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## **KPM HOLDING LIMITED**

**吉輝控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8027)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of KPM Holding Limited (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries for the six months ended 30 June 2023. This announcement, containing the full text of the 2023 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of interim results.

By order of the Board  
**KPM Holding Limited**  
**Tan Thiam Kiat Kelvin**  
*Chairman*

Hong Kong, 7 August 2023

*As at the date of this announcement, the executive Directors are Mr. Tan Thiam Kiat Kelvin and Ms. Kong Weishan and the independent non-executive Directors are Mr. Lau Muk Kan, Mr. Xiao Laiwen and Mr. Lock Kiu Yin.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its posting and on the Company’s website at [www.kpmholding.com](http://www.kpmholding.com).*

\* For identification purposes only

# KPM HOLDING LIMITED

## 吉輝控股有限公司\*

Incorporated in the Cayman Islands with limited liability

Stock Code: 8027



INTERIM  
REPORT

**2023**

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## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors (the “Directors”) of KPM Holding Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

*The original report is prepared in the English language. This report is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.*



## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The board (the "Board") of Directors is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months and six months ended 30 June 2023 respectively, together with the unaudited comparative figures for the corresponding period in 2022, as follows:

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

For the six months ended 30 June 2023

	Note	Three months ended 30 June		Six months ended 30 June	
		2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Revenue	3	3,625,869	5,863,080	7,768,876	11,853,616
Cost of sales		(2,285,008)	(5,442,323)	(5,549,306)	(9,907,238)
<b>Gross profit</b>		<b>1,340,861</b>	420,757	<b>2,219,570</b>	1,946,378
Other income	4	12,043	104,864	43,384	195,987
Other gains and losses	5	277,751	269,445	37,819	250,924
Selling and administrative expenses		(758,285)	(1,334,053)	(1,315,689)	(1,880,447)
Allowance for expected credit losses, net		36,077	10,580	41,857	(20,796)
Finance costs	6	(28,624)	(10,558)	(72,662)	(19,819)
<b>Profit/(Loss) before income tax</b>		<b>879,823</b>	(538,965)	<b>954,279</b>	472,227
Income tax (expense)/credit	7	(127,100)	217,739	(186,700)	36,700
<b>Profit/(Loss) for the period</b>		<b>752,723</b>	(321,226)	<b>767,579</b>	508,927
<b>Other comprehensive loss:</b> <i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange difference on translation of foreign operations		(30,458)	(8,852)	(3,113)	(11,492)
<b>Total comprehensive income (loss) attributable to owners of the Company</b>		<b>722,265</b>	(330,078)	<b>764,466</b>	497,435
<b>Earnings/(Losses) per share</b>					
Basic and diluted (S\$ cents)	8	0.318	(0.137)	0.324	0.222

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	30 June 2023 S\$ (Unaudited)	31 December 2022 S\$ (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		3,319,115	3,503,189
Right-of-use assets		940,463	997,013
Deferred tax assets		51,511	51,511
<b>Total non-current assets</b>		<b>4,311,089</b>	4,551,713
<b>Current assets</b>			
Inventories		147,242	246,469
Trade and other receivables	10	5,641,769	5,883,581
Contract assets		6,177,892	5,372,341
Bank and cash balances		3,083,757	2,516,009
<b>Total current assets</b>		<b>15,050,660</b>	14,018,400
<b>Current liabilities</b>			
Trade payables	11	1,484,190	964,313
Other payables and accruals		668,994	1,230,646
Contract liabilities		167,591	89,342
Bank loan		340,587	346,670
Lease liabilities		92,369	91,527
Income tax payable		186,700	–
<b>Total current liabilities</b>		<b>2,940,431</b>	2,722,498
<b>Net current assets</b>		<b>12,110,229</b>	11,295,902
<b>Total assets less current liabilities</b>		<b>16,421,318</b>	15,847,615

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	30 June 2023 S\$ (Unaudited)	31 December 2022 S\$ (Audited)
<b>Non-current liabilities</b>			
Bank loan		1,767,087	1,911,687
Lease liabilities		814,194	860,357
<b>Total non-current liabilities</b>		<b>2,581,281</b>	2,772,044
<b>NET ASSETS</b>			
<b>Capital and reserves</b>			
Share capital	12	1,271,455	1,271,455
Share premium		15,488,351	15,488,351
Merger reserves		(4,570,095)	(4,570,095)
Share-based payment reserve		806,534	806,534
Currency translation reserve		23,903	27,016
Accumulated profits		819,889	52,310
<b>TOTAL EQUITY</b>		<b>13,840,037</b>	13,075,571

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Share capital S\$	Share premium S\$	Merger reserves S\$	Share-based payment reserve S\$	Currency translation reserve S\$	Accumulated profits S\$	Total S\$
At 1 January 2022 (Audited)	1,200,855	14,002,553	(4,570,095)	539,758	22,407	1,674,207	12,869,685
Profit for the period	-	-	-	-	-	508,927	508,927
Other comprehensive loss:							
Foreign currency translation	-	-	-	-	(11,492)	-	(11,492)
Total comprehensive income	-	-	-	-	(11,492)	508,927	497,435
Exercise of share options	70,600	1,485,798	-	(539,758)	-	-	1,016,640
Recognition of equity-settled share-based payment	-	-	-	806,534	-	-	806,534
At 30 June 2022 (Unaudited)	1,271,455	15,488,351	(4,570,095)	806,534	10,915	2,183,134	15,190,294
At 1 January 2023 (Audited)	<b>1,271,455</b>	<b>15,488,351</b>	<b>(4,570,095)</b>	<b>806,534</b>	<b>27,016</b>	<b>52,310</b>	<b>13,075,571</b>
Profit for the period	-	-	-	-	-	767,579	767,579
Other comprehensive loss:							
Foreign currency translation	-	-	-	-	(3,113)	-	(3,113)
Total comprehensive income	-	-	-	-	(3,113)	767,579	764,466
At 30 June 2023 (Unaudited)	<b>1,271,455</b>	<b>15,488,351</b>	<b>(4,570,095)</b>	<b>806,534</b>	<b>23,903</b>	<b>819,889</b>	<b>13,840,037</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Net cash from/(used in) operating activities	<b>833,262</b>	(1,361,655)
Net cash used in investing activities	–	(22,700)
Net cash (used in)/from financing activities	<b>(268,665)</b>	811,335
Net decrease in cash and cash equivalents	<b>564,597</b>	(573,020)
Cash and cash equivalents, represented by bank and cash balances at 1 January	<b>2,516,009</b>	3,616,810
Effect of exchange rate changes	<b>(3,151)</b>	75,754
Cash and cash equivalents, represented by bank and cash balances at 30 June	<b>3,083,757</b>	3,119,544



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL

The Company was a public limited company incorporated and registered as an exempted company in the Cayman Islands with limited liability on 10 March 2015 and its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited. Its parent is Absolute Truth Investments Limited (incorporated in the British Virgin Islands). Its ultimate controlling parties is Mr. Tan Thiam Kiat Kelvin, who is also the Chairman and Executive Directors of the Company. 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 30 March 2015. The principal place of business in Hong Kong registered is Unit 1104A, 11F, Kai Tak Commercial Building, 317-319 Des Voeux Road Central, Hong Kong. The head office and principal place of business of the Group is at 14 Loyang Way 4, Singapore 507601.

The Company is an investment holding company and the operating subsidiaries are principally engaged in the design, fabrication, installation and maintenance of signage and related products and the provision of fitting-out and renovation services for commercial and residential premises and developments.

The condensed consolidated financial information is presented in Singapore Dollar ("S\$" or "\$"), which is also the functional currency of the Company.

This unaudited condensed consolidated interim financial information was approved by the Board on 7 August 2023.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2022 except for the adoption of the new and revised IFRS, amendments and Interpretations that are effective for financial period beginning on 1 January 2023 and are relevant to its operations. The adoption of these new/revised IFRS, amendments and interpretations does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior period.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. REVENUE AND SEGMENT INFORMATION

The Group's operating and reportable segments are as follows:

**(i) Signage business**

Sale of signage, bollard, variable-message signs, bus stops, linkways and aluminium railing to customers.

**(ii) Fitting-out and renovation services**

Provision of fitting-out and renovation services for commercial and residential premises and developments.

An analysis of the Group's revenue by operating and reportable segments is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Signage business	3,096,324	1,537,147	5,843,009	3,224,411
Fitting-out and renovation services	529,545	4,325,933	1,925,867	8,629,205
	<b>3,625,869</b>	5,863,080	<b>7,768,876</b>	11,853,616

#### Geographical information

In presenting the geographical information, revenue is based on the locations of the customers.

The Group operates in two principal geographical areas – Singapore and Hong Kong. The following table provides an analysis of the Group's revenue from external customers:

	Three months ended 30 June		Six months ended 30 June	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Singapore	3,096,324	1,537,147	5,843,009	3,224,411
Hong Kong	529,545	4,325,933	1,925,867	8,629,205
	<b>3,625,869</b>	5,863,080	<b>7,768,876</b>	11,853,616

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 4. OTHER INCOME

	Three months ended 30 June		Six months ended 30 June	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Interest income	–	52,358	–	104,566
Government grants	–	29,176	16,883	55,546
Others	12,043	23,330	26,501	35,875
	12,043	104,864	43,384	195,987

### 5. OTHER GAINS AND LOSSES

	Three months ended 30 June		Six months ended 30 June	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Foreign exchange (loss)/gain, net	277,751	269,445	37,819	250,924

### 6. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Interests expenses on:				
– Term loan	23,639	10,054	62,550	18,766
– Lease liabilities	4,985	504	10,112	1,053
	28,624	10,558	72,662	19,819

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 7. INCOME TAX EXPENSE/(CREDIT)

	Three months ended 30 June		Six months ended 30 June	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Current tax – Singapore Corporate Income Tax ("CIT")	<b>127,100</b>	(217,739)	<b>186,700</b>	(36,700)

Singapore 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 from Year of Assessment 2020 onwards.

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5%. No provision for Hong Kong Profits Tax has been made since the Group has no assessable profit for the three months and six months ended 30 June 2023 and 2022.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 7. INCOME TAX EXPENSE/(CREDIT) (Continued)

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

	Three months ended 30 June		Six months ended 30 June	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Profit/(Loss) before tax	879,823	(538,965)	954,279	472,227
Tax at Singapore CIT of 17%	149,570	(91,624)	162,227	80,279
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	(661)	2,375	720	(3,287)
Tax effect of income and expenses not taxable and deductible for tax purpose, net	(21,815)	(128,460)	23,770	(113,767)
Others	6	(30)	(17)	75
Income tax expense/(credit) for the period	127,100	(217,739)	186,700	(36,700)

### 8. EARNINGS/(LOSSES) PER SHARE

	Three months ended 30 June		Six months ended 30 June	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Profit/(Loss) attributable to the owners of the Company	752,723	(321,226)	767,579	508,927
Weighted average number of ordinary shares in issue	236,800,000	235,252,747	236,800,000	229,657,459
Basic and diluted earnings per share (S\$ cents)	0.318	(0.137)	0.324	0.222

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding for the three and six months ended 30 June 2023. The effect of the exercise of share options was not included in the calculation of diluted earnings per share as they have no dilutive effect during the three and six months ended 30 June 2023.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 9. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2023 (2022: Nil).

### 10. TRADE AND OTHER RECEIVABLES

	<b>30 June 2023 S\$ (Unaudited)</b>	31 December 2022 S\$ (Audited)
Trade receivables	<b>6,910,458</b>	7,112,746
Less: Allowance for expected credit losses	<b>(1,571,983)</b>	(1,614,713)
	<b>5,338,475</b>	5,498,033
Purchase advances paid to suppliers	<b>131,808</b>	233,046
Rental and other deposits	<b>45,050</b>	43,220
Prepayments	<b>113,919</b>	94,201
Other receivables	<b>12,517</b>	15,081
	<b>5,641,769</b>	5,883,581

Trade receivables are generally granted a credit period of 30 to 60 days from the invoice date. The following is an aging analysis of trade receivables, net of allowance for expected credit losses, presented based on invoice date at the end of the reporting period:

	<b>30 June 2023 S\$ (Unaudited)</b>	31 December 2022 S\$ (Audited)
1-30 days	<b>1,531,395</b>	669,028
31-60 days	<b>57,922</b>	2,281,850
61-90 days	<b>72,766</b>	2,417,360
91-180 days	<b>16,836</b>	14,346
181-365 days	<b>3,659,556</b>	115,449
Over 365 days	<b>–</b>	–
	<b>5,338,475</b>	5,498,033

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 10. TRADE AND OTHER RECEIVABLES (Continued)

Before granting credit to new customers, the Group reviews the customers' profile and available consolidated financial statements to assess the potential customer's credit quality and defines credit limits for each customer.

The Group assesses at each of the reporting period end whether there is objective evidences that trade and other receivables are impaired.

### 11. TRADE PAYABLES

The following is an aging analysis of trade payables presented based on the purchase recognition date, that is, goods receipt date, at the end of each reporting period:

	<b>30 June 2023</b>	31 December 2022
	<b>S\$</b>	S\$
	<b>(Unaudited)</b>	(Audited)
0–30 days	<b>620,133</b>	712,406
31–90 days	<b>395,493</b>	238,641
Over 90 days	<b>468,564</b>	13,266
	<b>1,484,190</b>	964,313

### 12. SHARE CAPITAL

	Number of shares	Par value HK\$	Share capital HK\$
<b>Authorised:</b>			
31 December 2022, 1 January 2023 and 30 June 2023	1,600,000,000	0.03125	50,000,000
		<b>Number of shares</b>	<b>Share capital S\$</b>
<b>Issued and fully paid:</b>			
At 31 December 2022, 1 January 2023 and 30 June 2023		236,800,000	1,271,455

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 13. RELATED PARTY DISCLOSURES

The Group has not entered into any related party transaction during the period under review.

#### Compensation of key management personnel

The remuneration of executive directors of the Group was as follows:

	Three months ended 30 June		Six months ended 30 June	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Short-term benefits	66,800	41,800	108,600	86,100
Post-employment benefits	6,460	3,060	9,520	6,545
	<b>73,260</b>	44,860	<b>118,120</b>	92,645

The remuneration of executive directors of the Group is determined by having regard to their qualifications, experience and duties and responsibilities with the Company and the prevailing market conditions.



## MANAGEMENT DISCUSSION AND ANALYSIS

### GENERAL

During the six months ended 30 June 2023, the Group was principally engaged in the design, fabrication, installation and maintenance of signage and related products and provision of fitting-out and renovation services for commercial and residential premises and developments.

### FINANCIAL REVIEW

For the six months ended 30 June 2023, the Group recorded a revenue of approximately S\$7,769,000 (2022: S\$11,854,000) and profit of approximately S\$768,000 (2022: S\$509,000).

Revenue had decreased by approximately 34.5% or S\$4,085,000. The gross profit and gross profit margin for the six months ended 30 June 2023 was approximately S\$2,220,000 (2022: S\$1,946,000) and approximately 28.6% (2022: 16.4%) respectively. Decrease of revenue is mainly due to decline of the demand in fitting-out and renovation services and fierce competition in the market.

Other income for the six months ended 30 June 2023 included government grants of approximately S\$17,000.

Other gains and losses for the six months ended 30 June 2023 included approximately S\$38,000 of foreign exchange gain which was mainly arise from trade receivables, contract assets and cash and cash equivalents denominated in Hong Kong dollars which was appreciating against Singapore dollars.



## MANAGEMENT DISCUSSION AND ANALYSIS

Selling and administrative expenses for the six months ended 30 June 2023 was approximately S\$1,316,000 (2022: S\$1,880,000) representing a decrease of S\$564,000 or 30.0% mainly due to share-based payment expenses of S\$807,000 incurred in the six months ended 30 June 2022, offset with higher depreciation and legal and professional fees incurred in the corresponding period in 2023.

The Group recorded a profit before tax for the six months ended 30 June 2023 of approximately S\$954,000, compared to S\$472,000 for the corresponding period in 2022.

Profit for the six months ended 30 June 2023 was approximately S\$768,000, compared to S\$509,000 for the corresponding period in 2022.

### Liquidity and Financial Resources

The Group's exposure to liquidity risk arises in the general funding of the Group's operations, in particular, that the duration of the contracts span from 1 month to 4 years and during which the amount of progress claim vary from month to month depending on the provision of signage and related products for the month. The supply and installation schedule is as directed by the customer, in accordance with the main contractor's schedule. As such, the Group actively manage our customers' credit limits, aging, and repayment of retention monies and monitor the operating cash flows to ensure adequate working capital funds and repayment schedule is met.

For the six months ended 30 June 2023, the cash and cash equivalents of the Group has increased by approximately S\$568,000. This was mainly arise from net cash from operating activities of approximately S\$833,000 offset with repayment of bank loan and lease liabilities of approximately S\$269,000.

## MANAGEMENT DISCUSSION AND ANALYSIS

The total interest-bearing borrowing of the Group as at 30 June 2023 was S\$3,014,000 (31 December 2022: S\$3,210,000). The Group's gearing ratio as at 30 June 2023 was approximately 15.6% (31 December 2022: approximately 17.3%), which is calculated as the Group's total borrowings over the Group's total assets.

As at 30 June 2023, the Group had cash and cash equivalents of approximately S\$3,084,000 (31 December 2022: approximately S\$2,516,000) which were placed with major banks in Singapore and Hong Kong.

### BUSINESS REVIEW

Revenue from the sale of signage, bollard, variable-message signs, bus stops and aluminium railing in the public and private sectors in Singapore was amounted to approximately S\$5,843,000 and S\$3,224,000 for the six months period ended 30 June 2023 and 2022 respectively. The revenue has increased by approximately S\$2,619,000 mainly due to recovering demand in construction sector activities in the market.

Revenue from the business of provision of fitting-out and renovation services for commercial and residential premises and developments was amounted to approximately S\$1,926,000 and S\$8,629,000 for the six months period ended 30 June 2023 and 2022 respectively. The Group is responsible for the overall management of the contracted projects which involves sourcing, procurement and quality control of materials, arrangement of subcontractors, and supervision and inspection of the project progress until completion and may also provide design services upon clients' request. The revenue decreased by approximately S\$6,703,000 mainly due to lower number of projects undertaken during the six months ended 30 June 2023.



## MANAGEMENT DISCUSSION AND ANALYSIS

### PROSPECTS

Looking forward, the demand in the construction sector activities in Singapore will slowly recover. The construction industry in Singapore and Hong Kong will remain challenging due to the fierce competition in bidding prices and higher material costs. The Group will continue to manage its expenditures, review the business strategy constantly and look for other business opportunities to cope with existing market environment in a cautious and prudent manner.

### FOREIGN EXCHANGE EXPOSURE

The Group transacts mainly in Singapore Dollars, which is the functional currency of the Group. The Group is of the opinion that its exposure to foreign exchange rate risk is limited. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise. The Group had recorded an unrealised foreign exchange gain of approximately S\$38,000 mainly arise from trade receivables, contract assets and cash and cash equivalents denominated in Hong Kong Dollars which was appreciating against the Singapore Dollars.

### SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held, nor were there any material acquisitions and disposals of subsidiaries, associates and joint ventures during the period under review. The Group had no specific future plan for material investments or capital assets as at 30 June 2023.

### CHARGES ON GROUP'S ASSETS

As at 30 June 2023, the Group's borrowings are secured by the lessor's title to the relevant leasehold land, building and leased motor vehicles with the aggregate carrying values amounting to approximately S\$3,250,000 (31 December 2022: S\$3,415,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

### CAPITAL COMMITMENTS

As at 30 June 2023, the Group did not have any capital commitment (31 December 2022: Nil).

### EMPLOYEE INFORMATION

As at 30 June 2023, the Group had an aggregate of 81 (31 December 2022: 97) employees.

The employees of the Group are remunerated according to their job scope and responsibilities. The local employees are also entitled to discretionary bonus depending on their respective performance. The foreign workers are employed on one or two year contractual basis and are remunerated according to their work skills.

Total staff costs, including Directors' emoluments, amounted to approximately S\$1,663,000 for the six months ended 30 June 2023 (six months ended 30 June 2022: approximately S\$2,228,000).

### EVENT AFTER THE REPORTING PERIOD

No significant events have been taken place subsequent to 30 June 2023.



## CORPORATE GOVERNANCE AND OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2023, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

#### Aggregate long positions in the shares and underlying shares of the Company

Name of Directors	Nature of interest	Number of shares held	Approximate percentage of issued share capital
<b>Executive Directors:</b>			
Tan Thiam Kiat Kelvin	Interest of controlled company <sup>(1)</sup>	39,337,600	16.61%
Kong Weishan	Beneficial owner	1,280,000	0.54%

## CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Directors	Nature of interest	Number of shares held	Approximate percentage of issued share capital
<b>Independent non-executive Directors:</b>			
Lau Muk Kan	Beneficial owner	1,280,000	0.54%
Lock Kiu Yin	Beneficial owner	1,280,000	0.54%
Xiao Laiwen	Beneficial owner	1,280,000	0.54%

Note:

- (1) The entire issued share capital of Absolute Truth Investments Limited is beneficially owned by Mr. Tan Thiam Kiat Kelvin.

Save as disclosed above, as at 30 June 2023, none of the Directors and chief executive of the Company had any interests or short positions in any shares, debentures or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.



## CORPORATE GOVERNANCE AND OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, the following substantial shareholders' and other persons' interest and short positions of 5% or more of the issued share capital of the Company were recorded in the register required to be kept under section 336 of Part XV of the SFO:

#### Aggregate long positions in the shares and underlying shares of the Company

Name of substantial shareholders	Nature of interest	Number of shares held	Approximate percentage of the issued share capital
Absolute Truth Investments Limited	Beneficial owner <sup>(1)</sup>	39,337,600	16.61%

Note:

- (1) The entire issued share capital of Absolute Truth Investments Limited is beneficially owned by Mr. Tan Thiam Kiat Kelvin.

Save as disclosed above, as at 30 June 2023, the Directors and the chief executive of the Company were not aware of any person (other than the Directors or chief executive of the Company, whose interests are disclosed above) who had an interest or short position in the securities of the Company which would fall to be disclosed to the Company and the Stock Exchange.

### DIRECTOR'S INTEREST IN COMPETING BUSINESS

The Directors are not aware of any business and interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group during the six months ended 30 June 2023.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2023.



## CORPORATE GOVERNANCE AND OTHER INFORMATION

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board strives to uphold the principles and code provisions set out in the Corporate Governance Code as contained in part 2 of Appendix 15 to the GEM Listing Rules (the "CG Code"), and adopted various measures to enhance the internal control system, the Directors' continuous professional development and other areas of practice of the Company. While the Board strives to maintain a high level of corporate governance, it also works hard to create values and achieve maximum return for its shareholders. The Board will continue to conduct review and improve the quality of corporate governance practices with reference to local and international standards.

In the opinion of the Board, the Company has complied with the CG Code for the six months ended 30 June 2023.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry, all the Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the six months ended 30 June 2023.

### SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") on 21 September 2018.

A summary of the movements of the outstanding share options under the Share Option Scheme during the six months ended 30 June 2023 is as follows:

	Outstanding as at 1 January 2023	Granted/ exercised/ cancelled/ lapsed during the period	Outstanding as at 30 June 2023	Exercise price per share HK\$	Date of grant	Exercise period
Employees	22,400,000	-	22,400,000	0.50	7 April 2022	7 April 2022 to 6 April 2024

## CORPORATE GOVERNANCE AND OTHER INFORMATION

During the six months ended 30 June 2023, no share option was granted, exercised, lapsed or cancelled under the Share Option Scheme. The total number of share options available for grant under the Share Option Scheme was 23,680,000 as at 1 January 2023 and 30 June 2023.

### AUDIT COMMITTEE

The Company established an audit committee on 23 June 2015 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 of the CG Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules. The audit committee consists of three independent non-executive Directors namely Mr. Lock Kiu Yin, Mr. Xiao Laiwen and Mr. Lau Muk Kan. Mr. Lock Kiu Yin, a Director with the appropriate professional qualifications, serves as the chairman of the audit committee.

Among other things, the primary duties of the audit committee are to make recommendation to our Board on the appointment, reappointment and removal of external auditor, monitor integrity of the Group's consolidated financial statements, review significant financial reporting judgements contained in them, oversee the Group's financial reporting, internal control, risk management systems and audit process and to perform other duties and responsibilities as assigned by the Board.

The Group's unaudited condensed consolidated results for the six months ended 30 June 2023 and this report have been reviewed by the audit committee, which was of the opinion that such statements and report has been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures has been made.

By order of the Board  
**KPM Holding Limited**  
**Tan Thiam Kiat Kelvin**  
*Chairman*

Singapore, 7 August 2023

*As at the date of this report, the Board comprises two executive Directors, namely, Mr. Tan Thiam Kiat Kelvin (Chairman) and Ms. Kong Weishan; and three independent non-executive Directors, namely, Mr. Lau Muk Kan, Mr. Xiao Laiwen and Mr. Lock Kiu Yin.*