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 2022

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 2022 together with comparative audited figures for the corresponding period in 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2022

	Note	**2022** *S$*	2021 *S$*
Revenue	*4*	**23,058,355**	26,303,945
Cost of services		**(21,630,075)**	(24,069,105)
Gross profit		**1,428,280**	2,234,840
Other income	*5a*	**661,429**	990,401
Other gains and losses	*5b*	**315,216**	(553,395)
Impairment losses on financial assets and other items under expected credit loss model, net of reversal	*5c*	**(175,768)**	–
Administrative expenses		**(2,805,560)**	(2,660,698)
Finance costs	*6*	**(4,565)**	(3,553)
(Loss) Profit before taxation		**(580,968)**	7,595
Income tax expense	*7*	**(36,875)**	(190,720)
Loss and other comprehensive loss for the year	*8*	**(617,843)**	(183,125)
Basic and diluted loss per share (S$ cents)	*10*	**(0.06)**	(0.02)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	**2022**	2021
		S$	*S$*
ASSETS AND LIABILITIES			
Non-current assets			
Plant and equipment	*11*	**312,320**	570,489
Investment property	*12*	**823,868**	839,890
Right-of-use assets	*13*	**265,623**	295,432
Deposits	*15*	**102,968**	–
		1,504,779	1,705,811
Current assets			
Trade receivables	*14*	**5,301,383**	7,050,305
Other receivables, deposits and prepayments	*15*	**1,483,116**	1,127,081
Contract assets	*16*	**29,446,514**	33,648,893
Bank balances and cash	*17*	**12,935,125**	17,747,818
		49,166,138	59,574,097
Current liabilities			
Trade and other payables	*18*	**12,324,900**	22,181,193
Contract liabilities	*16*	**52,444**	11,323
Lease liabilities	*19*	**130,030**	108,345
Income tax payable		**246,020**	370,779
		12,753,394	22,671,640
Net current assets		**36,412,744**	36,902,457
Total assets less current liabilities		**37,917,523**	38,608,268

	Note	2022 S$	2021 S$
Non-current liabilities			
Deferred tax liabilities	*20*	**35,229**	55,994
Lease liabilities	*19*	**137,463**	189,600
		172,692	245,594
Net assets		**37,744,831**	38,362,674
EQUITY			
Capital and reserves			
Share capital	*21*	**1,742,143**	1,742,143
Share premium		**31,669,457**	31,669,457
Merger reserve		**(11,417,891)**	(11,417,891)
Accumulated profits		**15,751,122**	16,368,965
Equity attributable to owners of the Company		**37,744,831**	38,362,674

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

1 GENERAL

Khoon Group Limited (the "Company") was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 24 July 2018 and its registered office is located at P.O. Box 1350, Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance") on 18 September 2018 and the principal place of business in Hong Kong is Unit B, 17/F, United Centre, 95 Queensway, Hong Kong. The head office and principal place of business of the Group is at Block 5000 Ang Mo Kio Avenue 5, #04-01, Techplace II, Singapore 569870. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 5 July 2019.

The Company is a subsidiary of Lead Development Investment Limited ("Lead Development"), incorporated in the British Virgin Islands (the "BVI"), which is also the Company's ultimate holding company. Lead Development is owned by Mr. Ang Jui Khoon ("Mr. JK Ang") and his son Mr. Ang Kok Kwang ("Mr. KK Ang"). Upon the entering into the concert party deed, Mr. JK Ang and Mr. KK Ang through Lead Development became the controlling shareholders of Khoon Group Limited and its subsidiaries (the "Group") (together referred to as the "Controlling Shareholders").

The Company is an investment holding company and the principal activities of its operating subsidiary 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 ADOPTION OF NEW AND REVISED STANDARDS

New and amended International Financial Reporting Standards ("IFRS") that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 July 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

New and revised IFRS Standards issued but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not early applied the following new and amendments to IFRS Standards that have been issued but are not yet effective, which are relevant to the Group:

Amendments to IFRS 3	*Reference to the Conceptual Framework*[1]
Amendments to IFRS	*Annual Improvements to IFRS Standards 2018-2020*[1]
Amendments to IAS 37	*Onerous contracts — Cost of Fulfilling a Contract*[1]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[2]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[2]
Amendments to IAS 8	*Definition of Accounting Estimates*[2]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[2]

1 Effective for annual periods beginning on or after 1 January 2022.

2 Effective for annual periods beginning on or after 1 January 2023.

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

3 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("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.

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.

Information is reported to the executive directors of the Company, being the chief operating decision makers ("CODMs") of the Group, for the purposes of resource allocation and performance assessment. The accounting policies are the same as the Group's accounting policies described in Note 3. No other analysis of the Group's result nor assets and liabilities is regularly provided to the CODMs for review and the CODMs review the overall results and financial performance of the Group as a whole. Accordingly, only entity-wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

An analysis of the Group's revenue for the financial year is as follows:

	2022	2021
	S$	*S$*
Contract revenue from provision of electrical engineering services, recognised over time	**23,058,355**	26,303,945

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 3 months to 58 months (2021: 2 months to 58 months).

Included in the Group's revenue for the year ended 30 June 2022 is S$16,297,079 (2021: S$16,632,540) derived from provision of electrical engineering services to customers in the public sector. The other remaining revenue is derived from provision of electrical engineering services to the customers in private sector.

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.

	2022	2021
	S$	*S$*
Provision of electrical engineering services:		
– Within one year	**56,796,282**	42,076,356
– More than one year but not more than two years	**33,562,488**	22,821,982
– More than two years but not more than five years	**20,417,188**	13,855,829
	110,775,958	78,754,167

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 2022 and 2021 will be recognised as revenue during the years ended/ending 30 June 2022 to 2026.

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:

	2022	2021
	S$	*S$*
Customer I	**4,872,320**	2,954,251
Customer II	**4,575,276**	10,391,191

Geographical information

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 2022 (2021: 100%) based on the location of services delivered. The Group's non-current assets are all located in Singapore.

5 a. OTHER INCOME

	2022	2021
	S$	*S$*
Bank interest income	**29,428**	68,701
Interest income from FVTPL investments	**–**	20,290
Government grants *(Note 1)*	**466,133**	834,290
Rental income	**34,800**	27,355
Insurance payout	**–**	31,049
Training income	**128,527**	–
Others	**2,541**	8,716
	661,429	990,401

Note 1: Government grants in 2021 and 2022 mainly include COVID-19-related support by the Singapore government, such as the Foreign Worker Levy ("FWL") rebates and the Job Support Scheme ("JSS") to help companies tide through this period of economic uncertainty. Under the JSS, the government will co-fund between 25% to 75% of the first S$4,600 of gross monthly wages paid to each local employee in a ten-month period through cash subsidies.

While JSS and FWL rebates were recognised as grant income, FWL waivers obtained of approximately S$273,000 in 2021 were offset against related FWL expenses in cost of services. There is no FWL waiver in 2022.

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.

b. OTHER GAINS AND (LOSSES)

	2022	2021
	S$	*S$*
Gain on disposal of plant and equipment	**–**	72,112
Exchange gains/(loss), net	**315,216**	(625,507)
	315,216	(553,395)

c. **ALLOWANCE FOR IMPAIRMENT LOSSES**

	2022	2021
	S$	*S$*
Impairment losses recognised on:		
Trade receivables *(Note 14)*	**(53,369)**	–
Contract assets *(Note 16)*	**(122,399)**	–
	(175,768)	–

6 FINANCE COSTS

	2022	2021
	S$	*S$*
Interest on lease liabilities	**4,565**	3,553

7 INCOME TAX EXPENSE

	2022	2021
	S$	*S$*
Tax expense comprises:		
Current tax:		
– Singapore corporate income tax ("CIT")	**57,640**	196,064
Deferred tax expense *(Note 20)*	**(20,765)**	(5,344)
	36,875	190,720

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 Years of Assessment 2022 and 2023. No income tax arising from BVI and Hong Kong has been recognised as those subsidiaries incorporated in BVI and Hong Kong had no assessable profits for both years.

The income tax expense for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive (loss) income as follows:

	2022	2021
	S$	*S$*
(Loss) Profit before taxation	**(580,968)**	7,595
Tax at applicable tax rate of 17%	**(98,765)**	1,291
Tax effect of expenses not deductible for tax purpose	**214,958**	295,280
Tax effect of income not taxable for tax purpose	**(61,893)**	(88,426)
Effect of tax concessions and partial tax exemptions	**(17,425)**	(17,425)
Taxation for the year	**36,875**	190,720

8 LOSS FOR THE YEAR

Loss for the year has been arrived at after charging (crediting):

	2022	2021
	S$	*S$*
Depreciation of plant and equipment *(Note 11)*	**303,318**	399,332
Depreciation of right-of-use assets *(Note 13)*	**127,738**	146,559
Depreciation of investment property *(Note 12)*	**16,022**	16,022
Impairment loss on trade receivables *(Note 14)*	**53,369**	–
Impairment loss on contract assets *(Note 16)*	**122,399**	–
Audit fees to auditors of the Company:		
– Annual audit fees	**175,000**	175,000
Directors' remuneration	**1,180,739**	1,179,696
Other staff costs:		
– Salaries and other benefits	**3,741,054**	2,973,696
– Contributions to CPF	**218,414**	169,342
Total staff costs	**5,140,207**	4,322,734
Cost of materials recognised as cost of services	**8,881,252**	7,269,818
Subcontractor costs recognised as cost of services	**7,840,286**	12,890,496
Gross rental income from investment property recognised as other income *(Note 5a)*	**(34,800)**	(27,355)
Less: Direct operating expenses incurred for investment property that generated rental income	**2,970**	1,919
	(31,830)	(25,436)

9 DIVIDENDS

No dividend has been declared by the Company or group entities during the year ended 30 June 2022.

10 LOSS PER SHARE

The calculation of basic loss per share is based on the following data:

	2022	2021
Loss for the year attributable to owners of the Company (S$)	**(617,843)**	(183,125)
Weighted average number of ordinary shares in issue	**1,000,000,000**	1,000,000,000
Basic and diluted loss per share (S$ cents)	**(0.06)**	(0.02)

The calculation of basic loss per share for the years ended 30 June 2022 and 2021 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 2022 and 2021.

11 PLANT AND EQUIPMENT

	Plant and machinery *S$*	Computers *S$*	Office equipment *S$*	Motor vehicles *S$*	Furniture and fittings *S$*	Total *S$*
Cost:						
At 1 July 2020	550,448	167,574	65,248	1,588,147	38,752	2,410,169
Additions	–	43,634	–	192,949	–	236,583
Disposals	–	(190)	–	(236,700)	–	(236,890)
At 30 June 2021	550,448	211,018	65,248	1,544,396	38,752	2,409,862
Additions	7,300	37,849	–	–	–	45,149
At 30 June 2022	**557,748**	**248,867**	**65,248**	**1,544,396**	**38,752**	**2,455,011**
Accumulated depreciation:						
At 1 July 2020	373,849	147,716	38,083	1,101,127	16,156	1,676,931
Charge for the year	95,770	36,821	10,712	249,048	6,981	399,332
Disposals	–	(190)	–	(236,700)	–	(236,890)
At 30 June 2021	469,619	184,347	48,795	1,113,475	23,137	1,839,373
Charge for the year	60,568	44,129	8,794	183,195	6,632	303,318
At 30 June 2022	**530,187**	**228,476**	**57,589**	**1,296,670**	**29,769**	**2,142,691**
Carrying amounts:						
At 30 June 2021	80,829	26,671	16,453	430,921	15,615	570,489
At 30 June 2022	**27,561**	**20,391**	**7,659**	**247,726**	**8,983**	**312,320**

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

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

12 INVESTMENT PROPERTY

	2022 ***S$***	2021 *S$*
Cost:		
At beginning and end of the year	**933,509**	933,509
Accumulated depreciation:		
At beginning of the year	**93,619**	77,597
Charge for the year	**16,022**	16,022
At end of the year	**109,641**	93,619
Carrying amount:		
At end of the year	**823,868**	839,890

The investment property is leased to a third party. The leases contain initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessee.

The investment property is depreciated on a straight-line basis over 57 years.

As at 30 June 2022, the fair value of the investment property amounted to S$893,000 (2021: S$893,000). The fair value measurement of the Group's investment property as at 30 June 2022 and 2021 was determined by management based on comparable market transactions of similar properties in the same vicinity that have been transferred in the open market with the significant unobservable input being the price per square meter where any significant isolated increase (decrease) in this input would result in a significantly higher (lower) fair value measurement.

The investment property is categorised within level 3 of the fair value hierarchy.

In estimating the fair value of the property, the highest and best use of the property is its current use.

Details of the Group's investment property and information about the fair value hierarchy as at the end of each year are as follows:

		Fair value as at	
Address	**Tenure**	**2022**	2021
		S$	*S$*
Level 3			
No.3 Ang Mo Kio St. #04-34, Link@AMK, Singapore 569139	57 years	**893,000**	893,000

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

	Dormitories *S$*	Office *S$*	Office equipment *S$*	Total *S$*
Cost:				
At 1 July 2020	266,557	232,804	11,213	510,574
Additions	–	239,435	–	239,435
Termination of lease	(177,351)	–	–	(177,351)
At 30 June 2021	89,206	472,239	11,213	572,658
Additions	97,929	–	–	97,929
At 30 June 2022	**187,135**	**472,239**	**11,213**	**670,587**
Accumulated depreciation:				
At 1 July 2020	121,786	129,335	4,859	255,980
Charge for the year	66,715	77,601	2,243	146,559
Termination of lease	(125,313)	–	–	(125,313)
At 30 June 2021	63,188	206,936	7,102	277,226
Charge for the year	46,421	79,075	2,242	127,738
At 30 June 2022	**109,609**	**286,011**	**9,344**	**404,964**
Carrying amount				
At 30 June 2021	26,018	265,303	4,111	295,432
At 30 June 2022	**77,526**	**186,228**	**1,869**	**265,623**

The Group leases several assets including staff dormitories, office and office equipment. The lease term is as follow:

Dormitories	2 years
Office	3 years
Office equipment	5 years

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

During the year, a staff dormitory unit expired in January 2022 was replaced by new lease for similar underlying asset. This resulted in additions to right-of-use assets of S$97,929 in 2022 (2021: S$239,435).

The maturity analysis of lease liabilities is presented in Note 19.

Amounts recognised in profit or loss

	2022 ***S$***	2021 *S$*
Depreciation expense on right-of-use assets *(Note 13)*	**127,738**	146,559
Interest expense on lease liabilities *(Note 6)*	**4,565**	3,553
Expense relating to short-term leases	**19,561**	6,480

At 30 June 2022, short-term lease commitment by the Group amounts to S$4,734 (2021: S$Nil).

The total cash outflow for leases in 2022 amounts to approximately S$152,507 (2021: S$159,854).

14 TRADE RECEIVABLES

	2022	2021
	S$	*S$*
Trade receivables	**5,354,752**	7,050,305
Less: Allowance for impairment losses	**(53,369)**	–
	5,301,383	7,050,305

As at 1 July 2020, trade receivables from contracts with customers amounted to S$2,854,253 (net of allowance for impairment loss of S$233,811).

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 2022 (2021: 30 to 35 days). The following is an aged 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:

	2022	2021
	S$	*S$*
Within 30 days	**4,210,719**	3,379,092
31 days to 60 days	**609,970**	2,069,101
61 days to 90 days	**124,686**	195,030
91 days to 120 days	**226,052**	11,047
More than 120 days	**129,956**	1,396,035
	5,301,383	7,050,305

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 prescribed by IFRS 9.

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

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.

	Not past due S$	≤ 30 days S$	31 to 60 days S$	61 to 90 days S$	90 to 120 days S$	>120 days S$	Total S$
			Trade receivables – days past due				
2022							
Estimated total gross carrying amount at default	**4,233,381**	**614,295**	**125,754**	**233,127**	**8,453**	**139,742**	**5,354,752**
Lifetime ECL	**(22,662)**	**(4,325)**	**(1,068)**	**(7,075)**	**(984)**	**(17,255)**	**(53,369)**
							5,301,383
2021							
Estimated total gross carrying amount at default	3,379,092	2,069,101	195,030	11,047	7,432	1,388,603	7,050,305

As at 30 June 2021, the Group did not recognise impairment allowance as ECL was determined to be insignificant. Included in the Group's trade receivables are carrying amount of approximately S$3,671,213 which were past due at 30 June 2021, for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts were still considered recoverable based on repayment history of respective customers. Management has assessed that the receivables as at 30 June 2021 that were past due beyond 90 days were not in default as a significant portion of these relate to backcharges to a subcontractor, to which the Group was in a net payable position to as at 30 June 2021.

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:

	2022 *S$*	2021 *S$*
Balance at beginning of year	**–**	233,811
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	**53,369**	–
Allowance for impairment written off	**–**	(233,811)
Balance at end of year	**53,369**	–

15 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022 *S$*	2021 *S$*
Current		
Deposits *(Note)*	**55,110**	507,756
Prepayments	**1,391,794**	559,116
Grant receivables *(Note)*	**17,000**	48,200
Others *(Note)*	**19,212**	12,009
	1,483,116	1,127,081
Non Current		
Deposits *(Note)*	**102,968**	–
	1,586,084	1,127,081

Note: The management considered the ECL for deposits, grant receivables, and others to be insignificant as at 30 June 2022 and 2021.

16 CONTRACT ASSETS/LIABILITIES

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

	2022	2021
	S$	*S$*
Contract assets	**29,568,913**	33,648,893
Less: Allowance for impairment loss	**(122,399)**	–
	29,446,514	33,648,893
Contract liabilities	**(52,444)**	(11,323)
	29,394,070	33,637,570

As at 1 July 2020, contract assets and contract liabilities amounted to S$39,632,362 and S$300,528 respectively.

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$162,176 as at 30 June 2022 (2021: S$16,095).

Contract assets

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.

The Group's contract assets are analysed as follows:

	2022	2021
	S$	S$
Retention receivables	**5,182,864**	5,100,875
Others *(Note)*	**24,548,225**	28,564,113
Less: Allowance for impairment losses	**(122,399)**	–
	29,608,690	33,664,988

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.

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.

	2022	2021
	S$	*S$*
Estimated total gross carrying amount at default		
– amount not past due	**29,568,913**	33,648,893
Lifetime ECL	**(122,399)**	–
	29,446,514	33,648,893

As at 30 June 2021, the Group did not recognise impairment allowance as ECL was determined to be insignificant.

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:

	2022	2021
	S$	*S$*
Balance at beginning of year	**–**	205,000
Net increase in loss allowance arising from new amounts recognised in current year, net of those derecognised upon billing	**122,399**	–
Allowance for impairment written off	**–**	(205,000)
Balance at end of year	**122,399**	–

Contract liabilities

The contract liabilities represents 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 30 June 2022 and 30 June 2021 mainly relate to advances received from customers.

The Group's contract liabilities are analysed as follows:

	2022	2021
	S$	*S$*
Contract liabilities	**214,620**	27,418

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

	2022	2021
	S$	*S$*
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**27,418**	357,403

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

17 BANK BALANCES AND CASH

	2022	2021
	S$	*S$*
Cash at banks	**12,901,671**	17,716,199
Cash on hand	**33,454**	31,619
Cash and cash equivalents in the consolidated statement of cash flows	**12,935,125**	17,747,818

As at 30 June 2022, other than time deposits of S$7,104,295 (2021: S$8,308,800) with tenure of one month to three months which carry fixed interest rate of 0.45% per annum, and bank balances of S$5,327,922 (2021: S$6,807,887) that carry effective interest rate ranging from 0.02% to 0.35% per annum (2021: 0.09% to 0.37% per annum), the remaining bank balances and cash are interest-free.

18 TRADE AND OTHER PAYABLES

Trade and other payables comprise the following:

	2022	2021
	S$	*S$*
Trade payables	**2,435,219**	4,255,871
Trade accruals	**6,530,127**	14,439,419
Retention payables *(Note)*	**2,732,481**	2,827,320
	11,697,827	21,522,610
Other payables		
Payroll and CPF payables	**302,249**	259,510
Goods and Services Tax ("GST") payables	**133,048**	111,580
Rental deposit received	**5,800**	5,800
Deferred grant income	**–**	97,446
Accrued audit fees	**161,000**	161,000
Others	**24,976**	23,247
	12,324,900	22,181,193

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 are classified as current as they are within the Group's normal operating cycle.

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

	2022	2021
	S$	*S$*
Within 30 days	**1,399,199**	1,375,772
31 to 60 days	**657,350**	723,570
61 to 90 days	**206,711**	125,492
91 to 120 days	**27,951**	–
Over 120 days	**144,008**	2,031,037
	2,435,219	4,255,871

The credit period on purchases from suppliers and subcontractors is 30 to 90 days (2021: 30 to 90 days) or payable upon delivery.

19 LEASE LIABILITIES

	2022	2021
	S$	*S$*
Lease liabilities payable:		
Within one year	**130,030**	108,345
Within a period of more than one year but not more than two years	**110,044**	81,161
Within a period of more than two years but not more than five years	**27,419**	108,439
	267,493	297,945
Less: Amount due for settlement with 12 months (shown under current liabilities)	**(130,030)**	(108,345)
Amount due for settlement after 12 months (shown under non-current liabilities)	**137,463**	189,600

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 30 June 2022, the weighted average incremental borrowing rate was 2.28% (2021: 2.28%) 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.

20 DEFERRED TAX LIABILITIES

	2022	2021
	S$	*S$*
As at 1 July	**55,994**	61,338
Credited in profit or loss during the year *(Note 7)*	**(20,765)**	(5,344)
As at 30 June	**35,229**	55,994

The deferred tax liabilities resulted from temporary taxable differences arising from accelerated depreciation in relation to capital allowance claims on qualified assets in accordance with prevailing tax laws in Singapore.

21 SHARE CAPITAL

	Number of ordinary shares	**Par value**	**Share capital**
		HK$	*HK$*
Authorised share capital of the Company:			
At 1 July 2020, 30 June 2021 and 2022	1,500,000,000	0.01	15,000,000

	Number of ordinary shares	**Share capital**
		S$
Issued and fully paid of the Company:		
At 1 July 2020, 30 June 2021 and 2022	1,000,000,000	1,742,143

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

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

During the year ended 30 June 2022, our Group's revenue decreased by 12.3% to approximately S$23.1 million as compared to approximately S$26.3 million for the year ended 30 June 2021. Our Group's gross profit also decreased by 36.1% to approximately S$1.4 million, as compared to approximately S$2.2 million for the year ended 30 June 2021. The decrease was mainly due to the unprecedented outbreak of Coronavirus Disease 2019 ("**COVID-19**") globally. To combat the local transmission of COVID-19 in Singapore, the Singapore Government implemented several safe management measures at project sites. Border control measures among countries also resulted in severe labour shortage and supply chain issues which significantly affected the progress of the Group's electrical engineering works.

Russo-Ukrainian War added further pressure and disruption to the global supply chain, which in turn boosted inflation significantly and caused a substantial increase in material and transportation costs during the year ended 30 June 2022. Consequently, our gross profit margin for the year ended 30 June 2022 decreased to approximately 6.2%, from approximately 8.5% for the year ended 30 June 2021. Our net loss after tax increased by 237.4% from S$0.2 million for the year ended 30 June 2021 to loss of S$0.6 million for the year ended 30 June 2022.

In the short term, we expect the construction industry in Singapore to improve gradually albeit at a slower pace given the improvement in COVID-19 situation in Singapore. Since July 2022, the entry requirement for Construction, Marine Shipyard and Process (CMP) sectors work permit holders have been further eased and migrant workers are progressively returning into Singapore. The Building and Construction Authority in Singapore is projecting construction demand to reach between S$27 billion and S$32 billion in 2022. Public-sector projects are expected to continue making up the bulk of construction demand at 60% of the workload. Given the Group's solid track record in public residential projects and our overall financial position, we believe the Group is well positioned to take advantage of the recovery in the Singapore construction industry.

As at 30 June 2022, we had 39 projects on hand (including contracts in progress) with a notional or estimated contract value of approximately S$196.2 million, of which approximately S$63.7 million had been recognised as revenue in prior years, approximately S$21.7 million had been recognised as revenue during the year ended 30 June 2022 and the remaining balance will be recognised as our revenue in accordance with the stage of completion. The remaining S$1.4 million recognised as revenue during the year ended 30 June 2022 is mainly attributed to projects which have been completed during the year.

FINANCIAL REVIEW

	For the year ended 30 June		
	2022	2021	Change
	S$ million	*S$ million*	*%*
Revenue	**23.1**	26.3	(12.3)
Gross profit	**1.4**	2.2	(36.1)
Gross profit margin	**6.2%**	8.5%	(2.3)
Net (loss)	**(0.6)**	(0.2)	(237.4)

Revenue

The Group's principal operating activities are 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 year ended 30 June					
	2022			2021		
	Number of projects with revenue contribution	**Revenue S$ million**	**% of total revenue**	Number of projects with revenue contribution	Revenue S$ million	% of total revenue
Public sector projects	**57**	**16.3**	**70.7**	60	16.6	63.2
Private sector projects	**11**	**6.8**	**29.3**	19	9.7	36.8
Total	**68**	**23.1**	**100.0**	79	26.3	100.0

The Group's overall revenue decreased by approximately S$3.2 million or approximately 12.3% from approximately S$26.3 million for the year ended 30 June 2021 to approximately S$23.1 million for the year ended 30 June 2022. The decrease is mainly due to the outbreak of COVID-19 globally and the travel restrictions and safe distancing measures implemented by the Singapore Government to reduce the risk of local transmission of COVID-19. This resulted in severe labour shortage and supply chain issues which significantly delayed the progress of the Group's on-going projects and led to decrease in revenue recognised during the year ended 30 June 2022.

Cost of Services

The Group's cost of services decreased by approximately S$2.5 million or approximately 10.1% from approximately S$24.1 million for the year ended 30 June 2021 to approximately S$21.6 million for the year ended 30 June 2022. Such decrease in cost of services was generally in line with the decrease in revenue.

Gross Profit and Gross Profit Margin

	For the year ended 30 June					
	2022			2021		
	Revenue	**Gross profit**	**Gross profit margin**	Revenue	Gross profit	Gross profit margin
	S$ million	***S$ million***	***%***	*S$ million*	*S$ million*	*%*
Public sector projects	**16.3**	**1.0**	**6.2**	16.6	2.1	12.6
Private sector projects	**6.8**	**0.4**	**6.1**	9.7	0.1	1.5
Total	**23.1**	**1.4**	**6.2**	26.3	2.2	8.5

The gross profit of the Group for the year ended 30 June 2022 amounted to approximately S$1.4 million, representing a decrease of approximately 36.1% as compared with approximately S$2.2 million for the year ended 30 June 2021, which was consistent with the decrease in revenue for the same period. The Group's gross profit margin for the year ended 30 June 2022 was approximately 6.2%, which represent a decrease of 2.3% when compared with approximately 8.5% for the year ended 30 June 2021.

The reduction was mainly due to additional costs incurred due to the outbreak of COVID-19 such as cost overrun of on-going projects in anticipation of productivity loss and prolongation of project timeline. In addition, the Russo-Ukrainian War added further pressure and disruption to the global supply chain, which in turn boosted inflation significantly and caused a substantial increase in material and transportation costs during the year ended 30 June 2022.

The stringent border control measures abroad and in Singapore also resulted in severe manpower shortages and resulting in an increase in manpower costs for the year ended 30 June 2022, hence reducing gross profit margin further.

Other Income

Other income mainly included income from (i) interest income from banks, (ii) government grants, (iii) rental income, (iv) training income and (v) sundry income. During the year ended 30 June 2022, other income amounted to approximately S$0.7 million (2021: approximately S$1.0 million). The decrease in other income was mainly due to the reduction in government support grants for COVID-19 received for the year ended 30 June 2022.

Other Gains or Losses

Other gains or losses mainly included net exchange gain and loss. During the year ended 30 June 2022, other gains amounted to approximately S$0.3 million (2021: approximately losses of S$0.6 million). The increase in other gain was mainly due to the strengthening of US$ and HK$ currency against S$ in respect of the Group's bank balances during the year ended 30 June 2022.

Allowance for Impairment Losses

There was an allowance of impairment losses of approximately S$0.2 million during the year ended 30 June 2022 as compared to allowance of impairment losses of S$Nil during the year ended 30 June 2021. The difference was mainly due to additional allowance being provided for impairment losses on trade receivables and contract assets arising from the expected credit losses assessment of the financial assets.

Administrative Expenses

The administrative expenses of the Group for the year ended 30 June 2022 amounted to approximately S$2.8 million which represents a slight increase as compared with approximately S$2.7 million for the year ended 30 June 2021, mainly due to the increase in staff salary and training expenses incurred for the year ended 30 June 2022 as a result of new hires in anticipation of the recovery of the Group's business.

Finance Costs

Finance costs for the year ended 30 June 2022 was approximately S$5,000 which was relatively constant with that of the year ended 30 June 2021 of approximately $4,000.

Income Tax Expense

The Group's income tax expense decreased to approximately S$37,000 for the year ended 30 June 2022 from approximately S$0.2 million for the year ended 30 June 2021. Such decrease was mainly due to the decrease in assessable profit.

Net Loss

Loss attributable to owners of the Company for the year ended 30 June 2022 was a loss of approximately $0.6 million when compared to loss of S$0.2 million for the year ended 30 June 2021, which is generally in line with the decrease of revenue and gross profit for the year ended 30 June 2022.

Trade Receivables

As at 30 June 2022, the Group had trade receivables of approximately S$5.3 million, as compared with trade receivables of approximately S$7.1 million as at 30 June 2021.

An amount of approximately S$4.2 million (i.e. 79.8%) of the trade receivable as at 30 June 2022 has been settled up to the date of this announcement, which was relatively constant as compared with an amount of approximately S$5.8 million (i.e. 82.5%) being settled up to 27 September 2021 for the trade receivables as at 30 June 2021.

Contract assets (excluding retention receivables)

As at 30 June 2022, the Group had contract assets (excluding retention receivables) of approximately S$24.4 million, as compared with contract assets (excluding retention receivables) of approximately S$28.6 million, as at 30 June 2021.

An amount of approximately S$7.5 million (i.e. 30.1%) of contract assets (excluding retention receivables) as at 30 June 2022 has been settled up to the date of this announcement, which represent a 10.4% increase as compared with an amount of approximately S$5.7 million (i.e. 19.7%) being settled up to 27 September 2021 for the contract assets (excluding retention receivables) as at 30 June 2021.

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 state of the projects.

Final Dividend

The Board did not recommend the payment of a final dividend for the year ended 30 June 2022 (2021: 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 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 SGD, USD and HKD, are generally deposited with certain reputable financial institutions.

As at 30 June 2022, the Group had total bank balances and cash of approximately S$12.9 million, as compared with bank balances and cash of approximately S$17.7 million as at 30 June 2021. The Group did not have any bank borrowings as at 30 June 2022 and 30 June 2021.

Pledge of Assets

As at 30 June 2022, the Group had S$0.1 million (as at 30 June 2021: S$0.3 million) 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 Singapore dollars and the Group's assets and liabilities are primarily denominated in Singapore dollars. However, the Group has certain bank balances denominated in US$ and Hong Kong Dollars amounting to S$9.4 million which expose the Group to foreign currency risk. The Group manages the risk by closely monitoring the movement of the foreign currency rate.

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 30 June 2022 was S$Nil (as at 30 June 2021: S$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 2022.

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 2022.

Employees and Remuneration Policy

As at 30 June 2022, the Group had a total of 147 employees (2021: 120 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 2022 amounted to approximately S$5.1 million (2021: approximately S$4.3 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 environmental policies, performance and compliance with laws and regulations are set out in the "Environmental, Social and Governance Report" in the annual report.

Contingent Liabilities

As at 30 June 2022, the Group had performance bonds of approximately S$0.6 million (2021: 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 obligation under the contracts entered into between our Group and the customers. The performance guarantees will be released upon completion of the contract.

Capital Expenditures and Capital Commitments

During the year ended 30 June 2022, the Group acquired items of property, plant and equipment of approximately S$50,000 (2021: S$0.2 million).

As at 30 June 2022, 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 (S$16.6 million) (after deducting listing expenses) (the "**Net Proceeds**"). The Group has utilised the Net Proceeds in accordance with the intended plan and purposes as outlined in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As disclosed in the announcements of the Group titled "Changes in Use of Proceeds" and "Further Change in Use of Proceeds" dated 13 May 2020 and 19 September 2022 respectively, the Board resolved to change the use of the unutilised Net Proceeds. Set out below is the revised allocation of the unutilised net proceeds (the "**Re-allocated Net Proceeds**"):

	Planned use of Net Proceeds as disclosed in the Prospectus	**Revised allocation of the Net Proceeds as disclosed in the Announcement dated 13 May 2020**	**Further revised allocation of the Net Proceeds as disclosed in the Announcement dated 19 September 2022**	**Utilised Net Proceeds up to 30 June 2022**	**Unutilised Re-allocated Net Proceeds up to 30 June 2022**	**Expected date to fully utilise the unutilised Re-allocated Net Proceeds**
	S$ million (approximately)	*S$ million (approximately)*	*S$ million (approximately)*	*S$ million (approximately)*	*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	–	–	–	N/A

		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 2022 *S$ million (approximately)*	Unutilised Re-allocated Net Proceeds up to 30 June 2022 *S$ million (approximately)*	Expected date to fully utilise the unutilised Re-allocated Net Proceeds
(ii)	Strengthening the Group's manpower by recruiting additional staff	2.5	1.0	1.0	0.8	0.2	On or before 30 June 2023
(iii)	Expanding the Group's premises for its various operational needs	1.8	–	–	–	–	N/A
(iv)	Financing the Group's upfront costs and working capital requirements at the early stage of carrying out its electrical engineering projects (existing new projects)	1.7	5.2	5.2	5.2	–	N/A
(iv)	Financing the Group's upfront costs and working capital requirements at the early stage of carrying out its electrical engineering projects (new potential projects)		3.0	6.5	3.0	3.5	On or before 30 June 2023
(v)	Financing the acquisition of additional machinery and equipment	1.4	0.7	0.7	0.2	0.5	On or before 30 June 2023
(vi)	Purchasing a building information modeling software together with certain ancillary supporting hardware device and upgrading the Group's enterprise resource planning system	0.9	0.5	0.5	0.3	0.2	On or before 30 June 2023
(vii)	Financing the acquisition of additional lorries	0.3	0.3	0.3	0.2	0.1	On or before 30 June 2023
(viii)	Reserved as the Group's general working capital	0.9	2.4	2.4	2.4	–	N/A
Total		16.6	16.6	16.6	12.1	4.5	

As at 30 June 2022, the unutilised amount of Net Proceeds was placed in licensed banks in Hong Kong and Singapore and the Board expects that it will be utilised in the same manner as disclosed in the Prospectus and the Company's announcements dated 13 May 2020 and 19 September 2022. Due to the adverse impact of the outbreak of COVID-19 on worldwide economies and the cautious approach embarked by the Singapore Government to resume usual daily activities after the implementation of Circuit Breaker measures, the Board will continue to closely monitor the situation and evaluate the impact on the timeline to utilise the unutilised Re-allocated Net Proceeds and will keep shareholders and potential investors of the Company informed if there is any material change.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events affecting the Group which have occurred after the year ended 30 June 2022 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 of Rules Governing the Listing of Securities on the Stock Exchange during the year ended 30 June 2022.

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

During the year ended 30 June 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's audited financial results for the year ended 30 June 2022 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
Khoon Group Limited
Ang Jui Khoon
Chairman and Executive Director

Hong Kong, 29 September 2022

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Ang Jui Khoon, Mr. Ang Kok Kwang (Hong Guoguang) and Mr. Ang Yong Kwang (Hong Yongquan); and three independent non-executive Directors, namely Ms. Leung Wing Chi Kylie, Mr. Yeo Kwang Maccann and Mr. Hon Chin Kheong (Han Zhenqiang).