



KHOON GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 924

2024/25 INTERIM REPORT



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In the event of any inconsistencies between the English and Chinese text in this interim report, the English text shall prevail.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ang Jui Khoon (*Chairman*)

Mr. Ang Kok Kwang (Hong Guoguang) (*Chief Executive Officer*)

Independent Non-Executive Directors

Ms. Leung Wing Chi Kylie

Mr. Fok Wai Hung

Mr. So Chi Kai

AUDIT COMMITTEE

Ms. Leung Wing Chi Kylie (*Chairlady*)

Mr. Fok Wai Hung

Mr. So Chi Kai

REMUNERATION COMMITTEE

Mr. Fok Wai Hung (*Chairman*)

Ms. Leung Wing Chi Kylie

Mr. Ang Kok Kwang (Hong Guoguang)

NOMINATION COMMITTEE

Mr. Ang Jui Khoon (*Chairman*)

Ms. Leung Wing Chi Kylie

Mr. Fok Wai Hung

Mr. So Chi Kai

COMPANY SECRETARY

Ms. Fu Yuen Hung

AUTHORISED REPRESENTATIVES

Mr. Ang Kok Kwang (Hong Guoguang)

Ms. Fu Yuen Hung

REGISTERED OFFICE

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

Block 5000

Ang Mo Kio Avenue 5

#04-01 Techplace II

Singapore 569870

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 812, 8/F, 68 Kimberley Road

Tsim Sha Tsui, Kowloon

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited

2103B, 21/F, 148 Electric Road

North Point, Hong Kong

LEGAL ADVISER

As to Hong Kong law:

MinterEllison LLP

43/F, Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

PRINCIPAL BANKERS

Bank of Communications (Hong Kong) Limited

RHB Bank Berhad

United Overseas Bank Limited

AUDITOR

RSM Hong Kong

Certified Public Accountants

Public Interest Entity Auditor

registered in accordance with the Accounting
and Financial Reporting Council Ordinance

29th Floor, Lee Garden Two

28 Yun Ping Road


Causeway Bay, Hong Kong

COMPANY'S WEBSITE

www.khoongroup.com

STOCK CODE

924



The board (the “Board”) of directors (the “Directors”) of Khoon Group Limited (the “Company”) is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the six months ended 31 December 2024 together with comparative figures for the corresponding period in 2023 as follows:

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

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

		Six months ended 31 December	
	Note	2024	2023
		(Unaudited)	(Unaudited)
		S\$	S\$
Revenue	6	44,185,932	32,214,535
Cost of services		(41,189,381)	(30,053,108)
Gross profit		2,996,551	2,161,427
Other income	7a	292,387	87,133
Other gains and losses	7b	37,099	(324,709)
Impairment losses on financial assets and contract assets	7c	(486,434)	(121,361)
Administrative expenses		(2,409,377)	(2,114,637)
Finance costs	8	(14,232)	(1,381)
Profit/(loss) before tax		415,994	(313,528)
Income tax expense	9	(258,549)	(110,859)
Profit/(loss) for the period	10	157,445	(424,387)
Other comprehensive loss:			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange difference on translating foreign operation		(37,255)	(193,724)
Other comprehensive loss for the period, net of tax		(37,255)	(193,724)
Total comprehensive income/(loss) for the period attributable to owners of the Company		120,190	(618,111)
Earnings/(loss) per share (S\$ cents)	12	0.02	(0.04)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	As at 31 December 2024 (Unaudited) S\$	As at 30 June 2024 (Audited) S\$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	60,452	87,681
Right-of-use assets	14	796,527	731,715
Deposits	16	97,218	94,914
		954,197	914,310
Current assets			
Trade receivables	15	7,086,647	9,622,527
Other receivables, deposits and prepayments	16	1,263,577	1,056,750
Contract assets	17	32,996,778	33,768,356
Bank balances and cash	18	7,271,226	7,065,336
		48,618,228	51,512,969
Current liabilities			
Trade and other payables	19	11,898,771	15,009,711
Contract liabilities	17	12,811	51,846
Lease liabilities	20	449,171	380,902
Amounts due to directors		85,781	85,729
Income tax payable		475,402	369,668
		12,921,936	15,897,856
Net current assets		35,696,292	35,615,113
Total assets less current liabilities		36,650,489	36,529,423
Non-current liabilities			
Lease liabilities	20	356,261	355,385
		356,261	355,385
Net assets		36,294,228	36,174,038
EQUITY			
Capital and reserves			
Share capital	21	1,742,143	1,742,143
Share premium		31,669,457	31,669,457
Merger reserve		(11,417,891)	(11,417,891)
Exchange reserve		(50,405)	(13,150)
Accumulated profits		14,350,924	14,193,479
Equity attributable to owners of the Company		36,294,228	36,174,038

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Share capital S\$	Share premium (Note a) S\$	Merger reserve (Note b) S\$	Exchange reserve (Note c) S\$	Accumulated profits S\$	Total S\$
At 1 July 2024 (audited)	1,742,143	31,669,457	(11,417,891)	(13,150)	14,193,479	36,174,038
Profit for the period	–	–	–	–	157,445	157,445
Other comprehensive loss	–	–	–	(37,255)	–	(37,255)
Total comprehensive income for the period	–	–	–	(37,255)	157,445	120,190
At 31 December 2024 (unaudited)	1,742,143	31,669,457	(11,417,891)	(50,405)	14,350,924	36,294,228

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Share capital S\$	Share premium (Note a) S\$	Merger reserve (Note b) S\$	Exchange reserve (Note c) S\$	Accumulated profits S\$	Total S\$
At 1 July 2023 (audited)	1,742,143	31,669,457	(11,417,891)	212,865	14,202,375	36,408,949
Loss for the period	–	–	–	–	(424,387)	(424,387)
Other comprehensive loss	–	–	–	(193,724)	–	(193,724)
Total comprehensive loss for the period	–	–	–	(193,724)	(424,387)	(618,111)
At 31 December 2023 (unaudited)	1,742,143	31,669,457	(11,417,891)	19,141	13,777,988	35,790,838

Notes:

- Share premium represents the excess of share issue over the par value.
- Merger reserve represents the difference between the cost of acquisition pursuant to the Group reorganisation in prior financial year and the total value of share capital of the entities acquired.
- Exchange reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations to the Group's presentation currency (i.e. Singapore dollar) which are recognised directly in other comprehensive income and accumulated in the exchange reserve.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Six months ended 31 December	
	2024 (Unaudited) S\$	2023 (Unaudited) S\$
Operating activities		
Profit/(loss) before tax	415,994	(313,528)
Adjustments for:		
Impairment losses on financial assets	63,822	121,361
Impairment losses on contract assets	422,612	–
Depreciation of property, plant and equipment	43,917	58,743
Depreciation of right-of-use assets	219,573	65,459
Exchange gain	(37,099)	(47,748)
Gain on disposal of property, plant and equipment	–	(61,106)
Written off of contract assets	–	433,563
Finance costs	14,232	1,381
Bank interest income	(68,389)	(25,828)
Operating cash flows before movements in working capital	1,074,662	232,297
Decrease/(increase) in trade receivables	2,472,058	(1,449,932)
Increase in other receivables, deposits and prepayments	(209,131)	(182,284)
Decrease/(increase) in contract assets	348,966	(707,632)
Decrease in trade and other payables	(3,110,940)	(313,007)
Increase in amounts due to directors	52	5,607
(Decrease)/increase in contract liabilities	(39,035)	9,338
Cash generated from/(used in) operations	536,632	(2,405,613)
Tax paid	(152,815)	–
Net cash from/(used in) operating activities	383,817	(2,405,613)
Investing activities		
Bank interest received	51,470	24,606
Purchase of property, plant and equipment	(16,570)	(12,913)
Proceeds from disposal of property, plant and equipment	–	70,200
Net cash from investing activities	34,900	81,893
Financing activities		
Repayment of lease liabilities	(221,983)	(67,532)
Interest paid	(14,232)	(1,381)
Net cash used in financing activities	(236,215)	(68,913)
Net increase/(decrease) in cash and cash equivalents	182,502	(2,392,633)
Cash and cash equivalents at beginning of period	7,065,336	10,184,427
Effect of foreign exchange rate change	23,388	(134,569)
Cash and cash equivalents at end of period, represented by bank balances and cash	7,271,226	7,657,225

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

1 GENERAL

Khoon Group Limited (the “Company”) was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 24 July 2018 and its registered office is located at P.O. Box 1350, Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands. 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 18 September 2018 and the principal place of business in Hong Kong is Unit 812, 8/F, 68 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong. The head office and principal place of business of the Group is at Block 5000 Ang Mo Kio Avenue 5, #04-01, Techplace II, Singapore 569870. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 5 July 2019.

The Company is a subsidiary of Southern Heritage Limited (“Southern Heritage”), which was incorporated in the British Virgin Islands (the “BVI”), and is the Company’s ultimate holding company. Southern Heritage is wholly-owned by Mr. Chen Zhi. Mr. Chen Zhi is the controlling shareholder of Khoon Group Limited and its subsidiaries (the “Controlling Shareholder”).

The Company is an investment holding company and the principal activities of its operating subsidiary, Khoon Engineering Contractor Pte. Ltd. (“Khoon Engineering”), which was incorporated in Singapore, are the provision of electrical engineering services.

The interim condensed consolidated financial statements are presented in Singapore Dollars (“S\$”), which is also the functional currency of the Company.

The interim condensed consolidated financial statements are approved by the Board of Directors of the Company on 25 February 2025.

2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 30 June 2024.

3 ADOPTION OF NEW AND REVISED STANDARDS

New and amended IFRS Accounting Standards that are effective for the current period

In the current period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time for the current period’s financial information.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS7	Supplier Finance Arrangements
Amendments to IFRS 12	Lease Liability in a Sales and Leaseback

Their adoption has not had any material impact on the disclosures or on the amounts reported in these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

3 ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and revised IFRS Accounting Standards issued but not yet effective

At the date of authorisation of these interim condensed consolidated financial statements, the Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning 1 July 2024, which are relevant to the Group:

		Effective for accounting periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Amendments of the Classification and Measurement of Financial Instruments	1 January 2026
Annual improvements	Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB

In April 2024, the IASB issued IFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group presents and discloses financial performance in the financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The management is currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Except as mentioned above, the directors of the Company anticipates that the application of the above new and amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial position and performance as well as disclosures in the foreseeable future.

4 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The interim condensed consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards issued by the IASB.

In addition, the interim condensed consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the applicable disclosures required by the Companies Ordinance.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

5 USE OF ESTIMATES AND JUDGEMENTS

In the preparation of the Group's interim condensed consolidated financial information, management is required to make estimates, judgements and assumptions about the reporting amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods, if the revision affects both current and future periods. The estimates and underlying assumptions which have significant impact on that interim condensed consolidated financial information are the same as that of the consolidated financial information for the year ended 30 June 2024.

6 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from provision of electrical engineering services being recognised over time, mainly comprising of (i) assisting to obtain statutory approvals; (ii) customisation and/or installation of electrical systems; and (iii) testing and commissioning by the Group to external customers. It also represents the revenue from contracts with customers.

Information is reported to the executive directors of the Company, being the chief operating decision makers ("CODMs") of the Group, for the purposes of resource allocation and performance assessment. No other analysis of the Group's result nor assets and liabilities is regularly provided to the CODMs for review and the CODMs review the overall results and financial performance of the Group as a whole. Accordingly, only entity-wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 Operating Segments.

An analysis of the Group's revenue for the six months ended 31 December 2024 and 2023 is as follows:

	For the six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	S\$	S\$
Contract revenue from provision of electrical engineering services, recognised over time	44,185,932	32,214,535

All the Group's services are rendered directly with the customers. Contracts with the Group's customers are agreed on fixed-price basis with project duration ranging from 10 months to 58 months (six months ended 31 December 2023: 6 months to 58 months).

Included in the Group's revenue for the six months ended 31 December 2024 is S\$44,161,409 (six months ended 31 December 2023: S\$31,778,334) derived from provision of electrical engineering services to customers in the public sector. The other remaining revenue is derived from provision of electrical engineering services to the customers in private sector.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

6 REVENUE AND SEGMENT INFORMATION (continued)

Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially satisfied) as at the end of the reporting period.

	For the six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	S\$	S\$
Provision of electrical engineering services:		
— Within one year	65,704,534	82,807,280
— More than one year but not more than two years	19,785,890	45,310,811
— More than two years but not more than five years	12,010,754	4,710,282
	97,501,178	132,828,373

Based on the information available to the Group at the end of the reporting period, the management of the Group expects the transaction price allocated to the unsatisfied (or partially satisfied) contracts as at 31 December 2023 and 2024 will be recognised as revenue during the years ended/ending 30 June 2024 to 2028.

Information about the major customers

The revenue from customers individually contributing over 10% of the total revenue of the Group during the reporting period are as follows:

	For the six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	S\$	S\$
Customer I	7,546,737	N/A*
Customer II	7,529,635	N/A*
Customer III	6,065,083	3,350,923
Customer IV	N/A*	4,693,897
Customer V	N/A*	4,412,202

* The revenue from the customer did not contribute 10% or more of the total revenue of the Group during the respective reporting period.

Geographical information

(a) Revenue from external customers

The Group principally operates in Singapore, which is also the place of domicile. Revenue derived from Singapore represents 100% of the total revenue for the six months ended 31 December 2024 (six months ended 31 December 2023: 100%) based on the location of services delivered.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

6 REVENUE AND SEGMENT INFORMATION (continued)

Geographical information (continued)

(b) Non-current assets

	As at 31 December 2024 (Unaudited) S\$	As at 30 June 2024 (Audited) S\$
Singapore	664,519	553,501
Hong Kong	289,678	360,809
	954,197	914,310

7 a. OTHER INCOME

	For the six months ended 31 December 2024 (Unaudited) S\$	2023 (Unaudited) S\$
Bank interest income	68,389	25,828
Government grants (note)	169,367	3,549
Training income	–	22,363
Others	54,631	35,393
	292,387	87,133

Note: All government grants are compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

7 b. OTHER GAINS AND (LOSSES)

	For the six months ended 31 December 2024 (Unaudited) S\$	2023 (Unaudited) S\$
Written off of contract assets	–	(433,563)
Gain on disposal of property, plant and equipment	–	61,106
Exchange gain, net	37,099	47,748
	37,099	(324,709)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

7 c. IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	For the six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	S\$	S\$
Impairment losses recognised on:		
Trade receivables (note 15)	63,822	121,361
Contract assets (note 17)	422,612	–
	486,434	121,361

8 FINANCE COSTS

	For the six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	S\$	S\$
Interest on lease liabilities	14,232	1,381

9 INCOME TAX EXPENSE

	For the six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	S\$	S\$
Tax expense comprises:		
Current tax:		
— Singapore corporate income tax ("CIT")	258,549	110,859

Tax charges on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

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 for both the six months ended 31 December 2024 and 2023.

No income tax arising from BVI and Hong Kong has been recognised as those subsidiaries incorporated in BVI and Hong Kong had no assessable profits for both periods.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

9 INCOME TAX EXPENSE (continued)

The reconciliation between the income tax expenses and the product of profit/(loss) before tax multiplied by CIT rate is as follows:

	For the six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	S\$	S\$
Profit/(loss) before tax	415,994	(313,528)
Tax at applicable tax rate of 17%	70,719	(53,300)
Tax effect of expenses not deductible for tax purpose	203,926	183,260
Tax effect of income not taxable for tax purpose	–	(10,388)
Effect of tax concessions and partial tax exemptions	(17,425)	(8,713)
Tax effect of temporary difference not recognised	1,329	–
Income tax expense	258,549	110,859

10 PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period has been arrived at after charging (crediting):

	For the six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	S\$	S\$
Depreciation of property, plant and equipment	43,917	58,743
Depreciation of right-of-use assets	219,573	65,459
Written off of contract assets	–	433,563
Impairment losses on trade receivables	63,822	121,361
Impairment losses on contract assets	422,612	–
Directors' remuneration	368,603	498,736
Other staff costs:		
— Salaries and other benefits	4,088,047	3,511,027
— Contributions to Central Provident Fund ("CPF") and Mandatory Provident Fund ("MPF")	136,990	99,033
Total staff costs	4,593,640	4,108,796
Cost of materials recognised as cost of services	20,609,261	15,925,722
Subcontractor costs recognised as cost of services	16,163,814	10,517,753

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

11 DIVIDENDS

No dividend has been declared by the Company or any Group entities during the six months ended 31 December 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

12 EARNINGS/LOSS PER SHARE

The calculation of earnings/(loss) per share is based on the following:

	For the six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to owners of the Company (\$\$)	157,445	(424,387)
Weighted average number of ordinary shares in issue	1,000,000,000	1,000,000,000
Basic and diluted earnings/(loss) per share (\$\$ cents)	0.02	(0.04)

The calculation of basic earnings per share for the six months ended 31 December 2024 and 2023 is based on the profit for the period attributable to owners of the Company and the weighted average number of shares in issue.

Diluted earnings per share is the same as the basic earnings per share because the Group has no dilutive securities that are convertible into shares during the six months ended 31 December 2024 and 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

13 PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery S\$	Computers S\$	Office equipment S\$	Motor vehicles S\$	Furniture and fittings S\$	Total S\$
Cost:						
At 1 July 2023	557,748	278,856	65,248	1,259,508	38,752	2,200,112
Additions	2,450	33,727	–	–	–	36,177
Disposal	–	–	–	(182,665)	–	(182,665)
At 30 June 2024	560,198	312,583	65,248	1,076,843	38,752	2,053,624
Additions	4,500	12,070	–	–	–	16,570
Exchange adjustments	–	143	–	–	–	143
At 31 December 2024	564,698	324,796	65,248	1,076,843	38,752	2,070,337
Accumulated depreciation:						
At 1 July 2023	545,306	265,649	63,968	1,112,261	36,361	2,023,545
Charge for the year	7,755	29,473	1,280	64,581	2,391	105,480
Disposals	–	–	–	(163,082)	–	(163,082)
At 30 June 2024	553,061	295,122	65,248	1,013,760	38,752	1,965,943
Charge for the period	2,266	16,503	–	25,148	–	43,917
Exchange adjustments	–	25	–	–	–	25
At 31 December 2024	555,327	311,650	65,248	1,038,908	38,752	2,009,885
Carrying amounts:						
At 30 June 2024	7,137	17,461	–	63,083	–	87,681
At 31 December 2024	9,371	13,146	–	37,935	–	60,452

The above items of property, plant and equipment are depreciated on a straight-line basis at the following useful lives:

Plant and machinery	5 years
Computers	1 year
Office equipment	1 year
Motor vehicles	5 years
Furniture and fittings	5 years

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

14 RIGHT-OF-USE ASSETS (GROUP AS A LESSEE)

	Dormitories S\$	Office S\$	Office equipment S\$	Total S\$
Cost:				
At 1 July 2023	97,929	239,435	10,706	348,070
Additions	344,259	447,513	–	791,772
Termination of lease	(97,929)	–	–	(97,929)
Exchange adjustments	–	3,568	–	3,568
At 30 June 2024	344,259	690,516	10,706	1,045,481
Additions	–	284,080	–	284,080
Termination of lease	–	(239,435)	–	(239,435)
Exchange adjustments	–	2,751	–	2,751
At 31 December 2024	344,259	737,912	10,706	1,092,877
Accumulated depreciation:				
At 1 July 2023	69,367	133,019	535	202,921
Charge for the year	88,164	118,124	2,141	208,429
Termination of lease	(97,929)	–	–	(97,929)
Exchange adjustments	–	345	–	345
At 30 June 2024	59,602	251,488	2,676	313,766
Charge for the period	92,676	125,826	1,071	219,573
Termination of lease	–	(239,435)	–	(239,435)
Exchange adjustments	–	2,446	–	2,446
At 31 December 2024	152,278	140,325	3,747	296,350
Carrying amounts:				
At 30 June 2024	284,657	439,028	8,030	731,715
At 31 December 2024	191,981	597,587	6,959	796,527

The Group leases several assets including staff dormitories, office and office equipment. The lease terms are as follows:

Dormitories	1.8 to 2 years
Office	2.6 to 3.2 years
Office equipment	5 years

The Group has no options to purchase any of its leased assets at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

The maturity analysis of lease liabilities is presented in Note 20.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

14 RIGHT-OF-USE ASSETS (GROUP AS A LESSEE) (continued)

Amounts recognised in profit or loss

	For the six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	S\$	S\$
Depreciation expense on right-of use assets	221,753	65,459
Interest expense on lease liabilities	14,232	1,381
Expense relating to short-term leases	100,800	6,409

As at 31 December 2024, the Group is committed to S\$0.1 million (30 June 2024: S\$Nil) for short-term leases.

The total cash outflow for leases during the six months ended 31 December 2024 amounts to S\$337,015 (six months ended 31 December 2023: S\$75,322).

15 TRADE RECEIVABLES

	As at 31 December 2024 (Unaudited) S\$	As at 30 June 2024 (Audited) S\$
Trade receivables	7,934,501	10,406,559
Less: Allowance for impairment losses	(847,854)	(784,032)
	7,086,647	9,622,527

The carrying amount of the Group's trade receivables is denominated in S\$.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

15 TRADE RECEIVABLES (continued)

The Group grants credit term of typically 30 to 35 days from invoice date for trade receivables to all customers for the six months ended 31 December 2024 (year ended 30 June 2024: 30 to 35 days). The following is an aging analysis of trade receivables, net of allowance for impairment losses, presented based on the invoice date which approximated the revenue recognition date at the end of each reporting period:

	As at 31 December 2024 (Unaudited) S\$	As at 30 June 2024 (Audited) S\$
Within 30 days	6,059,696	7,724,045
31 days to 60 days	233,965	503,823
61 days to 90 days	40,262	806,451
91 days to 120 days	8,182	22,815
More than 120 days	744,542	565,393
	7,086,647	9,622,527

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit limit to each customer on individual basis. Limits attributed to customers are reviewed when necessary. The majority of the Group's trade receivables that are neither past due nor impaired have good credit quality with reference to respective settlement history.

The Group does not charge interest or hold any collateral over these balances.

The Group applies the simplified approach to provide impairment loss measured as expected credit losses ("ECL") prescribed by IFRS 9.

The ECL of trade receivables are measured using a provision matrix by reference to past default experience and current past due exposure of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast direction of conditions at the reporting date. There has been no changes in the estimation techniques or significant assumption made during the current reporting period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

15 TRADE RECEIVABLES (continued)

The following table details the risk profile of trade receivables from contracts with customers based on the Group's historical credit loss experience and the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimate of future economic conditions. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Trade receivables — days past due						Total
	Not past due S\$	≤ 30 days S\$	31 to 60 days S\$	61 to 90 days S\$	91 to 120 days S\$	> 120 days S\$	
As at 31 December 2024 (Unaudited)							
Estimated total gross carrying amount at default	4,230,415	1,847,324	237,362	40,359	8,182	1,570,859	7,934,501
Lifetime ECL	(16,938)	(1,105)	(3,397)	(97)	–	(826,317)	(847,854)
							7,086,647

As at 30 June 2024 (Audited)

Estimated total gross carrying amount at default	7,740,983	504,928	809,848	22,912	–	1,327,888	10,406,559
Lifetime ECL	(16,938)	(1,105)	(3,397)	(97)	–	(762,495)	(784,032)
							9,622,527

The table below shows the movement in the loss allowance that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9:

	Six months ended 31 December 2024 (Unaudited) S\$	Year ended 30 June 2024 (Audited) S\$
Balance at beginning of the reporting period	784,032	53,369
Impairment losses recognised for the period	63,822	730,663
Balance at end of the reporting period	847,854	784,032

The loss allowance at 30 June 2024 was mainly attributable to an individual customer (where there is objective evidence of credit impairment) being identified as having a significantly elevated credit risk and loss allowance has been provided for on a specific basis, resulting in a charge of S\$730,663 for impairment provisions recognised in profit and loss in the year ended 30 June 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

16 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 December 2024 (Unaudited) S\$	As at 30 June 2024 (Audited) S\$
Current		
Deposits (Note)	309,482	219,157
Prepayments	483,764	609,029
Others (Note)	470,331	228,564
	1,263,577	1,056,750
Non-current		
Deposits (Note)	97,218	94,914
	1,360,795	1,151,664

Note: The management considered the ECL for deposits and others to be insignificant as at 31 December 2024 and 30 June 2024.

17 CONTRACT ASSETS/LIABILITIES

The following is the analysis of the contract assets and contract liabilities balances for financial reporting purpose:

	As at 31 December 2024 (Unaudited) S\$	As at 30 June 2024 (Audited) S\$
Contract assets	33,601,789	33,950,755
Less: Allowance for impairment loss	(605,011)	(182,399)
	32,996,778	33,768,356
Contract liabilities	(12,811)	(51,846)
	32,983,967	33,716,510

Contract assets (retention receivables) and contract liabilities arising from the same contract are presented on a net basis above. In the analysis below, these contract assets (retention receivables) and contract liabilities are presented on a gross basis, with the effect of the grossing up being S\$146,649 as at 31 December 2024 (30 June 2024: S\$91,202).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

17 CONTRACT ASSETS/LIABILITIES (continued)

Contract assets

The Group's contract assets are analysed as follows:

	As at 31 December 2024 (Unaudited) S\$	As at 30 June 2024 (Audited) S\$
Retention receivables	11,006,574	9,112,975
Others (Note)	22,741,864	24,928,982
Less: Allowance for impairment losses	(605,011)	(182,399)
	33,143,427	33,859,558

Note: Others represent the revenue not yet billed to the customers, for which the Group has completed the relevant services under such contracts but yet to be certified by architects, surveyors or other representatives appointed by the customers.

The amounts represent the Group's rights to considerations from customers for the provision of electrical engineering services, which arise when: (i) the Group completed the relevant services under such contracts and pending formal certification by the customers; and (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 12 months (defect liability period) after completion of the relevant works. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer.

Changes of contract assets were mainly due to changes in: (1) the amount of retention receivables (generally at a certain percentage of total contract sum) in accordance with the number of ongoing and completed contracts under the defect liability period; and (2) the size and number of contract works that the relevant services were completed but yet to be certified by architects, surveyors or other representatives appointed by the customers at the end of each reporting period.

The Group's contract assets include retention receivables to be settled, based on the expiry of the defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, at the end of the reporting period. The balances are classified as current as they are expected to be received within the Group's normal operating cycle.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation for the loss rates for contract assets except for a customer who failed to settle unbilled work in progress, leading to individual ECL assessment.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

17 CONTRACT ASSETS/LIABILITIES (continued)

Contract assets (continued)

The following table details the risk profile of amount due from customers based on the Group's historical credit loss experience and the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimate of future economic conditions. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	As at 31 December 2024 (Unaudited) S\$	As at 30 June 2024 (Audited) S\$
Estimated total gross carrying amount at default		
— amount not past due	33,601,789	33,950,755
Lifetime ECL	(605,011)	(182,399)
	32,996,778	33,768,356

The table below shows the movement in the loss allowance that has been recognised for contract assets in accordance with the simplified approach set out in IFRS 9:

	Six months ended 31 December 2024 (Unaudited) S\$	Year ended 30 June 2024 (Audited) S\$
Balance at beginning of the reporting period	182,399	822,399
Impairment losses recognised for the period	422,612	60,000
Amounts written off during the period	—	(700,000)
Balance at end of the reporting period	605,011	182,399

During the year ended 30 June 2024, the Group has written off loss allowance of S\$700,000 in respect of the settlement of a dispute with a customer.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

17 CONTRACT ASSETS/LIABILITIES (continued)

Contract liabilities

The contract liabilities represent the Group's obligation to transfer services to customers for which the Group has received consideration in advance (or an amount of consideration is due) from the customers according to the progressive billing arrangement stated in the contracts. Contract liabilities as at 31 December 2024 and 30 June 2024 mainly relate to advances received from customers.

The Group's contract liabilities are analysed as follows:

	As at 31 December 2024 (Unaudited) S\$	As at 30 June 2024 (Audited) S\$
Contract liabilities	159,460	143,048

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	Six months ended 31 December 2024 (Unaudited) S\$	Year ended 30 June 2024 (Audited) S\$
Revenue recognised that was included in the contract liabilities balance at the beginning of the reporting period	143,048	342,562

None of the revenue recognised during the period relates to performance obligations that were satisfied in prior periods.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

18 BANK BALANCES AND CASH

	As at 31 December 2024 (Unaudited) S\$	As at 30 June 2024 (Audited) S\$
Cash at banks	7,235,790	7,029,960
Cash on hand	35,436	35,376
Cash and cash equivalents in the consolidated statement of cash flows	7,271,226	7,065,336

As at 31 December 2024, time deposits of S\$3,153,579 (30 June 2024: Nil) with tenure of 3 months carry fixed interest rate of 2.24%, bank balances of S\$2,065,269 (30 June 2024: S\$1,651,420) carry effective interest rate ranging from 0.34% to 1.52% per annum (30 June 2024: 0.12% to 0.63% per annum) and the remaining bank balances and cash are interest-free.

19 TRADE AND OTHER PAYABLES

Trade and other payables comprise the following:

	As at 31 December 2024 (Unaudited) S\$	As at 30 June 2024 (Audited) S\$
Trade payables	4,401,501	8,623,132
Trade accruals	2,937,973	2,261,331
Retention payables (Note)	3,717,232	3,343,394
Other payables	11,056,706	14,227,857
Payroll, CPF and MPF payables	414,479	336,024
GST payables	297,604	214,247
Audit fee payable	16,600	–
Accrued audit fees	83,000	166,000
Others	30,382	65,583
	11,898,771	15,009,711

Note: The retention payables to subcontractors are interest-free and payable after the completion of maintenance period or in accordance with the terms specified in the relevant contracts for a period of generally 12 months after completion of the relevant works. The balance is classified as current as they are within the Group's normal operating cycle.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

19 TRADE AND OTHER PAYABLES (continued)

The following is an aging analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 31 December 2024 (Unaudited) S\$	As at 30 June 2024 (Audited) S\$
Within 30 days	2,815,607	3,671,211
31 days to 60 days	858,087	2,974,373
61 days to 90 days	526,175	1,482,970
91 days to 120 days	–	345,641
Over 120 days	201,632	148,937
	4,401,501	8,623,132

The credit period on purchases from suppliers and subcontractors is 30 to 90 days during the reporting period (year ended 30 June 2024: 30 to 90 days) or payable upon delivery.

The carrying amounts of trade payables are denominated in S\$.

20 LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	As at 31 December 2024 (Unaudited) S\$	As at 30 June 2024 (Audited) S\$	As at 31 December 2024 (Unaudited) S\$	As at 30 June 2024 (Audited) S\$
Within one year	470,839	404,166	449,171	380,902
More than one year, but not exceeding two years	260,117	288,667	252,676	278,882
More than two years, but not exceeding five years	104,830	77,487	103,585	76,503
	835,786	770,320	805,432	736,287
Less: Future finance charges	(30,354)	(34,033)	N/A	N/A
Present value of lease obligations	805,432	736,287	805,432	736,287
Less: Amount due for settlement within 12 months (shown under current liabilities)			(449,171)	(380,902)
Amount due for settlement after 12 months (shown under non-current liabilities)			356,261	355,385

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

20 LEASE LIABILITIES (continued)

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance function.

The above represents leases for certain staff dormitories, office and office equipment of the Group. As at 31 December 2024, the weighted average incremental borrowing rate was 2.88% (30 June 2024: 4.06%) per annum.

The Group's lease does not contain variable lease payments and accordingly no expense relating to variable lease payments is included in the measurement of lease liabilities.

Certain leases of the Group contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. These extension options are exercisable by the Group and not by the lessor.

21 SHARE CAPITAL

	Number of ordinary shares	Par value HK\$	Share capital HK\$
Authorised share capital of the Company:			
At 1 July 2023, 30 June 2024, 1 July 2024 and 31 December 2024	1,500,000,000	0.01	15,000,000

	Number of ordinary shares	Share capital S\$
Issued and fully paid share capital of the Company:		
At 1 July 2023, 30 June 2024, 1 July 2024 and 31 December 2024	1,000,000,000	1,742,143

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

22 RELATED PARTY BALANCES AND TRANSACTIONS

Apart from disclosure within the consolidated financial statements, the Group did not enter into transactions with related parties during the six months ended 31 December 2024 and 2023.

(a) Related party balances

As at 31 December 2024, the amounts due to directors of S\$85,781 (30 June 2024: S\$85,729) in nature of directors' fee payable, are unsecured, interest free and repayable on demand.

(b) Compensation of key management personnel

The remuneration of the executive directors and the personnel who are considered as key management of the Group, for the six months ended 31 December 2024 and 2023 were as follows:

	For the six months ended	
	31 December 2024 (Unaudited) S\$	2023 (Unaudited) S\$
Short term benefits	562,575	625,644
Post-employment benefits	30,804	34,412
Total compensation	593,379	660,056

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is a mechanical and electrical engineering contractor in Singapore specialised in providing electrical engineering solutions and its scope of services comprises (i) customisation and/or installation of electrical systems; (ii) assisting to obtain statutory approvals; and (iii) testing and commissioning. The Group has been established for over 30 years and our services are essential for ensuring the functionality and connectedness of the electrical systems as well as their compliance with the prescribed designs and statutory requirements. Our electrical engineering services are widely required in new building developments, redevelopment, additions and alterations (“A&A”) works and upgrading projects, which involve residential, commercial and industrial buildings. In particular, we have established solid track record in undertaking electrical engineering works in public residential developments initiated by the Housing & Development Board (“HDB”), the public housing authority of the Singapore Government.

During the six months ended 31 December 2024, our Group’s revenue increased by approximately 37.2% to approximately S\$44.2 million as compared to approximately S\$32.2 million for the six months ended 31 December 2023. The increase was mainly due to heightened in construction demand in Singapore. Our Group’s gross profit also increased by approximately 38.6% to approximately \$3.0 million, as compared to approximately S\$2.2 million for the six months ended 31 December 2023. The increase in gross profit was primarily attributable to the increase in revenue for the six months ended 31 December 2024. Our group’s net profit after tax was approximately S\$0.2 million, as compared to net loss of approximately S\$0.4 million for the six months ended 31 December 2023. The recovery from net loss for the six months ended 31 December 2023 to net profit after tax for the six months ended 31 December 2024 was mainly due to the increase in revenue for the current reporting period.

Based on the recent Building and Construction Authority (“BCA”) projection, the construction demand in Singapore is estimated to be in a range of S\$47 billion to S\$53 billion in 2025. Over the medium-term, BCA projected the total construction demand to reach a range of S\$39 billion to S\$46 billion per year from 2026 to 2029. Given our Group’s expertise in the public sector projects, the Board believes our Group is well positioned to take advantage of the rising construction demand over the coming years.

As at 31 December 2024, we had 35 projects on hand (including contracts in progress) with a notional or estimated contract value of approximately S\$244.9 million, of which approximately S\$103.7 million had been recognised as revenue in prior periods, approximately S\$37.5 million had been recognised as revenue during the six months ended 31 December 2024 and the remaining balance will be recognised as our revenue in accordance with the stage of completion. For the revenue of approximately S\$44.2 million for the six months ended 31 December 2024, apart from the revenue of approximately S\$37.5 million contributed from our on-going projects, the remaining revenue of approximately S\$6.7 million is mainly attributed to projects which have been completed during the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

	For the six months ended 31 December		
	2024 S\$ million	2023 S\$ million	Change %
Revenue	44.2	32.2	37.2
Gross profit	3.0	2.2	38.6
Gross profit margin	6.8%	6.7%	0.1 percentage points
Net profit/(loss)	0.2	(0.4)	N/A

Revenue

The Group's principal operating activities are the provision of electrical engineering services for both public and private sector projects. Our electrical engineering services are widely required in new building developments, redevelopment, A&A and upgrading projects, which involve residential, commercial and industrial buildings.

	For the six months ended 31 December					
	2024			2023		
	Number of projects with revenue contribution	Revenue S\$ million	% of total revenue	Number of projects with revenue contribution	Revenue S\$ million	% of total revenue
Public sector projects	50	44.2	100	47	31.8	98.6
Private sector projects	4	—*	—	13	0.4	1.4
Total	54	44.2	100	60	32.2	100

* denote less than S\$0.1 million

The Group's overall revenue increased by approximately S\$12.0 million or approximately 37.2% from approximately S\$32.2 million for the six months ended 31 December 2023 to approximately S\$44.2 million for the six months ended 31 December 2024. The increase is mainly due to the heightened construction demand in Singapore.

Cost of Services

The Group's cost of services increased by approximately S\$11.1 million or approximately 37.1% from approximately S\$30.1 million for the six months ended 31 December 2023 to approximately S\$41.2 million for the six months ended 31 December 2024. Such increase in cost of services was generally in line with the increase in revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit and Gross Profit Margin

	For the six months ended 31 December					
	2024			2023		
	Revenue S\$ million	Gross profit/(loss) S\$ million	Gross profit margin %	Revenue S\$ million	Gross profit S\$ million	Gross profit margin %
Public sector projects	44.2	3.8	8.5	31.8	2.1	6.6
Private sector projects	—*	(0.8)	N/A	0.4	0.1	11.9
Total	44.2	3.0	6.8	32.2	2.2	6.7

* denote less than S\$0.1 million

The gross profit of the Group for the six months ended 31 December 2024 amounted to approximately S\$3.0 million, representing an increase of approximately 38.6% as compared with approximately S\$2.2 million for the six months ended 31 December 2023 which was driven by an increase in revenue for the same period. The Group's gross profit margin for the six months ended 31 December 2024 was approximately 6.8%, which was consistent with the gross profit margin for the six months ended 31 December 2023.

Other income

Other income mainly included income from (i) interest income from banks, (ii) government grants and (iii) training income. During the six months ended 31 December 2024, other income amounted to approximately S\$0.3 million (six months ended 31 December 2023: approximately S\$87,000). The increase in other income was mainly due to the increase in government grants for the six months ended 31 December 2024. The grants were to subsidise the Group's employees to attend training courses for skills development.

Other gains and losses

During the six months ended 31 December 2024, other gains amounted to approximately S\$37,000 (six months ended 31 December 2023: loss of approximately S\$0.3 million). The change from other losses for the six months ended 31 December 2023 to other gains for the reporting period was mainly due to the written off of contract assets amounted approximately S\$0.4 million arising from a dispute with a customer in the six months ended 31 December 2023.

Impairment Losses on Financial Assets and Contract Assets

There was an allowance of impairment losses of approximately S\$0.5 million during the six months ended 31 December 2024 as compared to an allowance of impairment losses of approximately S\$0.1 million during the six months ended 31 December 2023. The difference was mainly due to additional allowance being provided for impairment losses on contract assets arising from the expected credit losses assessment.

Administrative Expenses

Administrative expenses of the Group for the six months ended 31 December 2024 amounted to approximately S\$2.4 million which represents an increase of approximately S\$0.3 million as compared with approximately S\$2.1 million for the six months ended 31 December 2023, mainly due to the increase in staff costs for the six months ended 31 December 2024.

Finance Costs

Finance costs for the six months ended 31 December 2024 were approximately S\$14,000, which increased by approximately S\$12,600 as compared with that of the six months ended 31 December 2023 of approximately S\$1,400. The increase represented new leases for office premises and dormitories in April 2024 which gave rise to significant increase in finance costs.

MANAGEMENT DISCUSSION AND ANALYSIS

Income Tax Expense

The Group's income tax expense increased to approximately S\$0.3 million for the six months ended 31 December 2024 from approximately S\$0.1 million for the six months ended 31 December 2023. Such increase was mainly due to the increase in assessable profit.

Profit/loss for the period

Profit for the six months ended 31 December 2024 amounted approximately S\$0.2 million (six months ended 31 December 2023: net loss of approximately S\$0.4 million). The change was mainly due to the increase in revenue.

Trade Receivables

As at 31 December 2024, the Group had trade receivables of approximately S\$7.1 million, as compared with trade receivables of approximately S\$9.6 million as at 30 June 2024.

An amount of approximately S\$5.0 million (i.e. approximately 70.6%) of the trade receivables as at 31 December 2024 has been settled up to the date of this report, as compared with an amount of approximately S\$8.6 million (i.e. approximately 89.1%) being settled up to 26 September 2024 for the trade receivables as at 30 June 2024.

Contract Assets (excluding retention receivables)

As at 31 December 2024, the Group had contract assets (excluding retention receivables) of approximately S\$22.1 million, as compared with contract assets (excluding retention receivables) of approximately S\$24.7 million as at 30 June 2024.

An amount of approximately S\$8.9 million (i.e. approximately 40.1%) of contract assets (excluding retention receivables) as at 31 December 2024 has been billed up to the date of this report, as compared with an amount of S\$17.6 million (i.e. approximately 71.2%) being billed up to 26 September 2024 as at 30 June 2024.

As part of the normal business and common industry practice, the certification and billing process for work in progress may take some time (between 6 months to 1 year) as additional time is required to perform additional procedures for verifying the functionality of certain electrical engineering works performed by the Group. Consultants may also require longer period to certify the site preparation works carried out by the Group and to approve the materials procured from suppliers during the preliminary stage of the projects.

Interim Dividend

The Board did not recommend a payment of an interim dividend for the six months ended 31 December 2024 (six months ended 31 December 2023: S\$Nil).

Liquidity, Financial Resources and Capital Structure

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 5 July 2019 by way of the share offer (the "Share Offer") and there has been no change in capital structure of the Group since then. The Company's capital comprises ordinary shares and capital reserves. The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of its cash and cash equivalents, cash flows generated operations and net proceeds from the Share Offer.

The Group adopts a prudent cash and financial management policy. The Group's cash, mainly denominated in S\$ and HK\$, are generally deposited with certain reputable financial institutions.

As at 31 December 2024, the Group had total cash and bank balances of approximately S\$7.3 million, as compared with bank balances and cash of approximately S\$7.1 million as at 30 June 2024. The Group did not have any bank borrowings as at 31 December 2024 and 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets

As at 31 December 2024, the Group had approximately S\$74,000 (as at 30 June 2024: S\$74,000) of pledged bank deposits as part of the collateral for performance guarantees in favour of the Group's customers.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy financial position throughout the period. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Foreign exchange risk

The Group mainly operates in Singapore. Most of the operating transactions and revenue were settled in S\$ and the Group's assets and liabilities are primarily denominated in S\$. However, the Group has certain bank balances denominated in HK\$ amounting to approximately S\$3.8 million as at 31 December 2024 which may expose the Group to foreign currency risk. The Group does not expect the risk could materially affect the Group's results of operations, and therefore no hedging instrument has been employed. The Group manages the risk by closely monitoring the movement of the foreign currency rate and will take appropriate measures to deal with the foreign exchange exposure if necessary.

Gearing Ratio

Gearing ratio is calculated by dividing all borrowings by total equity at the period-end date and expressed as a percentage. The gearing ratio of the Group as at 31 December 2024 was nil (as at 30 June 2024: nil).

Significant Investment, Material Acquisitions and Disposal of Subsidiaries and Associated Companies or Joint Ventures

There were no significant investment held, material acquisitions or disposals of subsidiaries and associated companies or joint ventures by the Group during the six months ended 31 December 2024.

Future Plans for Material Investments or Capital Assets

Save as disclosed in the Company's prospectus dated 20 June 2019 ("Prospectus"), the Group did not have other future plans for material investments or capital assets as at 31 December 2024.

Employees and Remuneration Policy

As at 31 December 2024, the Group had a total of 217 employees (31 December 2023: 202 employees), including executive Directors. Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes during the six months ended 31 December 2024 amounted to approximately S\$4.6 million (six months ended 31 December 2023: S\$4.1 million). In order to attract and retain high quality staff and to enable smooth operation within the Group, the remuneration policy and package of the Group's employees are periodically reviewed. The salary and benefit levels of the employees of the Group are competitive (with reference to market conditions and individual qualifications and experience). The Group provides adequate job training to the employees to equip them with practical knowledge and skills. Apart from central provident fund, mandatory provident fund and job training programs, salaries increment and discretionary bonuses may be awarded to employees according to the assessment of individual performance and market situation. The emoluments of the Directors have been reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

Contingent Liabilities

As at 31 December 2024, the Group had performance bonds of approximately S\$1.9 million (30 June 2024: S\$1.9 million) given by an insurance company in favour of the Group's customers as security for the due performance and observance of our Group's obligations under the contracts entered into between the Group and the customers. The performance guarantees will be released upon completion of the contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Expenditures and Capital Commitments

During the six months ended 31 December 2024, the Group acquired items of property, plant and equipment of approximately S\$17,000 (year ended 30 June 2024: approximately S\$36,000).

As at 31 December 2024, the Group had no material capital commitments.

Use of Net Proceeds from the Share Offer

The net proceeds from the Share Offer were approximately HK\$95.0 million (equivalent to approximately S\$16.6 million) (after deducting listing expenses) (the "Net Proceeds").

As disclosed in the announcements of the Group dated 13 May 2020, 19 September 2022 and 11 September 2024, respectively, the Board resolved to change the use of the then unutilised Net Proceeds. The Company expected that the unutilised Net Proceeds of approximately S\$0.6 million as at 11 September 2024 would be fully utilised by December 2024 and such unutilised Net Proceeds were fully utilised during the reporting period. All the Net Proceeds were fully utilised as at 31 December 2024. Set out below are the detailed breakdown and description of the use of the Net Proceeds.

	Planned use of Net Proceeds as disclosed in the Prospectus S\$ million (approximately)	Revised allocation of the Net Proceeds as disclosed in the Announcement dated 13 May 2020 S\$ million (approximately)	Further revised allocation of the Net Proceeds as disclosed in the Announcement dated 19 September 2022 S\$ million (approximately)	Utilised Net Proceeds up to 30 June 2024 S\$ million (approximately)	Unutilised Net Proceeds up to 30 June 2024 (being proceeds brought forward from the Share Offer) S\$ million (approximately)	Further revised allocation of the unutilised Net Proceeds as disclosed in the announcement dated 11 September 2024 S\$ million (approximately)	Utilised Net Proceeds up to 31 December 2024 S\$ million (approximately)
(i) Acquisition of a Singapore-based air-conditioning and mechanical ventilation contractor which is registered under the workhead of MEO1 (air-conditioning, refrigeration and ventilation works) with at least "L4" grade	7.1	3.5	–	–	–	–	–
(ii) Strengthening the Group's manpower by recruiting additional staff	2.5	1.0	1.0	1.0	–	–	1.0
(iii) Expanding the Group's premises for its various operational needs	1.8	–	–	–	–	–	–
(iv) Financing the Group's upfront costs and working capital requirements at the early stage of carrying out its electrical engineering projects (<i>existing projects</i>)	1.7	5.2	5.2	5.2	–	–	5.2

MANAGEMENT DISCUSSION AND ANALYSIS

	Planned use of Net Proceeds as disclosed in the Prospectus S\$ million (approximately)	Revised allocation of the Net Proceeds as disclosed in the Announcement dated 13 May 2020 S\$ million (approximately)	Further revised allocation of the Net Proceeds as disclosed in the Announcement dated 19 September 2022 S\$ million (approximately)	Utilised Net Proceeds up to 30 June 2024 S\$ million (approximately)	Unutilised Net Proceeds up to 30 June 2024 (being proceeds brought forward from the Share Offer) S\$ million (approximately)	Further revised allocation of the unutilised Net Proceeds as disclosed in the announcement dated 11 September 2024 S\$ million (approximately)	Utilised Net Proceeds up to 31 December 2024 S\$ million (approximately)
(v) Financing the Group's upfront costs and working capital requirements at the early stage of carrying out its electrical engineering projects <i>(new potential projects)</i>	–	3.0	6.5	6.5	–	0.6	7.1
(vi) Financing the acquisition of additional machinery and equipment	1.4	0.7	0.7	0.2	0.5	–	0.2
(vii) Purchasing a building information modelling software together with certain ancillary supporting hardware device and upgrading the Group's enterprise resource planning system	0.9	0.5	0.5	0.5	–	–	0.5
(viii) Financing the acquisition of additional lorries	0.3	0.3	0.3	0.2	0.1	–	0.2
(ix) Reserved as the Group's general working capital	0.9	2.4	2.4	2.4	–	–	2.4
Total	16.6	16.6	16.6	16.0	0.6	0.6	16.6

The Net Proceeds were used according to the intentions previously disclosed by the Company.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events affecting the Group which have occurred after 31 December 2024 and up to the date of this report.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2024, none of the Directors or chief executives of the Company had any interests or short positions in any 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 (Chapter 571 of the Laws of Hong Kong) ("SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2024, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares

Name of shareholder	Nature of interest	Number of Shares held	Percentage of issued share capital
Southern Heritage Limited ("Southern Heritage") (Note)	Beneficial owner	550,000,000	55.00%
Mr. Chen Zhi (Note)	Interest in controlled corporation	550,000,000	55.00%

Note: Southern Heritage holds directly the Shares. Southern Heritage is legally and beneficially wholly-owned by Mr. Chen Zhi. Accordingly, by virtue of the SFO, Mr. Chen Zhi is deemed to be interested in the 550,000,000 Shares held by Southern Heritage.

Save as disclosed above, as at 31 December 2024, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

CHANGE IN DIRECTORS' EMOLUMENTS

On 25 February 2025, the Board determined upon the recommendation of the remuneration committee of the Company that, (i) for Mr. Ang Jui Khoon ("Mr. Ang JK"), executive Director, the director's fees for the year ending 30 June 2025 be increased from S\$40,000 to S\$80,000; the discretionary bonus for the year ending 30 June 2025 be S\$56,000; and the salary per month remains at S\$28,000, and (ii) for Mr. Ang Kok Kwang (Hong Guoguang) ("Mr. Ang KK"), executive Director, the director's fees for the year ending 30 June 2025 be increased from S\$40,000 to S\$80,000; the discretionary bonus for the year ending 30 June 2025 be S\$52,000; and the salary per month be increased from S\$26,000 to S\$31,000 with effect from February 2025, by reference to the experience, qualifications, duties and responsibilities undertaken in the Company of each of Mr. Ang JK and Mr. Ang KK, and the prevailing market conditions. The original amount of salaries of Mr. Ang JK and Mr. Ang KK were covered by their respective service contract, subject to the Board's discretion to grant any increase.

OTHER INFORMATION

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules as the codes of conduct regarding securities transactions by Directors and relevant employees of the Group. All Directors have confirmed, following specific enquiries by the Company, that they fully complied with the Model Code and its code of conduct regarding the Directors’ securities transactions during the six months ended 31 December 2024.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the “Share Option Scheme”) on 10 June 2019. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 10 June 2019, and there is no outstanding share option as at 31 December 2024.

The following is a summary of the terms of the Share Option Scheme:

(a) Purpose

The purpose of the Share Option Scheme is to provide incentives or rewards to scheme participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds any equity interest.

(b) Participants

As per existing terms of the Share Option Scheme, participants of the scheme may be any employee, non-executive director, supplier, customer and shareholders of any member of the Group or any invested entity, any person or entity that provides research, development or other technological support, adviser or consultant to the Group or any invested entity, and any other participants who have contributed or may contribute to the development and growth of the Group.

(c) Total number of shares available for issue

- (i) The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other schemes must not, in aggregate, exceed 100,000,000 Shares, representing 10% of the Shares in issue as at the listing date.
- (ii) Notwithstanding the foregoing, the Company must not grant any options if the aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company, would exceed 30% of the Shares in issue from time to time.
- (iii) As at the date of this interim report, 100,000,000 Shares were available for issue under the Share Option Scheme, representing approximately 10% of the total issued share capital of the Company as at that date.

(d) Maximum entitlement of each participant

No participant shall be granted option(s) which if exercised in full would result in the total number of Shares already issued and issuable under all the options granted to him in any 12-month period exceeding 1% of the total number of Shares in issue.

Unless approved by Shareholders in a general meeting, the amount of Shares which can be awarded to a substantial Shareholder or an INED or their respective associates in the Share Option Scheme in the 12-month period up to and including the date of such grant for any particular aforementioned person in aggregate, is at maximum 0.1% of the Shares in issue and having an aggregate value, based on the closing price of the Shares at the date of each grant, of a maximum of HK\$5.0 million.

(e) Option period

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined by the Board absolutely, provided that such period shall not be more than ten years from the date upon which the option is deemed to be granted and accepted in accordance with the Share Option Scheme.

OTHER INFORMATION

(f) Vesting period of the options granted

The Board may, at its discretion, determine the minimum period for which the option has to be held before the option can be exercised.

(g) Consideration on acceptance of the option

Upon acceptance of an offer for grant of option(s), the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

(h) Basis of determining the exercise price of option granted

The subscription price for the Shares subject to any particular option(s) shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant option(s) but in any case the relevant subscription price shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of the grant of the option(s), which must be a business day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the grant of the option(s); and
- (iii) the nominal value of a Share.

(i) Remaining life of the Share Option Scheme

The Share Option Scheme will be valid and effective for a period commencing on 10 June 2019 and ending on the tenth anniversary of such date, and will expire on 10 June 2029.

100,000,000 options were available for grant under the scheme mandate limit at the beginning and the end of the reporting period.

CORPORATE GOVERNANCE

During the six months ended 31 December 2024, the Company complied with the code provisions as set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES OR SALE OF TREASURY SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities or sold any of its treasury shares during the six months ended 31 December 2024.

AUDIT COMMITTEE

The interim results of the Group for the six months ended 31 December 2024 have not been audited or reviewed by the independent auditors of the Company. The audit committee of the Company has reviewed the Group's unaudited condensed consolidated results for the six months ended 31 December 2024 and discussed with the management of the Company on the accounting principles and practices adopted by the Group with no disagreement by the audit committee of the Company.

By order of the Board of
Khoon Group Limited
Ang Jui Khoon
Chairman and Executive Director

Hong Kong, 25 February 2025