

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

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 JANUARY 2026

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

	Note	GROUP		Increase/ (Decrease) %
		6 months ended		
		31 January 2026 \$'000	31 January 2025 \$'000	
Revenue		38,272	38,716	(1)
Dividend income	*	79	15	427
Other net changes in fair value on financial assets at fair value through profit or loss	*	278	(82)	NM
Other income	5.2	585	632	(7)
Changes in inventories		(1,637)	(239)	585
Purchases of inventories		(33,087)	(34,797)	(5)
Employee benefits expense	*	(2,162)	(2,044)	6
Depreciation and amortisation expenses				
- Property, plant and equipment		(231)	(263)	(12)
- Right-of-use assets	*	(76)	(85)	(11)
- Investment property		(73)	(74)	(1)
Share of results of associates, net of tax		223	524	(57)
Finance costs		(8)	(4)	100
Other expenses		<u>(1,395)</u>	<u>(1,372)</u>	2
Profit before tax		<u>768</u>	<u>927</u>	
Income tax expense	6	<u>(205)</u>	<u>(255)</u>	
Profit for the financial period		<u><u>563</u></u>	<u><u>672</u></u>	
Profit for the financial period attributable to:				
Equity holders of the Company		486	564	
Non-controlling interests		<u>77</u>	<u>108</u>	
		<u><u>563</u></u>	<u><u>672</u></u>	
Earnings per share attributable to equity holders of the Company [in cents]				
Basic and diluted		<u>1.88</u>	<u>2.18</u>	

NM - Not meaningful

* 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 2026 \$'000	31 January 2025 \$'000	
Profit for the financial period	563	672	
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Translation differences relating to financial statements of foreign operations	2,241	1,805	24
Other comprehensive income, net of tax	2,241	1,805	
Total comprehensive income for the financial period	2,804	2,477	
Total comprehensive income attributable to:			
Equity holders of the Company	2,577	2,249	
Non-controlling interests	227	228	
	2,804	2,477	

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	GROUP		Increase/ (Decrease) %	COMPANY	
		31 January 2026 \$'000	31 July 2025 \$'000		31 January 2026 \$'000	31 July 2025 \$'000
ASSETS						
Non-current Assets						
Property, plant and equipment		5,940	6,028	(1)	2,866	3,007
Right-of-use assets	*	2,223	1,856	20	-	-
Investment property	9	10,168	10,241	(1)	10,168	10,241
Investments in subsidiaries		-	-	-	18,287	18,287
Investments in associates	10	21,957	20,594	7	2,400	2,400
Financial assets at fair value through other comprehensive income		256	242	6	-	-
Total non-current assets		40,544	38,961		33,721	33,935
Current Assets						
Inventories	*	7,836	9,008	(13)	-	-
Short-term investments	11	1,873	1,595	17	-	-
Trade receivables	* 12	15,095	12,777	18	414	335
Other receivables		367	369	(1)	133	161
Tax recoverable		579	534	8	-	-
Amounts owing by a subsidiary		-	-	-	133	133
Fixed deposits		2,214	2,136	4	2,214	2,136
Cash and bank balances		1,600	2,453	(35)	735	686
Total current assets		29,564	28,872		3,629	3,451
Total assets		70,108	67,833		37,350	37,386
EQUITY AND LIABILITIES						
Equity						
Share capital	13	33,279	33,279		33,279	33,279
Capital reserve		176	176		-	-
Foreign currency translation reserve		415	(1,676)		-	-
Retained profits		23,011	22,783		2,444	2,614
Equity attributable to owners of the Company		56,881	54,562		35,723	35,893
Non-controlling interests		2,763	2,638		-	-
Total equity		59,644	57,200		35,723	35,893

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION – cont'd

	GROUP			COMPANY		
	Note	31 January 2026 \$'000	31 July 2025 \$'000	Increase/ (Decrease) %	31 January 2026 \$'000	31 July 2025 \$'000
Non-current liabilities						
Lease liabilities		29	48	(40)	-	-
Provision for retirement benefits		299	269	11	299	269
Deferred tax liabilities		90	84	7	-	-
Total non-current liabilities		<u>418</u>	<u>401</u>		<u>299</u>	<u>269</u>
Current Liabilities						
Trade payables		8,101	8,292	(2)	480	340
Other liabilities	*	1,733	1,859	(7)	358	373
Bank borrowings	14	154	-	-	-	-
Amounts owing to subsidiaries		-	-	-	490	511
Lease liabilities		58	81	(28)	-	-
Total current liabilities		<u>10,046</u>	<u>10,232</u>		<u>1,328</u>	<u>1,224</u>
Total liabilities		<u>10,464</u>	<u>10,633</u>		<u>1,627</u>	<u>1,493</u>
Total equity and liabilities		<u>70,108</u>	<u>67,833</u>		<u>37,350</u>	<u>37,386</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
2026							
At 1 August 2025	33,279	176	(1,676)	22,783	54,562	2,638	57,200
Profit for the financial period	-	-	-	486	486	77	563
Other comprehensive income for the financial period	-	-	2,091	-	2,091	150	2,241
Total comprehensive income for the financial period	-	-	2,091	486	2,577	227	2,804
Dividends paid by							
- Company	-	-	-	(258)	(258)	-	(258)
- Subsidiaries to non-controlling interests	-	-	-	-	-	(102)	(102)
At 31 January 2026	33,279	176	415	23,011	56,881	2,763	59,644
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

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

COMPANY	Note	Share capital \$'000	Retained profit \$'000	Total equity \$'000
2026				
At 1 August 2025		33,279	2,614	35,893
Profit for the financial period		-	88	88
Other comprehensive income for the financial period		-	-	-
Total comprehensive loss for the financial period		-	88	88
Dividend paid	7	-	(258)	(258)
At 31 January 2026		33,279	2,444	35,723
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

D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	6 months ended	
	31 January 2026 \$'000	31 January 2025 \$'000
Cash flows from operating activities		
Profit before tax	768	927
Adjustments for:		
Share of results of associates, net of tax	(223)	(524)
Inventory written off	72	-
Interest income	(23)	(51)
Allowance on impairment of trade receivables	6	26
Depreciation and amortisation expenses	380	422
Fair value (gain)/loss on short-term investments	(278)	82
Provision for retirement benefits	30	14
Gain on disposal of property, plant and equipment	(17)	(15)
Interest expense	8	4
	(45)	(42)
Operating profit before working capital changes	723	885
Changes in working capital:		
Short-term investments	-	(34)
Inventories	1,565	239
Trade and other receivables	(1,554)	(2,136)
Trade payables	(624)	857
Other liabilities	(203)	(121)
	(816)	(1,195)
Cash flows used in operations	(93)	(310)
Income tax paid	(218)	(310)
Interest paid	(4)	-
Interest received	23	51
	(199)	(259)
Net cash flows used in operating activities	(292)	(569)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(16)	(113)
Purchase of right-of-use assets	(330)	-
Proceeds from disposal of property, plant and equipment	60	15
Dividend received from an associate	-	327
Net cash flows (used in)/generated from investing activities	(286)	229
	(578)	(340)

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

	GROUP	
	6 months ended	
	31 January	31 January
	2026	2025
	\$'000	\$'000
Cash flows from financing activities:		
Dividend paid by the Company	(258)	-
Dividends paid by subsidiaries to non-controlling interests	(102)	(55)
Proceeds from bank borrowings	1,002	-
Repayment of bank borrowings	(852)	-
Repayment of lease liabilities	(48)	(45)
Lease liabilities interest paid	(4)	(4)
Net cash flows used in financing activities	(262)	(104)
Net decrease in cash and cash equivalents	(840)	(444)
Cash and cash equivalents at beginning of the financial period	4,589	4,248
Effects of currency translations on cash and cash equivalents	65	57
Cash and cash equivalents at end of the financial period	3,814	3,861
Represented by:		
Fixed deposits	2,214	2,670
Cash and bank balances	1,600	1,191
	3,814	3,861

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 2026 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 2025.

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 2025.

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 2025 to 31 January 2026			
Total segment revenue	38,272	-	38,272
Inter-segment revenue	-	-	-
Revenue from external parties	38,272	-	38,272
Dividend income	-	79	79
Interest income	23	-	23
Miscellaneous income	562	-	562
Total other income	585	79	664
Total revenue and other income	38,857	79	38,936
Results			
Profit before interest, taxation and depreciation and amortisation	568	342	910
Depreciation and amortisation	(380)	-	(380)
Operating profit	188	342	530
Interest expense			(8)
Interest income			23
Share of results of associates, net of tax			223
Taxation			(205)
Profit after tax			563

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 2025 to 31 January 2026 – cont'd			
Assets and Liabilities			
Segments assets	45,150	2,261	47,411
Associates			21,957
Unallocated assets			740
			<u>70,108</u>
Segments liabilities	9,655	15	9,670
Unallocated liabilities			794
			<u>10,464</u>
Other segments information			
Expenditure for non-current assets	346	-	346
Other non-cash items			
Allowance on impairment of trade receivables	6	-	6
Inventory written off	72	-	72
Foreign exchange gain	(62)	-	(62)
			<u>(62)</u>
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

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			
Results			
Profit before interest, taxation and depreciation and amortisation	909	(131)	778
Depreciation and amortisation	(422)	-	(422)
Operating profit/(loss)	<u>487</u>	<u>(131)</u>	356
Interest expense			(4)
Interest income			51
Share of results of associates, net of tax			524
Taxation			<u>(255)</u>
Profit after tax			<u>672</u>
Assets and Liabilities			
Segments assets	<u>46,254</u>	<u>1,939</u>	48,193
Associates			20,215
Unallocated assets			<u>798</u>
			<u>69,206</u>
Segments liabilities	<u>9,897</u>	<u>16</u>	9,913
Unallocated liabilities			<u>913</u>
			<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	<u>(54)</u>	<u>-</u>	<u>(54)</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 2026		
	Segment 1	Segment 2	Consolidated
	\$'000	\$'000	\$'000
Types of goods:			
Sales of goods	38,272	-	38,272
Timing of revenue recognition:			
At a point in time	38,272	-	38,272
Geographical information:			
Singapore	784	-	784
Malaysia	37,488	-	37,488
	38,272	-	38,272

	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

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 2026 and 31 July 2025:

	GROUP		COMPANY	
	31 January 2026 \$'000	31 July 2025 \$'000	31 January 2026 \$'000	31 July 2025 \$'000
Financial Assets				
Financial assets at fair value through profit or loss ("FVPL")	1,873	1,595	-	-
Financial assets at fair value through other comprehensive income ("FVOCI")	256	242	-	-
Financial assets at amortised cost				
Trade receivables	15,095	12,777	414	335
Other receivables	172	156	83	73
Amounts owing by a subsidiary	-	-	133	133
Fixed deposits	2,214	2,136	2,214	2,136
Cash and bank balances	1,600	2,453	735	686
	<u>19,081</u>	<u>17,522</u>	<u>3,579</u>	<u>3,363</u>
	<u>21,210</u>	<u>19,359</u>	<u>3,579</u>	<u>3,363</u>
Financial Liabilities				
Trade payables	8,101	8,292	480	340
Other liabilities	1,733	1,859	358	373
Bank borrowings	154	-	-	-
Amounts owing to subsidiaries	-	-	490	511
Lease liabilities	87	129	-	-
	<u>10,075</u>	<u>10,280</u>	<u>1,328</u>	<u>1,224</u>

5 PROFIT BEFORE TAX

5.1 Significant items

	GROUP	
	31 January 2026 \$'000	31 January 2025 \$'000
Expenses		
Interest expenses	8	4
Depreciation and amortisation	380	422
Allowance on impairment of trade receivables	6	26
Bad debts written off	-	-
Inventory written off	72	-
Foreign exchange loss	-	-

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

	GROUP	
	6 months ended	
	31 January	31 January
	2026	2025
	\$'000	\$'000
Rental income	313	297
Government grant	-	5
Interest income	23	51
Gain on disposal of property, plant and equipment	17	15
Foreign exchange gain	62	54
Others	170	210
	<u>585</u>	<u>632</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
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Purchases from				
- Associate	7,789	7,524	630	741
- Related parties	3,698	3,637	39	8
Sales to related parties	<u>90</u>	<u>150</u>	<u>-</u>	<u>-</u>

6 INCOME TAX EXPENSE

	GROUP	
	6 months ended	
	31 January	31 January
	2026	2025
	\$'000	\$'000
Current taxation		
- Malaysian tax	<u>205</u>	<u>255</u>
	<u>205</u>	<u>255</u>

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

7 DIVIDEND

	GROUP AND COMPANY	
	6 months ended	
	31 January	31 January
	2026	2025
	\$'000	\$'000
Ordinary dividends paid:		
Final tax exempt one-tier dividend of \$0.01 per ordinary share		
(2025: Final tax exempt one-tier dividend of \$nil per ordinary share)	258	-
	<u>258</u>	<u>-</u>

8 NET ASSET VALUE

	GROUP		COMPANY	
	31 January	31 July	31 January	31 July
	2026	2025	2026	2025
	\$	\$	\$	\$
Net asset value per ordinary share	2.20	2.11	1.38	1.39
	<u>2.20</u>	<u>2.11</u>	<u>1.38</u>	<u>1.39</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
	2026	2025
	\$'000	\$'000
Cost		
At beginning and end of the financial period	11,249	11,249
	<u>11,249</u>	<u>11,249</u>
Accumulated depreciation		
At beginning of the financial period	1,008	860
Charge for the financial period	73	148
	<u>1,081</u>	<u>1,008</u>
At end of the financial period	1,081	1,008
	<u>1,081</u>	<u>1,008</u>
Net carrying Amount		
At end of the financial period	10,168	10,241
	<u>10,168</u>	<u>10,241</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 2026 \$'000	31 July 2025 \$'000	31 January 2026 \$'000	31 July 2025 \$'000
Unquoted equity investment, at cost	14,435	14,435	2,400	2,400
Share of post-acquisition reserves	13,633	13,410	-	-
Share of capital reserve	(42)	(43)	-	-
Foreign currency translation reserve	(6,069)	(7,208)	-	-
	<u>21,957</u>	<u>20,594</u>	<u>2,400</u>	<u>2,400</u>

Movements for share of post-acquisition reserves:

	GROUP	
	31 January 2026 \$'000	31 July 2025 \$'000
Balance at beginning of the financial period	13,410	13,599
Share of results	223	(8)
Gain on deemed disposal	-	146
Dividend received	-	(327)
Balance at end of the financial period	<u>13,633</u>	<u>13,410</u>

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 2026 and 31 July 2025 are as follows:

Name of company	Principal activities	Place of incorporation /business	Percentage of equity held	
			31 January 2026 %	31 July 2025 %
<u>Held by the Company</u>				
SGProtein Pte. Ltd.	Manufacturing of plant-based protein products and research and experimental development on food science.	Singapore	21.03	21.03
<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	30.00

11 SHORT-TERM INVESTMENTS

	GROUP	
	31 January 2026 \$'000	31 July 2025 \$'000
Balance at beginning of the financial period	1,595	1,603
Purchases	-	70
Unrealised gain/(loss) in fair value	278	(78)
Balance at end of the financial period	<u>1,873</u>	<u>1,595</u>
Other net changes in fair value on financial assets at FVPL:		
Gain on sale of short-term investments, realised	-	-
Fair value gain/(loss) on short-term investments, unrealised	278	(78)
	<u>278</u>	<u>(78)</u>

12 TRADE RECEIVABLES

	GROUP		COMPANY	
	31 January 2026 \$'000	31 July 2025 \$'000	31 January 2026 \$'000	31 July 2025 \$'000
Trade receivables:				
- Third parties	15,787	13,333	414	335
- Related parties	83	174	-	-
	<u>15,870</u>	<u>13,505</u>	<u>414</u>	<u>335</u>
Less:				
Allowance on impairment of trade receivables	(775)	(728)	-	-
	<u>15,095</u>	<u>12,777</u>	<u>414</u>	<u>335</u>

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

12 TRADE RECEIVABLES – cont'd

	GROUP	
	31 January 2026 \$'000	31 July 2025 \$'000
Movement in allowance accounts:		
Balance at beginning of the financial period	(728)	(393)
Allowance made	(6)	(547)
Allowance written back	-	200
Bad debts written off	-	31
Currency translation difference	(41)	(19)
Balance at end of the financial period	<u>(775)</u>	<u>(728)</u>

13 SHARE CAPITAL

	GROUP AND COMPANY	
	31 January 2026 \$'000	31 July 2025 \$'000
Issued and fully paid 25,812,520 (2025: 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 2026.

The Company's subsidiaries do not hold any shares in the Company as at 31 January 2026 and 31 July 2025.

14 BANK BORROWINGS

	GROUP	
	31 January 2026 \$'000	31 July 2025 \$'000
Balance at beginning of the financial period	-	-
Proceeds from invoice financing	1,002	-
Repayment of invoice financing	(852)	-
Currency translation difference	4	-
Balance at end of the financial period	<u>154</u>	<u>-</u>
Amount repayable within one year or on demand		
Secured	154	-
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 2026 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 2026 \$'000	31 January 2025 \$'000	
Revenue			
Tong Guan Food Products Sdn. Bhd. ("TGF")	23,399	22,219	1,180
Swee Hin Chan Company Sdn. Berhad. ("SHC")	14,089	15,607	(1,518)
The Company	784	890	(106)
	<u>38,272</u>	<u>38,716</u>	<u>(444)</u>

The Group's revenue for the six months ended 31 January 2026 ("HY2026") decreased marginally by 1.1% to \$38.3 million, compared to \$38.7 million for the six months ended 31 January 2025 ("HY2025").

TGF's revenue increased by 5.3% to \$23.4 million for HY2026, supported by higher sales of its non-edible consumer goods. SHC's revenue decreased by 9.7% to \$14.1 million for HY2026, mainly due to lower sales of starch products.

The Group recorded a profit attributable to equity holders of \$486,000 for HY2026, compared to \$564,000 for HY2025. The decrease was mainly attributable to a \$161,000 reduction in the net profit after tax of its Malaysian subsidiaries, namely SHC and TGF, to \$518,000, as well as a lower share of results from associates which decreased from \$524,000 for HY2025 to \$223,000 for HY2026.

The Group recorded an unrealised fair value gain of \$278,000 for HY2026 compared with an unrealised fair value loss of \$82,000 for HY2025, which partially offset the decrease in the Group's profit.

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 operates in a competitive environment locally and internationally. Geopolitical tensions, foreign exchange volatility and evolving trade policies, have created uncertainties in shipping routes to and from the Middle East, volatile commodity prices and supply chain disruptions, which may impact the Group's performance.

The Group will continue to focus on cost management, maintain price competitiveness and seek to improve operational efficiency amidst the challenging environment over the next 12 months.

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	31 January
	2026	2025
Profit for the financial period attributable to Equity holders of the Company	\$486,000	\$564,000
Weighted average number of ordinary shares in issue	25,812,520	25,812,520
Basic earnings per share in cents	1.88	2.18
Diluted earnings per share in cents	1.88	2.18

8 Interested person transactions

Aggregate value of Interested Person Transactions entered into for the six months ended 31 January 2026.

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*		1,234,144
Khong Guan Biscuit Factory (Borneo) Sdn Bhd	Associates of Chew Family*		2,304,748
United Malayan Flour (1996) Sdn. Bhd. ('UMF')	Associates of Chew Family*		8,200,124
Sales by UMF Group (Associates) to:			
Khian Guan Biscuit Manufacturing Co Sdn Bhd	Associates of Chew Family*		356,239
Sunshine Traders Sdn Bhd	Associates of Chew Family*		500,829
Corporate Guarantee to third parties on behalf of:			
Tong Guan Food Products Sdn Bhd	Subsidiary of Khong Guan Limited	1,565,218 (RM4,870,000)	

* 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 2026 to be false or misleading in any material aspect.

11 Other information

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

Dividend income

	GROUP	
	6 months ended	
	31 January	31 January
	2026	2025
	\$'000	\$'000
Gross dividends from:		
Short-term investments	16	15
Financial assets at FVOCI	63	-
	<u>79</u>	<u>15</u>

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

	GROUP	
	6 months ended	
	31 January	31 January
	2026	2025
	\$'000	\$'000
Gain on sale of short-term investments, realised	-	-
Fair value gain/(loss) on short-term investments, unrealised	278	(82)
	<u>278</u>	<u>(82)</u>

Employee benefits expense increased mainly due to annual salary increment.

Depreciation on Right-of-use assets decreased from \$85,000 to \$76,000 resulted from the extension of lease term from 31 years to 60 years for a Malaysian subsidiary, SHC.

Condensed interim statements of financial position

Right-of-use assets increased mainly due to payment of \$330,000 for the extension of lease term as mentioned above.

Inventories decreased from \$9.0 million to \$7.8 million due to supply chain optimisation.

Trade receivables increased from \$12.8 million to \$15.1 million as a result of higher sales during the festive seasons.

Other liabilities decreased due to settlement of accounts.

By Order of the Board
Chew Kian Boon Daniel
Executive Director
13 March 2026