

KHONG GUAN LIMITED
(Company registration number: 196000096G)
AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 JANUARY 2025

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

	Note	GROUP		Increase/ (Decrease) %
		31 January 2025 \$'000	31 January 2024 \$'000	
Revenue		38,716	35,409	9
Dividend income		15	13	15
Other net changes in fair value on financial assets at fair value through profit or loss	*	(82)	(260)	(68)
Other income	5.2	632	483	31
Changes in inventories		(239)	(454)	(47)
Purchases of inventories		(34,797)	(31,856)	9
Employee benefits expense		(2,044)	(1,962)	4
Depreciation and amortisation expenses				
- Property, plant and equipment		(263)	(265)	(1)
- Right-of-use assets	*	(85)	(65)	31
- Investment property		(74)	(74)	-
Share of results of associates, net of tax		524	145	261
Finance costs		(4)	(4)	-
Other expenses		(1,372)	(1,365)	1
Profit/(Loss) before tax		927	(255)	
Income tax expense	6	(255)	(203)	
Profit/(Loss) for the financial period		<u>672</u>	<u>(458)</u>	
Profit/(Loss) for the financial period attributable to:				
Equity holders of the Company		564	(545)	
Non-controlling interests		108	87	
		<u>672</u>	<u>(458)</u>	
Earnings/(Loss) per share attributable to equity holders of the Company [in cents]				
Basic and diluted		<u>2.18</u>	<u>(2.11)</u>	

* refer to Other information required by Listing Rule Appendix 7.2 item 11

A CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – cont'd

	GROUP		Increase/ (Decrease) %
	6 months ended		
	31 January 2025 \$'000	31 January 2024 \$'000	
Profit/(Loss) for the financial period	672	(458)	
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Share of associate's capital reserve on financial assets at fair value through other comprehensive income	-	1	(100)
	-	1	
Items that may be reclassified subsequently to profit or loss:			
Translation differences relating to financial statements of foreign operations	1,805	(1,356)	NM
Other comprehensive income/(loss), net of tax	1,805	(1,355)	
Total comprehensive income/(loss) for the financial period	2,477	(1,813)	
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	2,249	(1,812)	
Non-controlling interests	228	(1)	
	2,477	(1,813)	

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	GROUP			COMPANY	
		31 January 2025 \$'000	31 July 2024 \$'000	Increase/ (Decrease) %	31 January 2025 \$'000	31 July 2024 \$'000
ASSETS						
Non-current Assets						
Property, plant and equipment		6,051	6,055	-	2,893	2,982
Right-of-use assets		1,916	1,871	2	-	-
Investment property	9	10,315	10,389	(1)	10,315	10,389
Investments in subsidiaries		-	-	-	18,287	18,287
Investments in associates	10	20,215	19,100	6	1,500	1,500
Financial assets at fair value through other comprehensive income ("FVOCI")		255	244	5	-	-
Deferred tax assets		32	31	3	-	-
Total non-current assets		38,784	37,690		32,995	33,158
Current Assets						
Inventories		8,813	8,636	2	-	-
Short-term investments	11	1,555	1,603	(3)	-	-
Trade receivables	* 12	14,502	12,014	21	408	306
Other receivables	*	493	299	65	259	129
Tax recoverable		448	374	20	-	-
Amounts owing by a subsidiary		-	-	-	133	135
Amounts owing by an associate		750	750	-	750	750
Fixed deposits		2,670	2,074	29	2,670	2,074
Cash and bank balances		1,191	2,174	(45)	299	767
Total current assets		30,422	27,924		4,519	4,161
Total assets		69,206	65,614		37,514	37,319
EQUITY AND LIABILITIES						
Equity						
Share capital	13	33,279	33,279		33,279	33,279
Capital reserve		263	263		-	-
Foreign currency translation reserve		(1,568)	(3,253)		-	-
Retained profits		23,742	23,178		2,659	2,786
Equity attributable to owners of the Company		55,716	53,467		35,938	36,065
Non-controlling interests		2,664	2,491		-	-
Total equity		58,380	55,958		35,938	36,065

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION – cont'd

	GROUP			COMPANY		
	Note	31 January 2025 \$'000	31 July 2024 \$'000	Increase/ (Decrease) %	31 January 2025 \$'000	31 July 2024 \$'000
Non-current liabilities						
Lease liabilities		59	69	(14)	-	-
Provision for retirement benefits		263	249	6	263	249
Deferred tax liabilities		86	82	5	-	-
Total non-current liabilities		<u>408</u>	<u>400</u>		<u>263</u>	<u>249</u>
Current Liabilities						
Trade payables	*	8,941	7,721	16	321	202
Other payables		1,390	1,459	(5)	231	346
Amounts owing to subsidiaries		-	-	-	761	457
Lease liabilities		87	76	14	-	-
Total current liabilities		<u>10,418</u>	<u>9,256</u>		<u>1,313</u>	<u>1,005</u>
Total liabilities		<u>10,826</u>	<u>9,656</u>		<u>1,576</u>	<u>1,254</u>
Total equity and liabilities		<u><u>69,206</u></u>	<u><u>65,614</u></u>		<u><u>37,514</u></u>	<u><u>37,319</u></u>

* refer to Other information required by Listing Rule Appendix 7.2 item 11

C CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

GROUP	Share capital \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Retained profits \$'000	Total attributable to equity holders of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
2025							
At 1 August 2024	33,279	263	(3,253)	23,178	53,467	2,491	55,958
Profit for the financial period	-	-	-	564	564	108	672
Other comprehensive income for the financial period	-	-	1,685	-	1,685	120	1,805
Total comprehensive income for the financial period	-	-	1,685	564	2,249	228	2,477
Dividends paid by							
- Company	-	-	-	-	-	-	-
- Subsidiaries to non-controlling interests	-	-	-	-	-	(55)	(55)
At 31 January 2025	33,279	263	(1,568)	23,742	55,716	2,664	58,380
2024							
At 1 August 2023	33,279	282	(2,934)	24,791	55,418	2,479	57,897
(Loss)/Profit for the financial period	-	-	-	(545)	(545)	87	(458)
Other comprehensive (loss)/income for the financial period	-	1	(1,268)	-	(1,267)	(88)	(1,355)
Total comprehensive (loss)/income for the financial period	-	1	(1,268)	(545)	(1,812)	(1)	(1,813)
Dividends paid by							
- Company	-	-	-	(258)	(258)	-	(258)
- Subsidiaries to non-controlling interests	-	-	-	-	-	(52)	(52)
At 31 January 2024	33,279	283	(4,202)	23,988	53,348	2,426	55,774

C CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

COMPANY	Note	Share capital \$'000	Retained profit \$'000	Total equity \$'000
2025				
At 1 August 2024		33,279	2,786	36,065
Loss for the financial period		-	(127)	(127)
Other comprehensive income for the financial period		-	-	-
Total comprehensive loss for the financial period		-	(127)	(127)
Dividend paid	7	-	-	-
At 31 January 2025		33,279	2,659	35,938
2024				
At 1 August 2023		33,279	3,334	36,613
Loss for the financial period		-	(106)	(106)
Other comprehensive income for the financial period		-	-	-
Total comprehensive loss for the financial period		-	(106)	(106)
Dividend paid	7	-	(258)	(258)
At 31 January 2024		33,279	2,970	36,249

D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	6 months ended	
	31 January 2025 \$'000	31 January 2024 \$'000
Cash flows from operating activities:		
Profit/(Loss) before tax	927	(255)
Adjustments for:		
Share of results of associates, net of tax	(524)	(145)
Inventory written off	-	42
Interest income	(51)	(66)
Allowance on impairment of trade receivables	26	-
Depreciation and amortisation expenses	422	404
Fair value loss on short-term investments	82	260
Provision for retirement benefits	14	12
Gain on disposal of property, plant and equipment	(15)	(1)
Interest expense	4	4
	(42)	510
Operating profit before working capital changes	885	255
Changes in working capital:		
Short-term investments	(34)	-
Inventories	239	412
Trade and other receivables	(2,136)	(1,851)
Trade and other payables	736	709
	(1,195)	(730)
Cash flows used in operations	(310)	(475)
Income tax paid	(310)	(203)
Interest received	51	66
	(259)	(137)
Net cash flows used in operating activities	(569)	(612)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(113)	(99)
Proceeds from disposal of property, plant and equipment	15	1
Dividend received from an associate	327	309
Net cash flows generated from investing activities	229	211
	(340)	(401)

D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS – cont'd

	GROUP	
	6 months ended	
	31 January 2025 \$'000	31 January 2024 \$'000
Cash flows from financing activities:		
Dividend paid by the Company	-	(258)
Dividends paid by subsidiaries to non-controlling interests	(55)	(52)
Repayment of lease liabilities	(45)	(28)
Lease liabilities interest paid	(4)	(4)
Net cash flows used in financing activities	(104)	(342)
Net decrease in cash and cash equivalents	(444)	(743)
Cash and cash equivalents at beginning of the financial period	4,248	5,516
Effects of currency translations on cash and cash equivalents	57	(67)
Cash and cash equivalents at end of the financial period	3,861	4,706
Represented by:		
Fixed deposits	2,670	1,900
Cash and bank balances	1,191	2,806
	3,861	4,706

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The condensed interim financial statements for the six months ended 31 January 2025 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 31 July 2024.

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 which is the Company's functional currency.

1.1 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

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 the 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 estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 July 2024.

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.

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:

Note 12 - Allowance on impairment of trade receivables

2 SEASONAL OPERATIONS

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

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – cont'd

3 SEGMENT AND REVENUE INFORMATION

The Group is organised into the following main business segments:

- a) Segment 1: Trading of wheat flour and consumer goods in Singapore and Malaysia; and
- b) Segment 2: Trading and holding of quoted and unquoted shares in Singapore and Malaysia.

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

3.1 Reportable segments

	GROUP		
	Segment 1	Segment 2	Consolidated
	\$'000	\$'000	\$'000
1 August 2024 to 31 January 2025			
Total segment revenue	38,751	-	38,751
Inter-segment revenue	(35)	-	(35)
Revenue from external parties	38,716	-	38,716
Dividend income	-	15	15
Interest income	51	-	51
Miscellaneous income	579	2	581
Total other income	630	17	647
Total revenue and other income	39,346	17	39,363
Results			
Profit before interest, taxation and depreciation and amortisation	909	(131)	778
Depreciation and amortisation	(422)	-	(422)
Operating profit/(loss)	487	(131)	356
Interest expense			(4)
Interest income			51
Share of results of associates, net of tax			524
Taxation			(255)
Profit after tax			672

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – cont'd

3 SEGMENT AND REVENUE INFORMATION – cont'd

3.1 Reportable segments – cont'd

	Segment 1	GROUP Segment 2	Consolidated
	\$'000	\$'000	\$'000
1 August 2024 to 31 January 2025 – cont'd			
Assets and Liabilities			
Segments assets	46,254	1,939	48,193
Associates			20,215
Unallocated assets			798
			<u>69,206</u>
Segments liabilities	9,897	16	9,913
Unallocated liabilities			913
			<u>10,826</u>
Other segments information			
Expenditure for non-current assets	113	-	113
Other non-cash items			
Allowance on impairment of trade receivables	26	-	26
Foreign exchange gain	(54)	-	(54)
1 August 2023 to 31 January 2024			
Total segment revenue	35,454	-	35,454
Inter-segment revenue	(45)	-	(45)
Revenue from external parties	35,409	-	35,409
Dividend income	-	13	13
Interest income	66	-	66
Miscellaneous income	417	-	417
Total other income	483	13	496
Total revenue and other income	35,892	13	35,905

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – cont'd

3 SEGMENT AND REVENUE INFORMATION – cont'd

3.1 Reportable segments – cont'd

	Segment 1	GROUP Segment 2	Consolidated
	\$'000	\$'000	\$'000
1 August 2023 to 31 January 2024 – cont'd			
Results			
(Loss)/Profit before interest, taxation and depreciation and amortisation	341	(399)	(58)
Depreciation and amortisation	(382)	(22)	(404)
Operating (loss)/profit	<u>(41)</u>	<u>(421)</u>	(462)
Interest expense			(4)
Interest income			66
Share of results of associates, net of tax			145
Taxation			<u>(203)</u>
Loss after tax			<u>(458)</u>
Assets and Liabilities			
Segments assets	<u>43,340</u>	<u>2,089</u>	45,429
Associates			19,202
Unallocated assets			<u>444</u>
			<u>65,075</u>
Segments liabilities	<u>8,900</u>	<u>16</u>	8,916
Unallocated liabilities			<u>385</u>
			<u>9,301</u>
Other segments information			
Expenditure for non-current assets	99	-	99
Other non-cash items			
Foreign exchange loss	67	-	67
Inventory written off	<u>42</u>	<u>-</u>	<u>42</u>

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – cont'd

3 SEGMENT AND REVENUE INFORMATION – cont'd

3.2 Disaggregation of Revenue

	GROUP		
	6 months ended 31 January 2025		
	Segment 1	Segment 2	Consolidated
	\$'000	\$'000	\$'000
Types of goods:			
Sales of goods	38,716	-	38,716
Timing of revenue recognition:			
At a point in time	38,716	-	38,716
Geographical information:			
Singapore	890	-	890
Malaysia	37,826	-	37,826
	38,716	-	38,716

	GROUP		
	6 months ended 31 January 2024		
	Segment 1	Segment 2	Consolidated
	\$'000	\$'000	\$'000
Types of goods:			
Sales of goods	35,409	-	35,409
Timing of revenue recognition:			
At a point in time	35,409	-	35,409
Geographical information:			
Singapore	875	-	875
Malaysia	34,534	-	34,534
	35,409	-	35,409

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – cont'd

4 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and liabilities of the Group as at 31 January 2025 and 31 July 2024:

	GROUP		COMPANY	
	31 January 2025 \$'000	31 July 2024 \$'000	31 January 2025 \$'000	31 July 2024 \$'000
Financial Assets				
Financial assets at fair value through profit or loss ("FVPL")	1,555	1,603	-	-
Financial assets at FVOCI	255	244	-	-
Cash and bank balances and fixed deposits and amounts owing by an associate and amounts owing by a subsidiary and trade and other receivables (Amortised cost)	19,418	17,151	4,476	4,088
	<u>21,228</u>	<u>18,998</u>	<u>4,476</u>	<u>4,088</u>
Financial Liabilities				
Trade and other payables and amounts owing to subsidiaries	10,331	9,180	1,313	1,005

5 PROFIT/(LOSS) BEFORE TAX

5.1 Significant items

	GROUP	
	31 January 2025 \$'000	31 January 2024 \$'000
Expenses		
Interest on leases	4	4
Depreciation and amortisation	422	404
Allowance on impairment of trade receivables	26	-
Bad debts written off	-	-
Inventory written off	-	42
Foreign exchange loss	-	67

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – cont'd**5 PROFIT/(LOSS) BEFORE TAX – cont'd****5.2 Other income**

	GROUP	
	6 months ended	
	31 January	31 January
	2025	2024
	\$'000	\$'000
Rental income	297	291
Government grant	5	1
Interest income	51	66
Gain on disposal of property, plant and equipment	15	1
Foreign exchange gain	54	-
Others	210	124
	<u>632</u>	<u>483</u>

5.3 Related party transactions

In addition to the related party information disclosed elsewhere in the condensed financial statements, the following transactions with related parties took place at term agreed between the parties during the financial period:

	GROUP		COMPANY	
	6 months ended		6 months ended	
	31 January	31 January	31 January	31 January
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Purchases from				
- Associate	7,524	6,987	741	710
- Related parties	3,637	4,228	8	6
Sales to related parties	<u>150</u>	<u>73</u>	<u>-</u>	<u>-</u>

6 INCOME TAX EXPENSE

	GROUP	
	6 months ended	
	31 January	31 January
	2025	2024
	\$'000	\$'000
Current taxation		
- Malaysian tax	255	202
- tax deducted at source	<u>-</u>	<u>1</u>
	<u>255</u>	<u>203</u>

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – cont'd

7 DIVIDEND

	GROUP AND COMPANY	
	6 months ended	
	31 January	31 January
	2025	2024
	\$'000	\$'000
Ordinary dividends paid:		
Final tax exempt one-tier dividend of \$nil per ordinary share (2024: Final tax exempt one-tier dividend of \$0.01 per ordinary share)	-	258
	<u>-</u>	<u>258</u>

8 NET ASSET VALUE

	GROUP		COMPANY	
	31 January	31 July	31 January	31 July
	2025	2024	2025	2024
	\$	\$	\$	\$
Net asset value per ordinary share	<u>2.16</u>	<u>2.07</u>	<u>1.39</u>	<u>1.40</u>

9 INVESTMENT PROPERTY

The Group's and the Company's investment property is held for long-term rental yields and/or capital appreciation. Investment property is leased to third parties under operating leases.

	GROUP AND COMPANY	
	31 January	31 July
	2025	2024
	\$'000	\$'000
Cost		
Balance at beginning and end of financial period	<u>11,249</u>	<u>11,249</u>
Accumulated depreciation		
Balance at beginning of financial period	860	713
Charge for the financial period	<u>74</u>	<u>147</u>
Balance at end of financial period	<u>934</u>	<u>860</u>
Carrying Amount		
As at end of the financial period	<u>10,315</u>	<u>10,389</u>

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – cont'd

9 INVESTMENT PROPERTY – cont'd

9.1 Valuation

The Group engages external, independent and qualified valuers to determine the fair value of the investment property every five year or when necessary.

The fair value of the investment property is determined based on significant unobservable inputs and is categorized under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using the market value approach where the valuation is based on the highest value at which the sale interest in property might reasonably be expected at the date of valuation.

The Company's investment property was appraised on 31 July 2024 by an independent valuer, Edmund Tie & Company (SEA) Pte Ltd at a fair value of \$23,300,000.

10 INVESTMENTS IN ASSOCIATES

	GROUP		COMPANY	
	31 January 2025 \$'000	31 July 2024 \$'000	31 January 2025 \$'000	31 July 2024 \$'000
Unquoted equity investment, at cost	13,535	13,535	1,500	1,500
Share of post-acquisition reserves	13,796	13,599	-	-
Share of capital reserve	34	34	-	-
Foreign currency translation reserve	(7,150)	(8,068)	-	-
	<u>20,215</u>	<u>19,100</u>	<u>1,500</u>	<u>1,500</u>

Movements for share of post-acquisition reserves:

	GROUP	
	31 January 2025 \$'000	31 July 2024 \$'000
Balance at beginning of financial period	13,599	14,366
Share of results	524	(458)
Dividend received	(327)	(309)
Balance at end of financial period	<u>13,796</u>	<u>13,599</u>

Details of the associates as at 31 January 2025 and 31 July 2024 are as follows:

Name of company	Principal activities	Place of incorporation /business	Percentage of equity held %
<u>Held by the Company</u>			
SGProtein Pte. Ltd. "SGProtein"	Manufacturing of plant-based protein products and research and experimental development on food science.	Singapore	30.00

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – cont'd

10 INVESTMENTS IN ASSOCIATES – cont'd

Details of the associates as at 31 January 2025 and 31 July 2024 are as follows:

Name of company	Principal activities	Place of incorporation /business	Percentage of equity held %
<u>Held by Tau Meng Investments Pte Ltd</u>			
United Malayan Flour (1996) Sdn. Bhd.	Milling and trading of wheat flour and related products	Malaysia	30.00

As previously announced on 30 December 2024, the Company had agreed to subscribe for an additional 179,013 new ordinary shares in SGProtein for a total consideration of \$900,000, to be satisfied by way of cash payment and the conversion of an existing loan to SGProtein.

The subscription process for the Series A remains in progress and the share allotment has not yet been finalized. The share allocation will be completed once the necessary administrative and procedural steps are undertaken, and the subscription is fully processed.

Upon completion of the first close of the Series A, the Company's percentage equity interest in SGProtein's enlarged share capital is expected to decrease to 22.5%, as previously disclosed.

11 SHORT-TERM INVESTMENTS

	GROUP	
	31 January 2025 \$'000	31 July 2024 \$'000
Balance at beginning of financial period	1,603	1,787
Purchases	34	-
Unrealised loss in fair value	(82)	(184)
Balance at end of financial period	<u>1,555</u>	<u>1,603</u>
Other net changes in fair value on financial assets at FVPL:		
Gain on sale of short-term investments, realised	-	-
Fair value loss on short-term investments, unrealised	(82)	(184)
	<u>(82)</u>	<u>(184)</u>

12 TRADE RECEIVABLES

	GROUP		COMPANY	
	31 January 2025 \$'000	31 July 2024 \$'000	31 January 2025 \$'000	31 July 2024 \$'000
Trade receivables:				
- Third parties	14,900	12,333	408	306
- Related parties	40	74	-	-
	<u>14,940</u>	<u>12,407</u>	<u>408</u>	<u>306</u>
Less:				
Allowance on impairment of trade receivables	(438)	(393)	-	-
	<u>14,502</u>	<u>12,014</u>	<u>408</u>	<u>306</u>

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – cont'd

12 TRADE RECEIVABLES – cont'd

	GROUP	
	31 January 2025 \$'000	31 July 2024 \$'000
Movement in allowance accounts:		
Balance at the beginning of the financial period	(393)	(365)
Allowance made	(26)	(60)
Allowance written back	-	14
Bad debts written off	-	14
Currency translation difference	(19)	4
Balance at the end of the financial period	<u>(438)</u>	<u>(393)</u>

13 SHARE CAPITAL

	GROUP AND COMPANY	
	31 January 2025 \$'000	31 July 2024 \$'000
Issued and fully paid 25,812,520 (2024: 25,812,520) ordinary shares	<u>33,279</u>	<u>33,279</u>

The Company did not hold any treasury shares as at 31 January 2025.

The Company's subsidiaries do not hold any shares in the Company as at 31 January 2025 and 31 July 2024.

14 BORROWINGS

	GROUP	
	31 January 2025 \$'000	31 July 2024 \$'000
Amount repayable within one year or on demand		
Secured	-	-
Unsecured	-	-
Amount repayable after one year		
Secured	-	-
Unsecured	-	-

The bank overdrafts facilities and other credit facilities are secured by way of fixed charges on a subsidiary company's leasehold properties and are also guaranteed by the Company.

**OTHER INFORMATION REQUIRED BY LISTING RULE
APPENDIX 7.2**

OTHER INFORMATION

1 Review

The condensed consolidated statement of financial position of Khong Guan Limited and its subsidiaries as at 31 January 2025 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 six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditor.

2 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

(a) 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; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

	6 months ended		Increase/ (Decrease) \$'000
	31 January 2025 \$'000	31 January 2024 \$'000	
Revenue			
Tong Guan Food Products Sdn. Bhd. ("TGF")	22,219	20,480	1,739
Swee Hin Chan Company Sdn. Berhad. ("SHC")	15,607	14,054	1,553
The Company	890	875	15
	<u>38,716</u>	<u>35,409</u>	<u>3,307</u>

The Group's revenue for the six months ended 31 January 2025 ("HY2025") increased by 9.3% to \$38.72 million, compared to \$35.41 million in the prior corresponding period. This growth was driven by higher sales revenue across key business segments and a favorable exchange rate.

TGF recorded a 8.5% increase in revenue to \$22.22 million, up from \$20.48 million, supported by stronger sales of a leading beverage brand through expanded market coverage, improved sales of a popular cooking ingredients brand and the appreciation of the Malaysian Ringgit against the Singapore Dollar. These gains offset the weaker performance in other product portfolios.

SHC posted a 11.0% revenue growth to \$15.61 million, compared to \$14.05 million previously, driven by higher sales of starches, other ingredients and the appreciation of the Malaysian Ringgit against the Singapore and US Dollar. This was supported by portfolio expansion and entry into new market segments and territories in Malaysia.

The Group recorded a profit attributable to equity holders of \$564,000 for HY2025, reversing a loss of \$545,000 in the prior corresponding period. The turnaround was primarily due to:

- a \$201,000 increase in combined net profit after tax from its Malaysian subsidiaries, SHC and TGF, bringing their total net profit to \$679,000,
- a reduction in fair value loss on short-term investments from \$260,000 to \$82,000, and
- a rise in share of results from associates, net of tax from \$145,000 to \$524,000, as there were no further share of losses on our associate SGProtein for HY2025, compared to loss of \$355,000 in the prior corresponding period, because our investment in associate relating to SGProtein had been fully absorbed by the share of losses in the previous financial years.

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

Not applicable

4 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 Group continues to operate in a challenging consumer landscape, both in Malaysia and its export markets, as inflationary pressures and weaker purchasing power impact overall demand. Additionally, global uncertainties, including geopolitical tensions and shifting trade policies, have introduced volatility in supply chains and foreign exchange markets, which may affect business conditions in the near term.

Increased competition in both domestic and international markets could place pressure on pricing and margins across the Group's product portfolio. Additionally, any further weakness in the Malaysian Ringgit against the Singapore Dollar may negatively impact our reported financial performance, given our financials are denominated in Singapore Dollar.

Looking ahead, the Group plans to remain focused on strengthening its market position, optimizing operational efficiencies, and expanding its product offerings to mitigate external challenges. The competitive market environment for oats and cooking oils is expected to remain challenging for the remainder of the financial year ending 31 July 2025, which may impact the performance of our associate, United Malayan Flour (1996) Sdn Bhd.

Despite these headwinds, the Group remains committed to navigating market uncertainties through strategic cost management, targeted growth initiatives, and leveraging brand strength to sustain long-term resilience and profitability.

5 Dividend Information

5a Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None

5b Corresponding Period of the Immediate Preceding Financial Year

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

None

5c Date Payable

Not Applicable

5d Record Date

Not Applicable

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

The Company normally decides dividend payments at the end of each financial year.

7 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting for the preference dividends.

	GROUP	
	6 months ended	
	31 January 2025	31 January 2024
Profit/(Loss) for the financial period attributable to Equity holders of the Company	\$564,000	\$(545,000)
Weighted average number of ordinary shares in issue	25,812,520	25,812,520
Basic earnings/(loss) per share in cents	2.18	(2.11)
Diluted earnings/(loss) per share in cents	2.18	(2.11)

8 Interested person transactions

Aggregate value of Interested Person Transactions entered into for the six months ended 31 January 2025.

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) \$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$
Purchases by Khong Guan Limited Group from:			
Chung Ying Confectionery & Food Products Sdn Bhd	Associates of Chew Family*		1,122,000
Khong Guan Biscuit Factory (Borneo) Sdn Bhd	Associates of Chew Family*		2,380,000
United Malayan Flour (1996) Sdn. Bhd. ('UMF')	Associates of Chew Family*		7,670,000
Sales by UMF Group (Associates) to:			
Khian Guan Biscuit Manufacturing Co Sdn Bhd	Associates of Chew Family*		267,000
Sunshine Traders Sdn Bhd	Associates of Chew Family*		299,000
Corporate Guarantee to third parties on behalf of:			
Tong Guan Food Products Sdn Bhd	Subsidiary of Khong Guan Limited	2,400,000 (RM7,870,000)	

* As defined in the Shareholders' mandate for Interested Person Transactions

9 Confirmation that the issuer has procured undertaking 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 7.7 under rule 720(1) of the Listing Manual.

10 Negative Assurance

The Board of Directors hereby confirms to the best of its knowledge that nothing has come to its attention which may render the financial statements for the six months ended 31 January 2025 to be false or misleading in any material aspect.

11 Other information

Condensed interim consolidated statement of profit or loss and other comprehensive income

Other net changes in fair value on financial assets at fair value through profit or loss as follow:

	GROUP	
	6 months ended	
	31 January	31 January
	2025	2024
	\$'000	\$'000
Gain on sale of short-term investments, realised	-	-
Fair value loss on short-term investments, unrealised	<u>(82)</u>	<u>(260)</u>
	<u>(82)</u>	<u>(260)</u>

Depreciation on Right-of-use assets increased from \$65,000 to \$85,000 arising from a new warehouse rental agreement which commenced in May 2024.

Condensed interim statements of financial position

Trade receivables increased from \$12,014,000 to \$14,502,000 as a result of more sales before and up to the Chinese New Year festival.

Other receivables increased from \$299,000 to \$493,000 mainly due to the share application money amounting to \$150,000 paid to SGProtein.

Trade payables increased from \$7,721,000 to \$8,941,000 arising from more local purchases before and up to the Chinese New Year festival.

By Order of the Board
Chew Kian Boon Daniel
Executive Director
14 March 2025