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Khoon Group Limited
坤集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 924)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Khoon Group Limited (the "**Company**") hereby announces 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

	Note	**Six months ended 31 December 2024 (Unaudited)** *S$*	2023 (Unaudited) *S$*
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)

	Note	Six months ended 31 December	
		2024	2023
		(Unaudited)	(Unaudited)
		S$	*S$*
Other comprehensive loss:			
Item that may be reclassified to profit or loss:			
Exchange difference on translating foreign operation		**(37,255)**	(193,724)
Other comprehensive loss for the period, net of tax		**(37,255)**	(193,724)
Total comprehensive income/(loss) for the period attributable to owners of the Company		**120,190**	(618,111)
Earnings/(loss) per share (S$ 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		**60,452**	87,681
Right-of-use assets		**796,527**	731,715
Deposits	*14*	**97,218**	94,914
		954,197	914,310
Current assets			
Trade receivables	*13*	**7,086,647**	9,622,527
Other receivables, deposits and prepayments	*14*	**1,263,577**	1,056,750
Contract assets	*15*	**32,996,778**	33,768,356
Bank balances and cash		**7,271,226**	7,065,336
		48,618,228	51,512,969
Current liabilities			
Trade and other payables	*16*	**11,898,771**	15,009,711
Contract liabilities	*15*	**12,811**	51,846
Lease liabilities	*17*	**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

	Note	As at 31 December 2024 (Unaudited) S$	As at 30 June 2024 (Audited) S$
Non-current liabilities			
Lease liabilities	*17*	**356,261**	355,385
		356,261	355,385
Net assets		**36,294,228**	36,174,038
EQUITY			
Capital and reserves			
Share capital	*18*	**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

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 IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	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.

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 to 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 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.

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. The accounting policies are the same as the Group's accounting policies described in Note 3. 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 customers in private sector.

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 year 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.

(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

7a 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.

7b 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)

7c IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	For the six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	S$	*S$*
Impairment losses recognised on:		
Trade receivables *(note 13)*	**63,822**	121,361
Contract assets *(note 15)*	**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.

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

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 (S$)	**157,445**	(424,387)
Weighted average number of ordinary shares in issue	**1,000,000,000**	1,000,000,000
Basic and diluted earnings/(loss) per share (S$ 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.

13 TRADE RECEIVABLES

	As at 31 December 2024 (Unaudited)	As at 30 June 2024 (Audited)
	S$	*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$.

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)	As at 30 June 2024 (Audited)
	S$	*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 have been no changes in the estimation techniques or significant assumption made during the current reporting period.

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						
	Not past due	**≤ 30 days**	**31 to 60 days**	**61 to 90 days**	**91 to 120 days**	**> 120 days**	**Total**
	S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
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 lifetime ECL — credit impaired 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)	Year ended 30 June 2024 (Audited)
	S$	*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.

14 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 considers the ECL for deposits and others to be insignificant as at 31 December 2024 and 30 June 2024.

15 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).

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.

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)	As at 30 June 2024 (Audited)
	S$	*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 lifetime ECL — credit impaired 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)	Year ended 30 June 2024 (Audited)
	S$	*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.

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)	As at 30 June 2024 (Audited)
	S$	*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)	Year ended 30 June 2024 (Audited)
	S$	*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.

16 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
	11,056,706	14,227,857
Other payables		
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.

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 (year ended 30 June 2024: 30 to 90 days) or payable upon delivery.

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

17 LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	As at 31 December 2024 (Unaudited)	As at 30 June 2024 (Audited)	**As at 31 December 2024 (Unaudited)**	As at 30 June 2024 (Audited)
	S$	*S$*	***S$***	*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 more than 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

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.

18 SHARE CAPITAL

	Number of ordinary shares	Par value	Share capital
		HK$	*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

19 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	2023
	(Unaudited)	(Unaudited)
	S$	*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 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 per year 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.

FINANCIAL REVIEW

	For the six months ended 31 December		
	2024	2023	Change
	S$ million	*S$ million*	*%*
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.

Gross profit and gross profit margin

	For the six months ended 31 December					
	2024			2023		
	Revenue	**Gross profit/ (loss)**	**Gross profit margin**	Revenue	Gross profit	Gross profit margin
	S$ million	***S$ million***	**%**	*S$ million*	*S$ million*	%
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 to 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.

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 to 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 announcement, 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 announcement, 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 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.

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.

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 unutilized 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 ME01 (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 ***(existing projects)***	1.7	5.2	5.2	5.2	–	–	5.2
(v) Financing the Group's upfront costs and working capital requirements at the early stage of carrying out its electrical engineering projects ***(new potential projects)***	–	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 announcement.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (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.

CORPORATE GOVERNANCE

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

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ang Jui Khoon and Mr. Ang Kok Kwang (Hong Guoguang); and three independent non-executive Directors, namely Ms. Leung Wing Chi Kylie, Mr. Fok Wai Hung and Mr. So Chi Kai.