



First Quarterly Report  
**2023**

**KPM** HOLDING LIMITED  
吉輝控股有限公司\*

Incorporated in the Cayman Islands with limited liability

Stock Code: 8027

\* For identification purpose only

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This report, for which the directors (the “Directors”) of KPM Holding Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

*The original report is prepared in the English language. This report is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.*

## RESULTS

The board (the "Board") of Directors of the Company (together with its subsidiaries, the "Group") is pleased to present the unaudited condensed consolidated results of the Group for the three months ended 31 March 2023, together with the unaudited comparative figures for the corresponding period in 2022, as follows:

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

For the three months 31 March 2023

	Note	Three months ended 31 March	
		2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Revenue	3	4,143,007	5,990,536
Cost of sales		(3,264,298)	(4,464,915)
Gross profit		878,709	1,525,621
Other income	4	31,341	91,123
Other gains and losses	5	(239,932)	(18,520)
Selling and administrative expenses		(557,404)	(546,395)
Allowances for expected credit losses, net		5,780	(31,376)
Finance costs	6	(44,038)	(9,261)
<b>Profit before tax</b>		<b>74,456</b>	<b>1,011,192</b>
Income tax expense	7	(59,600)	(181,039)
<b>Profit for the period</b>		<b>14,856</b>	<b>830,153</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		27,345	(2,641)
Other comprehensive income/(loss), net of tax		27,345	(2,641)
<b>Total comprehensive income attributable to owners of the Company</b>		<b>42,201</b>	<b>827,512</b>
<b>Earnings per share</b>			
Basic ( <i>S\$ cents</i> )	8	0.006	0.371
Diluted ( <i>S\$ cents</i> )	8	0.006	0.351

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS

### 1. GENERAL

The Company was a public limited company incorporated and registered as an exempted company in the Cayman Islands with limited liability on 10 March 2015 and its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited. Its parent is Absolute Truth Investments Limited (incorporated in the British Virgin Islands). Its ultimate controlling party is Mr. Tan Thiam Kiat Kelvin, who is also the Chairman and Executive Directors of the Company. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "Companies Ordinance") on 30 March 2015. The principal place of business in Hong Kong registered is Unit 1104A, 11F, Kai Tak Commercial Building, 317-319 Des Voeux Road Central, Hong Kong. The head office and principal place of business of the Group is at 14 Loyang Way 4, Singapore 507601.

The Company is an investment holding company and the operating subsidiaries are principally engaged in the design, fabrication, installation and maintenance of signage and related products and the provision of fitting-out and renovation services for commercial and residential premises and developments.

The condensed consolidated financial information is presented in Singapore Dollar ("S\$" or "\$"), which is also the functional currency of the Company.

The unaudited condensed consolidated financial information was approved by the Board on 15 May 2023.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These condensed consolidated financial results should be read in conjunction with the audited financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The accounting policies and methods of computation used in the preparation of these condensed consolidated financial results are consistent with those used in the annual financial statements for the year ended 31 December 2022 except for the adoption of the new and revised IFRS, amendments and Interpretations that are effective for financial period beginning on 1 January 2023 and are relevant to its operations. The adoption of these new/revised IFRS, amendments and interpretations does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior period.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS (Continued)

### 3. REVENUE AND SEGMENT INFORMATION

The Group's operating and reportable segments are as follows:

**(i) Signage business**

Sale of signage, bollard, variable-message signs, bus stops, linkways and aluminium railing to customers.

**(ii) Fitting-out and renovation services**

Provision of fitting-out and renovation services for commercial and residential premises and developments.

An analysis of the Group's revenue by operating and reportable segments is as follows:

	<b>Three months ended 31 March</b>	
	<b>2023</b>	2022
	<b>S\$</b>	S\$
	<b>(Unaudited)</b>	(Unaudited)
Signage business	<b>2,746,685</b>	1,687,265
Fitting-out and renovation services	<b>1,396,322</b>	4,303,271
	<b>4,143,007</b>	5,990,536

### Geographical information

In presenting the geographical information, revenue is based on the locations of the customers.

The Group operates in two principal geographical areas – Singapore and Hong Kong. The following table provides an analysis of the Group's revenue from external customers.

	<b>Three months ended 31 March</b>	
	<b>2023</b>	2022
	<b>S\$</b>	S\$
	<b>(Unaudited)</b>	(Unaudited)
Singapore	<b>2,746,685</b>	1,687,265
Hong Kong	<b>1,396,322</b>	4,303,271
	<b>4,143,007</b>	5,990,536

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS (Continued)

### 4. OTHER INCOME

	Three months ended 31 March	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Interest income	–	52,208
Government grants	16,883	26,370
Others	14,458	12,545
	<b>31,341</b>	<b>91,123</b>

### 5. OTHER GAINS AND (LOSSES)

	Three months ended 31 March	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Foreign exchange loss, net	(239,932)	(18,520)
	<b>(239,932)</b>	<b>(18,520)</b>

### 6. FINANCE COSTS

	Three months ended 31 March	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Interest expenses on:		
– Bank loan	38,912	8,713
– Lease liabilities	5,126	548
	<b>44,038</b>	<b>9,261</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS (Continued)

### 7. INCOME TAX EXPENSE

	Three months ended 31 March	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Current tax		
– Corporate Income Tax (“CIT”)	59,600	181,039
	<b>59,600</b>	<b>181,039</b>

Singapore CIT is calculated at 17% of the estimated assessable profit. Singapore incorporated companies can also enjoy 75% tax exemption on the first S\$10,000 of normal chargeable income and a further 50% tax exemption on the next S\$190,000 of normal chargeable income from Year of Assessment 2020 onwards.

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5%. No provision for Hong Kong Profits Tax has been made since the Group has no assessable profit for the three months ended 31 March 2023 and 2022.

The income tax expense for the period can be reconciled to the profit before tax per the statement of profit or loss and other comprehensive income as follows:

	Three months ended 31 March	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Profit before tax	74,456	1,011,192
Tax at Singapore CIT of 17%	12,658	171,903
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	1,381	(5,662)
Tax effect of income and expenses not taxable and deductible for tax purpose, net	45,584	14,694
Others	(23)	104
Income tax expense for the period	<b>59,600</b>	<b>181,039</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS (Continued)

### 8. EARNINGS PER SHARE

	Three months ended 31 March	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Profit attributable to the owners of the Company	14,856	830,153
Weighted average number of ordinary shares in issue	236,800,000	224,000,000
Basic earnings per share (S\$ cents)	0.006	0.371
Weighted average number of ordinary shares in issue and outstanding share options	236,800,000 <sup>Note</sup>	236,800,000
Diluted earnings per share (S\$ cents)	0.006 <sup>Note</sup>	0.351

*Note:* The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding for the three months ended 31 March 2023. The effect of the exercise of share options was not included in the calculation of diluted earnings per share as they have no dilutive effect during the three months ended 31 March 2023.

### 9. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the three months ended 31 March 2023 (2022: Nil).



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL RESULTS (Continued)

### 10. RELATED PARTY DISCLOSURES

The Group has not entered into any related party transaction during the period under review.

#### Compensation of key management personnel

The remuneration of executive directors of the Group was as follows:

	Three months ended 31 March	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Short-term benefits	41,800	44,300
Post-employment benefits	3,060	3,485
	<b>44,860</b>	<b>47,785</b>

The remuneration of the executive directors of the Group is determined by having regard to the performance of individuals of the Group and market trends.

### 11. RESERVES

The movement of reserve is as follows:

	Three months ended 31 March	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
<b>Currency translation reserve</b>		
Foreign currency translation	27,345	(2,641)

## MANAGEMENT DISCUSSION AND ANALYSIS

### GENERAL

During the three months ended 31 March 2023, the Group had been principally engaged in the design, fabrication, installation and maintenance of signage and related products and provision of fitting-out and renovation services for commercial and residential premises and developments.

### FINANCIAL REVIEW

For the three months ended 31 March 2023, the Group recorded an unaudited revenue of approximately S\$4,143,000 (2022: S\$5,991,000) and profit of approximately S\$15,000 (2022: S\$830,000).

Revenue had decreased by approximately 30.8% or S\$1,848,000. The gross profit and gross profit margin for the three months ended 31 March 2023 was approximately S\$879,000 (2022: S\$1,526,000) and approximately 21.2% (2022: 25.5%) respectively. Decrease of revenue is mainly due to decline of the demand in fitting-out and renovation services and fierce competition in the market.

Other income for the three months ended 31 March 2023 included government grants of approximately S\$17,000.

Other gains and losses for the three months ended 31 March 2023 included approximately S\$240,000 of foreign exchange loss which was mainly arise from trade receivables, contract assets and cash and cash equivalents denominated in Hong Kong dollars which was depreciating against Singapore dollars.

Selling and administrative expenses for the three months ended 31 March 2023 was approximately S\$557,000 (2022: S\$546,000) representing an increase of S\$11,000 or 2.0% mainly due to higher depreciation and legal and professional fees incurred.

The Group recorded a profit before tax for the three months ended 31 March 2023 of approximately S\$74,000, compared to S\$1,011,000 for the corresponding period in 2022.

Profit for the three months ended 31 March 2023 was approximately S\$15,000, compared to S\$830,000 for the corresponding period in 2022.

## BUSINESS REVIEW

Revenue from the sale of signage, bollard, variable-message signs, bus stops and aluminium railing in the public and private sectors in Singapore was amounted to approximately S\$2,747,000 and S\$1,687,000 for the three months period ended 31 March 2023 and 2022 respectively. The revenue has increased by approximately S\$1,060,000 mainly due to recovering demand in construction sector activities in the market.

Revenue from the business of provision of fitting-out and renovation services for commercial and residential premises and developments was amounted to approximately S\$1,396,000 and S\$4,303,000 for the three months period ended 31 March 2023 and 2022 respectively. The Group is responsible for the overall management of the contracted projects which involves sourcing, procurement and quality control of materials, arrangement of subcontractors, and supervision and inspection of the project progress until completion and may also provide design services upon clients' request. The revenue decreased by approximately S\$2,907,000 mainly due to lower number of projects undertaken during the three months ended 31 March 2023.

## PROSPECTS

Looking forward, the demand in the construction sector activities in Singapore will slowly recover. The construction industry in Singapore and Hong Kong will remain challenging due to the fierce competition in bidding prices and higher material costs. The Group will continue to manage its expenditures, review the business strategy constantly and look for other business opportunities to cope with existing market environment in a cautious and prudent manner.

## EMPLOYEE INFORMATION

As at 31 March 2023, the Group had an aggregate of 88 (2022: 76) employees.

The employees of the Group are remunerated according to their job scope and responsibilities. The local employees are also entitled to discretionary bonus depending on their respective performance. The foreign workers are employed on one or two year contractual basis and are remunerated according to their work skills.

Total staff costs, including Directors' emoluments, amounted to approximately S\$735,000 for the three months ended 31 March 2023 (2022: approximately S\$710,000).

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2023, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

#### Aggregate long positions in the shares and underlying shares of the Company

Name of Directors	Nature of interest	Number of shares held	Approximate percentage of issued share capital
<b>Executive Directors:</b>			
Tan Thiam Kiat Kelvin	Interest of controlled company <sup>(1)</sup>	39,337,600	16.61%
Kong Weishan	Beneficial owner	1,280,000	0.54%
<b>Independent non-executive Directors:</b>			
Lau Muk Kan	Beneficial owner	1,280,000	0.54%
Lock Kiu Yin	Beneficial owner	1,280,000	0.54%
Xiao Laiwen	Beneficial owner	1,280,000	0.54%

*Note:*

- (1) The entire issued share capital of Absolute Truth Investments Limited is beneficially owned by Mr. Tan Thiam Kiat Kelvin.

Save as disclosed above, as at 31 March 2023, none of the Directors and chief executive of the Company had any interests or short positions in any shares, debentures or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

As at 31 March 2023, the following substantial shareholders' and other persons' interests and short positions of 5% or more of the issued share capital of the Company were recorded in the register required to be kept under section 336 of Part XV of the SFO:

### **Aggregate long positions in the shares and underlying shares of the Company**

<b>Name of substantial shareholder</b>	<b>Nature of interest</b>	<b>Number of shares held</b>	<b>Approximate percentage of the Company's issued share capital</b>
Absolute Truth Investments Limited	Beneficial owner <sup>(1)</sup>	39,337,600	16.61%

*Note:*

- (1) The entire issued share capital of Absolute Truth Investments Limited is beneficially owned by Mr. Tan Thiam Kiat Kelvin.

Save as disclosed above, as at 31 March 2023, the Directors were not aware of any other person (other than the Directors or chief executive of the Company whose interests are disclosed above) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

## **DIRECTOR'S INTEREST IN COMPETING BUSINESS**

The Directors are not aware of any business and interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group during the three months ended 31 March 2023.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2023.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Board strives to uphold the principles of corporate governance as set out in the Corporate Governance Code in part 2 of Appendix 15 to the GEM Listing Rules (the "CG Code"), and adopted various measures to enhance the internal control system, the Directors' continuous professional development and other areas of practice of the Company. While the Board strives to maintain a high level of corporate governance, it also works hard to create values and achieve maximum return for its shareholders. The Board will continue to conduct review and improve the quality of corporate governance practices with reference to local and international standards.

In the opinion of the Directors, the Company has complied with the CG Code for the three months ended 31 March 2023.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having been made specific enquiry, all the Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the three months ended 31 March 2023.

## AUDIT COMMITTEE

The Company established an audit committee on 23 June 2015 with written terms of reference in compliance with the GEM Listing Rules and the CG Code. The audit committee consists of three independent non-executive Directors namely Mr. Lau Muk Kan, Mr. Xiao Laiwen and Mr. Lock Kiu Yin. Mr. Lock Kiu Yin, a Director with the appropriate professional qualifications, serves as the chairman of the audit committee.

Among other things, the primary duties of the Audit Committee are to make recommendation to our Board on the appointment, reappointment and removal of external auditor, monitor integrity of the Group's consolidated financial statements, review significant financial reporting judgements contained in them, oversee the Group's financial reporting, internal control, risk management systems and audit process and to perform other duties and responsibilities as assigned by the Board.

The Group's unaudited condensed consolidated results for the three months ended 31 March 2023 and this report have been reviewed by the audit committee, which was of the opinion that such statements and report had been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

## EVENTS AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 31 March 2023.

By order of the Board  
**KPM Holding Limited**  
**Tan Thiam Kiat Kelvin**  
*Chairman*

Singapore, 15 May 2023

*As at the date of this report, the executive Directors are Mr. Tan Thiam Kiat Kelvin and Ms. Kong Weishan and the independent non-executive Directors are Mr. Lau Muk Kan, Mr. Xiao Laiwen and Mr. Lock Kiu Yin.*