZXYS has been completed in 1HFY2024 with more than 65.0% sold and contributed positively to the results of 1HFY2024. Completion of another 1,011 units of Phase 2 ZXYS is targeted to be by FY2025. Further completed units sold after 1HFY2024 of both ZXYL and ZXYS are expected to contribute positively to the Group's results.

The Group remains cautious on the challenges and uncertainties ahead in view of rising interest rates, foreign exchange exposure, and the performance of its construction projects affected by high construction costs.

6 Dividends**(a) Current financial period reported on**

Any dividend declared for the current financial period reported on? **Yes**

Name of Dividend Dividend Type	(Tax Exempt 1-Tier)	
	Interim Ordinary Cash	Total Cash
Dividend Rate	0.50 cent per ordinary share	0.50 cent per ordinary share

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **Yes**

Name of Dividend Dividend Type	(Tax Exempt 1-Tier)	
	Interim Ordinary Cash	Total Cash
Dividend Rate	1.00 cent per ordinary share	1.00 cent per ordinary share

(c) Date payable

The date payable for the proposed interim cash dividend will be announced at a later date.

(d) Books closure date

The Notice on the closure date of the Transfer Books and the Register of Members of the Company for the proposed interim cash dividend will be announced at a later date.

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

Not applicable.

8 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for Interested Person Transactions (IPTs).

9 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers under Rule 720(1).

10 Disclosure on acquisitions and realisation of shares pursuant to Rule 706A.

Save as disclosed on SGXNET, there were no acquisitions or realisations of shares resulting in a company becoming or ceasing to be a subsidiary or associated company of the company, or resulting in the company increasing or reducing its shareholding percentage in a subsidiary or associated company.

11 Confirmation pursuant to Rule 705(5)

We, Choo Chee Onn and Lim Kee Seng, being two of the Directors of KSH Holdings Limited. (the "Company"), do hereby confirm on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Company and of the Group for the half year ended 30 September 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors,
BY ORDER OF THE BOARD

Choo Chee Onn
Executive Chairman and Managing Director
10 November 2023

Lim Kee Seng
Executive Director