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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 2025**

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 2025 together with comparative figures for the corresponding period in 2024 as follows:

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

*For the six months ended 31 December 2025*

		<b>Six months ended 31 December</b>	
	<i>Note</i>	<b>2025</b>	<b>2024</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>S\$</b>	<b>S\$</b>
<b>Revenue</b>	6	<b>17,571,003</b>	44,185,932
Cost of services		<b>(18,357,783)</b>	(41,189,381)
<b>Gross (loss)/profit</b>		<b>(786,780)</b>	2,996,551
Other income	7a	<b>160,979</b>	292,387
Other gains and losses	7b	<b>86,641</b>	37,099
Impairment losses on financial assets and contract assets	7c	<b>(18,740,180)</b>	(486,434)
Administrative expenses		<b>(2,246,060)</b>	(2,409,377)
Finance costs	8	<b>(8,600)</b>	(14,232)
<b>(Loss)/profit before tax</b>		<b>(21,534,000)</b>	415,994
Income tax expense	9	–	(258,549)
<b>(Loss)/profit for the period</b>	10	<b>(21,534,000)</b>	157,445

		<b>Six months ended 31 December</b>	
	<i>Note</i>	<b>2025</b> <b>(Unaudited)</b> S\$	2024 <b>(Unaudited)</b> S\$
<b>Other comprehensive loss:</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange difference on translating foreign operation		<u>(48,276)</u>	<u>(37,255)</u>
<b>Other comprehensive loss for the period, net of tax</b>		<u><u>(48,276)</u></u>	<u><u>(37,255)</u></u>
<b>Total comprehensive (loss)/income for the period attributable to owners of the Company</b>		<u><u>(21,582,276)</u></u>	<u><u>120,190</u></u>
<b>(Loss)/earnings per share (S\$ cents)</b>	<i>12</i>	<u><u>(2.15)</u></u>	<u><u>0.02</u></u>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2025*

	<i>Note</i>	<b>As at 31 December 2025 (Unaudited) S\$</b>	<b>As at 30 June 2025 (Audited) S\$</b>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>210,790</b>	108,938
Right-of-use assets		<b>143,176</b>	556,429
Deposits	<i>14</i>	<b>23,268</b>	97,218
		<u><b>377,234</b></u>	<u>762,585</u>
<b>Current assets</b>			
Trade receivables	<i>13</i>	<b>1,124,475</b>	7,493,166
Other receivables, deposits and prepayments	<i>14</i>	<b>1,667,697</b>	971,155
Contract assets	<i>15</i>	<b>14,773,288</b>	28,845,345
Bank balances and cash	<i>16</i>	<b>7,291,322</b>	9,952,245
		<u><b>24,856,782</b></u>	<u>47,261,911</u>
<b>Current liabilities</b>			
Trade and other payables	<i>17</i>	<b>12,146,037</b>	12,571,551
Contract liabilities	<i>15</i>	<b>60,200</b>	258,746
Lease liabilities	<i>18</i>	<b>139,354</b>	357,237
Amounts due to directors		<b>10,230</b>	160,000
Income tax payable		<b>195,273</b>	212,248
		<u><b>12,551,094</b></u>	<u>13,559,782</u>
<b>Net current assets</b>		<u><b>12,305,688</b></u>	<u>33,702,129</u>
<b>Total assets less current liabilities</b>		<u><b>12,682,922</b></u>	<u>34,464,714</u>

	<i>Note</i>	<b>As at 31 December 2025 (Unaudited) S\$</b>	<b>As at 30 June 2025 (Audited) S\$</b>
<b>Non-current liabilities</b>			
Lease liabilities	18	<u>10,472</u>	<u>209,988</u>
		<u>10,472</u>	<u>209,988</u>
<b>Net assets</b>		<u><b>12,672,450</b></u>	<u><b>34,254,726</b></u>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	19	1,742,143	1,742,143
Share premium		31,669,457	31,669,457
Merger reserve		(11,417,891)	(11,417,891)
Exchange reserve		128,424	176,700
Accumulated (losses)/profits		<u>(9,449,683)</u>	<u>12,084,317</u>
<b>Equity attributable to owners of the Company</b>		<u><b>12,672,450</b></u>	<u><b>34,254,726</b></u>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 31 December 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 Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, 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 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 27 February 2026.

## 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 2025.

### 3 ADOPTION OF NEW AND REVISED IFRS ACCOUNTING 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 21 and IFRS 1	Lack of Exchangeability
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The 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 2025, which are relevant to the Group:

		<b>Effective for accounting periods beginning on or after</b>
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 2025.

#### 6 REVENUE AND SEGMENT INFORMATION

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

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

An analysis of the Group's revenue for the six months ended 31 December 2025 and 2024 is as follows:

	<b>For the six months ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>S\$</b>	<b>S\$</b>
Contract revenue from provision of electrical engineering services, recognised over time	<b><u>17,571,003</u></b>	<b><u>44,185,932</u></b>

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 6 months to 53 months (six months ended 31 December 2024: 6 months to 58 months).

Included in the Group's revenue for the six months ended 31 December 2025 is S\$17,193,004 (six months ended 31 December 2024: S\$44,161,409) 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	
	2025 (Unaudited) S\$	2024 (Unaudited) S\$
Provision of electrical engineering services:		
— Within one year	25,792,604	65,704,534
— More than one year but not more than two years	21,509,234	19,785,890
— More than two years but not more than five years	15,479,389	12,010,754
	<u>62,781,227</u>	<u>97,501,178</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 31 December 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:

	For the six months ended 31 December	
	2025 (Unaudited) S\$	2024 (Unaudited) S\$
Customer I	5,764,543	6,065,083
Customer II	3,046,044	7,546,737
Customer III	N/A*	7,529,635
	<u>                    </u>	<u>                    </u>

\* 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 2025 (six months ended 31 December 2024: 100%) based on the location of services delivered.

### (b) Non-current assets

	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Singapore	253,750	567,607
Hong Kong	123,484	194,978
	<u>377,234</u>	<u>762,585</u>

## 7a OTHER INCOME

	For the six months ended 31 December	
	2025 (Unaudited) S\$	2024 (Unaudited) S\$
Sales of scrap materials	125,491	–
Bank interest income	25,772	68,389
Government grants ( <i>note</i> )	4,112	169,367
Training income	3,168	–
Others	2,436	54,631
	<u>160,979</u>	<u>292,387</u>

*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	
	2025 (Unaudited) S\$	2024 (Unaudited) S\$
Exchange gain, net	<u>86,641</u>	<u>37,099</u>

## 7c IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	For the six months ended 31 December	
	2025	2024
	(Unaudited)	(Unaudited)
	S\$	S\$
Impairment losses recognised on:		
Trade receivables (note 13)	–	63,822
Contract assets (note 15)	<b>18,740,180</b>	422,612
	<b>18,740,180</b>	<b>486,434</b>

## 8 FINANCE COSTS

	For the six months ended 31 December	
	2025	2024
	(Unaudited)	(Unaudited)
	S\$	S\$
Interest on lease liabilities	<b>8,600</b>	14,232

## 9 INCOME TAX EXPENSE

	For the six months ended 31 December	
	2025	2024
	(Unaudited)	(Unaudited)
	S\$	S\$
Tax expense comprises:		
Current tax:		
— Singapore corporate income tax (“CIT”)	–	258,549

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 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 for both periods.

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

	<b>For the six months ended 31 December</b>	
	<b>2025</b>	2024
	<b>(Unaudited)</b>	(Unaudited)
	S\$	S\$
(Loss)/profit before tax	<u><b>(21,534,000)</b></u>	<u>415,994</u>
Tax at applicable tax rate of 17%	<b>(3,660,780)</b>	70,719
Tax effect of expenses not deductible for tax purpose	<b>216,066</b>	203,926
Effect of tax concessions and partial tax exemptions	–	(17,425)
Tax effect of temporary difference not recognised	<u><b>3,444,714</b></u>	<u>1,329</u>
Income tax expense	<u>–</u>	<u>258,549</u>

#### 10 (LOSS)/PROFIT FOR THE PERIOD

(Loss)/profit for the period has been arrived at after charging (crediting):

	<b>For the six months ended 31 December</b>	
	<b>2025</b>	2024
	<b>(Unaudited)</b>	(Unaudited)
	S\$	S\$
Depreciation of property, plant and equipment	<b>44,287</b>	43,917
Depreciation of right-of-use assets	<b>221,024</b>	219,573
Impairment losses on trade receivables	–	63,822
Impairment losses on contract assets	<b>18,740,180</b>	422,612
Directors' remuneration	<b>293,973</b>	368,603
Other staff costs:		
— Salaries and other benefits	<b>3,339,434</b>	4,088,047
— Contributions to Central Provident Fund (“CPF”) and Mandatory Provident Fund (“MPF”)	<u><b>116,167</b></u>	<u>136,990</u>
Total staff costs	<u><b>3,749,574</b></u>	<u>4,593,640</u>
Cost of materials recognised as cost of services	<b>10,329,627</b>	20,609,261
Subcontractor costs recognised as cost of services	<u><b>4,602,479</b></u>	<u>16,163,814</u>

## 11 DIVIDENDS

No dividend has been declared by the Company or any Group entities during the six months ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

## 12 (LOSS)/EARNINGS PER SHARE

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

	<b>For the six months ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
(Loss)/profit for the period attributable to owners of the Company (S\$)	<b>(21,534,000)</b>	157,445
Weighted average number of ordinary shares in issue	<b>1,000,000,000</b>	1,000,000,000
Basic and diluted (loss)/earnings per share (S\$ cents)	<b><u>(2.15)</u></b>	<u>0.02</u>

The calculation of basic loss/earnings per share for the six months ended 31 December 2025 and 2024 is based on the loss/profit for the period attributable to owners of the Company and the weighted average number of shares in issue.

Diluted loss/earnings per share is the same as the basic loss/earnings per share because the Group has no dilutive securities that are convertible into shares during the six months ended 31 December 2025 and 2024.

## 13 TRADE RECEIVABLES

	<b>As at 31 December 2025 (Unaudited) S\$</b>	<b>As at 30 June 2025 (Audited) S\$</b>
Trade receivables	<b>2,094,466</b>	8,463,157
Less: Allowance for impairment losses	<b><u>(969,991)</u></b>	<u>(969,991)</u>
	<b><u>1,124,475</u></b>	<u>7,493,166</u>

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 2025 (year ended 30 June 2025: 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:

	<b>As at 31 December 2025 (Unaudited) S\$</b>	As at 30 June 2025 (Audited) S\$
Within 30 days	<b>94,104</b>	4,610,462
31 days to 60 days	–	1,500,931
61 days to 90 days	<b>241,612</b>	556,129
91 days to 120 days	<b>62,203</b>	168,542
More than 120 days	<b>726,556</b>	657,102
	<b><u>1,124,475</u></b>	<u>7,493,166</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 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						Total S\$
	Not past due S\$	≤ 30 days S\$	31 to	61 to	91 to	> 120 days S\$	
			60 days S\$	90 days S\$	120 days S\$		
<b>As at 31 December 2025</b>							
<b>(Unaudited)</b>							
Estimated total gross							
carrying amount at default	<b>95,647</b>	-	<b>242,544</b>	<b>62,383</b>	-	<b>1,693,892</b>	<b>2,094,466</b>
Lifetime ECL	<b>(1,543)</b>	-	<b>(932)</b>	<b>(180)</b>	-	<b>(967,336)</b>	<b>(969,991)</b>
							<u><u><b>1,124,475</b></u></u>
<b>As at 30 June 2025</b>							
<b>(Audited)</b>							
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)
							<u><u>7,493,166</u></u>

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:

	<b>Six months ended 31 December 2025 (Unaudited) S\$</b>	Year ended 30 June 2025 (Audited) S\$
Balance at beginning of the reporting period	<b>969,991</b>	784,032
Impairment losses recognised for the period	<u>-</u>	<u>185,959</u>
Balance at end of the reporting period	<u><u><b>969,991</b></u></u>	<u><u>969,991</u></u>

## 14 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
<b>Current</b>		
Deposits ( <i>note</i> )	402,711	330,387
Prepayments	194,808	149,726
Goods and Services Tax (“GST”) receivable	531,913	–
Others ( <i>note</i> )	538,265	491,042
	<u>1,667,697</u>	<u>971,155</u>
<b>Non-current</b>		
Deposits ( <i>note</i> )	23,268	97,218
	<u>1,690,965</u>	<u>1,068,373</u>

*Note:* The management considers the ECL for deposits and others to be insignificant as at 31 December 2025 and 30 June 2025.

## 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 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Contract assets	35,459,285	30,791,162
Less: Allowance for impairment loss	(20,685,997)	(1,945,817)
	<u>14,773,288</u>	<u>28,845,345</u>
Contract liabilities	(60,200)	(258,746)
	<u>14,713,088</u>	<u>28,586,599</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\$17,108 as at 31 December 2025 (30 June 2025: S\$84,021).

## Contract assets

The Group's contract assets are analysed as follows:

	<b>As at 31 December 2025 (Unaudited) S\$</b>	As at 30 June 2025 (Audited) S\$
Retention receivables	<b>12,537,377</b>	12,584,486
Others ( <i>note</i> )	<b>22,939,016</b>	18,290,697
Less: Allowance for impairment losses	<b>(20,685,997)</b>	(1,945,817)
	<b><u>14,790,396</u></b>	<u>28,929,366</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 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.

	<b>As at 31 December 2025 (Unaudited) S\$</b>	<b>As at 30 June 2025 (Audited) S\$</b>
Estimated total gross carrying amount at default		
— amount not past due	<b>35,459,285</b>	30,791,162
Lifetime ECL	<b><u>(20,685,997)</u></b>	<u>(1,945,817)</u>
	<b><u>14,773,288</u></b>	<u>28,845,345</u>

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:

	<b>Six months ended 31 December 2025 (Unaudited) S\$</b>	<b>Year ended 30 June 2025 (Audited) S\$</b>
Balance at beginning of the reporting period	<b>1,945,817</b>	182,399
Impairment losses recognised for the period	<b><u>18,740,180</u></b>	<u>1,763,418</u>
Balance at end of the reporting period	<b><u>20,685,997</u></b>	<u>1,945,817</u>

## 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 2025 and 30 June 2025 mainly relate to advances received from customers.

The Group's contract liabilities are analysed as follows:

	As at <b>31 December</b> <b>2025</b> <b>(Unaudited)</b> S\$	As at 30 June 2025 (Audited) S\$
Contract liabilities	<u><b>77,308</b></u>	<u>342,767</u>

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

	Six months ended <b>31 December</b> <b>2025</b> <b>(Unaudited)</b> S\$	Year ended 30 June 2025 (Audited) S\$
Revenue recognised that was included in the contract liabilities balance at the beginning of the reporting period	<u><b>342,767</b></u>	<u>143,048</u>

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

## 16 BANK BALANCES AND CASH

	As at <b>31 December</b> <b>2025</b> <b>(Unaudited)</b> S\$	As at 30 June 2025 (Audited) S\$
Bank balances under review ( <i>Note</i> )	<b>7,154,482</b>	–
Cash at banks	–	9,916,773
Cash on hand	<u><b>136,840</b></u>	<u>35,472</u>
	<u><b>7,291,322</b></u>	<u>9,952,245</u>

*Note:* At 31 December 2025, the bank accounts were under review by the respective financial institutions, cash deposits/withdrawals and remittance services were suspended.

## 17 TRADE AND OTHER PAYABLES

Trade and other payables comprise the following:

	As at <b>31 December</b> <b>2025</b> <b>(Unaudited)</b> S\$	As at 30 June 2025 (Audited) S\$
Trade payables	<b>8,586,165</b>	6,628,767
Trade accruals	<b>602,387</b>	1,602,276
Retention payables ( <i>Note</i> )	<b>2,058,810</b>	3,485,416
	<b>11,247,362</b>	11,716,459
<b>Other payables</b>		
Payroll, CPF and MPF payables	<b>201,528</b>	368,731
GST payables	–	288,235
Audit fee payable	<b>16,600</b>	–
Accrued audit fees	<b>85,000</b>	166,000
Others	<b>595,547</b>	32,126
	<b>12,146,037</b>	12,571,551

*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 <b>31 December</b> <b>2025</b> <b>(Unaudited)</b> S\$	As at 30 June 2025 (Audited) S\$
Within 30 days	<b>773,314</b>	2,840,879
31 days to 60 days	<b>97,979</b>	2,919,793
61 days to 90 days	<b>3,396,063</b>	521,149
91 days to 120 days	<b>2,604,319</b>	84,993
Over 120 days	<b>1,714,490</b>	261,953
	<b>8,586,165</b>	6,628,767

The credit period on purchases from suppliers and subcontractors is 30 to 90 days (year ended 30 June 2025: 30 to 90 days) or payable upon delivery.

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

## 18 LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$	As at 31 December 2025 (Unaudited) S\$	As at 30 June 2025 (Audited) S\$
Within one year	142,370	370,699	139,354	357,237
More than one year, but not exceeding two years	4,380	165,169	4,166	162,068
More than two years, but not more than five years	6,520	48,246	6,306	47,920
	<u>153,270</u>	<u>584,114</u>	<u>149,826</u>	<u>567,225</u>
Less: Future finance charges	<u>(3,444)</u>	<u>(16,889)</u>	<u>N/A</u>	<u>N/A</u>
Present value of lease obligations	<u><u>149,826</u></u>	<u><u>567,225</u></u>	<u><u>149,826</u></u>	<u><u>567,225</u></u>
Less: Amount due for settlement within 12 months (shown under current liabilities)			<u>(139,354)</u>	<u>(357,237)</u>
Amount due for settlement after 12 months (shown under non-current liabilities)			<u><u>10,472</u></u>	<u><u>209,988</u></u>

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 2025, the weighted average incremental borrowing rate was 5.38% (30 June 2025: 3.55%) 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.

## 19 SHARE CAPITAL

	Number of ordinary shares	Par value HK\$	Share capital HK\$
Authorised share capital of the Company:			
At 1 July 2024, 30 June 2025, 1 July 2025 and 31 December 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 2024, 30 June 2025, 1 July 2025 and 31 December 2025		<u>1,000,000,000</u>	<u>1,742,143</u>

## 20 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 2025 and 2024.

### (a) Related party balances

As at 31 December 2025, the amounts due to directors of S\$10,230 (30 June 2025: S\$160,000) 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 2025 and 2024 were as follows:

	For the six months ended 31 December	
	2025 (Unaudited) S\$	2024 (Unaudited) S\$
Short term benefits	482,670	562,575
Post-employment benefits	<u>26,424</u>	<u>30,804</u>
Total compensation	<u>509,094</u>	<u>593,379</u>

## 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 required in new building developments, redevelopment, additions and alterations (“A&A”) works and upgrading projects, which involve residential, commercial and industrial buildings.

During the six months ended 31 December 2025, our Group’s revenue decreased by approximately 60.2% to approximately S\$17.6 million as compared to approximately S\$44.2 million for the six months ended 31 December 2024. Our Group’s gross loss was approximately \$0.8 million for the six months ended 31 December 2025, as compared to approximately S\$3.0 million for the six months ended 31 December 2024. The gross loss for the six months ended 31 December 2025 was primarily attributable to the increase in copper price materially for the six months ended 31 December 2025. Our group’s net loss after tax was approximately S\$21.5 million, as compared to net profit of approximately S\$0.2 million for the six months ended 31 December 2024. The change from net profit for the six months ended 31 December 2024 to net loss for the six months ended 31 December 2025 was mainly due to the increased cost of services arising from the increase in copper price and the recognition of impairment losses on contract assets for the current reporting period.

As at 31 December 2025, we had 28 projects on hand (including contracts in progress) with a notional or estimated contract value of approximately S\$225.1 million, of which approximately S\$92.6 million had been recognised as revenue in prior periods, approximately S\$6.0 million had been recognised as revenue during the six months ended 31 December 2025 and the remaining balance will be recognised as our revenue in accordance with the stage of completion. For the revenue of approximately S\$17.6 million for the six months ended 31 December 2025, apart from the revenue of approximately S\$6.0 million contributed from our on-going projects, the remaining revenue of approximately S\$11.6 million is mainly attributed to projects which have been completed during the reporting period.

By referring to the announcement on 15 October 2025, both Mr. Chen and the Company were added to the Specially Designated Nationals and Blocked Persons List by the U.S. Department of the Treasury’s Office of Foreign Assets Control (the “List”), pursuant to a U.S. executive order which authorises sanctions including, among other things, the blocking of property of named persons and prohibiting any dealings in such blocked property.

Due to the ripple effect of the sanctions imposed on the Company, the bank accounts of the Group are under review by the respective financial institutions. This has adversely affected the development of operations in Singapore. The Group will make its best endeavours to apply for the release of funds from our bank accounts. In addition, some customers have terminated their cooperation with the Group. The Group has also terminated some projects due to capacity constraints.

## FINANCIAL REVIEW

	For the six months ended 31 December		
	2025 <i>S\$ million</i>	2024 <i>S\$ million</i>	Change %
Revenue	17.6	44.2	-60.2
Gross (loss)/profit	(0.8)	3.0	N/A
Gross (loss)/profit margin	(4.5)%	6.8%	N/A
Net (loss)/profit	(21.5)	0.2	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					
	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	35	17.2	97.8	50	44.2	100
Private sector projects	2	0.4	2.2	4	—*	—
Total	<u>37</u>	<u>17.6</u>	<u>100</u>	<u>54</u>	<u>44.2</u>	<u>100</u>

\* denote less than S\$0.1 million

The Group's overall revenue decreased by approximately S\$26.6 million or approximately 60.2% from approximately S\$44.2 million for the six months ended 31 December 2024 to approximately S\$17.6 million for the six months ended 31 December 2025. The decrease is mainly due to the ripple effect of the sanctions imposed on the Company.

### Cost of services

The Group's cost of services decreased by approximately S\$22.8 million or approximately 55.4% from approximately S\$41.2 million for the six months ended 31 December 2024 to approximately S\$18.4 million for the six months ended 31 December 2025. Since copper price increased materially in the six months ended 31 December 2025, the magnitude of the decrease in cost of services was smaller than the decrease in revenue.

### Gross (loss)/profit and gross (loss)/profit margin

	For the six months ended 31 December					
	2025			2024		
	Revenue <i>S\$ million</i>	Gross profit/ (loss) <i>S\$ million</i>	Gross profit/ (loss) margin %	Revenue <i>S\$ million</i>	Gross profit/ (loss) <i>S\$ million</i>	Gross profit margin %
Public sector projects	17.2	(0.8)	(4.8)	44.2	3.8	8.5
Private sector projects	0.4	—*	8.0	—*	(0.8)	N/A
Total	<u>17.6</u>	<u>(0.8)</u>	<u>(4.5)</u>	<u>44.2</u>	<u>3.0</u>	6.8

\* denote less than S\$0.1 million

The gross loss of the Group for the six months ended 31 December 2025 amounted to approximately S\$0.8 million and the gross profit of the Group for the six months ended 31 December 2024 amounted approximately S\$3.0 million. The Group's gross loss margin for the six months ended 31 December 2025 was approximately 4.5% and the gross profit margin for the six months ended 31 December 2024 was approximately 6.8%.

The change mainly due to the increase in copper price resulting in gross loss margin for the Group's projects.

## **Other income**

Other income mainly included income from (i) interest income from banks, (ii) government grants, (iii) training income and (iv) sales of scrap materials. During the six months ended 31 December 2025, other income amounted to approximately S\$0.2 million (six months ended 31 December 2024: approximately S\$0.3 million). The decrease in other income was due to the decrease in government grants for the six months ended 31 December 2025. The decrease was mitigated by the income from the sales of scrap materials in the six months ended 31 December 2025.

## **Other gains and losses**

During the six months ended 31 December 2025, other gains amounted to approximately S\$87,000 (six months ended 31 December 2024: gain of approximately S\$37,000). The increase in other gains for the reporting period was mainly due to the strengthening of HK\$ currency against S\$.

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

There was an allowance of impairment losses of approximately S\$18.7 million during the six months ended 31 December 2025 as compared to an allowance of impairment losses of approximately S\$0.5 million during the six months ended 31 December 2024. 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 2025 amounted to approximately S\$2.2 million which represents a decrease of approximately S\$0.2 million as compared with approximately S\$2.4 million for the six months ended 31 December 2024, mainly due to the decrease in staff costs for the six months ended 31 December 2025.

## **Finance costs**

Finance costs for the six months ended 31 December 2025 were approximately S\$9,000, which decreased by approximately S\$5,000 as compared with that of the six months ended 31 December 2024 of approximately S\$14,000. The decrease represented the three leases ended in the six months ended 31 December 2025 which gave rise to lower finance costs.

### **Income tax expense**

The Group's income tax expense was S\$Nil for the six months ended 31 December 2025 and the expense for the six months ended 31 December 2024 was approximately S\$0.3 million. Such decrease was due to no assessable profit for the six months ended 31 December 2025.

### **(Loss)/profit for the period**

Loss for the six months ended 31 December 2025 amounted to approximately S\$21.5 million (six months ended 31 December 2024: net profit of approximately S\$0.2 million). The change was mainly due to the recognition of impairment losses on contract assets.

### **Trade receivables**

As at 31 December 2025, the Group had trade receivables of approximately S\$1.1 million, as compared with trade receivables of approximately S\$7.5 million as at 30 June 2025.

### **Contract assets (excluding retention receivables)**

As at 31 December 2025, the Group had contract assets (excluding retention receivables) of approximately S\$2.3 million, as compared with contract assets (excluding retention receivables) of approximately S\$16.3 million as at 30 June 2025.

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 2025 (six months ended 31 December 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 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 2025, the Group had total cash and bank balances of approximately S\$7.3 million, as compared with bank balances and cash of approximately S\$10.0 million as at 30 June 2025. The Group did not have any bank borrowings as at 31 December 2025 and 30 June 2025. Approximately S\$7.2 million of the Group’s cash balances were maintained in bank accounts which were under review by the relevant financial institutions, certain banking services in respect of these accounts have been suspended. The Group is in discussion with the relevant financial institutions and is exploring various alternative banking arrangements to support its working capital needs.

### **Pledge of assets**

As at 31 December 2025, the Group had approximately S\$Nil (as at 30 June 2025: 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\$1.5 million as at 31 December 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 period-end date and expressed as a percentage. The gearing ratio of the Group as at 31 December 2025 was nil (as at 30 June 2025: 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 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 31 December 2025.

## **Employees and remuneration policy**

As at 31 December 2025, the Group had a total of 8 employees (31 December 2024: 217 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 2025 amounted to approximately S\$3.7 million (six months ended 31 December 2024: S\$4.6 million). The decrease in headcount primarily reflected the Group's adjustment of its manpower resources in response to the current scale of operations. The Group continues to rely on external subcontractors for site works and will adjust its workforce and subcontracting arrangements in line with its business needs. The Directors consider that, notwithstanding the reduced headcount, the Group has sufficient personnel and subcontractor support to fulfil its existing contractual obligations. 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**

#### **(i) Performance bonds**

As at 31 December 2025, the Group had performance bonds of approximately S\$0.4 million (30 June 2025: 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.

#### **(ii) Dispute**

The Group is a respondent in an arbitration (the "**Arbitration**") with a customer in relation to the disputes of a subcontract agreement.

In 2023, the customer failed to make payment of 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 for the board to predict the final outcome with certainty.

## **Capital expenditures and capital commitments**

During the six months ended 31 December 2025, the Group acquired items of property, plant and equipment of approximately S\$146,000 (year ended 30 June 2025: approximately S\$110,000).

As at 31 December 2025, the Group had no material capital commitments.

## **EVENTS AFTER THE REPORTING PERIOD**

There were no significant events affecting the Group which have occurred after 31 December 2025 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 2025.

## **CORPORATE GOVERNANCE**

During the six months ended 31 December 2025, the Company has complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the Listing Rules and periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code, except for the deviation from code provisions C.1.7, C.2.1 and B.3.5 of the CG Code as described below.

Under code provision C.1.7, the Company should arrange appropriate insurance cover in respect of legal action against its directors. Directors and officers liability insurance of the Company expired on 5 January 2026. The company is making its best endeavours to identify appropriate insurers to arrange such insurance.

Under code provision C.2.1, the role of chairman and chief executive officer should be performed by different individuals. The Company has not appointed a chairman and a chief executive officer separately since November 2025 as such roles and functions have been performed by the executive Director and independent non-executive Directors collectively. The Board believes that this arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company’s objectives effectively and efficiently in response to the changing environment. The Board will continuously assess whether any changes are necessary.

Under code provision B.3.5, issuers should appoint at least one director of a different gender to the nomination committee. Following the resignation of Ms. Fang Lihua Ruby, the nomination committee of the Board comprises two independent non-executive Directors, namely Mr. Fok Wai Hung and Mr. So Chi Kai. The Board is making its best endeavours to identify suitable candidate to fill the vacancy as soon as practicable and in any event within three months from the date of resignation of Ms. Fang Lihua Ruby to meet the above requirement. The Company will make further announcement(s) as and when appropriate.

## **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 2025. As at 31 December 2025, the Company did not hold any treasure shares.

## **AUDIT COMMITTEE**

The interim results of the Group for the six months ended 31 December 2025 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 2025 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**  
**Tsueng Choi Wing Queenie**  
*Executive Director*

Hong Kong, 27 February 2026

*As at the date of this announcement, the Board comprises one executive Director, namely Ms. Tsueng Choi Wing Queenie; and two independent non-executive Directors, namely Mr. Fok Wai Hung and Mr. So Chi Kai.*