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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 ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Khoon Group Limited (the “**Company**”) hereby announces the audited results of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) for the year ended 30 June 2025 together with comparative audited figures for the corresponding period in 2024 as follows:

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

*For the financial year ended 30 June 2025*

	<i>Note</i>	<b>2025</b> S\$	2024 S\$
<b>Revenue</b>	4	<b>77,663,858</b>	69,506,635
Cost of services		<u>(72,516,420)</u>	<u>(63,615,918)</u>
<b>Gross profit</b>		<b>5,147,438</b>	5,890,717
Other income	5a	<b>682,908</b>	283,128
Other gains and losses	5b	<b>(410,354)</b>	(662,856)
Impairment losses on financial assets and contract assets	5c	<b>(1,949,377)</b>	(790,663)
Administrative expenses		<b>(5,442,812)</b>	(4,415,795)
Finance costs	6	<u><b>(26,810)</b></u>	<u>(10,116)</u>
<b>(Loss)/profit before tax</b>		<b>(1,999,007)</b>	294,415
Income tax expense	7	<u><b>(110,155)</b></u>	<u>(303,311)</u>
<b>Loss for the year attributable to owners of the Company</b>	8	<u><u><b>(2,109,162)</b></u></u>	<u><u>(8,896)</u></u>

	<i>Note</i>	<b>2025</b> <b>S\$</b>	2024 <b>S\$</b>
<b>Other comprehensive income/(loss):</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange difference on translating foreign operation		<u>189,850</u>	<u>(226,015)</u>
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<u>189,850</u>	<u>(226,015)</u>
<b>Total comprehensive loss for the year attributable to owners of the Company</b>		<u><u>(1,919,312)</u></u>	<u><u>(234,911)</u></u>
<b>Loss per share (S\$ cents)</b>	<i>10</i>		
<b>Basic</b>		<u><u>(0.21)</u></u>	<u><u>—*</u></u>
<b>Diluted</b>		<u><u>(0.21)</u></u>	<u><u>—*</u></u>

\* Denote less than S\$(0.01) cents

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2025*

	<i>Note</i>	<b>2025</b> S\$	2024 S\$
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>108,938</b>	87,681
Right-of-use assets		<b>556,429</b>	731,715
Deposits		<b>97,218</b>	94,914
<b>Total non-current assets</b>		<b>762,585</b>	914,310
<b>Current assets</b>			
Trade receivables	11	<b>7,493,166</b>	9,622,527
Other receivables, deposits and prepayments		<b>971,155</b>	1,056,750
Contract assets	12	<b>28,845,345</b>	33,768,356
Bank balances and cash		<b>9,952,245</b>	7,065,336
<b>Total current assets</b>		<b>47,261,911</b>	51,512,969
<b>Current liabilities</b>			
Trade and other payables	13	<b>12,571,551</b>	15,009,711
Contract liabilities	12	<b>258,746</b>	51,846
Lease liabilities		<b>357,237</b>	380,902
Amounts due to directors		<b>160,000</b>	85,729
Income tax payable		<b>212,248</b>	369,668
<b>Total current liabilities</b>		<b>13,559,782</b>	15,897,856
<b>Net current assets</b>		<b>33,702,129</b>	35,615,113
<b>Total assets less current liabilities</b>		<b>34,464,714</b>	36,529,423

	<i>Note</i>	<b>2025</b> S\$	2024 S\$
<b>Non-current liabilities</b>			
Lease liabilities		<u>209,988</u>	<u>355,385</u>
<b>Total non-current liabilities</b>		<u>209,988</u>	<u>355,385</u>
<b>Net assets</b>		<u><b>34,254,726</b></u>	<u>36,174,038</u>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	14	1,742,143	1,742,143
Share premium		31,669,457	31,669,457
Merger reserve		(11,417,891)	(11,417,891)
Exchange reserve		176,700	(13,150)
Accumulated profits		<u>12,084,317</u>	<u>14,193,479</u>
<b>Equity attributable to owners of the Company</b>		<u><b>34,254,726</b></u>	<u>36,174,038</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the financial year ended 30 June 2025*

## 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 Windward 3, Regatta Office Park, P.O. Box 1350, 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’s ultimate holding company is Southern Heritage Limited (“**Southern Heritage**”), which was incorporated in the British Virgin Islands (the “**BVI**”), with limited liability. Southern Heritage is wholly-owned by Mr. Chen Zhi. Mr. Chen Zhi is the controlling shareholder of Khoon Group Limited and its subsidiaries.

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

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

## 2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”). IFRS Accounting Standards comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards (“**IAS**”); and Interpretations. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Companies Ordinance.

The IASB has issued certain new and revised IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the consolidated financial statements.

### 3 ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

#### (a) Application of new and revised IFRS Accounting Standards

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 July 2024 for the preparation of the consolidated financial statements:

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

The amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### (b) New and revised IFRS Accounting Standards issued but not yet effective

Up to the date of issue of these consolidated financial statements, the IASB has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 30 June 2025 and which have not been adopted in these consolidated financial statements. The Group has not early applied the following which may be relevant to the Group:

		Effective for accounting periods beginning on or after
Amendments to IAS 21 and IFRS 1	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	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

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group, except for the following.

***IFRS 18 “Presentation and Disclosure in Financial Statements”***

IFRS 18 will replace IAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, 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 present and disclose 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 directors of the Company are currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements of the Group.

#### **4 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.

Segment 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 further detailed analysis of the Group’s result nor assets and liabilities is regularly provided to the CODMs for review as the CODMs review the overall results and financial performance of the Group derived from the provision of electrical engineering services 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 financial year is as follows:

	<b>2025</b>	2024
	<b>S\$</b>	S\$
Contract revenue from provision of electrical engineering services, recognised over time	<u><b>77,663,858</b></u>	<u>69,506,635</u>

All the Group’s services are rendered directly with the customers. Contracts with the Group’s customers are agreed in fixed-price basis with project duration ranging from 6 months to 80 months (2024: 6 months to 58 months).

Included in the Group's revenue for the year ended 30 June 2025 is S\$77,519,079 (2024: S\$68,720,958) derived from provision of electrical engineering services to customers in public sector. The other remaining revenue is derived from provision of electrical engineering services to the 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.

	2025 S\$	2024 S\$
Provision of electrical engineering services:		
— Within one year	66,504,220	81,571,189
— More than one year but not more than two years	32,856,159	29,365,753
— More than two years but not more than five years	30,104,771	5,908,624
— More than five years	2,642,447	—
	<u>132,107,597</u>	<u>116,845,566</u>

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 30 June 2024 and 2025 will be recognised as revenue during the years ended/ending 30 June 2025 to 2032.

### 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:

	2025 S\$	2024 S\$
Customer I	15,634,730	8,864,073
Customer II	14,612,896	N/A*
Customer III	8,311,134	N/A*
Customer IV	<u>N/A*</u>	<u>9,430,019</u>

\* The revenue from the customer did not contribute 10% or more of the total revenue of the Group.



## 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 year ended 30 June 2025 (2024: 100%) based on the location of services delivered.

### (b) Non-current assets

	2025 S\$	2024 S\$
Singapore	567,607	553,501
Hong Kong	194,978	360,809
	<u>762,585</u>	<u>914,310</u>

## 5a. OTHER INCOME

	2025 S\$	2024 S\$
Bank interest income	125,078	98,444
Government grants ( <i>Note</i> )	205,072	34,471
Training income	5,781	30,660
Sales of direct materials	322,484	114,868
Others	24,493	4,685
	<u>682,908</u>	<u>283,128</u>

*Note:* Government grants in 2025 mainly included the Career Conversion Programme grant from Workforce Singapore, which supported the entity in reskilling and redeploying Singaporean employees into sustainability-focused roles. 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.

## 5b. OTHER GAINS AND LOSSES

	2025 S\$	2024 S\$
Gain on disposal of property, plant and equipment	–	60,617
Written off of trade receivables	–	(537,198)
Written off of contract assets	–	(433,563)
Exchange (loss)/gain, net	(410,354)	247,288
	<u>(410,354)</u>	<u>(662,856)</u>

## 5c. IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	2025 S\$	2024 S\$
Impairment losses recognised on:		
Trade receivables ( <i>Note 11</i> )	(185,959)	(730,663)
Contract assets ( <i>Note 12</i> )	(1,763,418)	(60,000)
	<u>(1,949,377)</u>	<u>(790,663)</u>

## 6 FINANCE COSTS

	2025 S\$	2024 S\$
Interest on lease liabilities	<u>26,810</u>	<u>10,116</u>

## 7 INCOME TAX EXPENSE

Income tax expense has been recognised in profit or loss as follows:

	2025 S\$	2024 S\$
Current tax:		
— Singapore corporate income tax (“CIT”)		
Provision for the year	<u>110,155</u>	<u>303,311</u>

Tax charge 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% (2024: 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 years ended 30 June 2025 and 2024.

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 in the years ended 30 June 2025 and 2024.

## 8 LOSS FOR THE YEAR

The Group's loss for the year is stated after charging the following:

	2025	2024
	S\$	S\$
Depreciation of property, plant and equipment	88,366	105,480
Depreciation of right-of-use assets	442,302	208,429
Impairment loss on trade receivables	185,959	730,663
Impairment loss on contract assets	1,763,418	60,000
Auditor's remuneration	166,000	166,000
Cost of materials recognised as cost of services	37,365,841	32,861,263
Subcontractor costs recognised as cost of services	<u>25,936,530</u>	<u>22,424,163</u>

## 9 DIVIDENDS

No dividends were paid, declared or proposed to the owners of the Company or group entities during the year ended 30 June 2025 (2024: S\$Nil).

## 10 LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following:

	2025	2024
Loss for the year attributable to owners of the Company (S\$)	(2,109,162)	(8,896)
Weighted average number of ordinary shares in issue	1,000,000,000	1,000,000,000
Basic and diluted loss per share (S\$ cents)	<u>(0.21)</u>	<u>—*</u>

\* Denote less than S\$(0.01) cents

The calculation of basic loss per share for the years ended 30 June 2025 and 2024 is based on the loss for the year attributable to owners of the Company and the weighted average number of shares in issue.

Diluted loss per share is the same as the basic loss per share because the Group has no dilutive securities that are convertible into shares during the years ended 30 June 2025 and 2024.

## 11 TRADE RECEIVABLES

	2025 S\$	2024 S\$
Trade receivables	8,463,157	10,406,559
Less: Allowance for impairment losses	<u>(969,991)</u>	<u>(784,032)</u>
	<u><b>7,493,166</b></u>	<u><b>9,622,527</b></u>

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

The Group grants credit term to customers typically 30 to 35 days from invoice date for trade receivables to all customers for the financial year ended 30 June 2025 (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 year:

	2025 S\$	2024 S\$
Within 30 days	4,610,462	7,724,045
31 days to 60 days	1,500,931	503,823
61 days to 90 days	556,129	806,451
91 days to 120 days	168,542	22,815
More than 120 days	<u>657,102</u>	<u>565,393</u>
	<u><b>7,493,166</b></u>	<u><b>9,622,527</b></u>

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 loss ("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 based on 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 S\$	≤ 30 days S\$	31 to 60 days S\$	61 to 90 days S\$	91 to 120 days S\$	> 120 days S\$	Total S\$
As at 30 June 2025							
Estimated total gross							
carrying amount at default	4,626,114	1,505,854	559,855	171,348	333,225	1,266,761	8,463,157
Lifetime ECL	(15,652)	(4,923)	(3,726)	(2,806)	(23,679)	(919,205)	(969,991)
							7,493,166
As at 30 June 2024							
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:

	<b>2025</b> S\$	2024 S\$
Balance at beginning of the year	<b>784,032</b>	53,369
Impairment losses recognised for the year	<u><b>185,959</b></u>	<u>730,663</u>
Balance at end of the year	<u><b>969,991</b></u>	<u>784,032</u>

For the year ended 30 June 2024, an individual customer (where there is objective evidence of credit impairment) has been identified as having a significantly elevated credit risk and as a result, a loss allowance of S\$730,663 has been provided for on a specific basis.

## 12 CONTRACT ASSETS/LIABILITIES

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

	2025 S\$	2024 S\$
Contract assets	30,791,162	33,950,755
Less: Allowance for impairment loss	(1,945,817)	(182,399)
	<u>28,845,345</u>	<u>33,768,356</u>
Contract liabilities	(258,746)	(51,846)
	<u>28,586,599</u>	<u>33,716,510</u>

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\$84,021 as at 30 June 2025 (2024: S\$91,202).

### Contract assets

	2025 S\$	2024 S\$
Retention receivables	12,584,486	9,112,975
Others ( <i>Note</i> )	18,290,697	24,928,982
Less: Allowance for impairment losses	(1,945,817)	(182,399)
	<u>28,929,366</u>	<u>33,859,558</u>

*Note:* Others represent the revenue not yet billed to the customers, for which the Group has completed the relevant services under such contracts but the work is 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.

The following table details the risk profile of amount due from customers based on the Group's historical credit loss experience based on 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.

	2025 S\$	2024 S\$
Estimated total gross carrying amount at default		
— amount not past due	<b>30,791,162</b>	33,950,755
Lifetime ECL	<b>(1,945,817)</b>	(182,399)
	<b><u>28,845,345</u></b>	<b><u>33,768,356</u></b>

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:

	2025 S\$	2024 S\$
Balance at beginning of the year	<b>182,399</b>	822,399
Impairment losses recognised for the year	<b>1,763,418</b>	60,000
Allowance for impairment written off	<b>—</b>	(700,000)
Balance at end of the year	<b><u>1,945,817</u></b>	<b><u>182,399</u></b>

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.

The significant increase in the loss allowance during the year ended 30 June 2025, mainly attributable to three specific customers (where there are objective evidences of credit impairment) have been 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\$1,763,418 for impairment provisions recognised in profit and loss in the current year.

### Contract liabilities

The contract liabilities represents the Group's obligation to provide 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 30 June 2025 and 30 June 2024 mainly relate to advances received from customers.

The Group's contract liabilities are analysed as follows:

	2025 S\$	2024 S\$
Contract liabilities, gross	<u>342,767</u>	<u>143,048</u>

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

	2025 S\$	2024 S\$
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u>143,048</u>	<u>342,562</u>

None of the revenue recognised during the years ended 30 June 2025 and 30 June 2024 relates to performance obligations that were satisfied in prior periods.

### 13 TRADE AND OTHER PAYABLES

Trade and other payables comprise the following:

	2025 S\$	2024 S\$
Trade payables	6,628,767	8,623,132
Trade accruals	1,602,276	2,261,331
Retention payables ( <i>Note</i> )	<u>3,485,416</u>	<u>3,343,394</u>
	11,716,459	14,227,857
<b>Other payables</b>		
Payroll, CPF and MPF payables	368,731	336,024
Goods and Services Tax ("GST") payables	288,235	214,247
Accrued audit fees	166,000	166,000
Others	<u>32,126</u>	<u>65,583</u>
	<u>12,571,551</u>	<u>15,009,711</u>

*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:

	2025	2024
	S\$	S\$
Within 30 days	2,840,879	3,671,211
31 days to 60 days	2,919,793	2,974,373
61 days to 90 days	521,149	1,482,970
91 days to 120 days	84,993	345,641
Over 120 days	261,953	148,937
	<u>6,628,767</u>	<u>8,623,132</u>

The credit period on purchases from suppliers and subcontractors is 30 to 90 days (2024: 30 to 90 days) or payable upon delivery.

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

#### 14 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 30 June 2025	<u>1,500,000,000</u>	<u>0.01</u>	<u>15,000,000</u>
	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 30 June 2025		<u>1,000,000,000</u>	<u>1,742,143</u>

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of equity balance. The Group's overall strategy remains unchanged throughout the financial year ended 30 June 2025.

The capital structure of the Group consists of equity attributable to owners of the Group, comprising issued capital, reserves and accumulated profits.

The management of the Group reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the associated risk with each class of items in the context of capital structure, and takes appropriate actions to adjust the Group's capital structure. Based on the recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares and new debts.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is a mechanical and electrical (“**M&E**”) 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 its 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. The Group’s electrical engineering services are widely required in new building developments, redevelopment, additions and alternations (“**A&A**”) works and upgrading projects, involving residential, commercial and industrial buildings. In particular, the Group has 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 year ended 30 June 2025, the Group’s revenue increased by approximately 11.7% to approximately S\$77.7 million as compared to approximately S\$69.5 million for the year ended 30 June 2024. The Group’s gross profit for the year ended 30 June 2025 decreased by approximately 12.6% to approximately S\$5.1 million, as compared to approximately S\$5.9 million for the year ended 30 June 2024. The decrease was mainly due to the increase in cost of services for the year ended 30 June 2025. The Group’s gross profit margin for the year ended 30 June 2025 has decreased to approximately 6.6%, from approximately 8.5% for the year ended 30 June 2024. The Group’s net loss after tax was approximately S\$2.1 million for the year ended 30 June 2025, as compared to net loss after tax of approximately S\$9,000 for the year ended 30 June 2024. The increase in net loss after tax for the year ended 30 June 2025 mainly represented the increase in impairment losses on financial assets and contract assets and staff costs. The decrease in gross profit margin for the year ended 30 June 2025 had also resulted in the increase in net loss after tax for the year.

### OUTLOOK

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 the Group’s expertise in the public sector projects, the Board believes that the Group is well positioned to take advantage of the rising construction demand over the coming years.

As at 30 June 2025, the Group had 28 projects on hand (including contracts in progress) with a notional or estimated contract value of approximately S\$235.5 million, of which approximately S\$42.8 million had been recognised as revenue in prior years, approximately S\$61.1 million had been recognised as revenue during the year ended 30 June 2025 and the remaining balance will be recognised as the Group's revenue in accordance with the stage of completion. For the revenue of approximately S\$77.7 million for the year ended 30 June 2025, apart from the revenue of approximately S\$61.1 million contributed from the Group's on-going projects, the remaining revenue of approximately S\$16.6 million is mainly attributed to projects which have been completed during the year.

## FINANCIAL REVIEW

	For the year ended 30 June		Change
	2025 <i>S\$ million</i>	2024 <i>S\$ million</i>	
Revenue	77.7	69.5	11.7%
Gross profit	5.1	5.9	-12.6%
Gross profit margin	6.6%	8.5%	-1.9 percentage points
Loss for the year	(2.1)	—*	N/A

\* Denote less than S\$(0.1) million

## Revenue

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

	For the year ended 30 June					
	2025			2024		
	Number of projects with revenue contribution	Revenue <i>S\$ million</i>	% of total revenue	Number of projects with revenue contribution	Revenue <i>S\$ million</i>	% of total revenue
Public sector projects	89	77.5	99.8	64	68.7	98.9
Private sector projects	8	0.2	0.2	56	0.8	1.1
Total	97	77.7	100.0	120	69.5	100.0

The Group's overall revenue increased by approximately S\$8.2 million or approximately 11.7% from approximately S\$69.5 million for the year ended 30 June 2024 to approximately S\$77.7 million for the year ended 30 June 2025. The increase is mainly due to the increase in construction demand in Singapore.

### Cost of services

The Group's cost of services increased by approximately S\$8.9 million or approximately 14.0% from approximately S\$63.6 million for the year ended 30 June 2024 to approximately S\$72.5 million for the year ended 30 June 2025. Such increase in cost of services was due to the increase in labour and materials cost and subcontractor costs.

### Gross profit and gross profit margin

	For the year ended 30 June					
	2025			2024		
	Revenue	Gross profit/	Gross profit	Revenue	Gross profit	Gross profit
	<i>S\$ million</i>	(loss) <i>S\$ million</i>	margin %	<i>S\$ million</i>	<i>S\$ million</i>	margin %
Public sector projects	77.5	5.5	7.2	68.7	5.8	8.5
Private sector projects	0.2	(0.4)	N/A	0.8	0.1	9.5
Total	<u>77.7</u>	<u>5.1</u>	6.6	<u>69.5</u>	<u>5.9</u>	8.5

The gross profit of the Group for the year ended 30 June 2025 amounted to approximately S\$5.1 million, representing a decrease of approximately 12.6% as compared with approximately S\$5.9 million for the year ended 30 June 2024. The Group's gross profit margin for the year ended 30 June 2025 was approximately 6.6%, which represents a decrease of 1.9 percentage points when compared with gross profit margin of approximately 8.5% for the year ended 30 June 2024. The decrease was mainly due to the increase in cost of services.

## **Other income**

Other income mainly included (i) income from sales of direct materials, (ii) interest income from banks, (iii) government grants, (iv) training income and (v) sundry income. During the year ended 30 June 2025, other income amounted to approximately S\$0.7 million (2024: approximately S\$0.3 million). The increase represents the increase in income received from sales of direct materials for the year ended 30 June 2025.

## **Other gains and losses**

Other gains and losses included (i) written off of trade receivables and contract assets and (ii) net exchange gain and loss. During the year ended 30 June 2025, other losses amounted to approximately S\$0.4 million (2024: other losses of approximately S\$0.7 million). The decrease in other losses was mainly because no trade receivables and contract assets were written off in the year ended 30 June 2025 (2024: approximately S\$1.0 million) and the effect was mitigated by the recognition of exchange loss of approximately S\$0.4 million in the year ended 30 June 2025 (2024: exchange gain of approximately S\$0.2 million).

## **Impairment losses on financial assets and contract assets**

There was an allowance of impairment losses of approximately S\$1.9 million during the year ended 30 June 2025 as compared to an allowance of impairment losses of approximately S\$0.8 million during the year ended 30 June 2024. The difference was mainly due to additional allowance being provided for impairment losses on financial assets and contract assets arising from the expected credit losses assessment.

## **Administrative expenses**

The administrative expenses of the Group for the year ended 30 June 2025 amounted to approximately S\$5.4 million which represents an increase of approximately S\$1.0 million as compared with approximately S\$4.4 million for the year ended 30 June 2024, mainly due to the increase in staff costs for the year ended 30 June 2025.

## **Finance costs**

Finance costs for the year ended 30 June 2025 were approximately S\$27,000 as compared to those of the year ended 30 June 2024 of approximately S\$10,000. The increase represented the addition to lease liabilities during the year which gave rise to the increase in finance costs.

## **Income tax expense**

The Group's income tax expense was approximately S\$0.1 million for the year ended 30 June 2025, as compared with approximately S\$0.3 million for the year ended 30 June 2024. Such change was mainly due to the decrease in assessable profits for the year ended 30 June 2025.

## **Loss for the year**

Loss for the year ended 30 June 2025 was approximately S\$2.1 million as compared to loss of approximately S\$9,000 for the year ended 30 June 2024. The change was mainly due to the increase in impairment losses on financial assets and contract assets and staff costs. The decrease in gross profit margin for the year ended 30 June 2025 had also resulted in the change in net loss for the year.

## **Trade receivables**

As at 30 June 2025, the Group had trade receivables of approximately S\$7.5 million, as compared with trade receivables of approximately S\$9.6 million as at 30 June 2024.

An amount of approximately S\$5.7 million (i.e. approximately 76.6%) of the trade receivable as at 30 June 2025 has been settled up to the date of this announcement.

## **Contract assets**

As at 30 June 2025, the Group had contract assets (excluding retention receivables) of approximately S\$16.3 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 54.6%) of contract assets (excluding retention receivables) as at 30 June 2025 has been billed up to the date of this announcement.

As part of the normal business and common industry practice, the certification and billing process for work in progress may take some time (from 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 time 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.

## **Final dividend**

The Board did not recommend the payment of a final dividend for the year ended 30 June 2025 (2024: 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 the 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 from 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 Hong Kong Dollars (“**HK\$**”), is generally deposited with certain reputable financial institutions.

As at 30 June 2025, the Group had total bank balances and cash of approximately S\$10.0 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 30 June 2025 and 30 June 2024.

### **Pledge of assets**

As at 30 June 2025, the Group had approximately S\$74,000 (as at 30 June 2024: approximately S\$74,000) pledged deposit 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 year. 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\$2.5 million as at 30 June 2025 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 year end date and expressed as a percentage. The gearing ratio of the Group as at 30 June 2025 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 year ended 30 June 2025.

## **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 30 June 2025.

## **Employees and remuneration policy**

As at 30 June 2025, the Group had a total of 208 employees (2024: 197 employees), including executive Directors. Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes in the year ended 30 June 2025 amounted to approximately S\$10.0 million (2024: approximately S\$8.7 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 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.

## **Environmental policies and performance**

Details of the Group's environmental policies, performance and compliance with laws and regulations will be set out in the "Environmental, Social and Governance Report" in the 2024/2025 annual report of the Company to be published.



## **Contingent liabilities**

### *(i) Performance bonds*

As at 30 June 2025, the Group had performance bonds of approximately S\$1.9 million (2024: approximately 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 the 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.

### *(ii) Dispute*

The Group is a respondent in an arbitration (the “**Arbitration**”) with a customer in relation to the disputes over a sub-contract agreement.

In 2023, the customer failed to make payment for work performed and completed by the Group and the parties engaged in an adjudication in the Singapore Mediation Centre to resolve the dispute. An adjudication determination was issued in favour of the Group and the customer settled the adjudicated amount payable to the Group. In July 2025, the customer commenced the Arbitration against the Group for a claim in the aggregate amount of approximately S\$13.8 million, including but not limited to liquidated damages and the costs of remediation work (the “**Claim**”).

The Group intends to contest the Claim and make a counter-claim against the customer, and the Group has already consulted and instructed a legal counsel to act for it in the Arbitration. It is the Directors' assessment, based on the previous favourable adjudication determination and progress certification conducted during the provision of services, that the Claim is of little merit; and the legal counsel has advised that as the Arbitration is at an early stage, it is difficult to predict the final outcome with certainty.

## **Capital expenditures and capital commitments**

During the year ended 30 June 2025, the Group acquired items of property, plant and equipment of approximately S\$110,000 (2024: approximately S\$36,000).

As at 30 June 2025, 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 year ended 30 June 2025. 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 30 June 2025 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 ( <i>existing projects</i> )	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 ( <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
<b>Total</b>	<b>16.6</b>	<b>16.6</b>	<b>16.6</b>	<b>16.0</b>	<b>0.6</b>	<b>0.6</b>	<b>16.6</b>

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

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in the section headed “Contingent liabilities”, there are no significant events affecting the Group which have occurred after the year ended 30 June 2025 and up to the date of this announcement.

## **CORPORATE GOVERNANCE**

During the year ended 30 June 2025, the Company complied with the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) (version up to 30 June 2025) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”). On 1 July 2025, the amendments to the CG Code came into effect and the requirements under the new CG Code will apply to corporate governance reports for financial years commencing on or after 1 July 2025. The Company will continue to review and enhance the corporate governance practices to ensure compliance with the new CG Code and align with the latest developments.

## **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 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 year ended 30 June 2025.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES OR SALE OF TREASURY SHARES OF THE COMPANY**

During the year ended 30 June 2025, 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. As at 30 June 2025, the Company did not hold any treasury shares.

## AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's audited financial results for the year ended 30 June 2025 and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group with no disagreement by the audit committee or the auditor of the Company.

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

Hong Kong, 25 September 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.*