



KEONG HONG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200807303W)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2024**

TABLE OF CONTENTS

A.	Condensed interim consolidated statement of profit or loss and other comprehensive income	1
B.	Condensed interim statements of financial position	3
C.	Condensed interim statements of changes in equity	5
D.	Condensed interim consolidated statement of cash flows	8
E.	Notes to the condensed consolidated financial statements	10
F.	Other information required by Listing Rule Appendix 7.2	24

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

		The Group		
		6 months ended 31 March 2024	6 months ended 31 March 2023	Change
		S\$'000	S\$'000	%
	Note			
Revenue	4	69,797	118,102	(40.9)
Cost of sales		(71,481)	(117,664)	(39.2)
Gross (loss)/profit		(1,684)	438	n.m.
Other income		4,244	12,280	(65.4)
Administrative expenses		(7,037)	(13,911)	(49.4)
Reversal of loss allowance on financial assets				
- Trade and other receivables		722	132	>100
- Contract assets		265	907	(70.8)
Finance costs		(1,215)	(2,127)	(42.9)
Other expenses		(510)	-	n.m.
Share of results of joint ventures, net of tax		(1,213)	326	n.m.
Share of results of associates, net of tax		(3,092)	(2,686)	15.1
Loss before income tax	6	(9,520)	(4,641)	>100
Income tax credit	7	-	270	n.m.
Loss for the period		(9,520)	(4,371)	>100
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange difference on translating foreign operations		528	2,955	(82.1)
<i>Items that may not be reclassified subsequently to profit or loss:</i>				
Fair value gain on financial assets at FVTOCI		150	60	>100
Other comprehensive income for the period, net of tax		678	3,015	(77.5)
Total comprehensive loss for the period		(8,842)	(1,356)	>100
Loss attributable to:				
Owners of the company		(9,520)	(3,707)	>100
Non-controlling interests		-	(664)	n.m.
		(9,520)	(4,371)	>100
Total comprehensive loss attributable to:				
Owners of the company		(8,842)	(692)	>100
Non-controlling interests		-	(664)	n.m.
		(8,842)	(1,356)	>100
Loss per share (cents)				
• Basic	9	(4.05)	(1.58)	
• Diluted	9	(4.05)	(1.58)	

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

Additional notes

- Other income of S\$4.2 million (1HFY2023: S\$12.3 million) included gain on disposal of investment properties of Nil (1HFY2023: S\$7.8 million).
- Administrative expenses of S\$7.0 million (1HFY2023: S\$13.9 million) included net foreign exchange loss of S\$1.1 million (1HFY2023: S\$6.4 million) that is mainly unrealised.
- Other expenses of S\$0.5 million (1HFY2023: Nil) related to impairment loss on investment in a joint venture.

B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		31 March 2024	30 September 2023	31 March 2024	30 September 2023
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	11	12,060	13,155	-	-
Right-of-use assets		5,199	6,546	-	-
Investment properties	12	-	-	-	-
Investments in subsidiaries		-	-	21,139	21,139
Investments in associates		8,340	9,690	7,123	7,123
Investments in joint ventures		4,388	6,181	-	-
Intangible assets	13	81	142	-	-
Financial assets at FVTOCI	14	32,582	32,432	2,625	2,475
Financial assets at FVTPL		19,610	19,610	-	-
Deferred tax assets		28	28	-	-
Total non-current assets		82,288	87,784	30,887	30,737
Current assets					
Trade and other receivables		53,247	64,919	29,443	12,414
Contract assets		21,532	22,122	-	-
Tax recoverable		-	1,323	-	-
Prepayments		347	190	46	17
Fixed deposits		1,079	2,883	-	-
Cash and bank balances		17,389	9,816	1,257	733
Total current assets		93,594	101,253	30,746	13,164
Total assets		175,882	189,037	61,633	43,901
Equity					
Share capital	15	25,048	25,048	25,048	25,048
Treasury shares	15	(3,303)	(3,303)	(3,303)	(3,303)
Share option reserve		2,041	2,041	2,041	2,041
Foreign currency translation reserve		731	203	-	-
Merger reserve		(4,794)	(4,794)	-	-
Fair value reserve		(23,849)	(23,999)	(4,200)	(4,350)
Other reserve		1,125	1,125	-	-
Retained earnings		58,570	68,090	27,705	10,618
Total equity		55,569	64,411	47,291	30,054
Non-current liabilities					
Trade and other payables	16	12,750	12,750	12,750	12,750
Bank borrowings	17	5,270	6,201	-	-
Lease liabilities		4,192	4,558	-	-
Provisions		512	512	-	-
Deferred tax liabilities		1	1	-	-
Total non-current liabilities		22,725	24,022	12,750	12,750

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS ENDED 31 MARCH 2024

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

	Note	The Group		The Company	
		31 March 2024	30 September 2023	31 March 2024	30 September 2023
		S\$'000	S\$'000	S\$'000	S\$'000
Current liabilities					
Contract liabilities		6,904	3,155	-	-
Trade and other payables		52,441	53,456	1,592	1,097
Bank borrowings	17	14,894	19,859	-	-
Lease liabilities		1,365	2,294	-	-
Provisions		20,062	19,894	-	-
Current income tax payable		1,922	1,946	-	-
Total current liabilities		97,588	100,604	1,592	1,097
Total liabilities		120,313	124,626	14,342	13,847
Total equity and liabilities		175,882	189,037	61,633	43,901

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS ENDED 31 MARCH 2024

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
Six months ended 31 March 2024											
Balance at 1 October 2023	25,048	(3,303)	2,041	203	(4,794)	(23,999)	1,125	68,090	64,411	-	64,411
Loss for the financial period	-	-	-	-	-	-	-	(9,520)	(9,520)	-	(9,520)
Other comprehensive income for the financial period:											
Exchange differences on translating foreign operations	-	-	-	528	-	-	-	-	528	-	528
Fair value gain on financial assets at FVTOCI	-	-	-	-	-	150	-	-	150	-	150
Total comprehensive income/(loss) for the financial period	-	-	-	528	-	150	-	(9,520)	(8,842)	-	(8,842)
Balance at 31 March 2024	25,048	(3,303)	2,041	731	(4,794)	(23,849)	1,125	58,570	55,569	-	55,569

KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS ENDED 31 MARCH 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
Six months ended 31 March 2023											
Balance at 1 October 2022	25,048	(3,303)	2,041	(1,379)	(4,794)	(25,289)	1,125	117,578	111,027	(1,755)	109,272
Loss for the financial period	-	-	-	-	-	-	-	(3,707)	(3,707)	(664)	(4,371)
Other comprehensive income for the financial period:											
Exchange differences on translating foreign operations	-	-	-	2,955	-	-	-	-	2,955	-	2,955
Fair value gain on financial assets at FVTOCI	-	-	-	-	-	60	-	-	60	-	60
Total comprehensive income/(loss) for the financial period	-	-	-	2,955	-	60	-	(3,707)	(692)	(664)	(1,356)
Balance at 31 March 2023	25,048	(3,303)	2,041	1,576	(4,794)	(25,229)	1,125	113,871	110,335	(2,419)	107,916

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
Six months ended 31 March 2024						
Balance at 1 October 2023	25,048	(3,303)	2,041	(4,350)	10,618	30,054
Gain for the financial period	-	-	-	-	17,087	17,087
Other comprehensive income for the financial period:						
Fair value gain on financial assets at FVTOCI	-	-	-	150	-	150
Total comprehensive income for the financial period	-	-	-	150	17,087	17,237
Balance at 31 March 2024	25,048	(3,303)	2,041	(4,200)	27,705	47,291
Six months ended 31 March 2023						
Balance at 1 October 2022	25,048	(3,303)	2,041	(4,410)	(10,341)	9,035
Gain for the financial period	-	-	-	-	18,756	18,756
Other comprehensive income for the financial period:						
Fair value gain on financial assets at FVTOCI	-	-	-	60	-	60
Total comprehensive income for the financial period	-	-	-	60	18,756	18,816
Balance at 31 March 2023	25,048	(3,303)	2,041	(4,350)	8,415	27,851

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	The Group	
		Six months ended	Six months ended
		31 March 2024	31 March 2023
		S\$'000	S\$'000
Operating activities			
Loss before income tax		(9,520)	(4,641)
Adjustments for:			
Reversal of loss allowance on financial assets			
- Trade and other receivables		(722)	(132)
- Contract assets		(265)	(907)
Impairment loss on investment in a joint venture		510	-
Amortisation of intangible assets	13	61	72
Depreciation of investment properties	12	-	166
Depreciation of property, plant and equipment		1,174	1,189
Depreciation of right-of-use assets		1,347	1,196
Gain on disposal of plant and equipment		-	(108)
Gain on disposal of investment properties		-	(7,755)
Interest income		(3,227)	(3,171)
Interest expense		1,215	2,127
Decrease in provisions			
- Provision for onerous contract		(1,003)	(3,866)
- Provision for warranty		-	(619)
Loss on unrealised foreign exchange		1,055	6,355
Share of results of joint ventures		1,213	(326)
Share of results of associates		3,092	2,686
Operating cash flows before working capital changes		(5,070)	(7,734)
Changes in working capital			
Inventories		-	(29)
Trade and other receivables		(474)	(3,843)
Prepayments		(157)	(1,805)
Contract assets		855	(4,667)
Contract liabilities		3,749	-
Trade and other payables		(1,482)	8,862
Cash used in operations		(2,579)	(9,216)
Income tax refund		1,316	270
Net cash used in operating activities		(1,263)	(8,946)

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

	Note	The Group	
		Six months ended	Six months ended
		31 March 2024	31 March 2023
		S\$'000	S\$'000
Investing activities			
Loan to a joint venture		(510)	-
Loan to an associate		(1,914)	-
Purchase of property, plant and equipment	11	(79)	(134)
Purchase of intangible assets	13	-	(17)
Proceeds from disposal of plant and equipment		-	108
Proceeds from disposal of investment properties		-	24,564
Repayment of loan from joint venture		14,669	20,842
Repayment of loan from associate		719	656
Interest received		387	260
Dividend from joint venture		1,733	-
Net cash generated from investing activities		15,005	46,279
Financing activities			
Fixed deposit (pledged)/unpledged with financial institutions		(1,000)	230
Proceeds from bank borrowings		6,000	8,628
Repayment of lease liabilities		(1,295)	(1,124)
Repayment of bank borrowings		(11,896)	(13,559)
Interest paid		(800)	(620)
Net cash used in financing activities		(8,991)	(6,445)
Net increase in cash and cash equivalents		4,751	30,888
Cash and cash equivalents at beginning of financial year		12,699	22,602
Effect of foreign exchange rate changes on cash and cash equivalents		18	86
Cash and cash equivalents at end of financial period		17,468	53,576
Cash and cash equivalents:			
Fixed deposits		1,079	22,589
Cash and bank balances		17,389	31,784
		18,468	54,373
Fixed deposits pledged		(1,000)	(305)
Bank overdraft		-	(492)
Cash and cash equivalents at end of financial period		17,468	53,576

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 six months ended 31 March 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 six months ended 31 March 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)

- 2.2.1. 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:

Classification of Hyundai-Keong JV Limited Partnership as a joint venture

Hyundai-Keong Hong JV Limited Partnership is a limited partnership whose legal form does not confer separation between the parties to the joint arrangement and the company itself. However, the Group takes into consideration of contractual arrangement as well as other facts and circumstances that indicate that the parties to the joint arrangement have rights to the net assets of the joint arrangement. Accordingly, Hyundai-Keong Hong JV Limited Partnership is classified as a joint venture of the Group.

- 2.2.2. 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 31 March 2024 that are non-cancellable. For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method"). Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract. Significant assumptions are used to estimate the total contract sum and the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion and completeness of provision for onerous contracts recognised. In making these estimates, management has relied on past experience and the work of specialists.

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

2.2. Use of judgements and estimates (continued)

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

Management follows the guidance of SFRS(I) 1-36 *Impairment of Assets*, in determining whether investments in subsidiaries, associates and joint ventures are impaired. This requires assumption to be made regarding the duration and extent to which the recoverable amount of an investment is less than its carrying amount, the financial health, and near-term business outlook of the investments including factors such as industry and sector performance, changes in technology and operational and financing cash flows. Investment in subsidiaries, associates and joint ventures are tested for impairment whenever there is indication that these assets may be impaired.

The recoverable amounts of these assets and where applicable, cash-generating units (“CGU”) have been determined based on value-in-use calculations. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

(iii) Fair value measurements and valuation processes

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

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

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

Trade receivables, retention sum and contract assets

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

Non-trade receivables from subsidiaries, associates and joint ventures

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

(v) Measurement of lease liabilities

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

2.3. Going concern

The Group incurred loss of S\$9.5 million for the financial period ended 31 March 2024, recorded a negative working capital of S\$4.0 million as at 31 March 2024 mainly due to increase in contract liabilities by S\$3.7 million as the invoices and/or payment received for certain construction projects exceed the revenue recognised to date, with an operating cash outflow of approximately S\$1.3 million.

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

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

- (a) Continuing financial support from financial institutions with regard to the availability of credit facilities granted to the Group and financial support from its ultimate holding company and a shareholder; and
- (b) Achieving the forecasted operating cashflows from the Group's core business comprising but not limited to improvement of the profit margin by streamlining the business operations, timeliness in the completion of the construction projects, and improved liquidity management.

Should any of the factors fail to materialise, the Directors are of the view that material uncertainty may exist that may cast doubt on the Group's ability to continue as going concern.

These condensed financial statements did not include any adjustments that may result in the event that the Group are unable to continue as going concern.

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 31 March 2024					
	Buildings and construction	Property development	Investment property	Investment holding	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	69,797	-	-	-	-	69,797
Inter-segment sales	-	124	-	-	(124)	-
	69,797	124	-	-	(124)	69,797
Loss from operations						
Share of results from joint ventures, net of tax	-	(1,213)	-	-	-	(1,213)
Share of results from associates, net of tax	-	(3,092)	-	-	-	(3,092)
Interest income	3,204	-	-	23	-	3,227
Interest expenses	(800)	-	-	(415)	-	(1,215)
Depreciation and Amortisation	(2,582)	-	-	-	-	(2,582)
Income tax expense	-	-	-	-	-	-
Reportable segment (loss)/profit before income tax	(9,310)	21	(20)	(211)	-	(9,520)
Net (loss)/profit for the period after tax	(9,310)	21	(20)	(211)	-	(9,520)
Other information						
Additions to non-current assets	79	-	-	-	-	79
Investment in joint ventures	-	4,388	-	-	-	4,388
Investment in associates	-	8,340	-	-	-	8,340
Segment assets	131,649	35,077	449	8,707	-	175,882
Segment liabilities	105,890	73	5	14,345	-	120,313

**KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS ENDED 31 MARCH 2024**

4.1. Reportable segments (continued)

	The Group					Total
	Six months ended 31 March 2023					
	Buildings and construction	Property development	Investment property	Investment holding	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	117,572	-	530	-	-	118,102
Inter-segment sales	-	256	-	-	(256)	-
	117,572	256	530	-	(256)	118,102
Loss from operations						
Share of results from joint ventures, net of tax	-	326	-	-	-	326
Share of results from associates, net of tax	-	(2,686)	-	-	-	(2,686)
Interest income	3,009	-	-	162	-	3,171
Interest expenses	(586)	-	(34)	(1,507)	-	(2,127)
Depreciation and Amortisation	(2,457)	-	(166)	-	-	(2,623)
Income tax credit	270	-	-	-	-	270
Reportable segment (loss)/profit before income tax	(10,220)	302	7,152	(1,875)	-	(4,641)
Net (loss)/profit for the period after tax	(9,950)	302	7,152	(1,875)	-	(4,371)
Other information						
Additions to non-current assets	151	-	-	-	-	151
Investment in joint ventures	-	7,043	-	-	-	7,043
Investment in associates	-	22,722	-	-	-	22,722
Segment assets	178,569	46,123	20,144	32,170	-	277,006
Segment liabilities	117,851	109	1,710	49,420	-	169,090

4.2. Disaggregation of revenue

	The Group				
	Six months ended 31 March 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	69,797	-	-	-	69,797
Rental	-	-	-	-	-
Total revenue	69,797	-	-	-	69,797
Timing of revenue recognition					
At a point in time	-	-	-	-	-
Over time	69,797	-	-	-	69,797
Total revenue	69,797	-	-	-	69,797
Geographical information					
Singapore	69,599	-	-	-	69,599
Maldives	198	-	-	-	198
Japan	-	-	-	-	-
Total revenue	69,797	-	-	-	69,797

	The Group				
	Six months ended 31 March 2023				
	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	117,572	-	-	-	117,572
Rental	-	-	530	-	530
Total revenue	117,572	-	530	-	118,102
Timing of revenue recognition					
At a point in time	-	-	-	-	-
Over time	117,572	-	530	-	118,102
Total revenue	117,572	-	530	-	118,102
Geographical information					
Singapore	117,167	-	-	-	117,167
Maldives	405	-	-	-	405
Japan	-	-	530	-	530
Total revenue	117,572	-	530	-	118,102

**KEONG HONG HOLDINGS LIMITED AND ITS SUBSIDIARIES
FOR THE SIX MONTHS ENDED 31 MARCH 2024**

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2024 and 30 September 2023.

	Note	The Group		The Company	
		31 March 2024	30 September 2023	31 March 2024	30 September 2023
		S\$'000	S\$'000	S\$'000	S\$'000
Financial assets					
Financial assets at FVTOCI	14	32,582	32,432	2,625	2,475
Financial assets at FVTPL		19,610	19,610	-	-
Financial assets at amortised cost		68,693	75,337	30,700	13,147
Financial liabilities					
Financial liabilities at amortised cost		90,081	97,306	14,342	13,847

6. LOSS BEFORE TAXATION

6.1. Significant items

	The Group	
	Six months ended 31 March 2024	Six months ended 31 March 2023
	S\$'000	S\$'000
Other income		
Interest income	3,227	3,171
Sales of scrap steel	110	55
Rental income from warehouse	647	647
Management fee	150	150
Government grant	66	140
Gain on disposal of plant and equipment	-	108
Gain on disposal of investment properties	-	7,755
Others	44	254
	4,244	12,280
Expenses		
<i>Cost of sales</i>		
Construction costs	59,119	103,498
Cost of inventories	-	1,756
Employee benefit expenses	7,471	8,108
Depreciation of property, plant and equipment	3	4
Depreciation of investment properties	-	166
<i>Administrative and other expenses</i>		
Amortisation of intangible assets	61	72
Depreciation of property, plant and equipment	1,171	1,185
Depreciation of right-of-use asset	1,347	1,196
Employee benefit expenses	1,528	1,732
Impairment loss on investment in a joint venture	510	-
Professional fees	411	384
Foreign exchange loss/(gain), net	1,055	6,355

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 31 March 2024 S\$'000	Six months ended 31 March 2023 S\$'000
Joint ventures		
Contract revenue from joint ventures	340	1,176
Loan to a joint venture	510	-
Interest charged to joint ventures	79	276
Payment on behalf of joint ventures	439	269
Associates		
Payment made on behalf of associates	12	-
Loan to an associate	1,914	-
Management fee charged to associates	150	150
Interest charged to associates	3,114	2,746
Subcontractor services by associate	30	71
Directors' interest in medium term notes		
- Leo Ting Ping Ronald	-	2,000
- Fong Heng Boo	-	500
- Chong Weng Hoe	-	250
Interest expense		
- Leo Ting Ping Ronald	-	62
- Fong Heng Boo	-	16
- Chong Weng Hoe	-	8
Loan from shareholders		
Interest expense		
- LJHB Capital (S) Pte Ltd	260	249
- Leo Ting Ping Ronald	155	148

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 31 March 2024 S\$'000	Six months ended 31 March 2023 S\$'000
Current income tax credit	-	270
Deferred income tax expense relating to origination and reversal of temporary differences	-	-
	-	270

8. DIVIDENDS

	The Group	
	Six months ended 31 March 2024	Six months ended 31 March 2023
	S\$'000	S\$'000
Ordinary dividends paid		
- Final exempt dividend	-	-
- Interim exempt dividend	-	-
	-	-

9. LOSS PER ORDINARY SHARES

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

	The Group	
	Six months ended 31 March 2024	Six months ended 31 March 2023
	S\$'000	S\$'000
Loss attributable to owners of the parent	(9,520)	(3,707)
Weighted average number of ordinary shares (excluding treasury shares) (in thousands)	235,010	235,010
Basic and diluted loss per share (cents)	(4.05)	(1.58)
Diluted loss per share ⁽¹⁾ (cents)	(4.05)	(1.58)

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

10. NET ASSET VALUE

	The Group		The Company	
	As at 31 March 2024	As at 30 September 2023	As at 31 March 2024	As at 30 September 2023
Net asset value per ordinary share (excluding treasury shares)(cents)	23.7	27.4	20.1	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 half year ended 31 March 2024, the Group acquired assets amounting to S\$79,000 (30 September 2023: S\$171,000) and disposed of assets amounting to Nil (30 September 2023: Nil).

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 31 March 2024	639	-	-	639
Accumulated amortization				
Balance at 1 October 2023	409	-	-	409
Amortisation for the financial period	61	-	-	61
Balance at 31 March 2024	470	-	-	470
Impairment				
Balance at 1 October 2023 and 31 March 2024	88	-	-	88
Net carrying amount				
Balance at 31 March 2024	81	-	-	81
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
Liquidation of a subsidiary	-	(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 period	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 as 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	
	31 March 2024	30 September 2023
	S\$'000	S\$'000
Singapore listed equity securities ⁽¹⁾	2,625	2,475
Unquoted equity securities ⁽²⁾	29,957	29,957
	32,582	32,432

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

⁽²⁾ These are unquoted equity share investments in Katong Holdings Pte Ltd. The fair value of the Group's investments in unquoted equity shares were valued by an independent valuer at each reporting year end. The investments are classified as Level 3 fair value hierarchy.

Fair value measurement

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

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : inputs other than quoted prices within Level 1 that are observable for the assets or liabilities, either directly (as prices) or indirectly (i.e. derived from prices)

Level 3 : inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presented the assets measured at fair value:

	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Group – 31 March 2024				
Financial assets, at FVTOCI				
- Singapore listed equity securities	2,625	-	-	2,625
- Unquoted equity securities	-	-	29,957	29,957
Group – 30 September 2023				
Financial assets, at FVTOCI				
- Singapore listed equity securities	2,475	-	-	2,475
- Unquoted equity securities	-	-	29,957	29,957

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 31 March 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			
	31 March 2024		30 September 2023	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Treasury shares	7,555	3,303	7,555	3,303

As at 31 March 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.

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

	The Group and the Company			
	31 March 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 31 March 2024 and 30 September 2023.

16. TRADE AND OTHER PAYABLES (NON-CURRENT)

	The Group and the Company	
	31 March 2024	30 September 2023
	S\$'000	S\$'000
Non-current liabilities		
Non-trade payables		
- loan from shareholders ⁽¹⁾	12,750	12,750

⁽¹⁾ Non-trade payables due to shareholders are unsecured, bears interest rate of 6.5% per annum and has no fixed repayment terms and is repayable only when the cashflows of the subsidiary permit.

17. BORROWINGS

	The Group	
	31 March 2024	30 September 2023
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
Secured	14,894	19,859
Amount repayable after one year		
Secured	5,270	6,201

17. BORROWINGS (continued)

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 guarantee provided by the Company

18. SUBSEQUENT EVENTS

There are no known significant subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of Keong Hong Holdings Limited and its subsidiaries as at 31 March 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 six months period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

REVIEW OF FINANCIAL PERFORMANCE

Revenue

Revenue for six months ended 31 March 2024 (“1HFY2024”), amounted to S\$69.8 million, a decrease of S\$48.3 million or 40.9% as compared to the previous corresponding period in 1HFY2023.

The decrease was mainly attributed to lower revenue recognised in 1HFY2024 for construction projects which have obtained Temporary Occupation Permit in FY2023, namely The Antares, Wilshire Residences, Sky Everton and National Skin Centre Phase 1.

Gross profit and Gross profit margin

In line with the lower revenue recorded, cost of sales decreased by 39.2% to S\$71.5 million in 1HFY2024. Consequently, the Group sustained a gross loss of S\$1.7 million in 1HFY2024 as compared to a gross profit of S\$0.4 million in 1HFY2023.

The Group recorded a gross loss margin of 2.4% for 1HFY2024 as compared to a gross profit margin of 0.4% in 1HFY2023.

Other income

Other income decreased by S\$8.1 million to S\$4.2 million in 1HFY2024, as compared to S\$12.3 million in 1HFY2023, mainly due to the gain on disposal of investment properties of S\$7.8 million in 1HFY2023.

Administrative expenses

Administrative expenses decreased by S\$6.9 million to S\$7.0 million in 1HFY2024 as compared to S\$13.9 million in 1HFY2023 mainly attributed to a lower net foreign exchange loss of S\$5.3 million (1HFY2023: S\$6.4 million), 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 depreciation of right-of-use assets.

Loss allowance on financial assets

Arising from the assessment at reporting date, the Group recorded a reversal of loss allowance of S\$1.0 million on financial assets in 1HFY2024.

Finance costs

Finance costs decreased by 42.9% to S\$1.2 million as compared to S\$2.1 million in 1HFY2023 mainly attributable to the full payment of unsecured borrowings of S\$35.2 million relating to Medium Term Notes on 19 August 2023.

Other expenses

The Group recorded an impairment loss on investment in a joint venture of S\$510,000 in 1HFY2024.

2. Review of performance of the Group (continued)

Share of results of joint ventures, net of tax

The Group recorded a net loss of S\$1.2 million from its joint ventures in 1HFY2024 as compared to a net gain of S\$0.3 million in 1HFY2023. The net loss was mainly attributable to the Group's share of losses relating to the joint venture construction project of a sports and recreational centre. Over the same period last year, the Group had reported a net gain mainly attributable to its share of profit relating to the joint venture project of sale of development properties.

Share of results of associates, net of tax

The Group recorded share of losses of associates of S\$3.1 million in 1HFY2024 as compared to share of losses of S\$2.7 million in 1HFY2023. 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 period reported on.

Loss for the period

Consequence to the above, the Group sustained a net loss after tax of S\$9.5 million in 1HFY2024 as compared to a net loss after tax of S\$4.4 million in 1HFY2023.

REVIEW OF FINANCIAL POSITION

Non-current assets

Non-current assets decreased by S\$5.5 million to S\$82.3 million in 1HFY2024, mainly attributed to the following:

- depreciation of property, plant and equipment and right-of-use assets of S\$2.5 million;
- lower carrying value of investments in associates as a result of the share of net losses of associates; and
- lower carrying value of investments in joint ventures due mainly to receipt of dividend income S\$1.7 million from a joint venture in 1HFY2024.

Current assets

Group's current assets in 1HFY2024 decreased by S\$7.7 million or 7.6% to S\$93.6 million as compared to S\$101.3 million in FY2023. The decrease was mainly due to the net effects of the following:

- decrease in trade and other receivables by S\$11.7 million arising mainly from the repayment of loan from joint venture;
- receipt of income tax refund of S\$1.3 million; and
- decrease in fixed deposits of S\$1.8 million and partially offset by increase in cash and bank balances of S\$7.6 million.

Current liabilities

Current liabilities decreased by S\$3.0 million to S\$97.6 million in 1HFY2024, mainly attributable to the following:

- decrease in trade and other payables by S\$1.0 million;
- decrease in bank borrowing by S\$5.0 million, net of proceeds and repayment during 1HFY2024;
- decrease in lease liabilities by \$0.9 million; and
- partially offset by increase in contract liabilities of S\$3.7 million.

Working capital

The Group recorded a negative working capital of S\$4.0 million as at 31 March 2024, mainly due to increase in contract liabilities of S\$3.7 million as the invoices and/or payment received for certain construction projects exceeded the revenue recognised to date.

REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS

The Group recorded a net cash inflow of S\$4.8 million in 1HFY2024, attributed to net cash generated from investing of S\$15.0 million, partially offset by net cash used in operating activities and financing activities of S\$1.3 million and S\$8.9 million respectively.

The deficit in net cash from operating activities of S\$1.3 million was mainly attributable to the loss making pre-pandemic construction projects while net cash used in financing activities was mainly due to repayment of bank borrowings.

Net cash generated from investing activities was mainly due to repayment of loan from a joint venture.

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

According to advance estimates from the Ministry of Trade & Industry (“MTI”) on 12 April 2024, Singapore’s economy grew 2.7% year-on-year in the first quarter of 2024. This was faster than the 2.2% growth recorded in the last quarter of 2023. The construction sector expanded by 4.3% year-on-year in the first quarter, extending the 5.2% growth in the previous quarter. Growth during the quarter was supported by an increase in public sector construction output even as private sector construction output declined. On a quarter-on-quarter seasonally adjusted basis, the sector contracted by 1.7% in the first quarter, a pullback from the 2% expansion in the preceding quarter.

While the MAS said it expects Singapore economy to strengthen over 2024, the economic outlook is subject to uncertainties, particularly stemming from ongoing geopolitical conflicts that could precipitate negative global supply and demand shocks. Interest rates are also expected to remain at elevated levels relative to the low levels seen over the past decade. MTI maintains 2024 GDP growth forecast at 1% to 3%.

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 31 March 2024 stood at approximately S\$446 million, with residential projects forming 46% of the portfolio and commercial projects making up the remainder.

Additions and alterations work to the existing Grand Hyatt Hotel Singapore has been progressing well and TOP for Phase 1 was received in April 2024.

Outlook for the building construction sector remains optimistic in the near term. We will continue to tender for new construction contracts to strengthen our project pipeline.

Property Development and Investment

Based on the Urban Redevelopment Authority’s (“URA”) release of first quarter real estate statistics on 26 April, price and sales momentum in the private residential market has slowed, with lower growth in overall residential price index of 1.4% in the first quarter of 2024 compared to the 2.8% gain in the preceding quarter. As private home prices remained fairly stable, this reflects market resilience while home buyers are generally more cautious now given the elevated interest rates.

The Government Land Sales (“GLS”) supply for private housing was increased further in the first half of 2024, with the release of 5,450 units compared to 5,160 units in the second half of 2023 and 4,090 units in the first half of 2023. The increased private housing supply from the GLS programme will be ready for sales launch in the coming year, to cater to demand and help keep prices in line with economic fundamentals. We will continue to seek private property development opportunities while remaining prudent in any land acquisitions.

Hotel Development and Investment

Visitor arrivals to the Maldives reached 604,004 in the first three months of 2024, an increase of 15.3% compared to the same period in 2023. The top five visitor generating markets were China, Russia, United Kingdom, Italy and Germany.

The combined average occupancy of Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort for the first three months of 2024 was 73.8%, slightly lower than the industry average of 75.3%. Our resort operations in the Maldives continue to face escalating finance and operating costs, we are working closely with the resorts’ manager, Accor on improving the performance of these two properties.

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 six 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\$260,000	Nil
Leo Ting Ping Ronald	Substantial shareholder and director	S\$155,000	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. Negative Confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual.

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company that may render the interim financial statements for the six months ended 31 March 2024 to be false or misleading in any material aspect.

Leo Ting Ping Ronald
Executive Chairman and Chief Executive Officer

Er Ang Hooa
Executive Director

Singapore
10 May 2024