

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

CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 JULY 2025

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

		GROUP				
		6 months ended		12 months ended		
		31 July	31 July	31 July	31 July	Increase/ (Decrease)
		2025	2024	2025	2024	
	Note	\$'000	\$'000	\$'000	\$'000	%
Revenue		34,662	34,750	73,378	70,159	5
Dividend income		43	30	58	43	35
Other net changes in fair value on financial assets at fair value through profit or loss	11	4	76	(78)	(184)	(58)
Other income	5.2	902	554	1,534	1,037	48
Changes in inventories		221	1,258	(18)	804	NM
Purchases of inventories		(31,548)	(32,690)	(66,345)	(64,546)	3
Employee benefits expense		(2,135)	(1,947)	(4,179)	(3,909)	7
Depreciation and amortisation expenses						
- Property, plant and equipment		(248)	(280)	(511)	(545)	(6)
- Right-of-use assets	*	(84)	(75)	(169)	(140)	21
- Investment property		(74)	(73)	(148)	(147)	1
Share of results of associates, net of tax		(400)	(603)	124	(458)	(127)
Finance costs		(4)	(6)	(8)	(10)	(20)
Other expenses	*	(1,983)	(1,511)	(3,355)	(2,876)	17
Profit/(Loss) before tax		(644)	(517)	283	(772)	
Income tax expense	6	(181)	(226)	(436)	(429)	
Loss for the financial period		<u>(825)</u>	<u>(743)</u>	<u>(153)</u>	<u>(1,201)</u>	
Profit/(Loss) for the financial period attributable to :						
Equity holders of the Company		(828)	(810)	(264)	(1,355)	
Non-controlling interests		3	67	111	154	
		<u>(825)</u>	<u>(743)</u>	<u>(153)</u>	<u>(1,201)</u>	
Loss per share attributable to equity holders of the Company [in cents]						
Basic and diluted		<u>(3.21)</u>	<u>(3.14)</u>	<u>(1.02)</u>	<u>(5.25)</u>	
NM - Not meaningful						

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

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

	GROUP				
	6 months ended		12 months ended		
	31 July	31 July	31 July	31 July	Increase/
	2025	2024	2025	2024	(Decrease)
	\$'000	\$'000	\$'000	\$'000	%
Loss for the financial period	(825)	(743)	(153)	(1,201)	
Other comprehensive income/(loss):					
Items that will not be reclassified to profit or loss:					
Fair value loss on equity investments at fair value through other comprehensive income	(12)	-	(12)	-	NM
Share of associate's capital reserve on financial assets at fair value through other comprehensive income ("FVOCI")	(76)	(20)	(76)	(19)	300
	(88)	(20)	(88)	(19)	
Items that may be reclassified subsequently to profit or loss:					
Translation differences relating to financial statements of foreign operations	(116)	1,015	1,689	(341)	NM
	(116)	1,015	1,689	(341)	
Other comprehensive income/(loss), net of tax	(204)	995	1,601	(360)	NM
Total comprehensive income/(loss) for the financial period	<u>(1,029)</u>	<u>252</u>	<u>1,448</u>	<u>(1,561)</u>	
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company	(1,023)	119	1,226	(1,693)	
Non-controlling interests	(6)	133	222	132	
	<u>(1,029)</u>	<u>252</u>	<u>1,448</u>	<u>(1,561)</u>	

B CONDENSED STATEMENTS OF FINANCIAL POSITION

GROUP				COMPANY		
		31 July 2025 \$'000	31 July 2024 \$'000	Increase/ (Decrease) %	31 July 2025 \$'000	31 July 2024 \$'000
	Note					
ASSETS						
Non-current assets						
Property, plant and equipment		6,028	6,055	-	3,007	2,982
Right-of-use assets		1,856	1,871	(1)	-	-
Investment property	9	10,241	10,389	(1)	10,241	10,389
Investments in subsidiaries		-	-	-	18,287	18,287
Investments in associates	10	20,726	19,100	9	2,400	1,500
Financial assets at fair value through other comprehensive income		242	244	(1)	-	-
Deferred tax assets		-	31	(100)	-	-
Total non-current assets		39,093	37,690		33,935	33,158
Current assets						
Inventories		9,007	8,636	4	-	-
Short-term investments	11	1,595	1,603	-	-	-
Trade receivables	12	12,777	12,014	6	335	306
Other receivables	*	369	299	23	161	129
Tax recoverable		534	374	43	-	-
Amounts owing by a subsidiary		-	-	-	133	135
Amounts owing by an associate		-	750	(100)	-	750
Fixed deposits		2,136	2,074	3	2,136	2,074
Cash and bank balances		2,453	2,174	13	686	767
Total current assets		28,871	27,924		3,451	4,161
Total assets		67,964	65,614		37,386	37,319
EQUITY AND LIABILITIES						
Equity						
Share capital	13	33,279	33,279		33,279	33,279
Capital reserve		176	263		-	-
Foreign currency translation reserve		(1,676)	(3,253)		-	-
Retained profits		22,914	23,178		2,614	2,786
Equity attributable to owners of the Company		54,693	53,467		35,893	36,065
Non-controlling interest		2,638	2,491		-	-
Total equity		57,331	55,958		35,893	36,065

B CONDENSED STATEMENTS OF FINANCIAL POSITION – *cont'd*

	Note	GROUP		Increase/ (Decrease) %	COMPANY	
		31 July 2025 \$'000	31 July 2024 \$'000		31 July 2025 \$'000	31 July 2024 \$'000
Non-current liabilities						
Lease liabilities		48	69	(30)	-	-
Provision for retirement benefits		269	249	8	269	249
Deferred tax liabilities		84	82	2	-	-
Total non-current liabilities		<u>401</u>	<u>400</u>		<u>269</u>	<u>249</u>
Current liabilities						
Trade payables		8,292	7,721	7	340	202
Other payables	*	1,859	1,459	27	373	346
Amounts owing to subsidiaries		-	-	-	511	457
Lease liabilities		81	76	7	-	-
Total current liabilities		<u>10,232</u>	<u>9,256</u>		<u>1,224</u>	<u>1,005</u>
Total liabilities		<u>10,633</u>	<u>9,656</u>		<u>1,493</u>	<u>1,254</u>
Total equity and liabilities		<u>67,964</u>	<u>65,614</u>		<u>37,386</u>	<u>37,319</u>

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

C CONDENSED 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
At 1 August 2023	33,279	282	(2,934)	24,791	55,418	2,479	57,897
Profit/(Loss) for the financial year	-	-	-	(1,355)	(1,355)	154	(1,201)
Other comprehensive loss for the financial year	-	(19)	(319)	-	(338)	(22)	(360)
Total comprehensive income/(loss) for the financial year	-	(19)	(319)	(1,355)	(1,693)	132	(1,561)
Dividends paid by							
- Company	-	-	-	(258)	(258)	-	(258)
- Subsidiaries to non-controlling interests	-	-	-	-	-	(120)	(120)
At 31 July 2024	33,279	263	(3,253)	23,178	53,467	2,491	55,958
Profit/(Loss) for the financial year	-	-	-	(264)	(264)	111	(153)
Other comprehensive income/(loss) for the financial year	-	(87)	1,577	-	1,490	111	1,601
Total comprehensive income/(loss) for the financial year	-	(87)	1,577	(264)	1,226	222	1,448
Dividends paid by							
- Company	-	-	-	-	-	-	-
- Subsidiaries to non-controlling interests	-	-	-	-	-	(75)	(75)
At 31 July 2025	33,279	176	(1,676)	22,914	54,693	2,638	57,331

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

COMPANY		Share capital \$'000	Retained profit \$'000	Total equity \$'000
	Note			
At 1 August 2023		33,279	3,334	36,613
Loss for the financial year		-	(290)	(290)
Other comprehensive loss for the financial year		-	-	-
Total comprehensive loss for the financial year		-	(290)	(290)
Dividend paid	7	-	(258)	(258)
At 31 July 2024		33,279	2,786	36,065
Loss for the financial year		-	(172)	(172)
Other comprehensive loss for the financial year		-	-	-
Total comprehensive loss for the financial year		-	(172)	(172)
Dividend paid	7	-	-	-
At 31 July 2025		33,279	2,614	35,893

D CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	12 months ended	
	31 July	31 July
	2025	2024
	\$'000	\$'000
Cash flows from operating activities		
Profit/(Loss) before tax	283	(772)
Adjustments for:		
Share of results of associates, net of tax	(124)	458
Gain on deemed disposal of an associate	(146)	-
Inventories written off	61	123
Interest income	(92)	(128)
Reversal of allowance on impairment of trade receivables	(200)	(14)
Allowance on impairment of trade receivables	547	60
Depreciation and amortisation expenses	828	832
Fair value loss on short-term investments	78	184
Provision for retirement benefits	20	19
Gain on disposal of property, plant and equipment	(84)	(36)
Interest expense	8	10
	896	1,508
Operating profit before working capital changes	1,179	736
Changes in working capital:		
Short-term investments	(70)	-
Inventories	(43)	(927)
Trade and other receivables	(623)	(830)
Trade and other payables	582	779
	(154)	(978)
Cash generated from/(used in) operations	1,025	(242)
Income tax paid	(548)	(656)
Interest received	69	77
	(479)	(579)
Net cash generated from/(used in) operating activities	546	(821)

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

	GROUP	
	12 months ended	
	31 July	31 July
	2025	2024
	\$'000	\$'000
Cash flows from investing activities		
Purchases of property, plant and equipment	(356)	(381)
Proceeds from disposal of property, plant and equipment	92	103
Net additional investment in an associate @	(150)	-
Dividend received from an associate	327	309
Net cash (used in)/generated from investing activities	(87)	31
Cash flows from financing activities		
Dividend paid by the Company	-	(258)
Dividends paid by subsidiaries to non-controlling interests	(75)	(120)
Repayment of lease liabilities	(91)	(62)
Lease liabilities interest paid	(8)	(10)
Net cash used in financing activities	(174)	(450)
Net increase/(decrease) in cash and cash equivalents	285	(1,240)
Cash and cash equivalents at beginning of the financial year	4,248	5,516
Effects of currency translations on cash and cash equivalents	56	(28)
Cash and cash equivalents at end of the financial year	4,589	4,248
 Note @		
Additional investment in an associate	(900)	-
Conversion of loan to associate	750	-
Net additional investment in an associate	(150)	-

E NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The condensed financial statements for the six months ended 31 July 2025 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed 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 interim financial statements for the period ended 31 January 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 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 financial statements, the 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 financial 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 include the following:

Note 12 - Allowance on impairment of trade receivables

2 SEASONAL OPERATIONS

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

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

3 SEGMENT AND REVENUE INFORMATION

The Group is organised into the following 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

	Segment 1 \$'000	GROUP Segment 2 \$'000	Consolidated \$'000
1 August 2024 to 31 July 2025			
Total segment revenue	73,419	-	73,419
Inter-segment revenue	(41)	-	(41)
Revenue from external parties	73,378	-	73,378
Dividend income	-	58	58
Interest income	92	-	92
Miscellaneous income	1,292	150	1,442
Total other income	1,384	208	1,592
Total revenue and other income	74,762	208	74,970
Results			
Profit/(Loss) before interest, taxation and depreciation and amortisation	874	29	903
Depreciation and amortisation	(828)	-	(828)
Operating profit	46	29	75
Interest expense			(8)
Interest income			92
Share of results of associates, net of tax			124
Taxation			(436)
Loss after tax			(153)

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

3 SEGMENT AND REVENUE INFORMATION – cont'd

3.1 Reportable segments – cont'd

	GROUP	
	Segment 1	Segment 2
	\$'000	\$'000
1 August 2024 to 31 July 2025 – cont'd		
Assets and Liabilities		
Segments assets	44,579	1,960
Associates		20,726
Unallocated assets		699
		<u>67,964</u>
Segments liabilities	9,498	26
Unallocated liabilities		1,109
		<u>10,633</u>
Other segments information		
Expenditure for non-current assets	356	-
Other non-cash items:		
Allowance on impairment of trade receivables	547	-
Reversal of allowance on impairment of trade receivables	(200)	-
Gain on deemed disposal of an associate	-	146
Inventory written off	61	-
Foreign exchange gain	(65)	-
	<u></u>	<u></u>
1 August 2023 to 31 July 2024		
Total segment revenue	70,229	-
Inter-segment revenue	(70)	-
Revenue from external parties	70,159	-
Dividend income	-	43
Interest income	128	-
Miscellaneous income	887	22
Total other income	1,015	65
Total revenue and other income	<u>71,174</u>	<u>65</u>

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

3 SEGMENT AND REVENUE INFORMATION – cont'd

3.1 Reportable segments – cont'd

	GROUP		
	Segment 1	Segment 2	Consolidated
	\$'000	\$'000	\$'000
1 August 2022 to 31 July 2024 – cont'd			
Results			
Profit/(Loss) before interest, taxation and depreciation and amortisation	782	(382)	400
Depreciation and amortisation	(792)	(40)	(832)
Operating loss	(10)	(422)	(432)
Interest expense			(10)
Interest income			128
Share of results of associates, net of tax			(458)
Taxation			(429)
Loss after tax			(1,201)
Assets and Liabilities			
Segments assets	43,915	2,084	45,999
Associates			19,100
Unallocated assets			515
			65,614
Segments liabilities	9,052	24	9,076
Unallocated liabilities			580
			9,656
Other segments information			
Expenditure for non-current assets	381	-	381
Other non-cash items:			
Allowance on impairment of trade receivables	60	-	60
Reversal of allowance on impairment of trade receivables	(14)	-	(14)
Inventory written off	123	-	123
Foreign exchange loss	42	-	42

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

3 SEGMENT AND REVENUE INFORMATION – cont'd

3.2 Disaggregation of Revenue

	GROUP		
	6 months ended 31 July 2025		
	Segment 1	Segment 2	Consolidated
	\$'000	\$'000	\$'000
Types of goods:			
Sales of goods	34,662	-	34,662
Timing of revenue recognition:			
At a point in time	34,662	-	34,662
Geographical information:			
Singapore	590	-	590
Malaysia	34,072		34,072
	34,662	-	34,662

	GROUP		
	6 months ended 31 July 2024		
	Segment 1	Segment 2	Consolidated
	\$'000	\$'000	\$'000
Types of goods:			
Sales of goods	34,750	-	34,750
Timing of revenue recognition:			
At a point in time	34,750	-	34,750
Geographical information:			
Singapore	667	-	667
Malaysia	34,083		34,083
	34,750	-	34,750

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

3 SEGMENT AND REVENUE INFORMATION – cont'd

3.2 Disaggregation of Revenue – cont'd

	GROUP		
	12 months ended 31 July 2025		
	Segment 1	Segment 2	Consolidated
	\$'000	\$'000	\$'000
Types of goods:			
Sales of goods	73,378	-	73,378
Timing of revenue recognition:			
At a point in time	73,378	-	73,378
Geographical information:			
Singapore	1,480	-	1,480
Malaysia	71,898	-	71,898
	73,378	-	73,378

	GROUP		
	12 months ended 31 July 2024		
	Segment 1	Segment 2	Consolidated
	\$'000	\$'000	\$'000
Types of goods:			
Sales of goods	70,159	-	70,159
Timing of revenue recognition:			
At a point in time	70,159	-	70,159
Geographical information:			
Singapore	1,542	-	1,542
Malaysia	68,617	-	68,617
	70,159	-	70,159

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

3 SEGMENT AND REVENUE INFORMATION – *cont'd*

3.2 Disaggregation of Revenue – *cont'd*

A breakdown of sales:

	GROUP 12 months ended		
	31 July 2025 \$'000	31 July 2024 \$'000	Increase/ (Decrease) %
Sales reported for the first half year	38,716	35,409	9
Operating profit/(loss) after tax before deducting non-controlling interests reported for the first half year	672	(458)	NM
Sales reported for the second half year	34,662	34,750	-
Operating loss after tax before deducting non-controlling interests reported for the second half year	(825)	(743)	11

4 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	GROUP		COMPANY	
	31 July 2025 \$'000	31 July 2024 \$'000	31 July 2025 \$'000	31 July 2024 \$'000
Financial Assets				
Financial assets at fair value through profit or loss ("FVPL")	1,595	1,603	-	-
Financial assets at FVOCI	242	244	-	-
Cash and bank balances and fixed deposits and trade and other receivables and amounts owing by an associate and amounts owing by a subsidiary (Amortised cost)	17,522	17,151	3,363	4,088
	<u>19,359</u>	<u>18,998</u>	<u>3,363</u>	<u>4,088</u>
Financial Liabilities				
Trade and other payables and amounts owing to subsidiaries	<u>10,151</u>	<u>9,180</u>	<u>1,224</u>	<u>1,005</u>

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

5 PROFIT/(LOSS) BEFORE TAX

5.1 Significant items

	GROUP			
	6 months ended		12 months ended	
	31 July 2025 \$'000	31 July 2024 \$'000	31 July 2025 \$'000	31 July 2024 \$'000
Expenses				
Interest on leases	4	6	8	10
Depreciation and amortisation	406	428	828	832
Allowance on impairment of trade receivables	521	60	547	60
Inventory written off and obsolete inventories	61	81	61	123
Foreign exchange (gain)/loss	-	(25)	-	42

5.2 Other income

	GROUP			
	6 months ended		12 months ended	
	31 July 2025 \$'000	31 July 2024 \$'000	31 July 2025 \$'000	31 July 2024 \$'000
Rental income	314	297	611	588
Government grants	4	2	9	3
Interest income	41	62	92	128
Reversal of allowance on impairment of trade receivables	200	14	200	14
Gain on disposal of property, plant and equipment	69	35	84	36
Gain on deemed disposal of an associate	146	-	146	-
Foreign exchange gain	11	-	65	-
Others	117	144	327	268
	<u>902</u>	<u>554</u>	<u>1,534</u>	<u>1,037</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 year:

	GROUP		COMPANY	
	12 months ended		12 months ended	
	31 July 2025 \$'000	31 July 2024 \$'000	31 July 2025 \$'000	31 July 2024 \$'000
Purchases from				
- Associate	11,735	11,499	1,211	1,259
- Related parties	7,474	8,046	26	10
- Subsidiary	-	-	41	70
Dividend received from subsidiaries	-	-	846	987

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

6 INCOME TAX EXPENSE

	GROUP			
	6 months ended		12 months ended	
	31 July 2025 \$'000	31 July 2024 \$'000	31 July 2025 \$'000	31 July 2024 \$'000
Current tax expense				
Current financial year	144	205	399	408
Prior year's taxation	7	11	7	11
	151	216	406	419
Deferred tax expense				
Origination and reversal of temporary differences	30	10	30	10
	181	226	436	429

7 DIVIDEND

	GROUP AND COMPANY	
	12 months ended	
	31 July 2025 \$'000	31 July 2024 \$'000
Ordinary dividend 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

8 NET ASSET VALUE

	GROUP		COMPANY	
	31 July 2025 \$	31 July 2024 \$	31 July 2025 \$	31 July 2024 \$
Net asset value per ordinary share	2.12	2.07	1.39	1.40

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.

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

9 INVESTMENT PROPERTY – *cont'd*

	GROUP AND COMPANY	
	31 July 2025 \$'000	31 July 2024 \$'000
Cost		
Balance at beginning and end of financial year	11,249	11,249
Accumulated Depreciation		
Balance at beginning of financial year	860	713
Charge for the financial year	148	147
Balance at end of financial year	<u>1,008</u>	<u>860</u>
Carrying Amount		
As at 31 July	<u>10,241</u>	<u>10,389</u>
Fair Value		
As at 31 July	<u>23,300</u>	<u>23,300</u>

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 investment property and the portion of the building held by the Group for administrative purpose were appraised on 31 July 2024 by an independent valuer, Edmund Tie & Company (SEA) Pte Ltd at a fair value of \$23,300,000 Level 3 fair value hierarchy.

In accordance with the valuation report dated 31 July 2024, the valuation methodology used in determining the fair value of the investment property is the "Direct Comparison Approach". Under this approach, the valuation is based on the highest value at which the sale interest in property might reasonably be expected at the date of valuation.

10 INVESTMENTS IN ASSOCIATES

	GROUP	
	31 July 2025 \$'000	31 July 2024 \$'000
Unquoted equity investment, at cost	14,435	13,535
Share of post-acquisition reserves	13,542	13,599
Share of capital reserve	(42)	34
Foreign currency translation reserve	<u>(7,209)</u>	<u>(8,068)</u>
	<u>20,726</u>	<u>19,100</u>

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

10 INVESTMENTS IN ASSOCIATES – *cont'd*

Movements for share of post-acquisition reserves:

	GROUP	
	31 July 2025 \$'000	31 July 2024 \$'000
Balance at beginning of financial year	13,599	14,366
Share of results	124	(458)
Gain on deemed disposal	146	-
Dividend received	(327)	(309)
Balance at end of financial year	<u>13,542</u>	<u>13,599</u>

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

Details of the associates as at 31 July 2025 and 31 July 2024 are as follows:				
Name of company	Principal activities	Place of incorporation/ business	Percentage of equity held	
			31 July 2025 %	31 July 2024 %
<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	30.00
<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 July 2025 \$'000	31 July 2024 \$'000
Balance at beginning of financial year	1,603	1,787
Purchases	70	-
Disposal	-	-
Unrealised loss in fair value	(78)	(184)
Balance at end of financial year	<u>1,595</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	(78)	(184)
	<u>(78)</u>	<u>(184)</u>

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

12 TRADE RECEIVABLES

	GROUP		COMPANY	
	31 July 2025 \$'000	31 July 2024 \$'000	31 July 2025 \$'000	31 July 2024 \$'000
Trade receivables:				
- Third parties	13,333	12,333	335	306
- Related parties	172	74	-	-
	13,505	12,407	335	306
Less:				
Allowance on impairment of trade receivables	(728)	(393)	-	-
	12,777	12,014	335	306

	GROUP	
	31 July 2025 \$'000	31 July 2024 \$'000
Movement in allowance accounts:		
Balance at the beginning of the financial year	(393)	(365)
Allowance made	(547)	(60)
Allowance written back	200	14
Bad debts written off	31	14
Currency translation difference	(19)	4
Balance at the end of the financial year	(728)	(393)

13 SHARE CAPITAL

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

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

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

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

14 BORROWINGS

	GROUP	
	31 July 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 landed 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 July 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.

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.

	12 months ended		
	31 July 2025 \$'000	31 July 2024 \$'000	Increase/ (Decrease) \$'000
Revenue			
Tong Guan Food Products Sdn. Bhd. ("TGF")	43,812	41,684	2,128
Swee Hin Chan Company Sdn. Berhad. ("SHC")	28,086	26,933	1,153
Others	1,480	1,542	(62)
	<u>73,378</u>	<u>70,159</u>	<u>3,219</u>

For the financial year ended 31 July 2025, the Group recorded revenue of S\$73.4 million, an increase of 4.6% from S\$70.2 million in the previous year. Although both Malaysian subsidiaries saw a marginal decrease in revenue in local currency terms, the stronger Ringgit against the Singapore dollar during the year resulted in higher reported revenue when translated into Singapore dollars.

TGF's revenue in local currency terms decreased marginally by 0.7% to RM144.2 million (S\$43.8 million) as a result of weaker-than-expected festive consumption during the second half of the financial year and the loss of certain brand distribution rights. The decrease was partially offset by stronger sales across the canned beverage and non-edible goods categories. Operating expenses increased due to the establishment of a new warehouse and office in Kota Marudu, Sabah. This resulted in a profit after tax of RM2.5 million (S\$767,000).

SHC's revenue in local currency terms decreased marginally by 1.5% to RM92.5 million (S\$28.1 million) as a result of lower sale of wheat flour and starch products. Despite improved gross profit margins from lower import costs, SHC reported a loss after tax of RM285,000 (S\$87,000), compared with a profit of RM165,000 (S\$47,000) in the previous year due to a net impairment allowance on trade receivables.

The Group's share of results of associates, net of tax, improved to a profit of S\$124,000, compared with a loss of S\$458,000 in the previous year. This was due to a profit contribution from United Malayan Flour (1996) Sdn. Bhd. compared to a loss contribution in the previous year and lower losses incurred by SGProtein Pte. Ltd. as a result of improved sales compared to the previous year.

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 is cautious about the prospects for the next 12 months as global trade uncertainties and inflationary pressures may disrupt exports and weigh on consumer sentiment. However, currently favourable price environment could provide some support to the Group's associates' milling operations. The Group will continue to closely monitor developments in the markets in which it operates and adopt appropriate measures to respond to market changes.

5 Dividend Information

5a Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Final
Dividend type	Cash
Dividend per share	1 cent
Tax rate	Tax exempt

5b Corresponding Period of 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	Not applicable
Dividend per share	
Tax rate	

5c Date Payable

The proposed dividend in 5a, if approved at the Annual General Meeting of the Company to be held on 27 November 2025 will be paid on 12 December 2025.

5d Record Date

The Company's Register of Members and the Share Transfer Books will be closed at 5.00 p.m. on 4 December 2025 ("**Record Date**"). Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road #06-03 Robinson 77, Singapore 068896 up to 5.00 p.m. on 4 December 2025 will be registered to determine the Shareholders' entitlement to the proposed Dividend. Shareholders whose Securities Account with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on Record Date will be entitled to such proposed Dividend.

6 Interested person transactions

Aggregate value of Interest Person Transactions entered into for the year ended 31 July 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*	--	2,334,000
Khong Guan Biscuit Factory (Borneo) Sdn Bhd	Associates of Chew Family*	--	4,825,000
United Malayan Flour (1996) Sdn. Bhd. ('UMF')	Associates of Chew Family*	--	14,661,000
Sales by UMF Group (Associates) to:			
Khian Guan Biscuit Manufacturing Co Sdn Bhd	Associates of Chew Family*	--	541,000
Sunshine Traders Sdn Bhd	Associates of Chew Family*	--	540,000
Corporate Guarantee to third parties on behalf of :			
Tong Guan Food Products Sdn Bhd	Subsidiary of Khong Guan Limited	1,480,000 (RM4,870,000)	

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

7 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.

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

Please refer to item 2.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Chew Soo Lin	77	Cousin of Mr Chew Kah Chuan Uncle of Mr Chew Kian Boon Daniel and Mr Chew Kian Hong Michael Director of Cepheus Corporation Pte Ltd, Khong Guan Development Pte Ltd and Khong Guan Group Pte Ltd, which are substantial shareholders	Chairman of the Board (Since 23.08.2007) Leadership and managing the business of the Board, including strategic matters of the Group.	Nil
Chew Kian Boon Daniel	50	Nephew of Mr Chew Soo Lin and Mr Chew Kah Chuan Brother of Mr Chew Kian Hong Michael	Executive Director (Since 25.02.2016) Oversees the company's daily operation as well as managing procurement of raw materials, shipping and logistics.	Nil
Chew Kian Hong Michael	45	Nephew of Mr Chew Soo Lin and Mr Chew Kah Chuan Brother of Mr Chew Kian Boon Daniel Director of Kah Hong Pte Ltd and Khong Guan Group Pte Ltd, which is a substantial shareholder	Managing Director of a subsidiary company, Tong Guan Food Products Sdn Bhd. (Since 01.08.2024) and the associate companies of United Malayan Flour (1996) Sdn. Bhd (Effective 22.10.2024) Responsible for business operations and development.	Nil
Chew Kah Chuan	75	Cousin of Mr Chew Soo Lin Uncle of Mr Chew Kian Boon Daniel and Mr Chew Kian Hong Michael Director of Kah Hong Pte Ltd, Khong Guan Development Pte Ltd and Khong Guan Group Pte Ltd, which are substantial shareholders	Chairman of a subsidiary company, Tong Guan Food Products Sdn Bhd. (Since 01.08.2024) Managing Director of a subsidiary company, Swee Hin Chan Co Sdn Bhd. (Since 01.08.2024) Responsible for setting overall corporate strategy, planning and business development of both subsidiaries.	NIL

Chew Kah Soon	59	Brother of Chew Kah Chuan Cousin of Chew Soo Lin Uncle of Mr Chew Kian Boon Daniel and Mr Chew Kian Hong Michael Director of Kah Hong Pte Ltd and Khong Guan Development Pte Ltd, which are substantial shareholders	Vice Chairman of a subsidiary company Tong Guan Food Products Sdn Bhd (Effective 12.08.2025) Responsible for setting the overall corporate strategy, planning and business development of the subsidiary	NIL
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10 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year \$'000	Previous Full Year \$'000
Ordinary	-	258
Preference	-	-
Total	-	258

11 Other information

Statement of profit or loss

Depreciation expenses for right-of-use assets increased due to full year depreciation in the current year compared to three months depreciation in the previous year in relation to a newly rented warehouse in Malaysia in May 2024.

Other operating expenses increased mainly due to an increase in the allowance on impairment of trade receivables from \$60,000 in the previous year to \$547,000 in the current year.

Statements of financial position

Other receivables increased mainly due to an increase in interest receivable on a loan to an associate.

Other payables increased due to advance payments received from customers.

By Order of the Board
 Chew Kian Boon Daniel
 Executive Director
 29 September 2025