



KSH HOLDINGS LIMITED

Resilience **During** Challenging **Times**



2023 ANNUAL
REPORT

Our Vision

To be a leader in building construction services in Singapore and a sizeable investor in property development in the region.

Our Mission

We are committed to contributing social and economic benefits to our society through the provision of high quality and cost-effective services in construction and niche property development activities in the region.

We provide innovative solutions in an efficient and professional manner to meet our customers' requirements in building and property businesses by bringing together the best available resources and continually improving our processes to deliver excellence.

As we achieve the above, we will also generate fair and satisfying economic value for our shareholders.



The image features a decorative layout on the left side. At the top, there are two arched window frames. The lower one shows a view of a grey wall. Below the windows is a photograph of an outdoor kitchen area with a black countertop, a stainless steel grill, and various green plants. The background of the entire page is a solid orange color.

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Corporate Profile

KSH Holdings Limited (“**KSH**” or the “**Group**”) (“金成兴控股有限公司”) is a well-established Construction, Property Development and Property Investment group that was incorporated in 1979 and has been listed on the Mainboard of the SGX-ST since 8 February 2007.

KSH is an A1-graded contractor under BCA CW01, with the ability to tender for Public Sector construction projects of unlimited value, and is a main contractor for both the public and private sectors in Singapore. The Group also has an A2 grade under BCA’s CW02 category for civil engineering, allowing KSH to tender for Public Sector projects for values of up to S\$85 million.

KSH has an established track record of handling construction projects across a broad spectrum of industries, and its projects have performed well in CONQUAS, a standard assessment system on the quality of building projects. KSH has won several BCA Construction Excellence Awards including that for Fullerton Bay Hotel and NUS University Town’s Education Resource Centre in 2013, Madison Residences in 2014, as well as Mount Alvernia Hospital in 2016, amongst others. In 2019, KSH received the BCA Construction Excellence Award (Excellence) for NUS University Sports Centre and Construction Excellence Award (Merit) for Heartbeat@Bedok.

Through strategic alliances and joint ventures, KSH’s property development and investment presence spans across various real estate sectors including residential, commercial, hospitality, and mixed-use developments. Apart from having successfully executed residential and mixed-use development projects in Singapore and the People’s Republic of China (the “**PRC**”), the Group has jointly acquired properties in other geographies including the United Kingdom, Australia, Malaysia and Japan. It will continue to explore opportunities in new geographies with favourable real estate cycles with a focus on Southeast Asia.

On the Property Investment front, the Group invests in yield-accretive assets that generate a sustainable stream of income with potential capital gains. These include a 36-Storey retail and office complex, Tianjin Tianxing Riverfront Square, in the heart of the business district of Tianjin, the PRC.

The Group seeks to continue broadening its businesses and projects, and explore opportunities in new markets while striving towards sustainable growth to enhance shareholder value.



Ongoing Projects

CONSTRUCTION PROJECTS

Public Sector

1. Additions and Alterations to Existing Building and New Annex Building
2. Additions and Alteration Term Contract for Facilities for a Period of Four (4) Years
3. 6-Storey Police Building With 2-Storey Basement
4. Block of 5-Storey Building with Link Bridge to Existing Building
5. National Research Facility, comprising 2-Storey Main Building, 1-Storey Modular Laboratory Building and Ancillary Works

Private Sector

1. Riverfront Residences
2. Business Park Development Comprising of a 12-Storey Tower Block With 2-Basement Carparks and Rail Corridor Works
3. 5-Storey Building with a Mezzanine Single-user Detached Factory Development
4. 10-Storey Single-User Light Industrial Building with a Basement

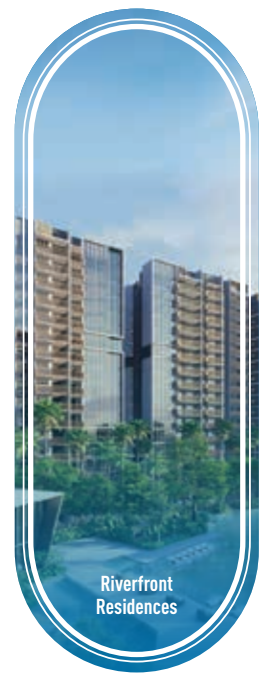
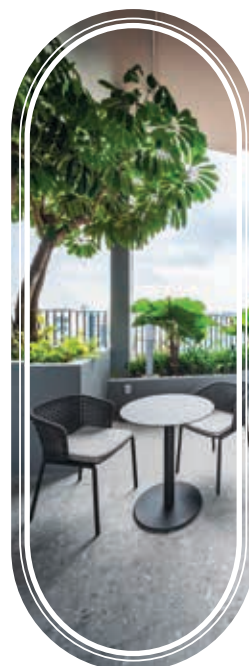
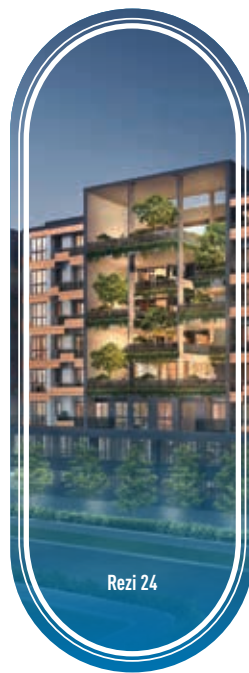
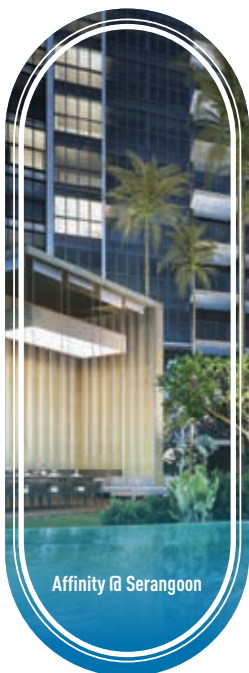
PROPERTY DEVELOPMENT PROJECTS

Singapore

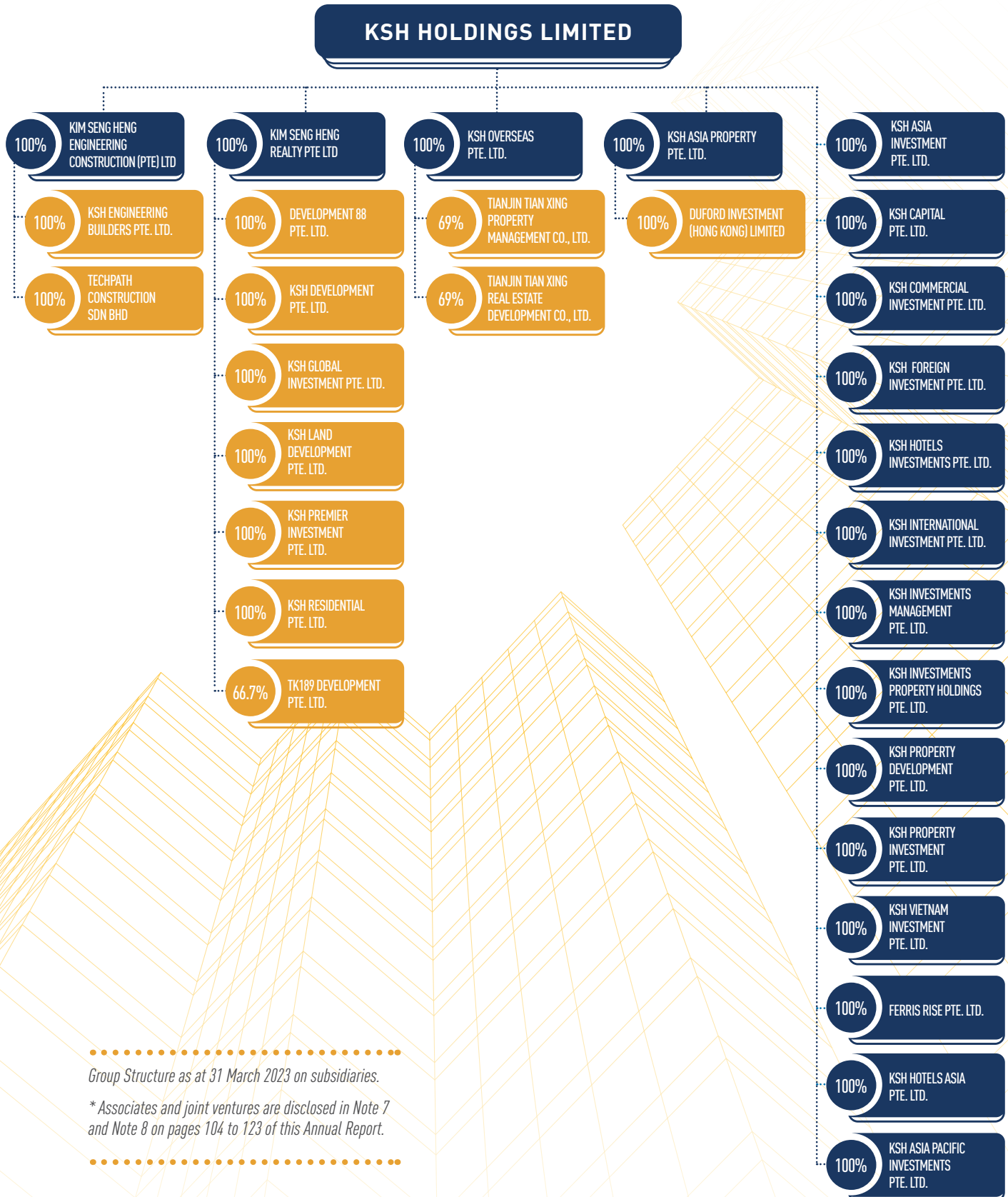
1. Affinity @Serangoon
2. Riverfront Residences
3. Rezi 24
4. Redevelopment of Peace Centre/Peace Mansion
5. Redevelopment of Euro-Asia Apartments
6. Redevelopment of Park View Mansion
7. Redevelopment of Bagnall Court

People's Republic of China

1. Sino-Singapore Health City – Zhong Xin Yue Lang (中新健康城-中新悦朗) at Gaobeidian, PRC
2. Zhong Xin Yue Shang (中新悦上) at Gaobeidian, PRC



Group Structure



Group Structure as at 31 March 2023 on subsidiaries.

* Associates and joint ventures are disclosed in Note 7 and Note 8 on pages 104 to 123 of this Annual Report.

Message From Executive Chairman and Managing Director

On behalf of the Board of Directors, I am pleased to present to you our annual report for the financial year ended 31 March 2023 (“**FY2023**”).

我很荣幸仅代表董事会呈现截止2023年3月31日的2023财政年度报告(“2023财年”)。

Global economy continues to face headwinds in FY2023, amidst a rising interest rates environment and higher inflationary pressures, coupled with global supply chain disruptions and the ongoing geopolitical conflict.

在利率上升的环境和更高的通胀压力下，加上全球供应链被干扰和持续中的地缘政治冲突，全球经济在2023财年继续面临诸多阻力。

The rise in interest rates implemented by the US Federal Reserve has increased the financing expenses. Furthermore, increased inflationary pressures and disruptions in the supply chain have led to higher material and labour costs.

美国联邦储备实施的加息举措增加了融资费用。此外，通货膨胀压力增加以及供应链中断也导致了材料和劳动力成本上升。

The Monetary Authority of Singapore (“**MAS**”) has tightened the monetary policy to tackle inflation and interest rates are still expected to rise further in general. According to the Ministry of Trade and Industry (“**MTI**”), Singapore economy expanded by 3.6 per cent in 2022 and Singapore’s GDP growth has been maintained at “0.5 to 2.5 per cent” for 2023¹.

新加坡金融管理局(“**MAS**”)已收紧货币政策以应对通货膨胀，虽然总体上，利率仍预计将进一步上涨。根据贸工部(“**MTI**”)数据显示，新加坡经济在2022年增长了3.6%，而新加坡2023年的国内生产总值增长则维持在0.5%至2.5%¹。



Despite the uncertain times and economic disruption, we have achieved a commendable set of results that surpassed our pre-COVID-19 financial performance. This accomplishment comes in conjunction with the easing of COVID-19 restrictions in FY2023.





Despite the uncertain times and economic disruption, we have achieved a commendable set of results that surpassed our pre-COVID-19 financial performance. This accomplishment comes in conjunction with the easing of COVID-19 restrictions in FY2023. We are encouraged by the Group's financial resilience, with steady improvements across our construction and property segments. We continue to be supported by a healthy construction order book of more than S\$240.0 million². In addition, the Group is currently participating in four joint ventures which are involved in proposed residential and mixed redevelopments in Singapore which will contribute positively to our financial performance.

尽管处于时期不明朗和经济动荡，我们还是取得了一套值得称赞的成绩，超过了我们在新型冠状病毒肺炎疫情前的财务业绩。此成就与2023财年内放宽新型冠状病毒肺炎限制同时取得。我们对集团的财务弹性感到鼓舞、建筑和房地产业务的业绩稳步提高。我们的建筑订单总额超过2亿4,000万新元²，仍处于健康水平。此外，集团目前正参与四家在新加坡进行拟议住宅和混合再开发项目的合营企业，并将对我们的财务业绩做出正面的贡献。

FINANCIAL HIGHLIGHTS 财务概要

We achieved a net profit attributable to Owners of the Company of S\$22.1 million, a decrease of S\$2.1 million from S\$24.2 million in the same period last year although there was a profit from operations before share of results of associates and joint ventures of S\$3.5 million in FY2023 as compared to a loss of S\$4.3 million in FY2022. This was mainly attributable to the decrease of S\$8.5 million in share of results of associates and joint ventures from S\$28.8 million in FY2022 to S\$20.3 million in FY2023.

尽管同比2022财年的未分担联营公司和合营企业业绩的经营亏损为430万新元，而2023财年则有350万新元的未加入联营公司和合营企业业绩的经营利润，我们在2023财年取得的拥有人应占溢利净额为2,210万新元，相较于去年同期的2,420万新元减少了210万新元。这主要归因于摊占联营公司和合营企业业绩中所占份额从2022财年的2,880万新元减少到2023财年的2,030万新元，减少了850万新元。

Message From Executive Chairman and Managing Director

For our property segment, we have achieved good sales for our developments in both Singapore and the PRC, with most of the projects either fully sold or close to fully sold to date. The Group is currently participating in four joint ventures which are involved in proposed residential and mixed-use development in Singapore of Peace Centre/Peace Mansion, Euro-Asia Apartments at 1037 Serangoon Road, Park View Mansions and Bagnall Court.

就我们的房地产业务部分而言，我们在新加坡及中国的发展项目都取得了良好的销售成绩，迄今为止，大部分项目已全数或近乎全数售出。集团目前正参与四家在新加坡进行拟议住宅和混合再开发项目的合营企业分别为建安大厦与建安公寓、位于1037实龙岗路的华洋楼、园景大厦和Bagnall Court。

The increase in other income from S\$10.3 million in FY2022 to S\$11.7 million in FY2023 was mainly due to the increase in interest income from additional loans to associates to finance new projects.

其他收入从2022财年的1,030万新元增加到2023财年的1,170万新元，主要是由于向联营公司提供额外贷款以资助新项目的利息收入增加。

Share of profits of associates and joint ventures was S\$20.3 million in FY2023 which is mainly attributable to property development projects in Singapore and PRC by associated companies. Correspondingly, the Group reported a net profit attributable to Owners of the Company of S\$22.1 million after excluding non-controlling interests for FY2023.

在2023财年，联营公司和合营企业业绩中所占份额为2,030万新元，主要归因于联营公司在新加坡和中国的房地产开发项目。相应的，集团在2023财年归属于公司拥有人应占溢利净额为2,211万新元（不包括非控股权益）。

The Group continues to maintain a healthy balance sheet and working capital position with cash and bank balances and fixed deposits of S\$120.8 million as at 31 March 2023.

截至2023年3月31日，集团的现金和银行结余以及定期存款为1.208亿新元，继续保持健康的资产负债表和营运资金状况。

NAVIGATING CHALLENGES, BUILDING RESILIENCE 应对挑战，增强韧性

CONSTRUCTION BUSINESS 建筑业务

Our core construction business remains our largest revenue driver, constituting 98.5% of our total revenue, at S\$293.4 million in FY2023. Notwithstanding a challenging operating environment, backed by the Group's solid track record and new order wins in FY2023, the Group's construction order book is more than S\$240.0 million as at 31 March 2023, with a ratio of 65:35 in terms of private and public sector projects. We are also currently working on several tenders to increase our order book to a higher amount.

在2023财年，建筑业务仍然是我们最主要的收入来源，占总收入的98.5%，即2亿9,340万新元。尽管经营环境充满挑战，但在集团稳健的业绩记录和2023财年赢得的新订单的支持下，截至2023年3月31日，集团的建筑订单保持在2.4亿多新元的健康水平。私人和公共项目的分配也为65:35的理想比例。我们目前正在进行几项招标，以补充我们的订单簿以达到更高的金额。

We have noted that the Building and Construction Authority ("BCA") estimated that contracts worth S\$27.0 billion and S\$32.0 billion will likely be awarded in 2023³. Nonetheless, with the gradual recovery in this sector, the Group's construction order book in Singapore is more than S\$240.0 million as at 31 March 2023. Even though construction demand appears to be steady, there are many challenges that lie ahead, including the growing risk of recession in Singapore, supply chain pressures, climate change, labour shortages, and significantly higher material and manpower costs as compared to pre-pandemic levels.

我们知悉，建设局估计2023年可能会授予价值270亿新元和320亿新元的合同³。然而，随着这个行业的逐渐复苏，集团的建筑订单总额截至2023年3月31日超过2亿4,000万新元。虽然建筑需求看似稳定，但未来仍面临诸多挑战，包括主要经济体和新加坡经济衰退风险增加、供应链压力、气候变化、劳动力短缺，以及材料和人力成本较疫情前的水平大幅上涨。

Looking ahead, the construction sector will see strong construction demand, projected by BCA for this year, with public sector continuing to lead demand and private sector projects construction demand to remain steady over the medium-term⁴. We will continue to stay competitive and enhance productivity through skills upgrading and the adoption of innovation and technology to enhance our efficiency.

展望未来，建设局预计今年建筑业需求将强劲，公共部门将继续引领需求而私营部门的建筑需求将在中期保持稳定⁴。我们将继续保持竞争力，并通过提升技能和采用创新科技来提高效率，从而提高生产力。

PROPERTY DEVELOPMENT BUSINESS 房地产开发业务

Singapore 新加坡

According to data from the Urban Redevelopment Authorities (“URA”) released in April 2023, private home prices rose 3.2% in the first quarter of 2023, up from 0.4% increase in the preceding quarter⁵. The Government unveiled a fresh round of property cooling measures to pre-emptively dampen property investment demand, including the increases to the Additional Buyer’s Stamp Duty (“ABSD”) rates with effect from 27 April 2023⁶. Based on media reports on the new launches after the implementation of the latest property cooling measures, the sales of private properties did not seem to be adversely affected. This suggests that although a small group of investment-oriented buyers may be affected, the demand from first-time buyers remained relatively stable.

根据市区重建局在2023年4月发布的数据显示，私人住宅价格在2023年第一季度上涨3.2%，高于上一季度的0.4%涨幅⁵。政府公布了新一轮的房地产降温措施，以先发制人地抑制房地产投资需求，包括自2023年4月27日起提高额外买方印花税(“ABSD”)税率⁶。根据媒体对最新房地产降温措施实施后新推出的报道，销售似乎没有受到不利影响。这表明虽然一小部分投资需求买家可能受到影响，但首次购房者的需求仍然相对稳定。

Most of the development projects launched in Singapore under the Group are either fully sold or close to fully sold to date. The Group is currently participating in four joint ventures for

proposed residential and mixed redevelopment in Singapore namely Peace Centre/Peace Mansion, Euro-Asia Apartments at 1037 Serangoon Road, Park View Mansions and Bagnall Court. The joint ventures represent a strategic opportunity for us to acquire sites for redevelopment into mixed-use commercial and residential development as we work closely with experienced partners. We are heartened that our projects are well-received by the market.

集团在新加坡的发展项目至今大部分已全数或近乎全数售出。集团目前正参与四家在新加坡进行拟议住宅和混合再开发项目的合营企业分别为建安大厦与建安公寓、位于1037实龙岗路的华洋楼、园景大厦和Bagnall Court。由于我们与经验丰富的合作伙伴密切合作，合营企业为我们提供了一个战略机会，可以收购地块以重新开发为综合用途的商业和住宅开发项目。我们很高兴我们的项目受到市场的欢迎。

Overseas 海外

The construction for Phase 1 of the Group’s 22.5%-owned Singapore Sino Health City (中新健康城-中新悦朗) (“SSHHC-ZXYL”) residential development project located in PRC’s Gaobeidian county has been completed, for which the Group has started recognising profits for sold units. Phase 2 of SSHHC-ZXYL has commenced sale and construction. More than 60.9% of the approximately 1,300 units launched in both phases of SSHHC-ZXYL have been sold to date. The Group has a investment of 33.75% stake in another mixed property development in Gaobeidian – Zhong Xin Yue Shang (中新悦上), which has also contributed positively to the Group’s results for FY2023.

集团位于中国高碑店持有22.5%权益的中新健康城-中新悦朗(“SSHHC-ZXYL”)住宅项目第一阶段的工程已竣工，并且集团已就此建设开始确认已售出单位的利润。该项目的第二阶段工程已开始出售及施工。SSHHC-ZXYL两期推出的月1,300套单位已售出60.9%以上。本集团投资于高碑店的另一个混合房地产发展项目《中新悦上》投资了33.75%的股份，这也为集团2023财年的业绩做出了正面的贡献。

Moving forward, we will closely observe market sentiments and conditions while actively promoting our property development projects.

Message From Executive Chairman and Managing Director

Simultaneously, we will collaborate closely with our experienced joint venture partners to carefully pursue strategically situated sites for development, in order to replenish our land bank and ensure sustainable growth.

在未来，我们将密切观察市场情绪和情况，同时积极推动我们的房地产开发项目。与此同时，我们将与我们经验丰富的合资伙伴密切合作，谨慎地寻找具有战略意义的开发地点，以补充我们的土地储备并确保可持续发展。

PROPERTY INVESTMENT 房地产投资

Despite economic and geopolitical uncertainties, the Group remains steadfast in maintaining stable occupancy rates for our property investments both in Singapore and overseas. This resilience allows us to generate consistent recurring income from these investments.

尽管有经济和地缘政治的不确定性，本集团仍然坚定地保持我们在新加坡和海外的房地产投资的稳定出租率。这种复原力使我们能够从这些投资中获得持续的经常性收入。

In the PRC, our 69%-owned investment property, Tianjin Tianxing Riverfront Square continues to contribute positively to the Group with a resilient occupancy of approximately 76.9% as at 31 March 2023.

在中国，我们拥有 69% 权益的投资物业天津天兴河滨广场继续为集团做出积极贡献，截至 2023 年 3 月 31 日，入住率保持在 76.9% 左右。

With a focus on long-term investments in hotel properties, we establish valuable partnerships with reputable and experienced joint venture (JV) partners. Presently, the Group has a portfolio of eleven overseas hotel property investments, with nine of them operational and generating recurring income. As we move forward, we remain vigilant and exercise prudent navigation amid the ongoing pandemic and the challenging economic landscape.

我们专注于酒店物业的长期投资，与信誉良好且经验丰富的合营合作伙伴建立了宝贵的合作伙伴关系。集团目前拥有 11 项海外酒店物业投资组合，其中 9 项已投入运营并产生经常性收入。在我们前进的过程中，我们在持续的疫情及充满挑战的经济环境中保持警惕并谨慎行事。

The investment properties held by the Group in Singapore and overseas have maintained good occupancy and rental rates. As international borders opened in 2023, Singapore Tourism Board expects the tourism sector to continue its growth momentum on the back of increasing flight connectivity and capacity as well as China's gradual reopening⁷.

集团在新加坡和海外持有的投资性房地产一直保持良好的出租率和租金率。随着国际边界在 2023 年开放，新加坡旅游局预计旅游业将在航班连通性和运力增加以及中国逐步重新开放的支持下继续保持增长势头⁷。

We expect the hotel industry's fundamental performance to be reflected in anticipated increases in average daily rate, occupancy, and revenue per available room. Hotel performance in countries such as United Kingdom and Japan has continued to improve despite uncertainties loom as global macroeconomic factors could potentially impact hotel operations and investment in the near future.

我们预计酒店业的基本业绩将反映在平均每日房价、入住率和每间可用客房收入的预期增长上。英国和日本等国家的酒店业业绩已有持续进步，尽管全球宏观经济因素可能会在不久的将来影响酒店运营和投资，但存在不确定性。

Although uncertainties in macroeconomic factors remain, the investment properties held by the Group in Singapore and overseas have maintained good occupancy rates and rental rates.

虽然宏观经济因素仍存在不确定性，但集团于新加坡及海外持有的投资性房地产均继续保持良好的入住率和租金率。

Barring any unforeseen circumstances, the Group remains cautiously optimistic on the outlook of its performance in FY2024.

如无不可预料情况，集团对其 2024 财年的业绩前景保持谨慎乐观。

PROPOSED DIVIDENDS 拟派股息

Notwithstanding the challenging economic outlook, KSH will be proposing a final cash dividend of 1.00 Singapore cent per ordinary share to thank shareholders for their continuous support. Together with the interim cash dividend of 1.00 Singapore cent per share distributed earlier in the financial year, this brings the total dividend declared for FY2023 to 2.00 Singapore cents per share.

虽然经济前景富有挑战，我们将提议分发每股新元1.00分的末期现金股息，为表集团对股东持续支持的谢意。连同财年早些时候派发的每股新元1.00分的中期现金股息，2023财年合计总股息分派为新元2.00分。

WORDS OF APPRECIATION 致谢

The Board of Directors of KSH remains fully dedicated in navigating the Group through the prevailing macro uncertainties.

金成兴的董事会依然致力于牵引集团度过普遍的宏观不确定性。

Hereby, I would like to express my sincere gratitude to our Board for their guidance and invaluable advice and extend my appreciation to our dedicated management team as well as our engineers, quantity surveyors, and site co-ordinators, for their unwavering commitment and resilience in overcoming challenges. Additionally, I would like to take this opportunity to express my heartfelt gratitude to all our staff for their hard work and dedication to the Group's success.

在此，我衷心感谢董事会的指导和宝贵意见，并感谢我们敬业的管理团队以及我们的工程师、工料测量师和工地协调员表示感谢，感谢他们坚定不移的全力投入和克服挑战的毅力。此外，我想借此机会衷心感谢全体员工为本集团成功所付出的努力和奉献。

Lastly, I would also like to extend our gratitude to our shareholders, customers, suppliers, sub-contractors, partners, and stakeholders for their trust and wholehearted support.

最后，我也要向我们的股东们、客户、供应商、分包商、合作伙伴以及利益相关者给予我们信任和全力支持表示感谢。

CHOO CHEE ONN

Executive Chairman and Managing Director

12 July 2023

朱峙安

执行董事兼董事总经理

2023年7月12日



¹ MTI Maintains 2023 GDP Growth Forecast at "0.5 to 2.5 Per Cent", Ministry of Trade & Industry Singapore – 13 February 2023

² As at 31 March 2023

³ Building and Construction Authority, Singapore's Construction Demand to Remain Strong in 2023 – January 2023

⁴ Building and Construction Authority, Singapore's Construction Demand to Remain Strong in 2023 – January 2023

⁵ Urban Redevelopment Authority, URA releases flash estimate of 1st Quarter 2023 private residential property price index – April 2023

⁶ Inland Revenue Authority of Singapore, Additional Buyer's Stamp Duty (ABSD) – April 2023

⁷ Singapore Tourism Board – Singapore's tourism sector recovers strongly in 2022, visitor numbers expected to double in 2023, January 2023

Financial and Operations Review

The Group announced revenue of S\$298.0 million for the year ended 31 March 2023 ("FY2023"), up 24.0% from S\$240.3 million over the same corresponding period last year ("FY2022"). This is reflective of a gradual recovery of the construction business. This was mainly due to an increase in revenue from the Group's construction business, which saw a S\$58.2 million increase to S\$293.4 million in FY2023, up from S\$235.2 million in FY2022, with the significant increase in construction works following the resumption of construction activities.

Other income increased from S\$10.3 million in FY2022 to S\$11.7 million in FY2023, mainly due to the increase in interest income from additional loans to associates to finance new projects..

Share of profits of associates and joint ventures was S\$20.3 million in FY2023 mainly attributable to property development projects in Singapore and PRC by associated companies.

Correspondingly, the Group reported a net profit for FY2023 of S\$22.3 million and a profit attributable to Owners of the Company of S\$22.1 million, a decrease of S\$2.1 million from S\$24.2 million in the same period last year although there was a profit from operations before share of results of associates and joint ventures of S\$3.5 million in FY2023 as compared to a loss of S\$4.3 million in FY2022. This was mainly attributable to the decrease of S\$8.5 million in share of results of associates and joint ventures from S\$28.8 million in FY2022 to S\$20.3 million in FY2023.

The Group continues to maintain a healthy balance sheet and working capital position with cash and bank balances and fixed deposits of S\$120.8 million.

Shareholders' equity increased to S\$338.2 million as at 31 March 2023 from S\$336.3 million a year ago.

The Group has a fully diluted earnings per share of 3.92 Singapore cents in FY2023. Net asset value per share as at 31 March 2022 was 60.02 Singapore cents, up from 59.70 Singapore cents a year ago.

SHAREHOLDERS' EQUITY

FY2023

S\$ **338.2M**

FY2022

S\$ **336.3M**

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

FY2023

S\$ **22.1M**

FY2022

S\$ **24.2M**

CONSTRUCTION

Table 1.1

List of current ongoing projects

Project Name	Contract Value (S\$m)	Project Type	Sector
Riverfront Residences	262.5	Residential	Private
Additions and Alterations to Existing Building and New Annex Building	70.0	Institutional	Public
Additions and Alteration Term Contract for Facilities for a Period of Four Years	40.7	Institutional	Public
6-Storey Building With 2-Storey Basement	95.1	Institutional	Public
Business Park Development Comprising of A 12-Storey Tower Block With 2-Storey Basement Carparks And Rail Corridor Works	171.8	Industrial/ Commercial	Private
5-Storey with a Mezzanine Single-user Detached Factory Development	19.0	Industrial	Private
Block of 5-Storey Building with Link Bridge to Existing Building	19.1	Institutional	Public
2-Storey Main Building, 1-Storey Modular Laboratory Building and Ancillary Works	57.2	Institutional	Public
10-Storey Single-User Light Industrial Building with a Basement	36.2	Industrial	Private

KSH has a order book of more than S\$240.0 million from private and public sector, ranging from residential, institutional and infrastructure projects. The Group's reputable brand recognition and proven track record in managing construction projects across diverse sectors over the past four decades serve as a strong testament to its capabilities. We are currently working on several tenders to replenish our order book to a higher amount.

Demand for construction across Singapore in 2023 is expected to be stable and driven by the public sector. The Building and Construction Authority ("BCA") estimated that contracts worth S\$27.0 billion to S\$32.0 billion will likely be awarded in 2023¹. Looking ahead, the construction sector will see strong construction demand, projected by BCA for this year, with public sector continuing to lead demand and private sector construction demand to remain steady over the medium-term.

Even though construction demand appears to be steady, there are many challenges that lie ahead, including the growing risk of recession in major

economies and Singapore, supply chain pressures, climate change, labour shortages, and significantly higher material and manpower costs as compared with pre-pandemic levels.

We will continue to stay competitive and enhance productivity through skills upgrading and the adoption of innovation and technology to enhance our efficiency.

The Group's construction order book in Singapore of more than S\$240.0 million is expected to contribute to the Group's financial results up to the financial year ending March 2025.

Looking ahead, the Group will maintain a vigilant approach, closely monitoring and facilitating the smooth progress of all construction projects. Additionally, the Group will actively pursue public and private projects through aggressive tendering, while prudently seeking opportunities within Singapore and expanding its presence in overseas markets. Currently, the Group's ongoing projects have already commenced work and are progressing as scheduled.

¹ Building and Construction Authority, Singapore's Construction Demand to Remain Strong in 2023 – January 2023

Financial and Operations Review



PROPERTY DEVELOPMENT

SINGAPORE

Table 2.1

Sales Status Overview

As at 31 March 2023

Project Name	Group Stake (%)	Type of Development	Revenue Recognition Method	Units Sold (%)
Affinity @ Serangoon	7.5	Residential with shop units	Percentage of Completion	100.0%
Riverfront Residences	35.0	Residential with shop units	Percentage of Completion	99.9%
Rezi 24	48.0	Residential	Percentage of Completion	100%
Singapore Sino Health City – Zhong Xin Yue Lang (中新健康城 - 中新悦朗)	22.5	Residential	On Completion	60.9%
Redevelopment of Peace Centre/Peace Mansion	10.0	Residential	Percentage of Completion	Not Launched
Redevelopment of Euro – Asia Apartments	49.0	Residential	Percentage of Completion	Not Launched
Redevelopment of Park View Mansion	20.0	Residential	Percentage of Completion	Not Launched
Redevelopment of Bagnall Court	12.0	Residential	Percentage of Completion	Not Launched
Zhong Xin Yue Shang (中新悦上)	33.8	Residential	Percentage of Completion	50.5%

Most of the launched property developments projects in Singapore are either fully or substantially sold to date. The Group's three ongoing property developments – Affinity @ Serangoon, Riverfront Residences and Rezi 24 – continue to enjoy a stable sales rate despite the property cooling measure introduced in 2022. The Group is currently participating in four joint ventures for proposed residential and mixed redevelopment in Singapore namely Peace Centre/Peace Mansion, Euro-Asia Apartments at 1037 Serangoon Road, Park View Mansions and Bagnall Court.

In July 2022, KSH has made a successful enbloc offer for Euro-Asia Apartments at a purchase price of S\$222.2 million. The Property is a freehold property comprising approximately 56,476 sq. ft of land area. It has a maximum allowable Gross Floor Area of approximately 158,132 sq. ft, and would be redeveloped into a new residential development with approximately 172 residential units. It is located in District 12, the Property enjoys close proximity to the Boon Keng and Bendemeer MRT station. KSH has a 49.0% stake in the development.

Latest statistics from the Urban Redevelopment Authority ("**URA**") showed that private home prices rose 3.2% in the first quarter of 2023, up from 0.4% increase in the preceding quarter². In addition, the Government unveiled a fresh round of property cooling measures to pre-emptively dampen property investment demand, including the increases to the Additional Buyer's Stamp Duty ("**ABSD**") rates with effect from 27 April 2023³.

In the future, we will closely monitor market sentiments and conditions as we actively promote our property development projects. In parallel, we will foster close collaboration with our experienced joint venture partners to prudently pursue well-located development sites, aiming to replenish our land bank and achieve sustainable growth.

OVERSEAS

Over the years, the Group continues to widen its geographical footprint together with its strategic JV partners in growing a strong network in varied markets, to maximise returns on its financial resources.

The construction for Phase 1 of the Group's 22.5%-owned Singapore Sino Health City – Zhong Xin Yue Lang (中新健康城–中新悦朗) ("**SSHC-ZXYL**") residential development project located in PRC's Gaobeidian county has been completed, for which the Group has started recognising profit for sold units. Phase 2 of SSHC-ZXYL has commenced sale and construction. More than 60.9% of the approximately 1,300 units launched in both phases of SSHC-ZXYL have been sold. The Group has investment of 33.75% stake in another mixed property development in Gaobeidian – Zhong Xin Yue Shang (中新悦上), which has also contributed positively to the Group's results for FY2023.

In the coming financial year, the Group will maintain its focus on driving sales for ongoing projects, while closely monitoring market conditions to navigate through cyclical challenges.



² Urban Redevelopment Authority, URA releases flash estimate of 1st Quarter 2023 private residential property price index – April 2023

³ Inland Revenue Authority of Singapore, Additional Buyer's Stamp Duty (ABSD) – April 2023

Financial and Operations Review

PROPERTY INVESTMENT

Table 3.1

Property Investments – hotel properties

As at 31 March 2023

Project Name	Location	Group's Stake (%)	Status
Heeton Concept Hotel Luma Hammersmith	Glenthorne Road, London, England, UK	10.0	In operation & generating recurring income
IBIS Gloucester Hotel	Gloucester, Gloucestershire, England, UK	15.0	
Holiday Inn Express Manchester	Manchester City, England, UK	30.0	
Hotel Indigo Glasgow	Glasgow, Scotland, UK	20.0	
DoubleTree by Hilton Kensington	London, England, UK	20.0	
Hampton by Hilton Leeds	Leeds, England, UK	17.5	
Heeton Concept Hotel Liverpool	Liverpool, England, UK	20	
Smile Hotel Asakusa	Tokyo, Japan	30.0	
Super Hotel Sapporo – Susukino	Chuo, Hokkaido, Japan	10.0	Construction In Progress
Hotel Resort at Paro, Bhutan	Paro district, Bhutan	10.0	
Hotel at Gaobeidian, PRC	Gaobeidian, PRC	14.3	





Alongside its reputable and strategic partners, the Group has jointly established a wide network of 11 hotel assets in the UK, Japan, Bhutan as well as a hotel at Gaobeidian, PRC. As at March 2023, nine hotel properties are in operation and generating recurring income while the hotels in Bhutan and Gaobeidian are currently under development.

With the opening of international borders in 2023, the tourism sector is expected to maintain its growth trajectory. This can be attributed to the improved flight connectivity and capacity, as well as the gradual reopening of China. In addition, there is a noticeable progressive improvement in occupancy rates and average daily room rates. The anticipated stronger fundamental performance in the industry is expected to be reflected in hotel average daily rate, occupancy, and revenue per available room.

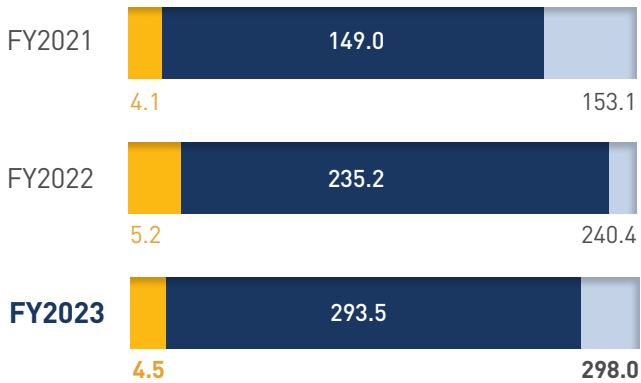
The improvement can be attributed to several factors, including lower-than-average supply growth, robust domestic leisure travel patterns, and the resumption of inbound international travel.

Meanwhile, KSH's investment in the 69%-owned Tianjin Tianxing Riverfront Square in Tianjin, the PRC, continues to record higher occupancy of about 76.9%, and contributes positive recurring income to the Group.

In view of the on-going pandemic and challenging economic outlook, the Group remains cautiously optimistic on the outlook of its performance for the financial year ending 31 March 2024.

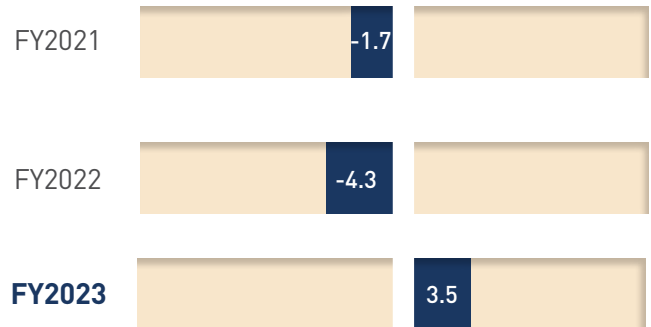
Financial Highlights

Revenue (S\$m)

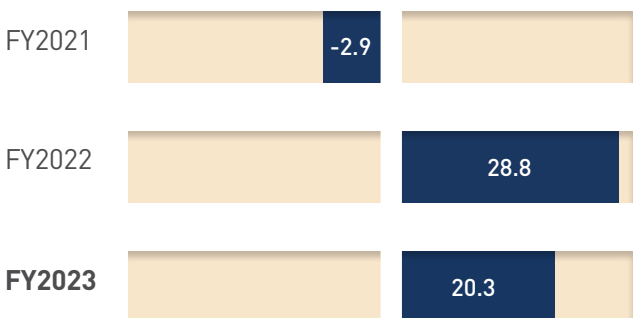


- Project Revenue
- Rental income from investment properties

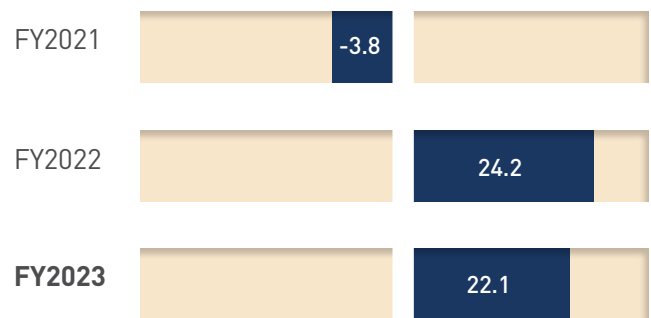
Profit/(Loss) from Operations Before Share of Results of Associates and Joint Ventures (S\$m)



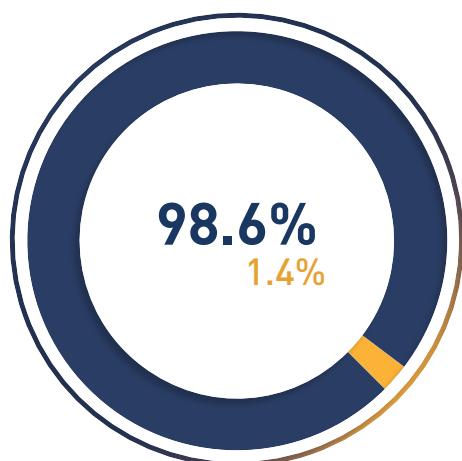
Share of Results of Associates and Joint Ventures (S\$m)



Profit/(Loss) Attributable to Shareholders (S\$m)

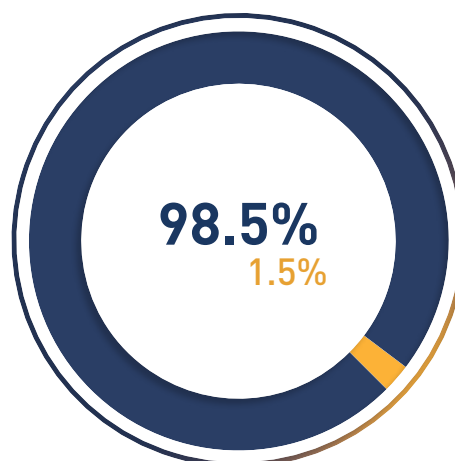


Revenue by Geographical Segment



- Singapore
- PRC

Revenue by Business Segment



- Construction
- Property Investment

S\$m	FY2021	FY2022	FY2023
Balance Sheet Highlights			
Shareholders' Equity	320.4	336.3	338.2
Net Current Assets	25.8	83.1	55.0
Total Assets	603.7	622.6	709.2
Net Tangible Assets	343.6	360.2	363.7
Efficiency			
Return on Equity (%)	(1.2)	7.2	6.5
Return on Asset (%)	(0.7)	3.9	3.1
Healthy Debt Coverage			
Net Cash/(Net Debt) to Equity (x)	(0.08)	0.06	(0.26)
Interest Cover (x)	NA	10.8	5.6

Board of Directors



MR. CHOO CHEE ONN, Executive Chairman and Managing Director, is one of the founders of the Group. Mr. Choo was appointed to the Board on 9 March 2006 and plays a vital role in charting the corporate direction of the Group. He was last re-elected on 29 July 2022. He is responsible for the overall management, strategic planning and business development of the Group, and oversees all key aspects of the Group's operations, including the tendering process of the Group's construction projects. He is also responsible for identifying and securing new projects for the Group. In addition, Mr. Choo also oversees the Group's overseas investments and operations, particularly the Group's property development industries in the PRC. Mr. Choo has over 40 years of experience in the construction and property development industries. As one of the Group's founders, Mr. Choo was instrumental in laying the Group's early foundations and has been pivotal in the development of the Group and its expansion into the PRC. Mr. Choo is a full member of the Singapore Institute of Directors.



MR. LIM KEE SENG, Executive Director and Chief Operating Officer, is one of the founders of the Group. Mr. Lim was appointed to the Board on 22 March 2006 and was last re-elected on 29 July 2022. Currently, he oversees the entire construction function and business operations of the Group. Since 1974 when he founded a construction business together with the Group's Executive Directors, Mr. Choo Chee Onn and Mr. Tok Cheng Hoe, Mr. Lim has accumulated over 40 years of experience in the construction, construction-related and property development industries. He has been instrumental in the development and growth of the Group. Mr. Lim is a full member of the Singapore Institute of Directors.



MR. TOK CHENG HOE, Executive Director, Project Director and QEHS (Quality Environment Health & Safety) Director, is one of the founders of the Group. Mr. Tok was appointed to the Board on 22 March 2006 and was last re-elected on 30 July 2021. As a Project Director, Mr. Tok is responsible for the management and execution of construction projects. Mr. Tok also oversees the functions of QEHS of the construction projects carried out by the Group. Since 1974 when he founded a construction business together with the Group's Executive Directors, Mr. Choo Chee Onn and Mr. Lim Kee Seng, Mr. Tok has accumulated over 40 years of experience in the construction, construction-related and property development industries. He has been instrumental in the development and growth of the Group. Mr. Tok is a full member of the Singapore Institute of Directors.



MR. KWOK NGAT KHOW, Executive Director and Quality Assurance and Quality Control (QAQC) Director, was appointed to the Board on 22 March 2006, and was last re-elected on 30 July 2021. As a Project Director, Mr. Kwok is responsible for the management and execution of construction projects. Mr. Kwok is assisting in the functions of tendering for construction projects and also oversees the functions of QAQC of the construction projects carried out by the Group. Mr. Kwok has more than 40 years of experience in the construction, construction-related and property development industries. He has been instrumental in the development and growth of the Group. Mr. Kwok is a full member of the Singapore Institute of Directors.



MR. LIM YEOW HUA @ LIM YOU QIN, Lead Independent Director, was appointed to the Board on 18 December 2006, and was re-elected on 29 September 2020. Mr. Lim is a chartered accountant and accredited tax advisor (Income Tax and Goods & Services Tax). He has more than 30 years of experience in the tax, financial services and investment banking industries. He has held several management positions in various organisations including managing director with Asia Pacific Business Consultants Pte Ltd, senior regional tax manager with British Petroleum (“BP”), director (Structured Finance) at UOB Asia Ltd, senior tax manager at KPMG, senior vice president (Structured Finance) at Macquarie Investment Pte. Ltd., senior tax manager at Price Waterhouse and deputy director at the Inland Revenue Authority of Singapore. Mr. Lim holds a Bachelor’s Degree in Accountancy and a Master’s Degree in Business Administration from the National University of Singapore. He is a fellow member of the Institute of Singapore Chartered Accountants and an Accredited Tax Advisor of the Singapore Chartered Tax Professionals.



MR. KHUA KIAN KHENG IVAN, Independent Director, was appointed to the Board on 18 December 2006 and was last re-elected on 30 July 2021. He is currently the executive director of Hock Leong Enterprises Pte. Ltd. (“HLE”), where he oversees the financial, administrative, human resource and business development aspects of HLE’s business and operations. Prior to joining HLE, Mr. Khua worked with Rider Hunt Levett and Bailey, a consultancy firm, between 2000 and 2004. Mr. Khua also currently serves as an independent director of MoneyMax Financial Services Ltd, and was previously a lead independent director of No Signboard Holdings Ltd, companies listed on the SGX-ST. Mr. Khua holds a Diploma in Building (with Merit) from Singapore Polytechnic, and a Bachelor’s degree in Building Construction Management (First Class Honours) from the University of New South Wales, Australia. He is also a member of the Singapore Institute of Arbitrators and the Singapore Institute of Directors. He was awarded the prestigious Pingat Bakti Masyarakat or the Public Service Medal in 2016.



MR. KO CHUAN AUN, Independent Director, was appointed to the Board on 5 August 2013 and was last re-elected on 29 July 2022. He holds chairmanships and directorships in various private and public companies. Mr. Ko was appointed as an Independent Director of Lian Beng Group Limited and Sheng Siong Group Ltd.. Mr. Ko has more than 15 years of working experience with the then Trade Development Board of Singapore (“TDB”) (now known as Enterprise Singapore or ESG). His last appointment with the then TDB was Head of China Operations. In the past 30 years, Mr. Ko has been very actively involved in business investments in the PRC market. He was previously appointed as a Member of the Steering Committee of the Network China. In addition, he served as the Chairman of the Tourism Sub-Committee under the Singapore-Sichuan Trade and Investment Committee as well as Investment Advisor to the Fushun Foreign Trade & Economic Co-operation Bureau, PRC. Mr. Ko is currently holding an appointment as Vice President of the Enterprise Singapore Society as well as the Vice Chairman of Public Relation Committee under the Singapore-China Business Association. Mr. Ko was awarded the Service to Education (Pewter) by the Ministry of Education in 2016. Mr. Ko holds a Diploma in Export Marketing, which is equivalent to the Danish Niels Brock International Business Degree Program.

Management

MR. TANG HAY MING TONY Chief Financial Officer

MR. TANG HAY MING TONY, Chief Financial Officer, was promoted to his current post in December 2006. He is responsible for the Group’s finance, accounting and reporting functions as well as the overall financial risk management of the Group. He has several years of experience in auditing, accounting, taxation and financial management before he joined the Group in August 1999. Mr. Tang holds a Bachelor’s Degree in Accountancy from the Nanyang Technological University, a Graduate Diploma in Business Administration from the Singapore Institute of Management and a Master’s Degree in Business Administration from the University of Adelaide, Australia. He is a fellow member of the Institute of Singapore Chartered Accountants.



Corporate Directory

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS:

Choo Chee Onn
(Executive Chairman and Managing Director)

Lim Kee Seng
Tok Cheng Hoe
Kwok Ngat Khow

INDEPENDENT DIRECTORS:

Lim Yeow Hua @ Lim You Qin
(Lead Independent Director)
Khua Kian Kheng Ivan
Ko Chuan Aun

AUDIT & RISK COMMITTEE

Lim Yeow Hua @ Lim You Qin (CHAIRMAN)
Khua Kian Kheng Ivan
Ko Chuan Aun

NOMINATING COMMITTEE

Khua Kian Kheng Ivan (CHAIRMAN)
Lim Yeow Hua @ Lim You Qin
Ko Chuan Aun

REMUNERATION COMMITTEE

Ko Chuan Aun (CHAIRMAN)
Lim Yeow Hua @ Lim You Qin
Khua Kian Kheng Ivan

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner in charge: Ong Beng Lee, Ken
(since financial year 2022)

JOINT COMPANY SECRETARIES

Tang Hay Ming Tony
Ong Beng Hong (LLB (Hons))

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower
#14-07
Singapore 098632

PRINCIPAL BANKERS

Citibank, N.A.
CTBC Bank Co., Ltd
Development Bank of Singapore
HL Bank
Oversea-Chinese Banking Corporation Limited
RHB Bank Berhad
Standard Chartered Bank
The Hong Kong and Shanghai Banking Corporation
United Overseas Bank Limited

REGISTERED OFFICE

36 Senoko Road
Singapore 758108

INVESTOR RELATIONS

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158 Cecil Street
#05-01
Singapore 069545
Email: KSH@citigatedewerogerson.com
KSH contact: mainoffice@kimsengheng.com.sg

Statement of Corporate Governance

Financial year ended 31 March 2023

KSH Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to achieving a high standard of corporate governance in line with the principles set out in the Code of Corporate Governance 2018 (“the **Code**”). Good corporate governance establishes and maintains a legal and ethical environment, which helps to preserve and enhance the interests of all shareholders.

This report describes the corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code. The Company believes that it has largely complied with the spirit and intent of the Code and in areas where the Company’s practices have deviated from provisions of the Code, rationale for the same is provided herein.

(A) BOARD MATTERS

The Board’s Conduct of its Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Role of the Board of Directors (the “Board”)

The primary role of the Board is to protect and enhance long-term shareholders’ value. It sets the corporate strategies of the Group and sets directions and goals for the Management. It supervises the Management and monitors the performance of these goals to enhance shareholders’ value. The Board is responsible for the overall corporate governance of the Group.

Regular meetings are held to deliberate the strategic policies of the Company, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results.

The principal duties of the Board include the following:

- (i) protecting and enhancing long-term value and return to the Company’s shareholders (“**Shareholders**”);
- (ii) establishing, reviewing and approving the annual budget, corporate policies, strategies and objectives for the Group;
- (iii) ensuring the effectiveness and integrity of Management;
- (iv) chartering the corporate strategy and direction of the Group and setting goals for the Management;
- (v) supervising and monitoring the Management’s achievement of these goals;
- (vi) conducting periodic reviews of the Group’s financial performance, internal controls and reporting compliance;
- (vii) approving nominations to the Board and appointment of key personnel;

Statement of Corporate Governance

Financial year ended 31 March 2023

- (viii) ensuring the Group's compliance with all relevant and applicable laws and regulations;
- (ix) assuming responsibility for the corporate governance of the Group;
- (x) setting the values and standards for the Group, and ensure that obligations to Shareholders and others are understood and met; and
- (xi) establishing a framework of prudent and effective controls which enables risks to be assessed and managed.

The Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board has in place a code of conduct and ethics, sets appropriate tone from the top and desired organisational culture and ensures proper accountability within the Company. Any Director facing conflicts of interest will recuse himself from discussions and decisions involving the issues of conflict.

Provision 1.1
of the Code

The Board has formed a number of board committees, namely the Audit and Risk Committee ("**ARC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"), to assist in carrying out and discharging its duties and responsibilities efficiently and effectively.

These Board Committees function within clearly defined written terms of references and operating procedures, setting out their compositions, authorities and duties, including reporting back to the Board. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decision and/or recommendations, the ultimate responsibility on all matters lies with the entire Board.

Provision 1.4
of the Code

The Executive Directors also supervise the management of the business and affairs of the Company and reduce the administrative time, inconvenience and the expenses associated with the convening of meetings of the Board and circulation of resolutions in writing of the Board, without compromising the Group's corporate objectives and adversely affecting the day-to-day operations of the Company.

However, the Board decides on matters that require its approval and clearly communicates this to Management in writing. Meetings of the Board are still held and/or resolutions in writing of the Board are circulated for matters which require the Board's approval, including, but are not limited to the following:

Provision 1.3
of the Code

- (i) review of the annual budget and the performance of the Group;
- (ii) review of the key activities and business strategies;
- (iii) approval of the corporate strategy and direction of the Group;

Statement of Corporate Governance

Financial year ended 31 March 2023

- (iv) approval of transactions involving a conflict of interest for a substantial Shareholder or a Director or interested person transactions;
- (v) material acquisitions and disposals;
- (vi) corporate or financial restructuring and share issuances;
- (vii) declaration of dividends and other returns to Shareholders; and
- (viii) appointments of new Directors or key personnel.

A formal document setting out the guidelines and matters (including the matters set out above) which are to be reserved for the Board's decision has been adopted by the Board.

Board Meetings are conducted regularly at least twice a year and ad-hoc meetings (including but not limited to the meetings of the Board Committees) are convened whenever a Director deems it necessary to address any issue of significance that may arise. Pursuant to Article 97 of the Company's Constitution, Directors may participate in Board Meetings by means of a conference telephone, video conferencing, audio visual or other similar communications equipment by means of which all persons participating in the Board Meetings can hear each other.

Management provides Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Provision 1.6 of the Code

All Directors are from time to time furnished with information concerning the Company, including board papers and related materials, background or explanatory information relating to matters to be brought before the Board, and copies of disclosure documents, budgets, forecasts and internal financial statements, to enable them to be fully cognisant of the decisions and actions of the Company's executive Management. In respect of budgets, in the event that there are any material variances between the projections and actual results, these are disclosed and explained to the Board by Management. The Board has unrestricted access to the Company's records and information.

Senior management personnel are available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board Meetings, or by external consultants engaged on specific projects.

Statement of Corporate Governance

Financial year ended 31 March 2023

The Board has separate and independent access to the Joint Company Secretaries, external advisers (where necessary) and to other senior management personnel of the Company and of the Group at all times at the Company's expense in carrying out their duties. One Joint Company Secretary attends or is represented at all Board Meetings and meetings of the Board Committees of the Company and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The minutes of all Board and Board Committees meetings are circulated to the Board and the Board Committees. The appointment and removal of the Joint Company Secretaries is a matter for the Board as a whole. Provision 1.7 of the Code

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

In addition to holding meetings, important matters concerning the Group are also put to the Board for its decision by way of written resolutions.

Directors attend and actively contribute and participate in Board and Board Committee meetings. The following table discloses the number of meetings held for the Board and Board Committees and the attendance of all Directors for the financial year ended 31 March 2023: Provision 1.5 of the Code

	BOARD MEETING	AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE
Number of meetings held	2	2	1	1
Choo Chee Onn	2	2 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾
Tok Cheng Hoe	2	2 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾
Lim Kee Seng	2	2 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾
Kwok Ngat Khow	2	2 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾
Lim Yeow Hua & Lim You Qin	2	2	1	1
Khua Kian Kheng Ivan	2	2	1	1
Ko Chuan Aun	2	2	1	1

Note:

(1) By invitation.

Statement of Corporate Governance

Financial year ended 31 March 2023

While the Board considers Directors' attendance at Board Meetings to be important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group and ensures that Directors with multiple board representations give sufficient time and attention to the affairs of the Group.

Provision 1.5
of the Code

Generally, a newly-appointed Director will be given an orientation to familiarise him/her with the Group's business and governance practices and he/she will also be briefed on the duties and obligations of a director of a listed company. The Company will also provide the newly-appointed Director with a formal letter setting out his/her duties and obligations. In addition, first-time Directors who have no prior experience as a director of a company listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") will also undergo training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST pursuant to Rule 210(5)(a) of the Listing Rules of the SGX-ST ("**SGX-ST Listing Manual**").

Provision 1.2
of the Code

The Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). The Directors are updated, from time to time, when new laws or regulations affecting the Group are introduced. The professional advisors to the Company conduct briefings and presentations to update the Directors in this regard. The Directors are encouraged to attend seminars and training courses that will assist them in executing their obligations and responsibilities as directors to the Company. The Directors may also attend appropriate courses and seminars to develop and maintain their skills and knowledge at the Company's expense. In FY2023, the Executive Directors have attended various webinars and training courses. In addition, pursuant to Rule 720(7) of the SGX-ST Listing Manual, the Directors have undergone training on sustainability matters as prescribed by SGX-ST.

Provision 1.2
of the Code

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As at the date of this Annual Report, the Board comprises seven (7) Directors, of whom four (4) are Executive Directors and three (3) are Independent Directors. The list of Directors is as follows:

Mr Choo Chee Onn	(Executive Chairman and Managing Director)
Mr Kwok Ngat Khow	(Executive Director)
Mr Tok Cheng Hoe	(Executive Director)
Mr Lim Kee Seng	(Executive Director)
Mr Lim Yeow Hua @ Lim You Qin	(Lead Independent Director)
Mr Khua Kian Kheng Ivan	(Independent Director)
Mr Ko Chuan Aun	(Independent Director)

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The Company recognises the importance of having an effective and diverse Board and has adopted a formal Board Diversity Policy, the main objective of which is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Company.

Provision 2.4
of the Code

The Board is of the view that the current Board members comprise persons whose diverse skills, experience, knowledge of the Company and attributes provide for effective direction for the Group. The Board, through the NC, has examined the Board's size and is satisfied that it is appropriate for effective decision-making, taking into account the nature and scope of the Company's operations, and is of the view that the Board has a good balance of Directors who come from diverse backgrounds and have extensive industry knowledge, skills and/or business, financial, accounting and management experience so as to avoid groupthink and foster constructive debate.

The Company notes that there is currently no female member on the Board. The Company recognises that diversity is not merely limited to gender or any other personal attributes. In identifying director nominees, the Board has always adhered to the policy of ensuring that there is an appropriate mix of members on the Board with complementary skills, core competencies and experience, regardless of gender. The Board is of the view that, while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority. Notwithstanding this, the Company's Board Diversity Policy provides that the Company (i) will work towards having female directors on the Board, whenever possible, and shall endeavour to ensure that female candidates are included for consideration when identifying candidates to be appointed as new directors, and (ii) will work towards having appropriate age and ethnic diversity on the Board, if the opportunity arises.

The criterion for independence is based on the definition given in the Code and Rule 210(5)(d) of the SGX-ST Listing Manual. The Board considers an "Independent" Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related companies, its substantial Shareholders or officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. Having regard to the circumstances set forth in Provision 2.1 of the Code and Rule 210(5)(d) of the SGX-ST Listing Manual, the Board has identified each of the Company's Independent Directors to be independent, after determining, taking into account the views of the NC, whether the Director is independent in conduct, character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. Each Director is required to disclose to the Board any such relationships or circumstances as and when they arise.

Provision 2.1
of the Code

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Notwithstanding Provision 2.3 of the Code which recommends that non-executive directors should make up a majority of the Board, the Board and the NC is of the view that the non-executive Independent Directors on the Board, which make up three (3) out of seven (7) of the Board, are able to exercise their powers objectively and independently from the Management and ensure that appropriate checks and balances are in place. The non-executive Independent Directors constructively challenge and help develop proposals on strategy, assist the Board in reviewing the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance.

Deviated from
Provision 2.3
of the Code

The Independent Directors, led by the Lead Independent Director, meet at least once annually without the presence of the other Directors and the Management and, where necessary, the Lead Independent Director provides feedback to Board and/or the Executive Chairman after such meetings.

Provision 2.5
of the Code

Key information regarding the Directors is given in the “Board of Directors” section of this Annual Report.

Particulars of interests of Directors who held office at the end of the financial year in shares in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors’ Statements on pages 53 and 56 of this Annual Report.

Executive Chairman and Group Managing Director

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Executive Chairman and the Group Managing Director is Mr Choo Chee Onn (“**Mr Choo**”). In view of Mr Choo’s concurrent appointment as the Executive Chairman and Group Managing Director, the Board has appointed Mr Lim Yeow Hua @ Lim You Qin (“**Mr Lim YH**”) as the Lead Independent Director to provide leadership when the Executive Chairman is conflicted, in accordance with Provision 3.3 of the Code. In accordance with the recommendations in the said Provision 3.3, the Lead Independent Director is available to Shareholders where they have concerns for which contact through the normal channels of communication with the Executive Chairman and Group Managing Director or Chief Financial Officer has failed to resolve or for which such contact is inappropriate or inadequate.

Deviated from
Provision 3.1
of the Code

Provision 3.3
of the Code

The Company is of the view that it maintains a satisfactory independent element on the Board as at least one-third of the Board comprises Independent Directors and the Company believes that the Board is able to exercise independent judgment on corporate affairs. Provision 2.2 of the Code, however, recommends that independent directors make up a majority of the Board where the Chairman is not independent.

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The NC and Board are of the view that although the Independent Directors do not currently make up a majority of the Board, all of the Directors have debated vigorously on the subject matters tabled at the Board meetings held in FY2023, regardless of whether they were independent or not. All decisions of the Board are based on collective decision without any individual or small group of individuals influencing or dominating the decision-making process. In addition, the NC and the Board believe that Mr Choo, as one of the founders of the Group and the Managing Director since the Company's listing, is in the best position to lead the Board as Executive Chairman.

Deviated from
Provision 2.2
of the Code

As the Executive Chairman, Mr Choo bears the following responsibilities:

Provision 3.2
of the Code

- (a) leading the Board to ensure its effectiveness on all aspects of its role;
- (b) setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) promoting a culture of openness and debate at the Board;
- (d) ensuring that the Directors receive complete, adequate and timely information;
- (e) ensuring effective communication with shareholders;
- (f) encouraging constructive relations within the Board and between the Board and Management;
- (g) facilitating the effective contribution of Independent Directors towards the Company; and
- (h) together with the ARC, promoting high standards of corporate governance.

As the Group Managing Director, Mr Choo bears overall daily operational responsibility for the Group's business.

Provision 3.2
of the Code

Statement of Corporate Governance

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All major decisions made by the Executive Chairman and Group Managing Director are under the purview of review by the ARC. His performance and appointment to the Board are also reviewed periodically by the NC while his remuneration package is reviewed periodically by the RC. As such, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

The Board is of the view that power is not unduly concentrated in the hands of one individual nor is there any compromised accountability and independent decision-making as all major decisions and policy changes are conducted through the respective Board Committees, all of which are chaired by the Independent Directors.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

As at the date of this Annual Report, the NC comprises the following three (3) Independent Non-Executive Directors:

Provision 1.4
and 4.2 of the
Code

Mr Khua Kian Kheng Ivan (Chairman)
Mr Lim Yeow Hua @ Lim You Qin (Member)
Mr Ko Chuan Aun (Member)

The NC functions under the terms of reference which sets out its responsibilities:

Provision 1.4
and 4.1 of the
Code

- (a) to review the succession plans for directors, in particular the appointment and/or replacement of the Chairman, the Managing Director and key management personnel;
- (b) to recommend to the Board on all Board appointments, re-appointments and re-nominations;
- (c) to ensure that Independent Directors meet the SGX-ST guidelines and criteria;
- (d) to review the process and criteria for evaluation of the performance of the Board, its board committees and directors;
- (e) to assess the effectiveness of the Board as a whole and the effectiveness and contribution of each Director to the Board; and
- (f) to review the training and professional development programmes for the Board and its directors.

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In the event that there is a need to change the structure of the Board, the chairmanship of the Company or the membership of the Board Committees, the NC would also review the change to be implemented and make recommendations to the Board accordingly. For the appointment of new Directors, the NC would, in consultation with the Board, examine the existing Board's strengths, capabilities and the existing Directors' contribution of skills, knowledge and experience to the Group and the Board. Further to the above, the NC will take into account the future needs of the Group and, together with the Board, it will seek candidates who are able to contribute to the Group. The NC seeks candidates widely and beyond persons directly known to the existing Directors. Résumés of suitable candidates are reviewed and background checks are conducted before interviews are conducted again for the short-listed candidates. The NC shall then recommend suitable candidates to the Board.

Provision 4.3
of the Code

The NC ensures that new directors are aware of their duties and obligations. The NC is also tasked with deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director, particularly when he has multiple board representations, and to assess the maximum number of listed entity board representations which any one of the Directors may hold. As a guide, Directors of the Company should not have more than six (6) listed company board representations and other principal commitments. After conducting reviews, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group.

Provision 4.5
of the Code

There are no alternate directors appointed to the Board as at the date of this Annual Report. The Board will generally avoid approving the appointment of alternate directors unless alternate directors are appointed for limited periods in exceptional cases such as when a director has a medical emergency.

The NC examines the Board's size to satisfy that it is appropriate for effective decision making, taking into account the nature and scope of the Company's operations.

Details of the appointment of Directors including their respective dates of initial appointment and dates of last re-election, directorships in other listed companies, both current and for the preceding three years, and principal commitments are set out below:

Name of Director	Age	Date of Initial Appointment	Date of Last Re-election	Present and Past Directorship in Listed Companies and Principal Commitments
Mr Choo Chee Onn	72	9 March 2006	29 July 2022	Present Directorships - Past Directorships - Principal Commitments -

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Name of Director	Age	Date of Initial Appointment	Date of Last Re-election	Present and Past Directorship in Listed Companies and Principal Commitments
Mr Kwok Ngat Khow	75	22 March 2006	30 July 2021	Present Directorships - Past Directorships - Principal Commitments -
Mr Tok Cheng Hoe	73	22 March 2006	30 July 2021	Present Directorships - Past Directorships - Principal Commitments -
Mr Lim Kee Seng	72	22 March 2006	29 July 2022	Present Directorships - Past Directorships - Principal Commitments -
Mr Lim Yeow Hua @ Lim You Qin	61	18 December 2006	29 September 2020	Present Directorships Accrelist Limited NauticAWT Limited Oxley Holdings Limited Revez Corporation Ltd Past Directorships Singapore Women's & Children's Medical Group Pte Ltd Principal Commitments -
Mr Khua Kian Kheng Ivan	48	18 December 2006	30 July 2021	Present Directorships Moneymax Financial Services Ltd Past Directorships No Signboard Holdings Ltd. Principal Commitments Hock Leong Enterprises Pte. Ltd.

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Name of Director	Age	Date of Initial Appointment	Date of Last Re-election	Present and Past Directorship in Listed Companies and Principal Commitments
Mr Ko Chuan Aun	65	5 August 2013	29 July 2022	<p>Present Directorships Lian Beng Group Limited Sheng Siong Group Ltd.</p> <p>Past Directorships KOP Limited San Teh Ltd Super Group Ltd Koon Holdings Limited Pavillon Holdings Ltd.</p> <p>Principal Commitments -</p>

Further to the above, the NC determines annually, and as and when circumstances require, the independence of each of the Independent Directors, having regard to the circumstances set forth in Provision 2.1 of the Code and Rule 210(5)(d) of the SGX-ST Listing Manual. As part of their review process, the NC requires the Independent Directors to complete and execute declaration forms to disclose to the Board their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence. These declaration forms are drawn up based on the guidelines in the Code and Rule 210(5)(d) of the SGX-ST Listing Manual. The NC reviews declaration forms executed by the Independent Directors as well as any declaration they may make to determine their respective independence. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the Company will disclose the relationships and its reasons in its annual report. Pursuant to its review, the NC is of the view that Mr Lim YH, Mr Khua Kian Kheng Ivan ("**Mr Ivan Khua**") and Mr Ko Chuan Aun ("**Mr Ko**") are independent of the Group and the Management.

Provision 4.4
of the Code

Mr Lim YH, Mr Ivan Khua and Mr Ko were first appointed to the Board as Independent Directors on 18 December 2006, 18 December 2006 and 5 August 2013 respectively. As such, they have served on the Board for a continuous period of more than nine (9) years. Each of Mr Lim YH, Mr Ivan Khua and Mr Ko has demonstrated independent mindedness and conduct at the Board and Board Committees meetings. After a rigorous review on their contributions and independence by the NC, the NC is satisfied that each of Mr Lim YH, Mr Ivan Khua and Mr Ko has remained independent in character and judgment in discharging their duties as Directors of the Company. Pursuant to Rule 210(5)(d)(iv) of the SGX-ST Listing Manual and Transitional Practice Note 4 on the Transitional Arrangements Regarding the Tenure Limit for Independent Directors, Mr Lim YH, Mr Ivan Khua and Mr Ko are considered independent until the conclusion of the AGM to be held for the financial year ending 31 March 2024.

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The Constitution of the Company requires one-third of the Directors to retire from office at each Annual General Meeting (“**AGM**”), except that the Managing Director is not subject to retirement by rotation and not taken into account in determining the number of Directors to retire. However, with effect from 1 January 2019, all directors must submit themselves for re-nomination and re-appointment at least once every three (3) years pursuant to Rule 720(5) of the SGX-ST Listing Manual. Accordingly, the Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. After assessing each of their contributions and performance, the NC has recommended the re-elections of Mr Lim YH, Mr Kwok Ngat Khaw and Mr Tok Cheng Hoe in accordance with Article 89 of the Company’s Constitution, at the forthcoming AGM.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its board committees and individual directors.

The NC has established a process for assessing the effectiveness of the Board as a whole, each Board Committee separately and for assessing the contribution of the Executive Chairman and each individual Director to the effectiveness of the Board. This assessment is conducted by the NC at least once a year by way of a Board evaluation where the NC completes a questionnaire seeking their views on various aspects of Board performance, such as Board composition, information, process and accountability. The Chairman of the NC will act on the results of the performance evaluation, and in consultation with the NC, propose, where appropriate, that new members be appointed to the Board or seek the resignation of Directors.

Provision 5.1
of the Code

Provision 5.2
of the Code

Reviews of each individual Director’s contribution to the effectiveness of the Board, and the effectiveness of the Board as a whole and the Board Committees are also undertaken on a continuous basis by the NC.

No external facilitator has been appointed by the Company.

To assess the effectiveness of the Board as a whole, the factors evaluated by the NC include but are not limited to:

- (i) the size and composition of the Board;
- (ii) the individual Directors’ contributions to the Board, including without limitation their participation at Board meetings and ability to contribute to the discussion conducted by the Board;
- (iii) the discussion and decision-making processes of the Board (including the conduct of meetings by the Board);

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- (iv) the Board's access to information;
- (v) the accountability of the Board to the Shareholders; and
- (vi) the performance of the Board (including the Board's performance in relation to the discharge of its principal responsibilities in terms of the financial indicators set out in the Code).

The Board and the NC have endeavoured to ensure that the Directors possess the experience, knowledge and expertise critical to the Group's business.

Based on the NC's review, the NC considers the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board to be satisfactory and is of the view that the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: There should be a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

As at the date of this Annual Report, the RC comprises the following three (3) Independent Non-Executive Directors: Provision 1.4 and 6.2 of the Code

Mr Ko Chuan Aun (Chairman)
Mr Khua Kian Kheng Ivan (Member)
Mr Lim Yeow Hua @ Lim You Qin (Member)

The RC recommends to the Board a framework of remuneration for the Board and key management personnel, and determines the specific remuneration packages for each Director as well as for the key management personnel. The recommendations are submitted for endorsement by the Board. Provision 6.1 of the Code

The RC considers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits in kind, and termination terms to ensure that they are fair. Each RC member abstains from voting on any resolution in respect of his remuneration package. Provision 6.3 of the Code

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The RC functions under the terms of reference which sets out its responsibilities: Provision 1.4
of the Code

- (a) to recommend to the Board a framework for remuneration for the Directors and key management personnel of the Company;
- (b) to determine a specific remuneration package for each Executive Director;
- (c) to review the appropriateness of compensation for Non-Executive Directors; and
- (d) to review the remuneration of employees occupying managerial positions who are related to the Directors and substantial Shareholders.

The RC is provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services is borne by the Company. The RC ensures that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. For FY2023, the RC has not consulted any external remuneration consultants as there is no required remuneration matters that rendered the appointment of any remuneration consultants. None of the executive directors' service agreements or independent directors' fees were revised during FY2023. Provision 6.4
of the Code

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and in comparable companies as well as the performance of the Group as a whole and the performance of each individual director. The remuneration of Directors is reviewed to ensure that remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term. The remuneration of Non-Executive Directors is also reviewed to ensure that the remuneration is appropriate and commensurate with the level of contribution, taking into account factors such as effort, time spent, and responsibilities of the Directors. Provision 7.3
of the Code

The Directors' fees are reviewed annually and the Company submits the quantum of Directors' fees of each year to the Shareholders for approval at each AGM. Provision 7.2
of the Code

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The Executive Chairman and Managing Director, Mr Choo, and the three (3) Executive Directors have service agreements. Such service agreements cover the terms of employment, salaries and other benefits. The terms of the service agreements are reviewed by the RC on an annual basis. Based on the RC's review, the RC is of the view that the service agreements include fair and reasonable termination clauses which are not overly generous. A significant and appropriate portion of the Executive Chairman and Managing Director's, Executive Directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company. Non-Executive Directors have no service agreements.

Provision 7.1
of the Code

The Company currently has no employee share option scheme or other long-term incentive scheme in place for its Executive Directors and key management personnel.

The Independent Directors receive Directors' fees, in accordance with their contributions, taking into account factors such as effort and/or time spent, the responsibilities of the Independent Directors and the need to pay competitive fees to attract, retain and motivate the Independent Directors. The Independent Directors are not over-compensated to the extent their independence may be compromised.

The Company is of the view that there is no requirement to institute specific contractual provisions to allow the Company to reclaim incentive components of the Executive Directors' remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss, as they owe a fiduciary duty to the Company and the Company should be able to avail itself of remedies against the Executive Directors in the event of a breach of fiduciary duties.

Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The details of the remuneration of Directors of the Group disclosed in bands for services rendered during the financial year ended 31 March 2023 are as follows:

	Number of Directors
S\$550,000 to S\$749,999	1
S\$250,000 to S\$549,999	3
Below S\$250,000	3
Total	7

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As at the date of this Annual Report, the Company has seven (7) Directors. Of the seven (7) Directors, four (4) are Executive Directors who together with the Company's Chief Financial Officer comprise the five (5) key management personnel of the Company. There were no other key management personnel within the Group except for the abovementioned persons for the financial year ended 31 March 2023.

The Board is of the view that it is not necessary to present detailed disclosure on the Company's remuneration policy as the remuneration policy for Executive Directors and key management personnel is a management decision that the Board is generally entitled to make.

Taking note of the competitive pressures in the labour market, the Board has, on review, decided not to fully disclose the remuneration of the Company's Directors and key management personnel. As such, the Company does not disclose the remuneration of the Company's Directors and key management personnel to the nearest thousand but in bands of S\$250,000. Details (in percentage terms) of the remuneration paid to the Directors and to the key management personnel (who is not also a Director) in bands of S\$250,000 for the financial year ended 31 March 2023 are set out below:

Deviated from Provision 8.1(a) and 8.3 of the Code

Provision 8.1(b) of the Code

	Salary %	Bonus %	Directors' Fees %	Allowances and Other Benefits %	Total Compensation %
Directors					
<u>S\$550,000 to S\$749,999</u>					
Choo Chee Onn	65	27	-	8	100
<u>S\$250,000 to S\$549,999</u>					
Lim Kee Seng	65	27	-	8	100
Kwok Ngat Khow	63	26	-	11	100
Tok Cheng Hoe	64	26	-	10	100
<u>Below S\$249,999</u>					
Lim Yeow Hua @					
Lim You Qin	-	-	100	-	100
Khua Kian Kheng Ivan	-	-	100	-	100
Ko Chuan Aun	-	-	100	-	100
Key Executive of the Group⁽¹⁾					
<u>S\$250,000 to S\$399,999</u>					
Tang Hay Ming Tony	69	25	-	6	100

Note:

(1) For the financial year ended 31 March 2023, Mr Tang Hay Ming Tony was the only key management personnel who is not also a director. The other key management personnel of the Group are the Executive Directors,

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The total aggregate remuneration of the key management personnel is not disclosed in this annual report as the Board is of the opinion that such disclosure would be prejudicial to the Company's business interests, given the highly competitive conditions in the industry and the fact that the top five (5) key management personnel (excluding the Directors) consists of only one individual.

Deviated from
Provision 8.1(b)
of the Code

There are no termination, retirement and post-employment benefits that may be granted to the Company's Directors and key management personnel. As mentioned in Principle 7 above, the Company does not have any employee share option scheme.

Provision 8.3
of the Code

Immediate Family Member of Directors or Substantial Shareholders

No employee of the Company and its subsidiaries is, or is an immediate family member of a Director, the Executive Chairman and Managing Director and/or a substantial Shareholder, and whose remuneration exceeded S\$100,000 during the financial year ended 31 March 2023.

Provision 8.2
of the Code

(C) ACCOUNTABILITY AND AUDIT

The Board is accountable to the Shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to Shareholders in compliance with statutory requirements and the SGX-ST Listing Manual. The Management closely monitors the Company's compliance with legislative and regulatory requirements, including requirements under the SGX-ST Listing Manual, and where appropriate, will propose the adoption of written policies to the Board.

The Board is mindful that one of its principal duties is to protect and enhance the long-term value and returns to the Shareholders. This accountability to the Shareholders is demonstrated through the presentation of its periodic financial statements as well as the timely announcements and news releases of significant corporate developments and activities so that the Shareholders can have a detailed explanation and balanced assessment of the Group's financial position and prospects.

Price sensitive information is publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced or issued within legally prescribed periods.

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The Management provides the Board with quarterly reports of the Group's financial performance, as well as progress reports on the achievements of the Management's goals and objectives determined by the Board. The Management also maintains close contact and communication with the Board by various means, including but not limited to holding meetings with the Board or via email in which documents are circulated to the Board for their review or for their information. The abovementioned arrangement allows the Directors to monitor the Group's performance as well as the Management's achievements of the goals and objectives determined and set by the Board.

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board acknowledges that it is responsible for the overall internal control framework, including the determination of the Company's levels of risk tolerance and risk policies, but recognises that all internal control systems contain inherent limitations and that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The ARC conducts regular reviews of the adequacy and effectiveness of the Group's internal controls and risk management system, including financial, operational and compliance controls and internal controls in relation to information technology risks. In addition, the ARC, on behalf of the Board, determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

Provision 9.1
of the Code

The ARC ensures that a review of the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls and risk management, is conducted annually. In this respect, the ARC reviews the audit plans, and the findings of the Internal and External Auditors and ensures that the Company follows up on the Internal and External Auditors' recommendations raised, if any, during the audit process.

The ARC has, on behalf of the Board, reviewed the adequacy and effectiveness of the various systems put in place by the Management and it is satisfied that there are adequate and effective internal controls and risk management systems in the Company to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets.

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The Group has in place a system of internal controls and risk management for ensuring proper accounting records and reliable financial information as well as management of business risks with a view to safeguarding Shareholders' investments and the Company's assets. The risk management framework implemented provides for systematic and structured review and reporting of the assessment of the degree of risk, evaluation and effectiveness of controls in place and the requirements for further controls. Management reviews all significant policies and procedures and highlights all significant matters to the Board and the ARC.

The Board has also received assurances from the Managing Director and other key management personnel responsible on the integrity of the financial statements of the Group and the adequacy and effectiveness of the Company's risk management and internal control systems. In particular, the Board has been assured by the Managing Director and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view, in all material respects, of the Group's operations, finances, performance and financial position as at 31 March 2023.

Provision 9.2
of the Code

The Internal Auditors review policies and procedures as well as key controls and highlight any issues to the Directors and the ARC. Separately, in performing the audit of the financial statements of the Group, the External Auditors perform tests over operating effectiveness of certain controls that they intend to rely on that are relevant to the preparation of its financial statements. The External Auditors also report any significant deficiencies in such internal controls to the Directors and the ARC.

Action plans to manage risks are continuously being monitored and refined by Management and the Board. Any material non-compliance in internal controls together with corrective measures are reported directly to the Directors and the ARC.

Based on the internal controls and risk management systems established and maintained by the Group, reviews conducted by the External and Internal Auditors and assurance from Management, the Board with the concurrence of the ARC, is of the opinion that the Group's system of internal controls, addressing financial, operational, compliance and information technology risks, and its risk management policies and systems (notably those systems that monitor and manage financial, operating, compliance, information technology and other risks) were adequate and effective as at 31 March 2023 in its current business environment.

The system of internal controls provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal control and/or risk management could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Statement of Corporate Governance

Financial year ended 31 March 2023

Audit and Risk Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The ARC comprises the following three (3) Independent Non-Executive Directors: Provision 1.4 and 10.2 of the Code

Mr Lim Yeow Hua @ Lim You Qin (Chairman)
Mr Khua Kian Kheng Ivan (Member)
Mr Ko Chuan Aun (Member)

The ARC meets periodically at least two times a year to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained within the Group. At least two members, including the ARC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The ARC's main objective is to assist the Board in fulfilling its fiduciary responsibilities relating to internal controls and risk management, overseeing the external audit process, reviewing the financial information to be disclosed to the public and ensuring that arrangements are in place for the independent investigation and follow up of reports by staff of improprieties in financial reporting and other matters. To achieve this, the Board ensures that the ARC's members have the appropriate qualifications to provide independent, objective and effective supervision.

The ARC functions under the terms of reference. The duties of the ARC are as follows: Provision 1.4 and 10.1 of the Code

- (a) to review the audit plans of both the Internal and External Auditors;
- (b) to review the Auditors' Reports and their evaluation of the Company's and the Group's system of internal controls and risk management policies and systems;
- (c) to review the effectiveness, adequacy, independence, scope and results of the external audit and the internal audit function which is outsourced to a professional firm;
- (d) to review the co-operation given by the Company's officers to the Internal and External Auditors;
- (e) to review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and the Group and any announcements relating to the Group's financial performance before submission to the Board;

Statement of Corporate Governance

Financial year ended 31 March 2023

- (f) to nominate and review appointment of Internal and External Auditors and make recommendations to the Board on (i) the proposals to the shareholders on the appointment and removal of External Auditors and (ii) the remuneration and terms of engagement of the External Auditors;
- (g) to review with Auditors and Management on the general internal control procedures;
- (h) to review the independence of the Internal and External Auditors;
- (i) to review interested person transactions, if any;
- (j) to review the assurance from the Managing Director and the Chief Financial Officer on the financial records and financial statements of the Company; and
- (k) to review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The ARC has the power to conduct or authorise investigations into any matters within the ARC's scope of responsibility including without limitation internal investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore and other applicable law, rule or regulation which has or is likely to have material impact on the Company's or Group's operating results and/or financial position. The ARC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. All of the members of the ARC are Independent Directors. Each member of the ARC abstains from voting on any resolutions in respect of matters he is interested in.

The ARC meets from time to time with the Group's External Auditors and the executive Management to review accounting, auditing and financial reporting matters so as to provide the necessary checks and balances to ensure that an effective control environment is maintained in the Group. The ARC also studies proposed changes in accounting policies, examines the internal audit functions and discusses the accounting implications of major transactions. Furthermore, the ARC advises the Board regarding the adequacy of the Group's internal controls and risk management systems and the contents and presentation of its interim and annual reports. Based on the information provided to the ARC, nothing has come to the ARC's attention to indicate that the system of internal controls and risk management is inadequate.

Statement of Corporate Governance

Financial year ended 31 March 2023

The ARC has full access to and co-operation of the Management and has full discretion to invite any Director or member of the Management to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The ARC meets with both the Internal and External Auditors without the presence of the Management at least once a year, with particular emphasis on the scope and quality of their audits, and the independence and objectivity of the Internal and External Auditors.

Provision 10.5
of the Code

The ARC reviews the independence of the External Auditors, Ernst & Young LLP, annually. The ARC had assessed the External Auditors based on the factors such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit, the size and complexity of the Group. None of the members of the ARC (i) are a partner or director of or a former partner or director of Ernst & Young LLP who had ceased to be a partner or director within the last two years, or (ii) have any financial interest in Ernst & Young LLP.

Provision 10.3
of the Code

The ARC also conducted a review of non-audit services performed by the External Auditors and is satisfied that the nature and extent of such services do not prejudice the independence and objectivity of the External Auditors. For the financial year ended 31 March 2023, the audit and non-audit fees paid to the External Auditors of the Company were S\$356,000 and S\$95,000 (excluding disbursements and GST) respectively.

Having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit, the Board and the ARC are of the opinion that a suitable auditing firm has been appointed to meet the Company's auditing obligations.

The Company engages different audit firms for certain of its subsidiaries or associated companies and the names of these audit firms are disclosed on page 103 and page 113 of this Annual Report. The Board and ARC have reviewed the appointment of these audit firms and are of the view that the appointment of these other audit firms does not compromise the standard and effectiveness of the audit of the Company.

The ARC is satisfied that Rules 712 and 715 of the SGX-ST Listing Manual are complied with and has recommended to the Board that Ernst & Young LLP be nominated for re-appointment as Auditor at the forthcoming AGM.

Statement of Corporate Governance

Financial year ended 31 March 2023

The Company has in place a whistle-blowing framework to provide a channel where staff of the Company have access to the Human Resource Manager to raise their concerns about possible improprieties for investigation. The procedures for submission of complaints have been explained to all employees of the Group. Following investigation and evaluation of a complaint, the ARC will then decide on recommended disciplinary or remedial action, if any. The action so determined by the ARC to be appropriate shall then be brought to the Board or to the appropriate members of senior Management for authorisation or implementation, respectively.

Internal Audit

For FY2023, the Company has engaged NLA Risk Consulting Pte Ltd ("**NLA Risk Consulting**") as its internal auditors of the Group to perform internal audit work under an internal audit plan. NLA Risk Consulting is part of NLA DFK, a group of accounting and advisory firms with a history in Singapore since 1948. NLA DFK is a member firm of DFK International, a top 10 international association of independent accounting firms and business advisers. NLA Risk Consulting is a suitably appointed qualified firm of risk consultants (including Certified Internal Auditors), with its processes guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

Provision 10.4
of the Code

The firm currently maintains an outsourced internal audit portfolio of about 20 companies listed on the SGX-ST in various industries, including construction, property development, manufacturing, healthcare, logistics, engineering services and trading. The Engagement Team comprises a Director, a Manager and is supported by a team of trained internal auditors. The Director, Mr Gary Ng has over 20 years of relevant experience and is a Certified Internal Auditor whilst the Manager has more than 10 years of relevant experience and also a Certified Internal Auditor.

The primary line of reporting of the internal audit function is to the ARC and, specifically, the Internal Auditors report directly to the Chairman of the ARC on all internal audit matters.

The role of the Internal Auditors is to support the ARC in ensuring that the Company maintains a sound system of internal controls and risk management by monitoring and assessing the effectiveness of the key controls and procedures, conducting in-depth audits of high risk areas and undertaking investigation as directed by the ARC. The ARC approves the appointment, termination, evaluation and remuneration of the Internal Auditors. The Internal Auditors have unfettered access to all the Company's documents, records, properties and personnel, including the ARC, and the ARC ensures that the Internal Auditors are adequately resourced and have appropriate standing within the Company.

Provision 10.4
of the Code

Statement of Corporate Governance

Financial year ended 31 March 2023

The primary functions of the internal audit are to:

- (a) assess if adequate systems of internal controls are in place to protect the funds and assets of the Group and to ensure control procedures are complied with;
- (b) assess if operations of the business processes under review are conducted efficiently and effectively; and
- (c) identify and recommend improvement to internal control procedures, where required.

The ARC is satisfied that the current risk management function and system and internal audit function is independent, effective adequately resourced and has appropriate standing in the Group as the internal audit function is outsourced to the Internal Auditors and will assess the same regularly.

The Group has also subjected its sustainability reporting process to internal review by its Internal Auditors as required under Rule 711B(3) of the SGX-ST Listing Manual.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights. Written policies and procedures are implemented to ensure that there is adequate disclosure of development in the Group in accordance with the SGX-ST Listing Manual.

The Company provides Shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of Shareholders. Any notice of a general meeting of Shareholders is issued at least 14 days before the scheduled date of such meeting.

Provision 11.1
of the Code

The Company tables separate resolutions at general meetings of shareholders on substantially separate issues unless the issues are interdependent and linked so as to form on significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting.

Provision 11.2
of the Code

Statement of Corporate Governance

Financial year ended 31 March 2023

The Company's AGMs are the principal forums for dialogue with Shareholders. The Company encourages all Shareholders to attend the AGM to grasp a good understanding of the Group's business and be informed of its strategic goals and objectives. The Board and Management are committed to an open dialogue with the Shareholders at the AGM to address the Shareholders' issues, views and concerns. All Directors, including the Chairmen of the ARC, NC and RC, attend the general meetings of Shareholders, and the External Auditors are also present to address Shareholders' queries about the conduct of audit and preparation and content of the auditors' report.

Provision 11.3
of the Code

The attendance of the Directors of the Company at the Company's general meeting(s) held during FY2023 are reflected in the table below:

Provision 11.3
of the Code

Name of Director	General Meeting(s)
Number of meeting(s) held:	1
Number of meeting(s) attended:	
Mr Choo Chee Onn	1
Mr Tok Cheng Hoe	1
Mr Lim Kee Seng	1
Mr Kwok Ngat Khow	1
Mr Lim Yeow Hua @ Lim You Qin	1
Mr Khua Kian Kheng Ivan	1
Mr Ko Chuan Aun	1

Shareholders are encouraged to attend general meetings to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. The Company's Constitution provides that Shareholders of the Company are allowed to vote at general meetings in person or by way of duly appointed proxies. Notice of any general meeting of the Company are announced on SGXNET.

Provision 11.4
of the Code

The Joint Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from the Shareholders relating to the agenda of the meeting, and responses from the Board and Management, and such minutes are published on the Company's corporate website and via SGXNET as soon as practicable. Results of each general meeting are also released as an announcement via SGXNET.

Provision 11.5
of the Code

In compliance with Rule 730A(2) of the SGX-ST Listing Manual, resolutions tabled at general meetings of Shareholders will be put to vote by poll, the procedures of which will be explained by the appointed scrutineer(s) at the general meetings. The Company prefers non-electronic poll voting as it saves costs and still gives an acceptable turnaround time to generate poll results.

Statement of Corporate Governance

Financial year ended 31 March 2023

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Notwithstanding the foregoing, the Company has been declaring dividends on a bi-annual basis and any pay-out of dividends is clearly communicated to Shareholders via announcements released on SGXNET.

Deviated from
Provision 11.6
of the Code

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company is committed to keeping Shareholders regularly and timely informed of material developments in the Group, in accordance with the continuous disclosure obligations of the Company pursuant to the SGX-ST Listing Manual and the Companies Act. In line with continuous obligations of the Company pursuant to the SGX-ST Listing Manual, the Board's policy is that all Shareholders be informed of all major developments that impact the Group.

Price-sensitive information is released to all parties such as Shareholders, stakeholders and the public simultaneously to ensure a level playing field. Any material information or respective half-yearly and full year results (all issued within the mandatory period) is disseminated through SGXNET. In disclosing information, the Company strives to be as descriptive, detailed and forthcoming as possible, and to avoid boilerplate disclosures.

Information is disseminated to the Shareholders on a timely basis through:

Provision 12.1 of
the Code

- (a) SGXNET announcements and news releases;
- (b) the Annual Report prepared and issued to all Shareholders;
- (c) press releases on major developments of the Group;
- (d) Notices of and explanatory memoranda for AGM and extraordinary general meetings; and
- (e) the Company's website at <http://www.kimsengheng.com> at which Shareholders can access information on the Group.

Statement of Corporate Governance

Financial year ended 31 March 2023

The Board also views the AGM as a forum for dialogue with shareholders, being an opportunity for Shareholders to raise issues and ask the Directors or the Management questions regarding the Company and its operations, as well as for the Company to understand the views from the shareholders. Separately, queries, feedback and concerns from the Shareholders outside of general meetings are handled by the Executive Chairman and Managing Director and the Chief Financial Officer in consultation with the Board if required.

Provision 12.1 of the Code

The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. Nonetheless, feedback and concerns from Shareholders may be submitted to the Company at <http://www.kimsengheng.com/contact-us.html> which allows for an ongoing exchange of views and actively engages and promotes regular, effective and fair communication with Shareholders.

Deviated from Provision 12.2 and 12.3 of the Code

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. Through regular stakeholder engagement, the Company identifies and reviews material issues that are most relevant and significant to the Company and its stakeholders. For external stakeholders, priority is given to issues important to the society and applicable to the Company. The Company ensures that there are regular and up-to-date communication about the Company's Corporate Social Responsibility ("CSR") policies and activities to its stakeholders and there are appropriate feedback mechanisms to monitor and evaluate how the Company is doing and explore new possibilities stimulated by stakeholder responses. The Company views its sustainability report as being a critical component of this continuous cycle of communication and evaluation.

Provision 13.1 of the Code

Stakeholders of the Company include, but are not limited to, the future generation, employees, customers, suppliers and the community. The Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2023 will also be set out in the Company's sustainability report which will be published on SGXNET together with this Annual Report.

Provision 13.2 of the Code

The Company maintains a current corporate website (<http://www.kimsengheng.com>) to communicate and engage with stakeholders.

Provision 13.3 of the Code

Statement of Corporate Governance

Financial year ended 31 March 2023

ADDITIONAL INFORMATION

1. Dealing in Securities

The Company has in place a policy in accordance with Rule 1207(19) of the SGX-ST Listing Manual prohibiting share dealings by the Company and the Directors, executives and employees during the period commencing one month before the announcement of the Company's half year financial results and full year financial statements. The Company and the Directors, executives and employees are also prohibited from dealing in the Company's securities on short-term considerations, and are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading period.

2. Interested Person Transactions Policy

The Company adopts an internal policy in respect of any transactions with interested person and establishes procedures for review and approval of the interested person transactions entered into by the Group. The ARC reviews the rationale and terms of the Group's interested person transactions and is of the view that the interested person transactions are on normal commercial terms and are not prejudicial to the interests of the Shareholders.

During the financial year ended 31 March 2023, the Company did not enter into any interested person transaction of a value amounting to S\$100,000.

The Board confirms that for the financial year ended 31 March 2023, the Company has complied with Rule 1207(18) of the SGX-ST Listing Manual.

3. Material Contracts

Save as previously disclosed on SGXNET, there were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Managing Director, any Director, or Controlling Shareholder for the financial year ended 31 March 2023.

4. Sustainability Reporting

The Company has prepared a sustainability report in relation to the Group's sustainability practices and such report outlines the following: (a) material environmental, social and governance factors; (b) policies, practices and performance; (c) targets; and (d) sustainability reporting framework. The Company's sustainability report will be released via SGXNET together with this Annual Report.

Directors' Statements

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of KSH Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company for the financial year ended 31 March 2023.

Opinion of the Directors

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and the financial performance, changes in equity and cash flows of the Group and the financial performance and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The Directors of the Company in office at the date of this statement are:

Choo Chee Onn	Executive Chairman and Managing Director
Lim Kee Seng	Executive Director
Tok Cheng Hoe	Executive Director
Kwok Ngat Khow	Executive Director
Lim Yeow Hua @ Lim You Qin	Independent Director
Khua Kian Kheng Ivan	Independent Director
Ko Chuan Aun	Independent Director

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' Statements

Directors' interests in shares and debentures

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, interests in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of Director The Company	Direct interest	
	At the beginning of financial year	At the end of financial year
Ordinary shares		
Choo Chee Onn	108,843,298	108,843,298
Lim Kee Seng	68,237,360	68,237,360
Tok Cheng Hoe	81,255,273	81,255,273
Kwok Ngat Khow	81,255,273	81,255,273
Lim Yeow Hua @ Lim You Qin	302,500	302,500
Khua Kian Kheng Ivan	302,500	302,500

There was no change in any of the above-mentioned interests between the end of the financial year and 21 April 2023.

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Directors' Statements

Audit and Risk Committee

The Audit and Risk Committee ("ARC") carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the Internal and External Auditors of the Group and the Company, and reviewed the Internal Auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group's and the Company's Management to External and Internal Auditors;
- Reviewed the half-year and full-year financial results and the Auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;
- Reviewed the effectiveness of the Group's and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the Internal Auditor;
- Met with the External and Internal Auditors, other committees, and Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness, independence and objectivity of the External Auditor;
- Reviewed the nature and extent of non-audit services provided by the External Auditor;
- Recommended to the Board of Directors that the External Auditor be nominated for re-appointment, approved the compensation of the External Auditor and reviewed the scope and results of the audit;
- Reported actions and minutes of the ARC to the Board of Directors with such recommendations as the ARC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST")'s Listing Manual.

The ARC, having reviewed all non-audit services provided by the External Auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the External Auditor. The ARC has also conducted a review of interested person transactions.

The ARC convened two meetings during the financial year. The ARC has also met with Internal and External Auditors, without the presence of the Company's Management, at least once a year.

Further details regarding the ARC are disclosed in the Statement on Corporate Governance.

Directors' Statements

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Choo Chee Onn
Managing Director

Lim Kee Seng
Executive Director

Singapore
12 July 2023

Independent Auditor's Report

For the financial year ended 31 March 2023

Independent auditor's report to the members of KSH Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KSH Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2023, the income statements, statements of comprehensive income and statements of changes in equity of the Group and the Company, and the consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet, the income statement, the statement of comprehensive income and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the financial performance and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditor's Report

For the financial year ended 31 March 2023

Key Audit Matters (cont'd)

Accounting for construction contracts

The Group is engaged to provide building and construction services for which it recognised revenue using the cost-based input method that reflects the over-time transfer of control to its customers. The amount of revenue recognised is dependent on the stage of completion of the projects, which is measured based on the proportion of actual contract costs incurred to date to the total estimated contract costs for each contract.

The determination of the total estimated contract costs and costs to complete require significant management judgement and estimates, which have an impact on the amount of construction contract revenue and profits recognised during the year. In addition, there was an increase in the level of estimation uncertainty in determining the total estimated contract costs for ongoing contracts as at 31 March 2023 arising from the rapid changes in market and economic conditions. Accordingly, we identified this as a key audit matter.

As part of our audit procedures, we reviewed contractual terms for all contracts with customers and checked project revenues and costs incurred against underlying supporting documents on a sampling basis. We perused customers and subcontractor correspondences to look out for potential project risks in view of the current environment. We discussed the status of the projects with project managers to understand the basis for the key assumptions used in forming the revised project completion timelines and the revised estimated contract costs. We discussed with project personnel and management on the rationale for revisions made to budgeted costs and checked such revision to supporting documentation. We checked the mathematical accuracy of the revenue recognised based on the input method calculations. For projects which are expected to be loss-making, we reviewed management's assessment and assessed the reasonableness of the provision for onerous contracts provided by management.

Information regarding the Group's construction contract revenue and contract assets and contract liabilities is disclosed in Note 26 to the financial statements.

Accounting for interests in associates and joint ventures

The Group's interests in associates and joint ventures comprise the investments in as well as loans and amounts due from associates and joint ventures. As at 31 March 2023, the net carrying amount of the Group's interests in associates and joint ventures amounted to S\$284.2 million and S\$33.8 million respectively. During the year ended 31 March 2023, the Group recognised impairment losses amounting to \$0.3 million on loans and amounts due from associates.

The associates and joint ventures of the Group are mainly involved in the business of property development in Singapore and China. The recoverability of the Group's interests in these associates and joint ventures is dependent on the success of the relevant property development projects. The contributions from the development projects are dependent on the economy, government policies, demand and supply of the properties in their respective markets. Consequently, there is a risk of downward valuation of the development projects. Management conducted an impairment assessment of the interests in associates and joint ventures during the year.

Independent Auditor's Report

For the financial year ended 31 March 2023

Key Audit Matters (cont'd)

Accounting for interests in associates and joint ventures (cont'd)

We identified this as a key audit matter because the interests in associates and joint ventures and the share of their results are material to the Group's balance sheet and the Group's profit and loss respectively, and the impairment assessment involves significant management judgement. In addition, there is an increase in the level of estimation uncertainty in determining the success of the development projects as at 31 March 2023 arising from the rapid changes in market and economic conditions.

We carried out procedures to understand the Group's process for identifying impairment triggers and considered management's assessment of impairment of interests in associates and joint ventures. We tested the adequacy of expected credit loss ("ECL") allowance at year end, including assessing whether management's approach is consistent with SFRS(I) 9 requirements. In assessing management's estimate of the ECL allowance, we considered the Group's historical credit loss experience and forward-looking macroeconomic information that may affect the recoverability of loans and amounts due from associates and joint ventures. We also evaluated management's assessment of whether the credit risk of these receivables has increased significantly since initial recognition. We inquired and discussed with management and the component auditors of the significant associates and joint ventures to understand the status of the current property development projects and the future business plans of the associates and joint ventures. We also reviewed the component auditors' work papers and deliverables and evaluated the audit evidence obtained as a basis for forming our opinion on the consolidated financial statements as a whole. This includes reviewing the component auditors' assessment of the reasonableness of the estimated selling prices of the completed development properties and the total estimated contract costs for properties under construction. We assessed the reasonableness of the estimated selling prices of the development properties by comparing to recent transacted prices for the same project or comparable properties in the vicinity of the properties, taking into consideration the prevailing market trends and the selling plans for these properties. We assessed the reasonableness of the total estimated contract costs for properties under construction by making enquiries with management and understanding the basis of key assumptions used in forming the revised project completion timelines and the revised estimated contract costs after taking into consideration current market conditions. In addition, we reviewed the application of the equity method and elimination of unrealised gains and losses resulting from transactions between the Group and the associates and joint ventures during the financial year. We also evaluated the significant accounting policies and accounting estimates of the associates and joint ventures to determine their alignment with the Group's accounting policies and accounting estimates.

Information regarding the Group's interests in associates and joint ventures is disclosed in Notes 7 and 8 to the financial statements respectively.

Independent Auditor's Report

For the financial year ended 31 March 2023

Key Audit Matters (cont'd)

Valuation of investment properties

The Group owns a portfolio of investment properties, comprising residential properties and a commercial property located in Singapore and China respectively. The Group records investment properties at their fair values. Management engages independent professional valuers in the countries in which the investment properties are located to determine the fair values of these properties. The independent valuers determine the fair values of the investment properties using market comparable approach and discounted cash flow approach. The valuation of investment properties is a key audit matter because of the complexity of the valuation which is highly dependent on a range of assumptions and estimates made by management and the independent valuers. This is aggravated by an increase in the level of estimation uncertainty and judgement required as at 31 March 2023 arising from the rapid changes in market and economic conditions.

As part of our audit procedures, we evaluated the objectivity, independence and expertise of the valuers engaged by management. We discussed with management and independent valuers to obtain explanations to support the selection of the valuation methodologies as well as the key assumptions used to establish the valuations such as price per square metre, forecasted occupancy rates and forecasted market rent per square metre. We involved our internal valuation specialist to assist us in assessing the reasonableness of the valuation model and the reasonableness of the significant assumptions and estimates by reference to historical rates and market data. Our procedures also included checking the reliability of property-related data used by the independent valuers, assessing the appropriateness of the valuation techniques and basis for the significant assumptions and estimates used, including key valuation adjustments made by the independent valuers in response to the changes in market and economic conditions. We assessed the reasonableness of the movements in fair value of the investment properties based on available industry data and the current property market outlook.

Information regarding the Group's investment properties is disclosed in Note 10 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

For the financial year ended 31 March 2023

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report

For the financial year ended 31 March 2023

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ong Beng Lee, Ken.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
12 July 2023

Balance Sheets

As at 31 March 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current assets					
Property, plant and equipment	4	17,241	18,513	-	-
Investments in subsidiaries	6	-	-	16,791	16,791
Interests in associates	7	284,177	230,551	-	-
Interests in joint ventures	8	33,760	17,367	-	-
Investment securities	9	4,750	5,985	4,750	5,985
Investment properties	10	110,191	120,007	-	-
Deferred tax assets	31	528	1,249	51	308
Club membership	11	23	25	-	-
Amounts due from subsidiaries (non-trade)	15	-	-	197,492	188,816
		450,670	393,697	219,084	211,900
Current assets					
Trade receivables	12	26,233	7,246	-	-
Other receivables and deposits	14	2,961	2,447	295	95
Prepayments		651	619	35	40
Amount due from a joint venture (non-trade)	8	28,953	40,373	-	-
Investment securities	9	8,883	-	8,883	-
Contract assets	26	65,273	30,441	-	-
Structured deposits	13	4,780	4,715	-	-
Fixed deposits	16	67,078	86,150	47,096	66,364
Cash and bank balances	17	53,688	56,919	25,173	3,442
		258,500	228,910	81,482	69,941
Total assets		709,170	622,607	300,566	281,841
Current liabilities					
Trade payables	18	32,040	26,805	-	-
Other payables and accruals	19	77,709	64,216	1,667	2,662
Deferred income		18	18	-	-
Lease liabilities	5(b)	469	739	-	-
Amount due to a subsidiary (non-trade)	15	-	-	10,000	-
Provision for income tax		2,157	1,489	701	546
Contract liabilities	26	8,102	27,566	-	-
Provision for onerous contract	26	157	252	-	-
Bank term loans, secured	20	61,703	24,762	59,220	22,470
Bills payable to banks, secured	21	21,121	-	-	-
		203,476	145,847	71,588	25,678

Balance Sheets

As at 31 March 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current liabilities					
Amounts due to subsidiaries (non-trade)	15	-	-	86,854	91,231
Other payables and accruals	19	215	236	-	-
Lease liabilities	5(b)	3,702	3,896	-	-
Bank term loans, secured	20	122,805	95,125	58,380	88,250
Deferred tax liabilities	31	15,237	17,275	-	-
		<u>141,959</u>	<u>116,532</u>	<u>145,234</u>	<u>179,481</u>
Total liabilities		345,435	262,379	216,822	205,159
Net assets		363,735	360,228	83,744	76,682
Equity attributable to owners of the Company					
Share capital	22	50,915	50,915	50,915	50,915
Treasury shares	23	(2,128)	(2,128)	(2,128)	(2,128)
Translation reserve	24	(4,376)	4,630	-	-
Accumulated profits		288,008	277,163	32,328	25,266
Other reserves	25	5,742	5,742	2,629	2,629
		<u>338,161</u>	<u>336,322</u>	<u>83,744</u>	<u>76,682</u>
Non-controlling interests		25,574	23,906	-	-
Total equity		363,735	360,228	83,744	76,682
Net asset value per share (cents per share)	33	<u>60.02</u>	<u>59.70</u>		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Income Statements

For the financial year ended 31 March 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Revenue					
Project revenue	26	293,442	235,165	-	-
Rental income from investment properties		4,549	5,159	-	-
		297,991	240,324	-	-
Other income	27	11,671	10,265	25,799	7,544
Cost of construction		(278,069)	(224,344)	-	-
Personnel expenses	28	(10,016)	(10,376)	(2,572)	(3,748)
Depreciation of property, plant and equipment	4	(2,073)	(2,220)	-	-
Finance costs	29	(5,409)	(2,760)	(3,148)	(2,056)
Other operating expenses	30	(10,337)	(15,155)	(767)	(386)
Impairment losses on financial assets	30	(263)	-	-	-
		(306,207)	(254,855)	(6,487)	(6,190)
Profit/(loss) from operations before share of results of associates and joint ventures		3,455	(4,266)	19,312	1,354
Share of results of associates		21,030	25,790	-	-
Share of results of joint ventures		(747)	2,971	-	-
Profit before taxation		23,738	24,495	19,312	1,354
Income tax expense	31	(1,446)	(544)	(982)	(333)
Profit for the year		22,292	23,951	18,330	1,021
Attributable to:					
Owners of the Company		22,113	24,159	18,330	1,021
Non-controlling interests		179	(208)	-	-
		22,292	23,951	18,330	1,021
Earnings per share (cents per share)					
- Basic and diluted	32	3.92	4.29		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Comprehensive Income

For the financial year ended 31 March 2023

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Profit for the year	22,292	23,951	18,330	1,021
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	(7,517)	3,992	-	-
Other comprehensive income for the year, net of tax	(7,517)	3,992	-	-
Total comprehensive income for the year	14,775	27,943	18,330	1,021
Attributable to:				
Owners of the Company	13,107	27,233	18,330	1,021
Non-controlling interests	1,668	710	-	-
	14,775	27,943	18,330	1,021

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 March 2023

		Attributable to owners of the Company							
		Share capital \$'000	Treasury shares \$'000	Translation reserve \$'000	Accumulated profits \$'000	Other reserves \$'000	Company \$'000	Non- controlling interests \$'000	Total equity \$'000
Group									
	At 1 April 2021	50,915	(2,128)	1,556	264,329	5,685	320,357	23,196	343,553
	Profit/(loss) for the year	-	-	-	24,159	-	24,159	(208)	23,951
	Other comprehensive income	-	-	3,074	-	-	3,074	918	3,992
	Foreign currency translation	-	-	3,074	-	-	3,074	918	3,992
	Other comprehensive income for the year	-	-	3,074	-	-	3,074	918	3,992
	Total comprehensive income for the year	-	-	3,074	24,159	-	27,233	710	27,943
	Contributions by and distributions to owners	-	-	-	(57)	57	-	-	-
	Transfer to other reserves	-	-	-	(57)	57	-	-	-
	Interim and final tax- exempt dividends on ordinary shares	-	-	-	(11,268)	-	(11,268)	-	(11,268)
	Total contributions by and distributions to owners	-	-	-	(11,325)	57	(11,268)	-	(11,268)
	At 31 March 2022	50,915	(2,128)	4,630	277,163	5,742	336,322	23,906	360,228

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Statements of Changes in Equity

For the financial year ended 31 March 2023

Note	Attributable to owners of the Company						Total equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Translation reserve \$'000	Accumulated profits \$'000	Other reserves \$'000	Company \$'000			
Group									
At 1 April 2022	50,915	(2,128)	4,630	277,163	5,742	336,322	23,906	360,228	
Profit for the year	-	-	-	22,113	-	22,313	179	22,292	
Other comprehensive income	-	-	(9,006)	-	-	(9,006)	1,489	(7,517)	
Foreign currency translation	-	-	(9,006)	-	-	(9,006)	1,489	(7,517)	
Other comprehensive income for the year	-	-	(9,006)	-	-	(9,006)	1,489	(7,517)	
Total comprehensive income for the year	-	-	(9,006)	22,113	-	13,107	1,668	14,775	
Contributions by and distributions to owners	-	-	-	(11,268)	-	(11,268)	-	(11,268)	
Interim and final tax-exempt dividends on ordinary shares	-	-	-	(11,268)	-	(11,268)	-	(11,268)	
Total contributions by and distributions to owners	-	-	-	(11,268)	-	(11,268)	-	(11,268)	
At 31 March 2023	50,915	(2,128)	(4,376)	288,208	5,742	338,161	25,574	363,735	

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The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 March 2023

	Note	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Other reserves \$'000	Total equity \$'000
Company						
At 1 April 2022		50,915	(2,128)	25,266	2,629	76,682
Profit for the year		–	–	18,330	–	18,330
Total comprehensive income for the year		50,915	(2,128)	43,596	2,629	95,012
<u>Contributions by and distributions to owners</u>						
Interim and final tax-exempt dividends on ordinary shares	34	–	–	(11,268)	–	(11,268)
At 31 March 2023		50,915	(2,128)	32,328	2,629	83,744
At 1 April 2021		50,915	(2,128)	35,513	2,629	86,929
Profit for the year		–	–	1,021	–	1,021
Total comprehensive income for the year		50,915	(2,128)	36,534	2,629	87,950
<u>Contributions by and distributions to owners</u>						
Interim and final tax-exempt dividends on ordinary shares	34	–	–	(11,268)	–	(11,268)
At 31 March 2022		50,915	(2,128)	25,266	2,629	76,682

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2023

	Note	Group 2023 \$'000	Group 2022 \$'000
Operating activities			
Profit before taxation		23,738	24,495
Adjustments for:			
Depreciation of property, plant and equipment	4	2,073	2,220
Amortisation of club membership	11	2	1
Loss on disposal of plant and equipment, net		-	6
Loss/(gain) on disposal of an associate and joint venture		7	(66)
Loss on fair value adjustments of investment properties, net	10	283	1,126
Fair value loss/(gain) on quoted debt instruments (investment securities)	30	252	(322)
Impairment losses on financial assets	30	263	-
Write-off of bad debts	30	695	54
(Write-back of)/allowance for provision for onerous contract		(95)	252
Interest expense	29	5,209	2,504
Interest income	27	(8,686)	(5,896)
Share of results of associates		(21,030)	(25,790)
Share of results of joint ventures		747	(2,971)
Exchange differences		5,455	2,425
Operating cash flows before changes in working capital		8,913	(1,962)
Changes in working capital:			
(Increase)/decrease in:			
Trade and other receivables, deposits and prepayments		(19,533)	8,604
Amount due from a minority shareholder of a subsidiary (non-trade)		-	2,269
Contract assets		(34,832)	7,029
Increase/(decrease) in:			
Trade and other payables and accruals		18,707	20,315
Contract liabilities		(19,464)	5,279
Cash flows (used in)/from operations		(46,209)	41,534
Income taxes paid		(634)	(1,525)
Interest income received		8,686	5,896
Net cash flows (used in)/from operating activities		(38,157)	45,905
Investing activities			
Purchase of plant and equipment	4	(640)	(418)
Proceeds from disposal of plant and equipment		7	1
Increase in investment in associates		(2,180)	-
Proceeds from cancellation of shares in associates on capital reduction	7	-	490
Purchase of quoted debt instruments (investment securities)		(8,000)	(1,998)
Proceeds from redemption of quoted debt instrument (investment securities)		100	-
Increase in loans and amounts due from associates, net		(35,772)	(6,328)
(Increase)/decrease in loans and amounts due from joint ventures, net		(6,965)	20,496
Dividends received from associates		705	811
Dividends received from joint ventures		550	3,486
Net cash flows (used in)/from investing activities		(52,195)	16,540

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2023

	Note	Group 2023 \$'000	2022 \$'000
Financing activities			
Dividends paid	34	(11,268)	(11,268)
Proceeds from bank term loans		92,000	38,500
Repayment of bank term loans		(27,379)	(44,923)
Proceeds from bills payable to banks		21,121	-
Repayment of bills payable to banks		-	(16,910)
Payment of principal portion of lease liabilities		(640)	(625)
Interest paid		(5,209)	(2,504)
Increase in structured deposits		(65)	(4,715)
Decrease in pledged fixed deposits		(239)	4,957
		<u>68,321</u>	<u>(37,488)</u>
Net cash flows from/(used in) financing activities		(22,031)	24,957
Net (decrease)/increase in cash and cash equivalents		(511)	169
Effect of exchange rate changes on cash and cash equivalents		94,154	69,028
Cash and cash equivalents at beginning of year		<u>94,154</u>	<u>69,028</u>
Cash and cash equivalents at end of year	17	71,612	94,154

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 March 2023

1. CORPORATION INFORMATION

KSH Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in the Republic of Singapore. The ordinary shares of the Company were admitted to the official list of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 8 February 2007.

The registered office and principal place of business of the Company is located at 36 Senoko Road, Singapore 758108.

The principal activity of the Company is that of an investment holding. The principal activities of the subsidiaries, associates and joint ventures are disclosed in Notes 6 to 8 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (“SGD” or “\$”) and all values are rounded to the nearest thousand (\$’000), except when otherwise indicated.

2.2 Change in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards and interpretations which are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements</i> and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8 <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 16 <i>Leases: Lease liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The Directors expect that the adoption of the abovementioned standards will have no material impact on the financial statements in the year of initial application.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within subsidiaries are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operations.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.19. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold factory building	–	22 years to 50 years
Furniture and fittings and air-conditioners	–	5 to 15 years
Office equipment	–	5 to 8 years
Computers	–	3 years
Motor vehicles	–	5 to 10 years
Loose tools	–	5 years
Plant and machinery	–	6 to 15 years
Renovations	–	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of investment properties is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2.9 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

Club membership

The club membership was acquired separately and is amortised on a straight-line basis over its finite useful life of 25 years.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interests in joint ventures as investments and accounts for these investments using the equity method. The accounting policy for investments in joint ventures is set out in Note 2.13.

2.13 Joint ventures and associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates or joint ventures are eliminated to the extent of the interests in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Joint ventures and associates (cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

As the dates of the associates' and joint ventures' audited financial statements used are not co-terminous with that of the Group, the Group's share of results is arrived at based on the latest available audited financial statements and subsequent un-audited management financial statements up to the end of the accounting period. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Upon loss of significant influence or joint control over the associate or joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

2.14 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(a) *Financial assets (cont'd)*

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of debt instruments applicable to the Group are:

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through the amortisation process.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

De-recognition

A financial asset is de-recognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.15 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Impairment of financial assets (cont'd)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand, fixed deposits and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 Construction contracts

The Group principally operates fixed price contracts. Contract revenue and contract costs are recognised over time by measuring the progress towards complete satisfaction of performance obligations. The Group has determined that the cost-based input method reflects the over-time transfer of control to customers.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. The Group is restricted contractually from directing the assets for another use as they are being constructed, and has enforceable rights to payment for performance completed to date. The revenue is recognised over time, based on the construction costs incurred to date as a proportion of estimated total construction costs to be incurred.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Construction contracts (cont'd)

The contract assets relate to unbilled work-in-progress and have substantially the same characteristics as the trade receivables for the same type of contracts. The impairment policy as explained in Note 2.15 also applies to contract assets.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

2.18 Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous Contract

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 Employee benefits

(a) *Defined contribution plans*

The companies in the Group participate in the following national pension schemes as defined by the laws of the countries in which they have operations. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related services are performed.

(i) Republic of Singapore ("Singapore")

The Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme.

(ii) The People's Republic of China ("PRC")

Subsidiaries incorporated and operating in the PRC are required to provide certain staff pension benefits to its employees under existing PRC legislations. Pension contributions are made at rates stipulated by PRC legislations to a pension fund managed by government agencies, who are responsible for administering these amounts for the subsidiaries' employees.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of each reporting period.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.10. The Group's right-of-use assets are presented within property, plant and equipment in Note 5.

(ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Leases (cont'd)

(a) As lessee (cont'd)

(ii) Lease liabilities (cont'd)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The accounting policy for rental income is set out in Note 2.22(b).

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Project revenue*

The accounting policy for recognising project revenue is stated in Note 2.17.

(b) *Rental income*

Rental income arising from investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.23 Dividend and interest income

Dividend income is recognised in profit or loss when the Group's right to receive payment has been established.

Interest income is recognised in profit or loss, as it accrues, using the effective interest method.

2.24 Government grants

Government grants are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred income on the balance sheet and is recognised as income in equal amounts over the expected useful life of the related asset.

Where the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs for which the grants are intended to compensate are expensed. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as 'other income'. Alternatively, they are deducted in reporting the related expenses.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

2.26 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.28 Contingencies

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

Notes to the Financial Statements

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.29 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the profit or loss.

2.30 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to Management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Notes to the Financial Statements

For the financial year ended 31 March 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(a) Construction contracts and revenue recognition

Construction contract revenue is recognised over time by reference to the Group's progress towards completing the performance obligation in the contract.

Management has determined that a cost-based input method for these services provides a faithful depiction of the Group's performance in transferring control of the goods and services promised to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the contract. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the performance obligation within the contract.

The estimated total contract costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project managers to make estimates of the amounts to be incurred. In making these estimates, management takes into consideration the historical trends of the amounts incurred in the Group's other similar construction contracts for the past 3 to 5 years.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For the financial year ended 31 March 2023, the Group recorded revenue of \$293,442,000 (2022: \$235,165,000) from its construction contracts. The carrying amounts of contract assets and contract liabilities arising from construction contracts as at 31 March 2023 are \$65,273,000 (2022: \$30,441,000) and \$8,102,000 (2022: \$27,566,000) respectively.

(b) Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged real estate valuation experts to assess fair value as at 31 March 2023.

The fair values of investment properties are determined by independent real estate valuation experts using market comparable approach and discounted cash flow approach.

The determination of the fair values of the investment properties require the use of estimates on yield adjustments such as location, size, tenure, age and condition. These estimates are based on local market conditions existing at the end of each reporting date.

The key assumptions used to determine the fair value of the investment properties are further explained in Notes 10 and 38(d)(i). The carrying amount of the Group's investment properties as at 31 March 2023 was \$110,191,000 (2022: \$120,007,000).

Notes to the Financial Statements

For the financial year ended 31 March 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(c) Impairment assessment of interest in associates and joint ventures

The Group has significant interests in associates and joint ventures. The Group's interests in associates and joint ventures comprise the investments and amounts due from associates and joint ventures. The associates and joint ventures of the Group are mainly involved in the business of property development. The Group assesses at the end of each reporting period whether there is any objective evidence that the interest is impaired.

The Group applies the general approach to provide for ECLs on amounts due from associates and joint ventures carried at amortised cost. At each reporting date, the Group assesses whether the credit risk of a financial asset has increased significantly since initial recognition. When initial credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

The assessment of whether credit risk of a financial asset has increased significantly since initial recognition is a significant estimate. Credit risk assessment is based on both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information. The carrying amounts of the Group's interests in associates and joint ventures are disclosed in Notes 7 and 8 to the financial statements respectively.

Notes to the Financial Statements

For the financial year ended 31 March 2023

4. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold factory building \$'000	Furniture and fittings and air-conditioners \$'000	Office equipment		Motor vehicles \$'000	Loose tools \$'000	Plant and machinery \$'000	Renovations \$'000	Total \$'000
			computers \$'000	and computers \$'000					
Cost									
As at 1.4.2021	18,050	1,111	2,789	3,056	618	13,618	1,012	40,254	
Remeasurement	-	-	(25)	-	-	-	-	(25)	
Additions	-	-	205	-	190	23	-	418	
Disposals	-	-	(132)	-	(12)	(37)	-	(181)	
Translation difference	-	17	5	7	-	-	-	29	
As at 31.3.2022 and 1.4.2022	18,050	1,128	2,842	3,063	796	13,604	1,012	40,495	
Additions	-	-	421	103	142	150	-	816	
Disposals	-	-	(64)	-	(21)	(99)	-	(184)	
Reclassification	-	-	(1)	-	4	(3)	-	-	
Translation difference	-	(42)	(9)	(17)	-	-	-	(68)	
As at 31.3.2023	18,050	1,086	3,189	3,149	921	13,652	1,012	41,059	
Accumulated depreciation									
As at 1.4.2021	2,308	1,034	2,221	1,702	395	11,281	971	19,912	
Charge for the year	700	14	253	364	100	776	13	2,220	
Disposals	-	-	(128)	-	(9)	(37)	-	(174)	
Translation difference	-	17	3	4	-	-	-	24	
As at 31.3.2022 and 1.4.2022	3,008	1,065	2,349	2,070	486	12,020	984	21,982	
Charge for the year	627	12	283	322	121	696	12	2,073	
Disposals	-	-	(63)	-	(18)	(96)	-	(177)	
Reclassification	-	-	(1)	-	1	*	-	-	
Translation difference	-	(41)	(8)	(11)	-	-	-	(60)	
As at 31.3.2023	3,635	1,036	2,560	2,381	590	12,620	996	23,818	
Net carrying amount									
As at 31.3.2022	15,042	63	493	993	310	1,584	28	18,513	
As at 31.3.2023	14,415	50	629	768	331	1,032	16	17,241	

* denotes amount less than \$1,000

Notes to the Financial Statements

For the financial year ended 31 March 2023

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 5(a).

Cash outflows on purchase of property, plant and equipment

Cash payments of \$640,000 (2022: \$418,000) were made to purchase property, plant and equipment during the year ended 31 March 2023.

Assets held under leasing arrangement

During the financial year ended 31 March 2023, the Group acquired property, plant and equipment with an aggregate cost of \$640,000 (2022: \$418,000) of which \$nil (2022: \$nil) was acquired by means of leasing arrangement.

The carrying amounts of plant and equipment acquired under leasing arrangement at the end of the reporting period are as follows:

	Group	
	2023 \$'000	2022 \$'000
Motor vehicles	51	138
Plant and machinery	507	889
Loose tools	3	13
	<hr/>	<hr/>

Assets acquired under leasing arrangement were pledged as security for the related lease liabilities.

Assets pledged as security

In addition to assets held under leasing arrangement, the leasehold factory building with net carrying amount of \$14,415,000 (2022: \$15,042,000) has been pledged as security for banking facilities granted by the banks (Note 20).

5. LEASES

Group as a lessee

The Group has lease contracts for various items of property, plant and equipment used in its operations. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of office equipment with lease terms of 12 months or less. The Group applies the 'short-term lease' and 'lease of low value assets' recognition exemptions for these leases.

Notes to the Financial Statements

For the financial year ended 31 March 2023

5. LEASES (CONT'D)

(a) Right-of-use assets

Information about Right-of-use assets classified within Property, plant and equipment (Note 4) is disclosed as follows:

	Leasehold factory building \$'000	Office equipment and computers \$'000	Motor vehicles \$'000	Loose tools \$'000	Plant and machinery \$'000	Total \$'000
Group						
Carrying amounts at 1 April 2021	3,866	87	282	23	1,282	5,540
Remeasurement	–	(25)	–	–	–	(25)
Depreciation	(138)	(39)	(145)	(11)	(391)	(724)
Carrying amounts at 31 March 2022 and 1 April 2022	3,728	23	137	12	891	4,791
Addition*	–	176	–	–	–	176
Depreciation	(137)	(45)	(87)	(10)	(383)	(662)
Carrying amounts at 31 March 2023	3,591	154	50	2	508	4,305

* Included in addition relates to acquisition arising from operating lease arrangement

(b) Lease liabilities

	Group	
	2023 \$'000	2022 \$'000
At 1 April	4,635	5,285
Additional	176	–
Accretion of interest (Note 29)	171	187
Payments	(811)	(812)
Early termination	–	(25)
At 31 March	4,171	4,635
Represented by:		
Current	469	739
Non-current	3,702	3,896
	4,171	4,635

The movements of lease liabilities during the year are disclosed in Note 20 and the maturity analysis of lease liabilities is disclosed in Note 39.

Notes to the Financial Statements

For the financial year ended 31 March 2023

5. LEASES (CONT'D)

(c) Amounts recognised in profit or loss

	Group	
	2023 \$'000	2022 \$'000
Depreciation of right-of-use assets	662	724
Interest expense on lease liabilities (Note 29)	171	187
Lease expenses not capitalised in lease liabilities:		
– Expenses relating to leases of short-term leases (included in other operating expenses) (Note 30)	–	11
Total amounts recognised in profit or loss	833	922

(d) Total cash outflows

The Group had total cash outflows for leases of \$640,000 (2022: \$625,000) during the year.

(e) Variable lease payments

The Group has two lease contracts that contain variable lease payments arising from rent adjustments by Jurong Town Corporation (“JTC”). The rent will be revised to the prevailing JTC-posted rates with a 5.5% escalation cap annually.

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 \$'000	2022 \$'000
Unquoted equity shares:		
Cost at the beginning and end of the year	16,791	16,791

Notes to the Financial Statements

For the financial year ended 31 March 2023

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2023 %	2022 %
<i>Held by the Company</i>				
#	Kim Seng Heng Engineering Construction (Pte) Ltd ("KSHCEC") (Republic of Singapore)	Carry on business as builders and contractors	100	100
#	Kim Seng Heng Realty Pte Ltd ("KSHR") (Republic of Singapore)	Property development	100	100
#	KSH Overseas Pte. Ltd. ("KSHO") (Republic of Singapore)	Investment holding	100	100
#	KSH Property Development Pte. Ltd. ("KSHPD") (Republic of Singapore)	Property development	100	100
#	KSH Property Investment Pte. Ltd. ("KSHPI") (Republic of Singapore)	Holding of assets	100	100
#	Ferris Rise Pte. Ltd. ("FERRIS") (Republic of Singapore)	Holding of assets	100	100
*	KSH Asia Investment Pte. Ltd. ("KSHAI") (Republic of Singapore)	Investment holding	100	100
*	KSH Commercial Investment Pte. Ltd. ("KSHCI") (Republic of Singapore)	Investment holding	100	100
#	KSH Capital Pte. Ltd. ("KSHCA") (Republic of Singapore)	Investment holding	100	100
#	KSH Asia Property Pte. Ltd. ("KSHAP") (Republic of Singapore)	Investment holding	100	100

Notes to the Financial Statements

For the financial year ended 31 March 2023

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (cont'd)

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2023 %	2022 %
<i>Held by the Company (cont'd)</i>				
*	KSH Vietnam Investment Pte. Ltd. ("KSHVI") (Republic of Singapore)	Investment holding	100	100
#	KSH Hotels Investments Pte. Ltd. ("KSHHI") (Republic of Singapore)	Investment holding	100	100
*	KSH Investments Management Pte. Ltd. ("KSHIM") (Republic of Singapore)	Holding of assets for investment	100	100
#	KSH Foreign Investment Pte. Ltd. ("KSHFI") (Republic of Singapore)	Property development and holding of assets for investment	100	100
#	KSH International Investment Pte. Ltd. ("KSHII") (Republic of Singapore)	Investment holding	100	100
#	KSH Investments Property Holdings Pte. Ltd. ("KSHIPH") (Republic of Singapore)	Property development and holding of assets for investment	100	100
#	KSH Asia Pacific Investments Pte. Ltd. ("KSHAS") (Republic of Singapore)	Property development and holding of assets for investment	100	100
#	KSH Hotels Asia Pte. Ltd. ("KSHHA") (Republic of Singapore)	Property development and holding of assets for investment	100	100

Notes to the Financial Statements

For the financial year ended 31 March 2023

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (cont'd)

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2023 %	2022 %
Held by subsidiaries				
^	Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE") (The People's Republic of China)	Construction, rental, sale of property	69	69
^	Tianjin Tian Xing Property Management Co., Ltd. ("TTXPM") (The People's Republic of China)	Property management	69	69
@	Duford Investment (Hong Kong) Limited ("Duford") (Hong Kong Special Administrative Region)	Investment holding	100	100
* □	Techpath Construction Sdn Bhd ("Techpath") (Malaysia)	Building construction	100	100
#	KSH Land Development Pte. Ltd. ("KSHLD") (Republic of Singapore)	Property development and holding of assets for investment	100	100
#	KSH Global Investment Pte. Ltd. ("KSHGI") (Republic of Singapore)	Property development	100	100
#	KSH Development Pte. Ltd. ("KSHDE") (Republic of Singapore)	Property development	100	100
#	Development 88 Pte. Ltd. ("Dev88") (Republic of Singapore)	Property development and holding of assets for investment	100	100
#	KSH Premier Investment Pte. Ltd. ("KSHPR") (Republic of Singapore)	Property development and holding of assets for investment	100	100
#	KSH Engineering Builders Pte. Ltd. ("KSHEB") (Republic of Singapore)	Carry on business as builders and contractors	100	100
#	KSH Residential Pte. Ltd. ("KSHRE") (Republic of Singapore)	Property development and holding of assets for investment	100	100
# (1)	TK 189 Development Pte. Ltd. ("TK189") (Republic of Singapore)	Property development and holding of assets for investment	66.7	–

Notes to the Financial Statements

For the financial year ended 31 March 2023

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (cont'd)

Audited by Ernst & Young LLP, Singapore.

^ Audited by Tianjin Shencheng Certified Public Accountants Co., Ltd, the People's Republic of China.

* Reviewed by Ernst & Young LLP, Singapore, for consolidation purposes only.

@ Audited by C K Yau & Partners CPA Limited, Certified Public Accountants (Practising), Hong Kong.

α Audited by PCS & Co. Chartered Accountant, Malaysia.

(1) On 21 July 2022, KSHR, a wholly-owned subsidiary of the Company, acquired an additional 16.7% equity interest in TK 189. The Group's effective interest in TK189 increased to 66.7% and TK189 became a 66.7% subsidiary of the Group.

Interests in subsidiaries with material non-controlling interest (NCI)

The Group has the following subsidiary that has NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Profit/(loss)	Accumulated	Dividends paid to NCI \$'000
			allocated to NCI during the reporting period \$'000	NCI at the end of reporting period \$'000	
31 March 2023:					
Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE")	The People's Republic of China	31%	177	21,482	-
31 March 2022:					
Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE")	The People's Republic of China	31%	(458)	23,632	-

Summarised financial information of subsidiaries with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests is as follows:

Summarised balance sheet

	TTXRE	
	2023 \$'000	2022 \$'000
Current		
Assets	5,892	4,983
Liabilities	(4,492)	(4,430)
Net current assets	1,400	553
Non-current		
Assets	91,880	102,715
Liabilities	(23,982)	(27,034)
Net non-current assets	67,898	75,681
Net assets	69,298	76,234

Notes to the Financial Statements

For the financial year ended 31 March 2023

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Summarised financial information of subsidiaries with material NCI (cont'd)

Summarised statement of comprehensive income

	TTXRE	
	2023 \$'000	2022 \$'000
Revenue	2,297	3,075
Other income	25	126
Profit/(loss) before taxation	(160)	(648)
Income tax credit	337	190
Loss after taxation	177	(458)
Other comprehensive income, net of tax	(7,114)	2,942
Total comprehensive income for the year	(6,937)	2,484

7. INTERESTS IN ASSOCIATES

	Group	
	2023 \$'000	2022 \$'000
Shares, at cost	33,884	34,374
Additions during the year	2,180	–
Cancellation of shares pursuant to capital reduction	*	(490)
	36,064	33,884
Share of post-acquisition reserves ⁽¹⁾	110,653	93,015
Dividends receivable	(346)	(382)
Dividends received	(57,848)	(62,147)
Translation difference	(4,104)	(924)
Carrying amount of investments	84,419	63,446
Loans due from associates [^]	177,405	147,938
Loans due to associates	(1,486)	(1,244)
Amounts due from associates (non-trade)	23,839	20,411
	284,177	230,551

* Denotes amount less than \$1,000.

[^] Amount includes share of losses of associates amounting to \$20,708,000 (2022: \$17,790,000) applied to loans due from associates.

⁽¹⁾ During the year, the provision for legal compensation amounting to \$6,247,000 relating to the claim against Beijing Jin Hua Tong Da Real Estate Development Co., Ltd was realised in the share of results of the associate upon the final judgement of the Court.

Loans due from associates amounting to \$164,843,000 (2022: \$114,545,000) are unsecured and are not expected to be settled within the next twelve months. These loans bear effective interest rates ranging from 1.50% to 5.00% (2022: 3.00% to 5.28%) per annum and are to be settled in cash.

Notes to the Financial Statements

For the financial year ended 31 March 2023

7. INTERESTS IN ASSOCIATES (CONT'D)

The remaining loans due from associates, amounting to \$12,562,000 (2022: \$33,393,000) are unsecured, non-interest bearing and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

Loans due to associates, amounting to \$1,486,000 (2022: \$1,244,000) are unsecured, non-interest bearing and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

Amounts due from associates (non-trade) are unsecured, non-interest bearing and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

Expected credit loss

The movement in allowance for expected credit losses of loans due from associates computed based on lifetime ECL is as follows:

	Group	
	2023	2022
	\$'000	\$'000
Movement in allowance account:		
At beginning of the year	4,869	4,869
Charge for the year	263	–
At end of the year	5,132	4,869

The Group's material investments in associates are summarised below:

Dawa Hospitality Private Limited	1,337	1,531
Unique Development Pte. Ltd.	1,288	1,266
Unique Rezi Pte. Ltd.	1,180	1,183
Rio Casa Venture Pte. Ltd	34,867	25,450
Beijing Jin Hua Tong Da Real Estate Development Co., Ltd	19,312	16,472
Sino-Singapore Kim Seng Heng (Beijing) Engineering Construction Co., Ltd.	5,651	6,539
Hebei Yuezhi Real Estate Development Co., Ltd.	8,515	9,444
Unique Invesco Pte. Ltd.	2,829	312
Lakeside Residential Pte. Ltd.	1,199	–
Other associates	8,241	1,249
Carrying amount of investments in associates	84,419	63,446

Notes to the Financial Statements

For the financial year ended 31 March 2023

7. INTERESTS IN ASSOCIATES (CONT'D)

The Group has not recognised losses relating to Klang City Development Pte. Ltd., Unique Commercial Pte. Ltd. and Oldham Street Pte. Ltd., where its share of losses exceeds the Group's interest in these associates. The Group's cumulative share of unrecognised losses at the end of the reporting period was \$2,703,000 (2022: \$2,381,000), of which \$322,000 (2022: \$825,000) was the share of the current year's losses. The Group has no obligation in respect of these losses.

Details of the associates are as follows:

	Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2023 %	2022 %
<i>Held by subsidiaries</i>				
***	Beijing Jin Hua Tong Da Real Estate Development Co., Ltd. ("BJHTD") (The People's Republic of China)	Residential property developer	45	45
***	Sino-Singapore Kim Seng Heng (Beijing) Engineering Construction Co., Ltd. ("KSHEC Beijing") (The People's Republic of China)	Engineering and construction	50	50
#	Unique Development Pte. Ltd. ("Unique Development") (Republic of Singapore)	Real estate developers	35	35
#	Development 26 Pte. Ltd. ("Dev 26") (Republic of Singapore)	Property development	45	45
#	Residenza Pte. Ltd. ("Residenza") (Republic of Singapore)	Property development	32	32
# ⁽⁶⁾	Unique Realty Pte. Ltd. ("Unique Realty") (Republic of Singapore)	Property development	25	25
#	Unique Consortium Pte. Ltd. ("Unique Consortium") (Republic of Singapore)	Investment holding	35	35
#	Unique Capital Pte. Ltd. ("Unique Capital") (Republic of Singapore)	Investment holding	25	25
#	Unique Rezi Pte. Ltd. ("Unique Rezi") (Republic of Singapore)	Investment holding	42	42

Notes to the Financial Statements

For the financial year ended 31 March 2023

7. INTERESTS IN ASSOCIATES (CONT'D)

Details of the associates are as follows: (cont'd)

	Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2023 %	2022 %
	Held by subsidiaries (cont'd)			
#	Unique Resi Estate Pte. Ltd. ("Unique Resi Estate") (Republic of Singapore)	Property development	30	30
*	Unique Commercial Pte. Ltd. ("Unique Commercial") (Republic of Singapore)	Property development	35	35
#	Development 32 Pte. Ltd. ("Dev 32") (Republic of Singapore)	Property development	45	45
#	Wealth Development Pte. Ltd. ("Wealth Development") (Republic of Singapore)	Property development	30	30
*	Klang City Development Pte. Ltd. ("Klang City Development") (Republic of Singapore)	Investment holding	40	40
#	Epic Land Pte. Ltd. ("EPIC") (Republic of Singapore)	Dormant	28	28
# ⁽¹⁾	Glenthorne Pte. Ltd. ("Glenthorne") (Republic of Singapore)	Investment holding	10	10
# ⁽¹⁾	Fairmont Land Pte. Ltd. ("Fairmont") (Republic of Singapore)	Investment holding	15	15
#	Prospere Hotels Pte. Ltd. ("Prospere") (Republic of Singapore)	Investment holding	30	30
*	Development 35 Pte. Ltd. ("Dev 35") (Republic of Singapore)	Property development	49	49

Notes to the Financial Statements

For the financial year ended 31 March 2023

7. INTERESTS IN ASSOCIATES (CONT'D)

Details of the associates are as follows: (cont'd)

	Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2023 %	2022 %
<i>Held by subsidiaries (cont'd)</i>				
# ⁽¹⁾	Goldprime Realty Pte. Ltd. ("Goldprime") (Republic of Singapore)	Investment holding	20	20
#	Oldham Street Pte. Ltd. ("Oldham") (Republic of Singapore)	Investment holding	25	25
#	Unique Invesco Pte. Ltd. ("UNIV") (Republic of Singapore)	Investment holding	37.5	37.5
#	Development 24 Pte. Ltd. ("DEV24") (Republic of Singapore)	Property development	48	48
+	Rio Casa Venture Pte. Ltd. ("Rio Casa") (Republic of Singapore)	Property development	35	35
~	Hebei Yuezhi Real Estate Development Co., Ltd. ("Hebei Yuezhi") (The People's Republic of China)	Real estate developers	22.5	22.5
# ⁽¹⁾	Prospere Glow Pte. Ltd. ("Glow") (Republic of Singapore)	Investment holding	20	20
#	Prospere Bliss Pte. Ltd. ("Bliss") (Republic of Singapore)	Investment holding	30	30
= ⁽¹⁾	Dawa Hospitality Private Limited ("Dawa") (Bhutan)	Investment holding	10	10

Notes to the Financial Statements

For the financial year ended 31 March 2023

7. INTERESTS IN ASSOCIATES (CONT'D)

Details of the associates are as follows: (cont'd)

Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
		2023 %	2022 %
<i>Held by subsidiaries (cont'd)</i>			
# ⁽¹⁾ Prospere Glory Pte. Ltd. ("Glory") (Republic of Singapore)	Investment holding	20	20
# ⁽¹⁾ Leeds Bridge Pte. Ltd. ("Leeds") (Republic of Singapore)	Investment holding	17.5	17.5
# ⁽¹⁾ Wickham Invesco Pte. Ltd. ("Wickham") (Republic of Singapore)	Investment holding	15	15
# ⁽¹⁾ SH Sapporo Pte. Ltd. ("SH Sapporo") (Republic of Singapore)	Investment holding	10	10
# ⁽¹⁾ KAP Hotel Investments Pte. Ltd. ("KAP Hotel") (Republic of Singapore)	Investment holding	20	20
□# ⁽³⁾ Lakeside Residential Pte. Ltd. ("Lakeside Residential") (Republic of Singapore)	Property development	20	–
# ⁽¹⁾⁽⁴⁾ KSH Ultra Unity Pte. Ltd. ("KSH Ultra Unity") (Republic of Singapore)	Property development	49	–
<i>Held by associates</i>			
- Sino-Singapore KAP Construction Co., Ltd. (The People's Republic of China)	Property development	22.5	22.5
- Gaobeidian City KAP Real Estate Development Co., Ltd. ("Gaobeidian City") (The People's Republic of China)	Property development	22.5	22.5
Ⓐ Hebei Xu Xing Investment Co., Ltd. ("Hebei Xu Xing") (The People's Republic of China)	Property development	20.3	20.3

Notes to the Financial Statements

For the financial year ended 31 March 2023

7. INTERESTS IN ASSOCIATES (CONT'D)

Details of the associates are as follows: (cont'd)

	Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2023 %	2022 %
<i>Held by associates (cont'd)</i>				
-(1)	Yuedong International Hotel Co., Ltd. ("Yuedong International") (The People's Republic of China)	Property development	14.3	14.3
+ ⁽¹⁾	Oxley Serangoon Pte. Ltd. ("Oxley Serangoon") (Republic of Singapore)	Property development	7.5	7.5
# ⁽¹⁾	Mountbatten Edge Pte. Ltd. ("Mountbatten Edge") (Republic of Singapore)	Property development	10	10
****	Menara Jutamas Sdn. Bhd. ("Menara") Malaysia	Dormant	40	40
+ ⁽¹⁾	Oxley Sanctuary Pte. Ltd. ("Oxley Sanctuary") (Republic of Singapore)	Property development	12.6	12.6
+ ⁽¹⁾	Oxley Viva Pte. Ltd. ("Oxley Viva") (Republic of Singapore)	Property development	12.3	12.3
+ ⁽¹⁾	Oxley YCK Pte. Ltd. ("Oxley YCK") (Republic of Singapore)	Property development	12.3	12.3
!(1)	Glasgow Groove Limited ("Glasgow Groove") (England & Wales)	Property investment holding	20	20
!(1)	Glasgow Waterloo Limited ("Glasgow Waterloo") (England & Wales)	Hotel operation	20	20

Notes to the Financial Statements

For the financial year ended 31 March 2023

7. INTERESTS IN ASSOCIATES (CONT'D)

Details of the associates are as follows: (cont'd)

Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
		2023 %	2022 %
<i>Held by associates (cont'd)</i>			
** ⁽¹⁾ Liverpool Days Limited ("Liverpool Days") (England & Wales)	Property investment holding	20	20
** ⁽¹⁾ Liverpool Operation Limited ("Liverpool Operation") (England & Wales)	Hotel operation	20	20
⁽¹⁾ CPK (London) Limited ("CPK London Limited") (England and Wales)	Hotel operation and property investment holding	20	20
[^] Ippan Shadan Hojin SH012 ("SH012") (Japan)	Investment holding	30	30
[^] Godo Kaisha GK012 ("GK012") (Japan)	Property investment holding	30	30
[^] ⁽¹⁾ Ippan Shadan Hojin SH002 ("SH002") (Japan)	Investment holding	10	10
[^] ⁽¹⁾ Godo Kaisha GK002 ("GK002") (Japan)	Property investment holding	10	10
[^] Manchester Property Holdings Limited ("Manchester Property") (Jersey)	Property investment holding	30	30
** Ensco 1160 Limited ("Ensco 1160") (England & Wales)	Hotel operation	30	30

Notes to the Financial Statements

For the financial year ended 31 March 2023

7. INTERESTS IN ASSOCIATES (CONT'D)

Details of the associates are as follows: (cont'd)

Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
		2023 %	2022 %
Held by associates (cont'd)			
[^] Treasure Choice Enterprise Limited ("Treasure Choice") (Incorporated in British Virgin Islands, place of business in England & Wales)	Dormant	25	25
^{^(1)} Wickham 186 Pty Ltd ("Wickham 186") (Australia)	Investment holding	15	15
^{^(1)} 186 Wickham Street (Residential) Pty Ltd ("186 Wickham") (Australia)	Property development	5	5
^{^(1)} Ace Zone Holdings Limited ("Ace") (Incorporated in British Virgin Islands, place of business in England & Wales)	Property investment holding	10	10
^{**^(1)} Luma Concept Hotel Limited ("Luma") (England & Wales)	Hotel operation	10	10
^{^(1)} Ease Treasure Holdings Limited ("Ease Treasure") (Incorporated in British Virgin Islands, place of business in England & Wales)	Property investment holding	17.5	17.5
^{**^(1)} Leeds Bridge Street Hotel Limited ("Leeds") (England & Wales)	Hotel operation	17.5	17.5
⁽⁵⁾ Lian Beng (St Kilda) Pty Ltd ("St Kilda") (Australia)	Dormant	20	20
^{^(1)} Ultra Assets Holding Limited ("Ultra Assets") (Incorporated in British Virgin Islands, place of business in England & Wales)	Property investment holding and property development	15	15

Notes to the Financial Statements

For the financial year ended 31 March 2023

7. INTERESTS IN ASSOCIATES (CONT'D)

Details of the associates are as follows: (cont'd)

Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
		2023 %	2022 %
<i>Held by associates (cont'd)</i>			
[^] (1) Horizon Glory Holdings Limited ("Horizon") (British Virgin Islands)	Investment holding	15	15
^{**} (1) Gloucester Corinium Avenue Hotel Limited ("Gloucester Corinium") (England & Wales)	Property investment holding	15	15
^{**} (1) Ensco 1154 Limited ("Ensco 1154") (England & Wales)	Hotel operation	15	15
[^] (1) Joy Light Ventures Limited ("Joy Light") (British Virgin Islands)	Investment holding	15	15
^{**} (1) Bradford CR Limited (previously known as Bradford Prince Court Hotel Limited) ("Bradford CR") (England & Wales)	Dormant	15	15
^{**} (1) Ensco 1155 Limited ("Ensco 1155") (England & Wales)	Dormant	15	15

@ Audited by Hebei Lantian Certified Public Accounts Co., Ltd, People's Republic of China

* Audited by Baker Tilly TFW LLP, Singapore

Audited by Ernst & Young LLP, Singapore

+ Audited by RSM Chio Lim LLP, Singapore

~ Audited by Hebei Lantian Certified Public Accounts Co., Ltd, People's Republic of China, in 2022 and Baoding Yingxiu Accounting Firm, People's Republic of China, in 2021

= Audited by Tshechu & Associates

^ Not required to be audited in the respective country of incorporation

! Audited by Ferguson Maidment & Co., United Kingdom

** Audited by LB Group, United Kingdom

*** Audited by Grant Thornton, Zi Tong Certified Public Accountant, People's Republic of China

**** Audited by TEE & Partners Chartered Accountants, Malaysia

α Incorporated during the financial year

Notes to the Financial Statements

For the financial year ended 31 March 2023

7. INTERESTS IN ASSOCIATES (CONT'D)

Details of the associates are as follows: (cont'd)

- (1) The results of these associates were accounted for using the equity method in the consolidated financial statements notwithstanding that the Group holds equal to or less than 20% of the voting power in these companies. The Group is deemed to exercise significant influence by virtue of its representation on the board committees of these entities.
- (2) Struck off with effect from 7 April 2022.
- (3) On 5 August 2022, TK189, a 66.7% owned subsidiary of the Group, acquired 30% equity interest in Lakeside Residential for a cash consideration of \$3.
- (4) On 24 May 2022, the Company's wholly-owned subsidiary, KSHR, incorporated a wholly-owned subsidiary, KSH Ultra Unity, for a cash consideration of \$1. On 26 July 2022, the Group's effective interest in KSH Ultra Unity decreased from 100% to 49% and KSH Ultra Unity became a 49%-owned associate of the Group.
- (5) In the process of voluntary liquidation with effect from 23 June 2023.
- (6) Struck off with effect from 17 April 2023.

There is no significant restriction in the ability of the Group's associates to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

Aggregate information about the Group's investments in associates that are not individually material are as follows:

	2023	2022
	\$'000	\$'000
Loss/profit after taxation	(1,165)	5,537
Other comprehensive income, net of tax	41	219
Total comprehensive income for the year	(1,124)	25,756

Notes to the Financial Statements

For the financial year ended 31 March 2023

7. INTERESTS IN ASSOCIATES (CONT'D)

The summarised financial information in respect of the material investments in associates, based on their SFRS(I) financial statements, and a reconciliation with the carrying amount of each investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Dawa Hospitality		Unique Development		Unique Rezi		Rio Casa	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current assets	4,020	5,198	2,240	4,383	13	34	655,113	-
Non-current assets	16,062	14,825	1,500	-	2,822	2,808	-	736,294
Total assets	20,082	20,023	3,740	4,383	2,835	2,842	655,113	736,294
Current liabilities	(1,055)	(789)	(63)	(71)	(29)	(29)	(266,959)	(26,713)
Non-current liabilities	(5,838)	(4,101)	-	(698)	-	-	(288,537)	(636,870)
Total liabilities	(6,893)	(4,890)	(63)	(769)	(29)	(29)	(555,496)	(663,583)
Net assets	13,189	15,133	3,677	3,614	2,806	2,813	99,617	72,711
Proportion of Group's ownership	10%	10%	35%	35%	42%	42%	35%	35%
Group's share of net assets	1,319	1,513	1,287	1,265	1,179	1,182	34,866	25,449
Other adjustments	18*	18*	1*	1*	1*	1*	1*	1*
Carrying amount of investment	1,337	1,531	1,288	1,266	1,180	1,183	34,867	25,450

* Other adjustments comprise accumulated losses prior to the date of acquisition by the Group.

Notes to the Financial Statements

For the financial year ended 31 March 2023

7. INTERESTS IN ASSOCIATES (CONT'D)

Summarised balance sheet (cont'd)

	Unique Invesco		Lakeside Residential		BJHTD		Sino-KSHEC		Hebei Yuezhi	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Current assets	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current assets	5,969	4,548	37,669	-	40,661	40,220	27,499	21,045	37,907	42,004
Total assets	8,988	2,187	-	-	68,469	34,833	-	-	-	-
	14,957	6,735	37,669	-	109,130	75,053	27,499	21,045	37,907	42,004
Current liabilities	(6,233)	(4,761)	(946)	-	(66,213)	(38,449)	(16,197)	(7,968)	(32)	-
Non-current liabilities	(1,181)	(1,141)	(32,727)	-	-	-	-	-	-	-
Total liabilities	(7,414)	(5,902)	(33,673)	-	(66,213)	(38,449)	(16,197)	(7,968)	(32)	-
Net assets	7,543	833	3,996	-	42,917	36,604	11,302	13,077	37,875	42,004
Proportion of Group's ownership	37.5%	37.5%	30%	-	45%	45%	50%	50%	22.5%	22.5%
Group's share of net assets	2,829	312	1,199	-	19,312	16,472	5,651	6,539	8,522	9,451
Other adjustments	-	-	-	-	-	-	-	-	(7)*	(7)*
Carrying amount of investment	2,829	312	1,199	-	19,312	16,472	5,651	6,539	8,515	9,444

* Other adjustments comprise accumulated losses prior to the date of acquisition by the Group.

Notes to the Financial Statements

For the financial year ended 31 March 2023

7. INTERESTS IN ASSOCIATES (CONT'D)

Summarised statement of comprehensive income

	Dawa Hospitality		Unique Development		Unique Rezi		Rio Casa	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-	-	-	-	-	-	339,608	508,651
(Loss)/profit after taxation	(1,944)	(366)	63	7	(7)	(64)	26,906	52,406
Total comprehensive income for the year	(1,944)	(366)	63	7	(7)	(64)	26,906	52,406

	Unique Invesco		Lakeside Residential		BJHTD		Sino-KSHEC		Hebei Yuezhi	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-	-	-	-	9,656	894	-	-	-	-
Profit/(loss) after taxation	6,712	7,982	-	-	10,015	(2,398)	(573)	187	(139)	(154)
Other comprehensive income, net of tax	-	-	-	-	(3,704)	407	(1,203)	494	(3,990)	1,533
Total comprehensive income for the year	6,712	7,982	-	-	6,311	(1,991)	(1,776)	681	(4,129)	1,379

^ denotes amount less than \$1,000

Notes to the Financial Statements

For the financial year ended 31 March 2023

8. INTERESTS IN JOINT VENTURES

Details of the joint ventures are as follows:

	Group	
	2023 \$'000	2022 \$'000
Shares, at cost	250	250
Share of post-acquisition reserves	34,395	35,110
Dividends received	(29,369)	(28,819)
Carrying amount of investments	<u>5,276</u>	6,541
Loans due from joint ventures [^]	28,238	9,497
Amounts due from joint ventures (non-trade) (non-current)	<u>246</u>	1,329
	33,760	17,367
Amount due from a joint venture (non-trade)	<u>28,953</u>	40,373
	<u>62,713</u>	<u>57,740</u>

[^] Amount includes share of losses of joint ventures amounting to \$6,009,000 (2022: \$6,330,000) applied to loans due from joint ventures.

Loans due from joint ventures amounting to \$28,238,000 (2022: \$9,497,000) are unsecured and are not expected to be settled within the next twelve months. These loans bear effective interest rates ranging from 1.50% to 5.77% (2022: 1.10% to 1.53%) per annum and are to be settled in cash.

Amounts due from joint ventures (non-trade) (non-current) are unsecured, non-interest bearing and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

Amount due from a joint venture (non-trade) (current) are unsecured, non-interest bearing and are expected to be repaid within the next twelve months. This balance is to be settled in cash.

Expected credit loss

There is no allowance made for the expected credit losses of loans and amounts due from joint ventures as at 31 March 2023 and 31 March 2022.

Notes to the Financial Statements

For the financial year ended 31 March 2023

8. INTERESTS IN JOINT VENTURES (CONT'D)

The Group's material investments in joint ventures are summarised below:

	Group	
	2023 \$'000	2022 \$'000
Unique Residence Pte. Ltd.	500	1,048
Unique Real Estate Pte. Ltd.	4,219	5,214
SLB (MB) Pte. Ltd.	557	279
Carrying amount of investments in joint ventures	5,276	6,541

The Group has not recognised losses relating to Phileap Pte. Ltd. where its share of losses exceeds the Group's interest in this joint venture. The Group's cumulative share of unrecognised losses at the end of the reporting period was \$676,000 (2022: \$601,000), of which \$75,000 (2022: \$202,000) was the share of the current year's losses. The Group has no obligation in respect of these losses.

	Name of joint venture (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2023 %	2022 %
	<i>Held by subsidiaries</i>			
#	Phileap Pte. Ltd. ("Phileap") (Republic of Singapore)	Property development	25	25
#	Unique Residence Pte. Ltd. ("Unique Residence") (Republic of Singapore)	Investment holding	50	50
#	Unique Real Estate Pte. Ltd. ("Unique Real Estate") (Republic of Singapore)	Investment holding	50	50
#	SLB (MB) Pte. Ltd. ("SLB (MB)") (Republic of Singapore)	Investment holding	50	50
# ⁽²⁾	Ultra Infinity Pte. Ltd. ("ULTRA") (Republic of Singapore)	Property development	33.3	33.3
# ⁽³⁾	TK 189 Development Pte. Ltd. ("TK189") (Republic of Singapore)	Property development	-	50

Notes to the Financial Statements

For the financial year ended 31 March 2023

8. INTERESTS IN JOINT VENTURES (CONT'D)

	Name of joint venture (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2023 %	2022 %
<i>Held by subsidiaries (Cont'd)</i>				
# ⁽⁴⁾	KSH Ultra Investment Pte. Ltd. ("KSH Ultra Investment") (Republic of Singapore)	Investment holding	50	–
# ⁽⁵⁾	Ultra Trinity Investment Pte. Ltd. ("Ultra Trinity") (Republic of Singapore)	Property development	33.3	–
<i>Held by joint ventures</i>				
#	Fernvale Development Pte. Ltd. ("Fernvale Development") (Republic of Singapore)	Property development	20	20
#	CEL Unique Pte. Ltd. ("CEL Unique") (Republic of Singapore)	Investment holding	20	20
#	CEL Unique Holdings Pte. Ltd. ("CEL Unique Holdings") (Republic of Singapore)	Investment holding	20	20
#	CEL Unique Development Pte. Ltd. ("CEL Unique Development") (Republic of Singapore)	Property development	20	20
# ⁽¹⁾	Sophia Commercial Pte. Ltd ("Sophia Commercial") (Republic of Singapore)	Property development	9.9	9.9
# ⁽¹⁾	Sophia Residential Pte. Ltd. ("Sophia Residential") (Republic of Singapore)	Property development	9.9	9.9
- ⁽¹⁾⁽⁶⁾	Wealthbliss Development Pte. Ltd. ("Wealthbliss Development") (Republic of Singapore)	Property development	12	–
- ⁽¹⁾⁽⁷⁾	RL Bagnall Pte. Ltd. ("RL Bagnall") (Republic of Singapore)	Property development	12	–

Notes to the Financial Statements

For the financial year ended 31 March 2023

8. INTERESTS IN JOINT VENTURES (CONT'D)

Audited by Ernst & Young LLP, Singapore

~ Incorporated during the financial year

- (1) On 14 December 2021, ULTRA, a 33.3%-owned joint venture of the Group, acquired 30% equity interest in Sophia Commercial and 30% equity interest in Sophia Residential for a cash consideration of \$3 each.
- (2) On 28 May 2021, the Group's effective interest in ULTRA decreased from 100% to 33.3% and ULTRA became a 33.3%-owned joint venture of the Group.
- (3) On 21 July 2022, KSHR, a wholly-owned subsidiary of the Company, acquired an additional 16.7% equity interest in TK189. The Group's effective interest in TK189 increased to 66.7% and TK189 became a 66.7% subsidiary of the Group.
- (4) On 9 November 2022, KSHR, a wholly-owned subsidiary of the Company, acquired 50% equity interest in KSH Ultra Investment for a cash consideration of \$1.
- (5) On 10 January 2023, KSHR, a wholly-owned subsidiary of the Group, acquired 33.3% equity interest in Ultra Trinity for a cash consideration of \$10.
- (6) On 30 November 2022, KSHUI, a 50%-owned joint venture of the Group, acquired 24% equity interest in Wealthbliss Development for a cash consideration of \$24.
- (7) On 12 January 2023, Ultra Trinity, a 33.3%-owned joint venture of the Group, acquired 36% equity interest in RL Bagnall for a cash consideration of \$36.

There is no significant restriction in the ability of the Group's joint ventures to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

Aggregate information about the Group's investments in joint ventures that are not individually material are as follows:

	Group	
	2023	2022
	\$'000	\$'000
Loss after taxation, representing total comprehensive income for the year	32	17

Notes to the Financial Statements

For the financial year ended 31 March 2023

8. INTERESTS IN JOINT VENTURES (CONT'D)

Summarised financial information in respect of the Group's material investments in joint ventures, based on their SFRS(I) financial statements, and a reconciliation with the carrying amount of each investment in the consolidated financial statements are as follows:

Summarised balance sheet

	SLB (MB)		Unique Residence		Unique Real Estate	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash and cash equivalents	539	588	103	16	521	168
Development property	-	-	-	-	-	-
Other current assets	-	-	1	-	53,866	1
Current assets	539	588	104	16	54,387	169
Non-current assets	8,596	6,989	911	2,088	11,988	151,062
Total assets	9,135	7,577	1,015	2,104	66,375	151,231
Current liabilities	(8,022)	(7,019)	(15)	8	(3)	60,041
Non-current liabilities	-	-	-	-	(57,934)	80,762
Total liabilities	(8,022)	(7,019)	(15)	8	(57,937)	140,803
Net assets	1,113	558	1,000	2,096	8,438	10,428
Proportion of the Group's ownership	50%	50%	50%	50%	50%	50%
Group's share of net (liabilities)/assets	557	279	500	1,048	4,219	5,214
Carrying amount of investments in joint ventures	557	279	500	1,048	4,219	5,214

Notes to the Financial Statements

For the financial year ended 31 March 2023

8. INTERESTS IN JOINT VENTURES (CONT'D)

Summarised statement of comprehensive income

	SLB (MB)		Unique Residence		Unique Real Estate	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Revenue	160	556	-	-	-	-
Interest income	-	-	-	-	1,485	1,465
Interest expense	-	-	-	-	(2,160)	(1,848)
Profit/(loss) after taxation, representing total comprehensive income for the year	556	573	4	372	(1,990)	4,411

9. INVESTMENT SECURITIES

Financial assets

	Maturity date	Group and Company	
		2023 \$'000	2022 \$'000
At fair value through profit or loss – Debt securities (quoted)			
Heeton MTN 6.8% ⁽¹⁾	July 2023	901	1,018
Oxley MTN 6.9% ⁽¹⁾	July 2024	1,900	1,975
Oxley MTN 6.5% ⁽¹⁾	February 2023	-	2,992
Oxley MTN 7.5% ⁽¹⁾	August 2023	2,993	-
Oxley MTN 6.9% ⁽¹⁾	July 2024	2,850	-
Oxley MTN 7.5% ⁽¹⁾	August 2023	4,989	-
		13,633	5,985
Represented by:		8,883	-
Current		4,750	5,985
Non-current		13,633	5,985

(1) The Group and the Company have elected to measure these debt securities at fair value through profit or loss. Fair value of these debt securities is determined by reference to published price quotations in an active market.

Notes to the Financial Statements

For the financial year ended 31 March 2023

10. INVESTMENT PROPERTIES

	Group	
	2023 \$'000	2022 \$'000
At beginning of the year	120,007	117,130
Loss on fair value adjustments of investment properties, net	(283)	(1,126)
Translation difference	(9,533)	4,003
At end of the year	<u>110,191</u>	<u>120,007</u>

The aggregate operating expenses related to the Group's investment properties recognised in profit or loss are as follows:

Direct operating expenses (including repairs and maintenance) arising from:

	Group	
	2023 \$'000	2022 \$'000
Rental generating properties	<u>496</u>	<u>889</u>

Notes to the Financial Statements

For the financial year ended 31 March 2023

10. INVESTMENT PROPERTIES (CONT'D)

The investment properties held by the Group as at 31 March are as follows:

	Name of property	Description	Fair value	
			2023 \$'000	2022 \$'000
(1)	Sheares Ville	Freehold residential property at 9 Holt Road #12-05 Singapore 249446, comprising an estimated floor area of 443 square metres	7,000	6,450
(2)	Tianjin Tianxing Riverfront Square	Leasehold commercial building at No. 81 Shi Yi Jing Road, Hedong District, Tianjin, 300171, the People's Republic of China, comprising an estimated floor area of 44,936 square metres (50 years lease term expiring on 17 September 2043)	91,831	102,647
(3)	Centennia Suites	Freehold residential property at 100 Kim Seng Road #13-01 Singapore 239427, comprising an estimated floor area of 115 square metres	3,420	3,160
(3)	Lincoln Suites	Freehold residential property at Blk 1 Khiang Guan Avenue #23-02 Singapore 308380, comprising an estimated floor area of 150 square metres	3,730	3,640
(3)	Lincoln Suites	Freehold residential property at Blk 1 Khiang Guan Avenue #23-01 Singapore 308380, comprising an estimated floor area of 171 square metres	4,210	4,110
			110,191	120,007

(1) The fair values have been determined based on valuations performed by Jones Lang LaSalle Property Consultants Pte Ltd, an independent professional valuer, carried out in February 2023 and September 2021.

(2) The fair values have been determined based on valuations performed by Cushman & Wakefield International Property Advisers (Tianjin) Co. Ltd. ("C&W"), an independent professional valuer, carried out in March 2023 and March 2022.

(3) The fair values have been determined based on valuations performed by TEHO Property Consultants Pte. Ltd., an independent professional valuer, carried out in March 2023 and March 2022.

Rental income earned by the Group for the year ended 31 March 2023 from its investment properties, all of which are leased out under operating leases and comprising only minimum lease payments, amounted to \$4,549,000 (2022: \$5,159,000).

The investment properties have been pledged as securities for banking facilities granted by the banks (Note 20).

Notes to the Financial Statements

For the financial year ended 31 March 2023

11. CLUB MEMBERSHIP

	Group	
	2023 \$'000	2022 \$'000
Cost		
As at beginning and end of the year	<u>60</u>	60
Accumulated amortisation		
As at beginning of the year	35	34
Charge for the year	<u>2</u>	1
As at end of the year	<u>37</u>	35
Net carrying amount		
As at end of the year	<u>23</u>	<u>25</u>

The club membership was purchased in 2008 and is amortised over the useful life of 25 years. The amortisation of the club membership is included in the line "other operating expenses" in profit or loss.

12. TRADE RECEIVABLES

	Group	
	2023 \$'000	2022 \$'000
Trade receivables due from external parties	21,315	7,150
Trade receivable due from a related party	<u>4,918</u>	96
	<u>26,233</u>	<u>7,246</u>

Trade receivables are non-interest bearing. Current balances are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group is an amount of \$22,432,000 (2022: \$5,610,000) which has been assigned to the banks for banking facilities granted to the Group as disclosed in Note 20.

Expected credit losses

There is no allowance made for the expected credit losses of trade receivables as at 31 March 2023 and 31 March 2022.

Notes to the Financial Statements

For the financial year ended 31 March 2023

13. STRUCTURED DEPOSITS

	Maturity date	Group	
		2023 \$'000	2022 \$'000
Structured deposits	April 2023/ October 2022	4,780	4,715

Current structured deposits are recorded at their fair values as at the end of the reporting period. These deposits are made for a term ranging from 1 week to 6 months (2022: 1 year), with the return as determined quarterly by the market access product falling within the range barriers as set out under the terms of the deposits.

14. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Grant receivable	-	68	-	-
Sundry debtors	2,260	1,540	-	-
Deposits	596	958	-	-
Interest receivable	300	96	295	95
Dividends receivable	346	382	-	-
	3,502	3,044	295	95
Less: Allowance for impairment	(541)	(597)	-	-
	2,961	2,447	295	95

The Group's other receivables and deposits denominated in foreign currency as at the end of the reporting period are as follows:

	2023	2022
Chinese Renminbi	2,065	1,325

Expected credit losses

The movement in allowance for expected credit losses of other receivables computed based on lifetime ECL is as follows:

	Group	
	2023 \$'000	2022 \$'000
At beginning of the year	597	574
Exchange differences	(56)	23
At end of the year	541	597

Notes to the Financial Statements

For the financial year ended 31 March 2023

15. AMOUNTS DUE FROM SUBSIDIARIES (NON-TRADE)/AMOUNTS DUE TO SUBSIDIARIES (NON-TRADE)

Amounts due from subsidiaries (non-trade) amounting to \$117,910,000 (2022: \$72,397,000) are unsecured and are not expected to be repaid within the next twelve months. These amounts are interest-bearing with average effective rates ranging from 1.50% to 5.35% (2022: 1.39% to 5.28%) per annum and are to be settled in cash.

The remaining amounts due from subsidiaries (non-trade) amounting to \$79,582,000 (2022: \$116,419,000) are unsecured, non-interest bearing and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

Amount due to a subsidiary (non-trade) (current) amounting to \$10,000,000 (2022: \$nil) is unsecured, non-interest bearing and is expected to be repaid within the next twelve months. This balance is to be settled in cash.

Amounts due to subsidiaries (non-trade) (non-current) amounting to \$86,854,000 (2022: \$91,231,000) are unsecured, non-interest bearing and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

16. FIXED DEPOSITS

Fixed deposits have maturities ranging from 1 week to 1 year (2022: 1 week to 1 year) and earn interest at the respective short-term deposit rates. The interest rates for the year ended 31 March 2023 for the Group and the Company range from 0.01% to 3.90% (2022: 0.01% to 1.30%) per annum and from 0.55% to 3.90% (2022: 0.10% to 0.55%) per annum respectively.

Fixed deposits of the Group and the Company amounting to \$49,154,000 (2022: \$48,915,000) and \$32,052,000 (2022: \$29,329,000) respectively have been pledged to the banks for banking facilities granted to the Group and the Company as disclosed in Notes 20 and 21.

The Group's fixed deposits denominated in foreign currency as at the end of the reporting period are as follows:

	Company	
	2023	2022
	\$'000	\$'000
Malaysian Ringgit	189	199

Notes to the Financial Statements

For the financial year ended 31 March 2023

17. CASH AND BANK BALANCES

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following amounts as at 31 March:

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash and bank balances		53,688	56,919	25,173	3,442
Fixed deposits	16	67,078	86,150	47,096	66,364
		120,766	143,069	72,269	69,806
Less:					
Pledged fixed deposits		(49,154)	[48,915]	(32,052)	[29,329]
Cash and cash equivalents		71,612	94,154	40,217	40,477

The Group's and the Company's cash and bank balances earn interest at floating rates based on daily bank deposit rates.

The Group's cash and bank balances denominated in foreign currencies as at the end of the reporting period are as follows:

	Group	
	2023 \$'000	2022 \$'000
Chinese Renminbi	5,790	5,541
United States Dollar	28	28
Hong Kong Dollar	28	14
Malaysian Ringgit	16	21

18. TRADE PAYABLES

	Group	
	2023 \$'000	2022 \$'000
Trade payables	31,527	25,495
Sales tax payable	513	1,310
	32,040	26,805

Trade payables are non-interest bearing. Current balances are normally settled on 14 to 60 days' terms.

Notes to the Financial Statements

For the financial year ended 31 March 2023

19. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Other payables	3,163	3,830	258	248
Accrued operating expenses	73,787	53,508	1,087	2,203
Advance payments	470	492	-	-
Interest payable	354	225	322	211
Provision for legal compensation ⁽¹⁾	150	6,397	-	-
	77,924	64,452	1,667	2,662
Represented by:				
Current	77,709	64,216	1,667	2,662
Non-current	215	236	-	-
	77,924	64,452	1,667	2,662

Other payables are non-interest bearing. Current balances are normally settled on 30 days' terms.

(1) The provision for legal compensation represents the estimated cost of compensation relating to a claim against one of the Group's 45%-owned associate involved in a residential property development project and the estimated cost of compensation relating to a claim against a wholly-owned subsidiary for rectification of defects. During the year, the provision for legal compensation relating to the claim against the associate was realised in the share of results of the associate upon the final judgement of the Court.

The Group's other payables and accruals denominated in foreign currencies as at the end of the reporting period are as follows:

	Group	
	2023 \$'000	2022 \$'000
Chinese Renminbi	3,680	4,063
Hong Kong Dollar	61	30
Malaysian Ringgit	2	2

Notes to the Financial Statements

For the financial year ended 31 March 2023

20. BANK TERM LOANS, SECURED

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
SGD 3-year Term loan A	(a)	26,500	37,100	26,500	37,100
SGD 2-year Term loan A	(b)	60,000	–	–	–
SGD 5-year Term loan C	(c)	20,000	–	20,000	–
SGD 5-year Term loan A	(d)	39,100	48,620	39,100	48,620
SGD 5-year Term loan B	(e)	6,908	9,167	–	–
SGD 3-year Term loan D	(f)	20,000	25,000	20,000	25,000
SGD 3-year Term loan C	(g)	12,000	–	12,000	–
		184,508	119,887	117,600	110,720
Represented by:					
Current		61,703	24,762	59,220	22,470
Non-current		122,805	95,125	58,380	88,250
		184,508	119,887	117,600	110,720

- (a) This bank loan bears interest ranging from 1.64% to 5.12% (2022: 1.33% to 1.64%) per annum. The term loan is repayable by quarterly instalments over 3 years, commencing on their respective drawdown dates. This bank loan was fully repaid on 3 April 2023.

This loan was secured by a first legal mortgage on the investment property (Note 10) located at 9 Holt Road and on the leasehold factory building (Note 4).

- (b) This bank loan bears interest ranging from 4.08% to 5.38% (2022: nil) per annum. The term loan commencing on 30 September 2022 is repayable by quarterly instalments over 2 years.

This loan is secured by the following:

- (i) 2nd share charge over an associate of the Group;
- (ii) charge over the Interest Reserve Account;
- (iii) corporate guarantee from the Company (Note 37(a)).

- (c) This bank loan bears interest of 4.93% (2022: nil) per annum. The term loan commencing on 10 February 2023 is repayable by quarterly instalments over 5 years.

This loan is secured by a charge on fixed deposits amounting to \$5,500,000 (Note 16).

Notes to the Financial Statements

For the financial year ended 31 March 2023

20. BANK TERM LOANS, SECURED (CONT'D)

- (d) This bank loan bears interest ranging from 2.36% to 5.43% (2022: 1.75% to 2.10%) per annum. The term loan commencing on 30 December 2019 is repayable by equal monthly instalments over 5 years.

The term loan is secured by the following:

- (i) charge on fixed deposits amounting to \$14,431,000 (2022: \$14,154,000) (Note 16);
 - (ii) third party first legal mortgage on the investment properties (Note 10) located at 1 Khiang Guan Avenue and 100 Kim Seng Road;
 - (iii) third party legal assignment of leases and/or tenancies and rental proceeds on the investment properties located at 1 Khiang Guan Avenue and 100 Kim Seng Road (Note 10); and
 - (iv) corporate guarantee from Kim Seng Heng Engineering Construction (Pte) Ltd, a wholly-owned subsidiary of the Group (Note 37(a)).
- (e) These bank loans bear interest with an average effective interest rate of 2.0% (2022: 2.0%) per annum. The term loans commencing on 26 June 2020 and 5 May 2021 respectively are repayable by monthly instalments over 5 years.

The term loans are secured by a corporate guarantee from the Company (Note 37(a)).

- (f) This bank loan bears interest ranging from 2.15% to 5.82% (2022: 2.01% to 2.52%) per annum. The term loan is repayable by monthly instalments over 3 years, commencing on 13 November 2020.

The term loan is secured by a charge on fixed deposits amounting to \$9,105,000 (2022: \$9,011,000) (Note 16).

- (g) This bank loan bears interest of 4.8% (2022: nil) per annum. The term loan is repayable by quarterly instalments over 3 years, commencing on 23 February 2023.

The term loan is secured by charge on fixed deposits amounting to \$3,016,000 (Note 16).

Notes to the Financial Statements

For the financial year ended 31 March 2023

20. BANK TERM LOANS, SECURED (CONT'D)

A reconciliation of liabilities arising from financing activities is as follows:

	1 April 2022 \$'000	Cash flows \$'000	Non-cash changes		31 March 2023 \$'000
			Acquisition \$'000	Other \$'000	
Bank term loans, secured					
– current	24,762	(27,379)	–	64,320	61,703
– non-current	95,125	92,000	–	(64,320)	122,805
Lease liabilities					
– current	739	(640)	–	370	469
– non-current	3,896	–	176	(370)	3,702
Bills payable to banks, secured	–	21,121	–	–	21,121
Total	124,522	85,102	176	–	209,800

The 'Other' column relates to reclassification of non-current portion of loans and lease liabilities due to passage of time.

	1 April 2021 \$'000	Cash flows \$'000	Non-cash changes		31 March 2022 \$'000
			Remeasurement \$'000	Other \$'000	
Bank term loans, secured					
– current	40,793	(44,923)	–	28,892	24,762
– non-current	85,517	38,500	–	(28,892)	95,125
Lease liabilities					
– current	780	(625)	(25)	609	739
– non-current	4,505	–	–	(609)	3,896
Bills payable to banks, secured	16,910	(16,910)	–	–	–
Total	148,505	(23,958)	(25)	–	124,522

The 'Other' column relates to reclassification of non-current portion of loans and lease liabilities due to passage of time.

The 'Remeasurement' column relates to remeasurement of lease liabilities arising from a change in lease term.

Notes to the Financial Statements

For the financial year ended 31 March 2023

21. BILLS PAYABLE TO BANKS, SECURED

As at 31 March 2023, bills payable to banks bore interest ranging from 4.72% to 5.48% (2022: nil) per annum. These bills payable will mature within 3 months (2022: nil) from year end.

As at 31 March 2023, bills payable to banks were secured by the following:

- (i) charge on fixed deposits amounting to \$9,410,000 (Note 16);
- (ii) first charge over the contract proceeds and project account arising from a construction project (Note 12); and
- (iii) corporate guarantee from the Company (Note 37(a)).

22. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares	\$'000	Number of shares	\$'000
Issued and fully paid ordinary shares:				
At the beginning and end of the year	<u>569,735,645</u>	<u>50,915</u>	<u>569,735,645</u>	<u>50,915</u>

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

23. TREASURY SHARES

	Group and Company			
	2023		2022	
	Number of shares	\$'000	Number of shares	\$'000
At the beginning and end of the year	<u>6,339,400</u>	<u>2,128</u>	<u>6,339,400</u>	<u>2,128</u>

Treasury shares relate to ordinary shares of the Company that are reacquired by the Company.

24. TRANSLATION RESERVE

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Notes to the Financial Statements

For the financial year ended 31 March 2023

25. OTHER RESERVES

		Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Statutory reserves	(a)	1,556	1,556	-	-
General reserves	(b)	155	155	-	-
Warrant reserves	(c)	2,629	2,629	2,629	2,629
Other reserves	(d)	1,402	1,402	-	-
		<u>5,742</u>	<u>5,742</u>	<u>2,629</u>	<u>2,629</u>

Movement in other reserves:

(a) Statutory reserves

	Group	
	2023 \$'000	2022 \$'000
At beginning of the year	1,556	1,504
Transferred from accumulated profits	-	52
At end of the year	<u>1,556</u>	<u>1,556</u>

In accordance with the Foreign Enterprise Law applicable to a subsidiary in the People's Republic of China ("PRC"), the subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

(b) General reserves

	Group	
	2023 \$'000	2022 \$'000
At beginning of the year	155	150
Transferred from accumulated profits	-	5
At end of the year	<u>155</u>	<u>155</u>

In accordance with the "Law of the People's Republic of China on Joint Ventures Using Chinese and Foreign Investment" and the Group's PRC subsidiaries' Articles of Association, appropriations from net profit should be made to the Reserve Fund and the Enterprise Expansion Fund, after offsetting accumulated losses from prior years, and before profit distributions to the investors. The percentage to be appropriated to the Reserve Fund and the Enterprise Expansion Fund is determined by the Board of Directors of the PRC subsidiaries.

Notes to the Financial Statements

For the financial year ended 31 March 2023

25. OTHER RESERVES (CONT'D)

(c) Warrant reserves

Warrant reserves comprises proceeds from the issue of warrants and capital gains on re-issuance of treasury shares of \$1,514,000 (2022: \$1,514,000) and \$1,115,000 (2022: \$1,115,000) respectively.

(d) Other reserves

	Group	
	2023 \$'000	2022 \$'000
At beginning and end of the year	<u>1,402</u>	<u>1,402</u>

Other reserves include the premium paid on acquisition of non-controlling interests of \$107,000 and the transfer of fair value adjustment reserve amounting to \$1,290,000 to other reserves as the Group had gained significant influence over an investee due to a change in circumstances.

26. PROJECT REVENUE

	Group	
	2023 \$'000	2022 \$'000
Construction contract revenue	<u>293,442</u>	<u>235,165</u>

The Group performed its obligations under construction contracts solely in Singapore and construction contract revenue is recognised over time in conjunction with the transfer of goods and services.

Information relating to contract balances arising from contracts with customers is disclosed as follows:

	Group	
	2023 \$'000	2022 \$'000
Contract assets	65,273	30,441
Receivables from contracts with customers	26,233	7,246
Contract liabilities	<u>(8,102)</u>	<u>(27,566)</u>

Notes to the Financial Statements

For the financial year ended 31 March 2023

26. PROJECT REVENUE (CONT'D)

Contract assets primarily relate to the Group's right to consideration for work completed for construction but not yet billed at the reporting date. Contract assets are transferred to receivables when the rights become conditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received consideration from customers. Contract liabilities are recognised as revenue as the Group performs under the contract.

Transaction price allocated to remaining performance obligation

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 March 2023 is \$243,862,000 (2022: \$652,943,000). This amount does not include the following:

- Performance obligations for which the Group has applied the practical expedient not to disclose information about its remaining performance obligations if:
 - The performance obligation is part of a contract that has an original expected duration of one year or less, or
 - The Group recognises revenue to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to date.
- Variable consideration that is constrained and therefore is not included in the transaction price.

The Group expects to recognise \$243,862,000 as revenue relating to the transaction price allocated to the unsatisfied (or partially satisfied) performance obligations as at 31 March 2023 within the next two financial years.

Provision for onerous contract

At the end of the reporting period, the Group recorded an amount of \$157,000 (2022: \$252,000) as provision for the unavoidable costs of fulfilling certain construction contracts with customers, that were in excess of the economic benefits expected to be received under the contract. The provision for the onerous contract is expected to be utilised at the end of the contract term. The provision has not been discounted as the effect of discounting is not significant.

Notes to the Financial Statements

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27. OTHER INCOME

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Interest income	8,686	5,896	6,421	5,104
Government grant*	-	143	-	-
Gain on fair value adjustments of investment properties	1,000	1,120	-	-
Foreign exchange gain	334	446	5	1
Dividend income from a subsidiary	-	-	15,000	-
Management and administrative fee income from associates/subsidiaries	382	354	4,373	2,117
Fair value gain on quoted debt instruments (investment securities)	-	322	-	322
Gain on disposal of an associate	-	66	-	-
Others	1,269	1,918	-	-
	11,671	10,265	25,799	7,544

* Grant income of nil (2022: \$143,000) was recognised during the financial year under the Jobs Support Scheme (JSS) for the Group. JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees. The JSS scheme expired in March 2022.

28. PERSONNEL EXPENSES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Salaries, wages and bonuses	6,861	7,700	2,336	3,518
Central Provident Fund and other pension costs	1,195	1,119	45	44
Directors' fees	155	155	155	155
Other personnel expenses	1,805	1,402	36	31
	10,016	10,376	2,572	3,748

The above includes compensation of key management personnel.

	Group and Company	
	2023 \$'000	2022 \$'000
Compensation of key management personnel		
Salaries, wages and bonuses	2,186	3,518
Central Provident Fund and other pension costs	45	44
Directors' fees	155	155
Total compensation paid to key management personnel	2,386	3,717
Comprise amounts paid to:		
- Directors of the Company	2,062	3,253
- Other key management personnel	324	464
	2,386	3,717

Notes to the Financial Statements

For the financial year ended 31 March 2023

29. FINANCE COSTS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Interest expense on:				
– lease liabilities	171	187	–	–
– term loans	4,655	2,161	3,017	1,976
– bills payable	348	156	–	–
– associate	35	–	–	–
	5,209	2,504	3,017	1,976
Others				
– bank charges	200	256	131	80
	5,409	2,760	3,148	2,056

30. OTHER OPERATING EXPENSES

The following items have been included in other operating expenses:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Audit fees payable to auditor of the Company	356	333	149	143
Non-audit fees payable to auditor of the Company	89	77	11	11
Impairment losses on financial assets	263	–	–	–
Foreign exchange loss	4,382	1,987	–	–
Short-term lease expenses	–	11	–	–
Amortisation of club membership	2	1	–	–
Loss on fair value adjustments of investment properties	1,283	2,246	–	–
Fair value loss on quoted debt instruments (investment securities)	252	–	252	–
Loss on disposal of an associate	7	–	–	–
Loss on disposal of plant and equipment	–	6	–	–
Write-off of bad debts	695	54	–	–

Notes to the Financial Statements

For the financial year ended 31 March 2023

31. INCOME TAX EXPENSE/(CREDIT) AND DEFERRED TAX LIABILITIES/(ASSETS)

Major components of income tax expense/(credit)

The major components of income tax expense/(credit) for the years ended 31 March are:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Current income tax</i>				
– Current income taxation	1,177	1,074	700	546
– Under/(over) provision in respect of previous years	25	(9)	25	43
<i>Deferred tax</i>				
– Origination and reversal of temporary differences	244	(521)	257	(256)
Income tax expense recognised in profit or loss	<u>1,446</u>	<u>544</u>	<u>982</u>	<u>333</u>

Relationship between income tax expense/(credit) and accounting profit/(loss)

A reconciliation between income tax expense/(credit) and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 March is as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Profit/(loss) from operations before share of results of associates and joint ventures	<u>3,455</u>	<u>(4,266)</u>	<u>19,312</u>	<u>1,354</u>
Tax at the domestic rates applicable to profits/(losses) in the countries where the Group operates ⁽¹⁾	580	(763)	3,283	230
Tax effect of:				
– Expenses not deductible	2,982	3,138	241	77
– Tax rebates and exemption	(49)	(50)	(17)	(17)
– Non-taxable income	(2,092)	(1,770)	(2,550)	–
– Under/(over) provision in respect of previous years	25	(9)	25	43
– Others	–	(2)	–	–
Income tax expense recognised in profit or loss	<u>1,446</u>	<u>544</u>	<u>982</u>	<u>333</u>

(1) The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Notes to the Financial Statements

For the financial year ended 31 March 2023

31. INCOME TAX EXPENSE/(CREDIT) AND DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D)

Deferred tax liabilities/(assets)

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deferred tax liabilities:				
Differences in depreciation	37	-	-	-
Tax effect on revaluation of investment properties	12,189	13,786	-	-
Others	3,011	3,489	-	-
	<u>15,237</u>	<u>17,275</u>	<u>-</u>	<u>-</u>
Deferred tax asset:				
Employee benefits	(226)	(494)	(51)	(308)
Differences in depreciation	-	(190)	-	-
Provision for general defects liability period for completed projects	(256)	(264)	-	-
Provision for onerous contract	(27)	(43)	-	-
Unutilised tax losses	-	(185)	-	-
Others	(19)	(73)	-	-
Deferred tax liabilities/(assets), net	<u>14,709</u>	<u>16,026</u>	<u>(51)</u>	<u>(308)</u>

32. EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the Group's profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the Group's profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 March:

	Group	
	2023 \$'000	2022 \$'000
Profit for the year attributable to owners of the Company used in the computation of earnings per share	<u>22,113</u>	<u>24,159</u>
	2023 '000	2022 '000
Weighted average number of ordinary shares (excluding treasury shares) for computing basic and diluted earnings per share	<u>563,396</u>	<u>563,396</u>
Basic and diluted earnings per share (cents per share)	<u>3.92</u>	<u>4.29</u>

Notes to the Financial Statements

For the financial year ended 31 March 2023

33. NET ASSET VALUE PER SHARE

Net asset value per share is calculated by dividing the Group's net assets attributable to owners of the Company by the total number of issued ordinary shares as at the end of the year.

The following table reflects the net asset and share data used in the computation of net asset value per share for the years ended 31 March:

	Group	
	2023	2022
	\$'000	\$'000
Net assets attributable to owners of the Company	338,161	336,322
	2023	2022
	'000	'000
Total number of issued ordinary shares (excluding treasury shares) as at 31 March	563,396	563,396
Net asset value per share (cents per share)	60.02	59.70

34. DIVIDENDS

	Group and Company	
	2023	2022
	\$'000	\$'000
<i>Dividends paid during the year:</i>		
<i>Dividends on ordinary shares:</i>		
– Interim exempt (one-tier) dividend for 2023: 1.00 cents (2022: 1.00 cents) per share	5,634	5,634
– Final exempt (one-tier) dividend for 2022: 1.00 cents (2021: 1.00 cents) per share	5,634	5,634
	11,268	11,268
<i>Proposed but not recognised as a liability as at 31 March:</i>		
<i>Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:</i>		
– Final exempt (one-tier) dividend for 2023: 1.00 cents (2022: 1.00 cents) per share	5,634	5,634

The Directors have proposed a final tax-exempt (one-tier) dividend of 1.00 cent per share ("Proposed Final Dividend for FY 2023"), amounting to approximately \$5,634,000 to be paid in respect of the year ended 31 March 2023. The dividend will be recorded as a liability in the balance sheets of the Company and Group upon approval by the shareholders at the Annual General Meeting of the Company.

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

Notes to the Financial Statements

For the financial year ended 31 March 2023

35. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transaction between the Group and related parties took place at terms agreed between the parties during the year:

	Group	
	2023 \$'000	2022 \$'000
Construction services rendered to:		
– Associate	18	36

36. SEGMENT INFORMATION

Reporting format

The Group's primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that serves different markets.

Business segments

The construction segment relates to acting as main contractors in construction projects in Singapore, and provision of services mainly to property developers in both the private and public sectors.

The property development and investment segments relate to the development and sales of properties and holding of investment properties.

The others segment relates to general corporate and investment holding activities.

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Revenue disclosed in geographical segments is based on the geographical location of operations.

Allocation basis

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise tax liabilities and corporate liabilities.

Segment accounting policies are the same as the policies described in Note 2.

Notes to the Financial Statements

For the financial year ended 31 March 2023

36. SEGMENT INFORMATION (CONT'D)

(a) Business segments

The following tables present revenue and results information regarding the Group's business segments for the years ended 31 March 2023 and 31 March 2022.

	Construction \$'000	Property development and investment \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Year ended 31 March 2023					
Revenue					
External sales	293,442	4,949	-	(400)	297,991
Results					
Interest income	363	28	16,209	(7,914)	8,686
Finance costs	(630)	-	(12,693)	7,914	(5,409)
Depreciation of property, plant and equipment	(2,059)	(14)	-	-	(2,073)
Share of results of associates	-	21,030	-	-	21,030
Share of results of joint ventures	-	(747)	-	-	(747)
Other non-cash items: Write-back of provision for onerous contracts	95	-	-	-	95
Fair value loss on quoted debt instruments (investment securities)	-	-	(252)	-	(252)
Loss on fair value adjustments of investment properties, net	-	(283)	-	-	(283)
Profit/(loss) before taxation	7,039	28,792	(12,093)	-	23,738
Income tax (expense)/credit	(742)	500	(1,204)	-	(1,446)
Profit/(loss) for the year	6,297	29,292	13,297	-	22,292
Attributable to:					
Owners of the Company	6,308	29,102	(13,297)	-	22,113
Non-controlling interests	(12)	191	-	-	179
Assets and liabilities:					
Interests in associates	5,654	278,523	-	-	284,177
Interests in joint ventures	-	33,760	-	-	33,760
Additions to non-current assets:					
Property, plant and equipment	816	-	-	-	816
Segment assets	284,040	452,704	161,793	(189,367)	709,170
Segment liabilities	140,451	39,073	313,260	(147,349)	345,435

Notes to the Financial Statements

For the financial year ended 31 March 2023

36. SEGMENT INFORMATION (CONT'D)

(a) Business segments (cont'd)

	Construction \$'000	Property development and investment \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Year ended					
31 March 2022					
Revenue					
External sales	235,165	5,585	-	(426)	240,324
Results					
Interest income	88	32	13,738	(7,962)	5,896
Finance costs	(468)	(2)	(10,252)	7,962	(2,760)
Depreciation of property, plant and equipment	(2,200)	(20)	-	-	(2,220)
Share of results of associates	-	25,790	-	-	25,790
Share of results of joint ventures	-	2,971	-	-	2,971
Other non-cash items:					
Provision for onerous contracts	(252)	-	-	-	(252)
Provision for legal compensation	(150)	(6,255)	-	-	(6,405)
Fair value gain on quoted debt securities (investment securities)	-	-	322	-	322
Loss on fair value adjustments of investment properties, net	-	(1,126)	-	-	(1,126)
Profit/(loss) before taxation	3,909	22,573	(1,987)	-	24,495
Income tax (expense)/credit	(362)	116	(298)	-	(544)
Profit/(loss) for the year	3,547	22,689	(2,285)	-	23,951
Attributable to:					
Owners of the Company	3,547	22,897	(2,285)	-	24,159
Non-controlling interests	-	(208)	-	-	(208)
Assets and liabilities:					
Interests in associates	-	224,008	6,543	-	230,551
Interests in joint ventures	-	17,367	-	-	17,367
Additions to non-current assets:					
Property, plant and equipment	417	1	-	-	418
Segment assets	247,927	402,427	157,214	(184,961)	622,607
Segment liabilities	114,053	42,324	248,859	(142,857)	262,379

Notes to the Financial Statements

For the financial year ended 31 March 2023

36. SEGMENT INFORMATION (CONT'D)

(b) Geographical segments (cont'd)

Year ended	Singapore \$'000	Malaysia \$'000	Bhutan \$'000	Japan \$'000	Australia \$'000	England, United Kingdom \$'000	The People's Republic of China \$'000	Eliminations \$'000	Total \$'000
Revenue	235,165	-	-	-	-	-	5,585	(426)	240,324
Segment assets	321,165	297	-	-	-	53	122,529	(69,355)	374,689
Interests in associates	164,442	-	1,601	3,729	3,014	20,920	36,845	-	230,551
Interests in joint ventures	17,367	-	-	-	-	-	-	-	17,367
Total assets									622,607
Other segment information:									
Capital expenditures	417	-	-	-	-	-	1	-	418

Notes to the Financial Statements

For the financial year ended 31 March 2023

37. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities

Guarantees

The Group and the Company have provided the following guarantees at the end of the reporting period.

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Guarantees given to financial institutions in connection with facilities given to:				
(i) subsidiaries*	-	-	542,511	483,254
(ii) associates	258,579	246,778	258,579	246,778
(iii) joint ventures	48,750	4,000	48,750	4,000

* The Company acts as a corporate guarantor for credit facilities granted to subsidiaries, for total facilities amounting to \$542,511,000 (2022: \$483,254,000) of which \$79,927,000 (2022: \$63,639,000) has been utilised as at the end of the reporting period.

Based on information currently available, the Group and the Company do not expect any liabilities to arise from the guarantees.

(b) Operating lease commitments – as lessor

The Group entered into commercial and residential property leases on its investment properties under non-cancellable operating leases. These leases have remaining non-cancellable lease term of up to 2 (2022: 3) years.

Future minimum lease payments receivable under the non-cancellable operating leases as at 31 March are as follows:

	Group	
	2023 \$'000	2022 \$'000
Not later than one year	1,671	3,019
Later than one year but not later than five years	981	1,952
	<u>2,652</u>	<u>4,971</u>

(c) Share of commitment to associates and joint ventures

The Group has committed to provide working capital in the ratio of the shareholdings held by the Group in the respective associates and joint ventures required to develop and complete the development properties.

Notes to the Financial Statements

For the financial year ended 31 March 2023

38. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	Group 2023 \$'000			Total
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value				
Financial assets:				
<u>Financial assets at fair value through profit or loss</u>				
Investment securities (Note 9)	13,633	-	-	13,633
Structured deposits (Note 13)	-	4,780	-	4,780
Financial assets as at 31 March 2023	<u>13,633</u>	<u>4,780</u>	<u>-</u>	<u>18,413</u>
Non-financial assets:				
<u>Investment properties (Note 10)</u>				
- Commercial	-	-	91,831	91,831
- Residential	-	-	18,360	18,360
Non-financial assets as at 31 March 2023	<u>-</u>	<u>-</u>	<u>110,191</u>	<u>110,191</u>

Notes to the Financial Statements

For the financial year ended 31 March 2023

38. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) Assets measured at fair value (cont'd)

	Group 2022 \$'000			Total
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	
Assets measured at fair value				
Financial assets:				
<u>Financial assets at fair value</u>				
<u>through profit or loss</u>				
Investment securities (Note 9)	5,985	–	–	5,985
Structured deposits (Note 13)	–	4,715	–	4,715
Financial assets as at 31 March 2022	<u>5,985</u>	<u>4,715</u>	<u>–</u>	<u>10,700</u>
Non-financial assets:				
<u>Investment properties (Note 10)</u>				
– Commercial	–	–	102,647	102,647
– Residential	–	–	17,360	17,360
Non-financial assets as at 31 March 2022	<u>–</u>	<u>–</u>	<u>120,007</u>	<u>120,007</u>

Notes to the Financial Statements

For the financial year ended 31 March 2023

38. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) *Assets measured at fair value (cont'd)*

	Company 2023 \$'000			Total
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value				
Financial assets:				
<u>Financial assets at fair value through profit or loss</u>				
Investment securities (Note 9)	13,633	-	-	13,633
Financial assets as at 31 March 2023	13,633	-	-	13,633

	Company 2022 \$'000			Total
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value				
Financial assets:				
<u>Financial assets at fair value through profit or loss</u>				
Investment securities (Note 9)	5,985	-	-	5,985
Financial assets as at 31 March 2022	5,985	-	-	5,985

Notes to the Financial Statements

For the financial year ended 31 March 2023

38. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets that are categorised within Level 2 of the fair value hierarchy:

Structured deposits

Structured deposits are valued using a valuation technique with market observable inputs. These inputs include quoted prices in active markets for investments linked to these deposits and credit quality of counterparties.

(d) Level 3 fair value measurements

- (i) Information about significant unobservable inputs used in Level 3 fair value measurements

Investment properties

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 31 March 2023 \$'000	Valuation techniques	Key unobservable inputs	Rate/Range
Investment Properties:				
Commercial	91,831* (2022: 102,647)	Market comparable approach	Price per square metre	RMB12,000 to RMB19,000 (2022: RMB13,000 to RMB23,000)
Residential	18,360 (2022:17,360)	Discounted cash flow approach	Discount rate	5% (2022: 5%)
		Market comparable approach	Price per square metre	\$21,000 to \$31,000 (2022: \$14,000 to \$31,000)

* Market comparable approach and discounted cash flow approach have been applied to determine the fair value of the commercial investment property.

Notes to the Financial Statements

For the financial year ended 31 March 2023

38. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) Level 3 fair value measurements (cont'd)

- (i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

For residential investment properties, a higher/lower price per square metre would result in a higher/lower fair value.

For commercial investment property, a higher/lower discount rate would result in a lower/higher fair value whereas a higher/lower price per square metre would result in a higher/lower fair value.

- (ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for investment properties which are measured at fair value on significant unobservable inputs (Level 3):

	Group	
	2023	2022
	\$'000	\$'000
Beginning of the year	120,007	117,130
– Net fair value loss recognised in profit or loss	(283)	(1,126)
– Exchange differences	(9,533)	4,003
End of the year	110,191	120,007

(e) Valuation policies and procedures

Management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, Management reports to the Group's Audit and Risk Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 *Fair Value Measurement* guidance.

For valuations performed by external valuation experts, Management reviews the appropriateness of the valuation methodologies and assumptions adopted. Management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Significant changes in fair value measurements from period to period are evaluated by Management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

Notes to the Financial Statements

For the financial year ended 31 March 2023

38. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(f) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts approximate fair value

The carrying amounts of current receivables and payables are reasonable approximation of their fair values due to their short-term nature.

The carrying amounts of lease liabilities approximate their fair values as the implicit interest rates approximate the market interest rates prevailing at the financial year end.

The carrying amounts of floating rate bank loans are reasonable approximation of their fair values as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of fixed rate bank loans are reasonable approximation of their fair values as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements.

The carrying value of the non-current receivables and payables approximate their fair value as the discount rates did not fluctuate significantly from the date of inception.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk, interest rate risk, foreign currency risk and credit risk. The Group currently does not actively pursue a policy of hedging these risks through the use of derivatives.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by Management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Notes to the Financial Statements

For the financial year ended 31 March 2023

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Liquidity risk (cont'd)

Analysis of financial assets and liabilities by remaining contractual maturities

The following tables set out the maturity profile of the Group's and Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations, including interest payments:

	Within 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Group 2023				
Financial assets:				
Amount due from a joint venture (non-trade)	28,953	-	-	28,953
Trade receivables	26,233	-	-	26,233
Other receivables and deposits	2,961	-	-	2,961
Fixed deposits	67,078	-	-	67,078
Cash and bank balances	53,688	-	-	53,688
Total undiscounted financial assets	<u>178,913</u>	<u>-</u>	<u>-</u>	<u>178,913</u>
Financial liabilities:				
Trade and other payables (excluding advance payments and sales tax payable)	108,766	215	-	108,981
Loans and borrowings (excluding lease liabilities)	89,079	128,909	-	217,988
Lease liabilities	476	1,070	5,143	6,689
Total undiscounted financial liabilities	<u>198,321</u>	<u>130,194</u>	<u>5,143</u>	<u>333,658</u>
Total net undiscounted financial liabilities	<u>(19,408)</u>	<u>(130,194)</u>	<u>(5,143)</u>	<u>(154,745)</u>

Notes to the Financial Statements

For the financial year ended 31 March 2023

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Liquidity risk (cont'd)

Analysis of financial assets and liabilities by remaining contractual maturities (cont'd)

	Within 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Group 2022				
<i>Financial assets:</i>				
Amount due from a joint venture (non-trade)	40,373	-	-	40,373
Trade receivables	7,246	-	-	7,246
Other receivables and deposits	2,447	-	-	2,447
Fixed deposits	86,150	-	-	86,150
Cash and bank balances	56,919	-	-	56,919
Total undiscounted financial assets	<u>193,135</u>	<u>-</u>	<u>-</u>	<u>193,135</u>
<i>Financial liabilities:</i>				
Trade and other payables (excluding advance payments and sales tax payable)	89,219	236	-	89,455
Loans and borrowings (excluding lease liabilities)	26,643	97,359	-	124,002
Lease liabilities	781	1,155	5,377	7,313
Total undiscounted financial liabilities	<u>116,643</u>	<u>98,750</u>	<u>5,377</u>	<u>220,770</u>
Total net undiscounted financial assets/(liabilities)	<u>76,492</u>	<u>[98,750]</u>	<u>[5,377]</u>	<u>[27,635]</u>

Notes to the Financial Statements

For the financial year ended 31 March 2023

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Liquidity risk (cont'd)

Analysis of financial assets and liabilities by remaining contractual maturities (cont'd)

	Within 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Company 2023				
Financial assets:				
Amounts due from subsidiaries (non-trade)	-	197,492	-	197,492
Other receivables and deposits	295	-	-	295
Fixed deposits	47,096	-	-	47,096
Cash and bank balances	25,173	-	-	25,173
Total undiscounted financial assets	<u>72,564</u>	<u>197,492</u>	<u>-</u>	<u>270,056</u>
Financial liabilities:				
Other payables and accruals	1,667	-	-	1,667
Amounts due to subsidiaries (non-trade)	10,000	86,854	-	96,854
Loans and borrowings	62,025	62,838	-	124,863
Total undiscounted financial liabilities	<u>73,692</u>	<u>149,692</u>	<u>-</u>	<u>223,384</u>
Total net undiscounted financial (liabilities)/assets	<u>(1,128)</u>	<u>47,800</u>	<u>-</u>	<u>46,672</u>
2022				
Financial assets:				
Amounts due from subsidiaries (non-trade)	-	188,816	-	188,816
Other receivables and deposits	95	-	-	95
Fixed deposits	66,364	-	-	66,364
Cash and bank balances	3,442	-	-	3,442
Total undiscounted financial assets	<u>69,901</u>	<u>188,816</u>	<u>-</u>	<u>258,717</u>
Financial liabilities:				
Other payables and accruals	2,662	-	-	2,662
Amounts due to subsidiaries (non-trade)	-	91,231	-	91,231
Loans and borrowings	24,295	90,295	-	114,590
Total undiscounted financial liabilities	<u>26,957</u>	<u>181,526</u>	<u>-</u>	<u>208,483</u>
Total net undiscounted financial assets	<u>42,944</u>	<u>7,290</u>	<u>-</u>	<u>50,234</u>

Undiscounted loan payments with variable rates had been determined with reference to conditions existing as at the end of the reporting period.

Notes to the Financial Statements

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Liquidity risk (cont'd)

The tables below show the contractual expiry by maturity of the Group's and the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

	Within 1 year \$'000	1 to 5 years \$'000	Total \$'000
2023			
Group			
Financial guarantees	<u>307,329</u>	-	<u>307,329</u>
Company			
Financial guarantees	<u>849,840</u>	-	<u>849,840</u>
2022			
Group			
Financial guarantees	<u>250,778</u>	-	<u>250,778</u>
Company			
Financial guarantees	<u>734,032</u>	-	<u>734,032</u>

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from bank borrowings and loans, which comprise a mixture of fixed and floating rate debts. The floating rate debts are contractually re-priced at intervals of 1 to 6 months.

The Group currently does not actively pursue a policy of hedging this risk through the use of derivatives. Instead, the Group manages interest cost by borrowing at the most competitive rates under the most favourable terms and conditions.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 10 (2022: 10) basis points higher with all other variables held constant, the impact in terms of SGD to the Group's profit after taxation (2022: profit after taxation) would be \$17,000 lower (2022: \$6,000 higher); if the interest rates had been 10 (2022: 10) basis points lower with all other variables held constant, the impact in terms of SGD to the Group's profit after taxation (2022: profit after taxation) would be \$17,000 higher (2022: \$6,000 lower).

Notes to the Financial Statements

For the financial year ended 31 March 2023

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Foreign currency risk*

Foreign currency risk arises from financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. The functional currencies of the Group entities are primarily SGD, Malaysian Ringgit ("MYR"), Chinese Renminbi ("RMB") and Hong Kong Dollar ("HKD").

The Group has minimal transactional currency exposures arising from sales or purchases of goods and services that are denominated in a currency other than the respective functional currencies of the Group entities. Similarly, the Group has minimal exposure to translation risk on its trade and other receivables and payables at the end of the reporting period as these balances are largely denominated in the functional currencies of the respective Group entities. It is the Group's policy to conduct transactions in the respective functional currencies of the Group entities where possible so as to minimise the Group's exposure to foreign currency risk.

The Group holds cash and cash equivalents denominated in currencies other than SGD for working capital purposes. As at the balance sheet date, the carrying amounts of cash and cash equivalents denominated in currencies other than SGD, are disclosed in Note 17.

Certain Group entities provide financing to other Group entities, either in the functional currencies of the lender or borrower, or in currencies other than the functional currencies of the Group entities. Certain long-term financing forms part of the Group's net investments in those Group entities and the resulting exchange differences are recognised initially in equity as foreign currency translation reserve in the consolidated balance sheet and recognised in the consolidated income statement only upon disposal of those Group entities. Such balances are denominated primarily in RMB, MYR, United States Dollar ("USD"), Sterling Pound ("GBP"), Japanese Yen ("JPY"), HKD and Australian Dollar ("AUD"). The Group currently does not actively pursue a policy of hedging its net investments in the Group entities as such currency positions are considered to be long-term in nature.

Notes to the Financial Statements

For the financial year ended 31 March 2023

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in the RMB, MYR, USD, GBP, JPY, HKD and AUD exchange rates against the respective functional currencies of the Group entities, in SGD equivalent, with all other variables held constant.

	Group	
	2023	2022
	Profit before	Profit before
	taxation	taxation
	\$'000	\$'000
USD – strengthened by 3% (2022: 3%)	112	114
– weakened by 3% (2022: 3%)	(112)	(114)
RMB – strengthened by 3% (2022: 3%)	308	353
– weakened by 3% (2022: 3%)	(308)	(353)
MYR – strengthened by 3% (2022: 3%)	(2)	(2)
– weakened by 3% (2022: 3%)	2	2
GBP – strengthened by 3% (2022: 3%)	1,000	521
– weakened by 3% (2022: 3%)	(1,000)	(521)
JPY – strengthened by 3% (2022: 3%)	128	27
– weakened by 3% (2022: 3%)	(128)	(27)
HKD – strengthened by 3% (2022: 3%)	35	34
– weakened by 3% (2022: 3%)	(35)	(34)
AUD – strengthened by 3% (2022: 3%)	119	139
– weakened by 3% (2022: 3%)	(119)	(139)

Notes to the Financial Statements

For the financial year ended 31 March 2023

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. The Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the borrower;
- Significant increases in credit risk on other financial instruments of the same borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Notes to the Financial Statements

For the financial year ended 31 March 2023

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Credit risk (cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower;
- There is a breach of contract, such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and
- There is a disappearance of an active market for that financial asset because of financial difficulty.

Trade receivables and contract assets

The Group has applied the simplified approach to provide for impairment for ECLs prescribed by SFRS(I) 9, which permits the use of the lifetime expected loss provision for impairment of all contract assets and trade receivables. To measure the ECLs, contract assets and trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs also incorporate forward-looking information.

Given (i) the customers of the Group are well-known institutions and government agencies and there was no history of default in prior years; and (ii) no adverse change in the business environment is anticipated, management considered the default rate of trade receivables and contract assets to be minimal and the expected credit loss rate of institutions and government agencies to be nil for all ageing bands. As a result, no provision for impairment of trade receivables and contract assets is necessary.

Notes to the Financial Statements

For the financial year ended 31 March 2023

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

The following are credit risk management practices and quantitative information about trade receivables and contract assets.

	<u>Trade receivables</u>				Total \$'000
	Contract assets \$'000	Current and more than 30 days past due \$'000	More than 60 days past due \$'000	More than 90 days past due \$'000	
31 March 2023					
Gross carrying amount	<u>65,273</u>	<u>26,082</u>	<u>-</u>	<u>151</u>	<u>91,506</u>
31 March 2022					
Gross carrying amount	<u>30,441</u>	<u>7,136</u>	<u>1</u>	<u>109</u>	<u>37,687</u>

Loans and amounts due from associates and joint ventures

The Group has applied the simplified approach to provide for impairment for ECLs prescribed by SFRS(I) 9. Information regarding allowance for impairment movement of loans and amounts due from associates and joint ventures is disclosed in Note 7 and Note 8.

Amount due from a joint venture (non-trade)

The assessment of provision for impairment was limited to 12-month ECL. The Group has assessed and considered the credit risk for amount due from a joint venture to be low and as a result no provision for impairment is necessary.

Amounts due from subsidiaries (non-trade)

The Company assessed the latest performance and financial position of the subsidiaries, adjusted for the future outlook of the industry in which the subsidiaries operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using lifetime expected credit loss and determined that the expected credit loss is insignificant.

Notes to the Financial Statements

For the financial year ended 31 March 2023

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Credit risk (cont'd)

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the balance sheets; and
- Corporate guarantee provided by the Company for banking facilities granted to subsidiaries, associates and joint ventures (Note 37(a)).

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	2023		2022	
	\$'000	% of total	\$'000	% of total
Group				
By country:				
Singapore	<u>26,233</u>	<u>100</u>	<u>7,246</u>	<u>100</u>
By industry sector:				
Construction	<u>26,233</u>	<u>100</u>	<u>7,246</u>	<u>100</u>

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

Notes to the Financial Statements

For the financial year ended 31 March 2023

40. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following tables set out the financial instruments as at the end of the reporting period:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Financial assets at fair value through profit or loss – designated as such on initial recognition</i>				
Structured deposits	4,780	4,715	-	-
Investment securities	13,633	5,985	13,633	5,985
<i>Financial assets carried at amortised cost</i>				
Loans due from associates	177,405	147,938	-	-
Amounts due from associates (non-trade)	23,839	20,411	-	-
Loans due from joint ventures	28,238	9,497	-	-
Amounts due from joint ventures (non-trade)	29,199	41,702	-	-
Amounts due from subsidiaries (non-trade)	-	-	197,492	188,816
Trade receivables	26,233	7,246	-	-
Other receivables and deposits	2,961	2,447	295	95
Fixed deposits	67,078	86,150	47,096	66,364
Cash and bank balances	53,688	56,919	25,173	3,442
	408,641	372,310	270,056	258,717
<i>Financial liabilities measured at amortised cost</i>				
Trade payables (excluding sales tax payable)	31,527	25,495	-	-
Other payables and accruals (excluding advance payments)	77,454	63,957	1,667	2,662
Amounts due to subsidiaries (non-trade)	-	-	96,854	91,231
Loans due to associates	1,486	1,244	-	-
Bank term loans, secured	184,508	119,887	117,600	110,720
Bills payable to banks, secured	21,121	-	-	-
Lease liabilities	4,171	4,635	-	-
	320,267	215,218	216,121	204,613

Notes to the Financial Statements

For the financial year ended 31 March 2023

41. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2023 and 31 March 2022.

As disclosed in Note 25, a subsidiary of the Group is required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund and enterprise expansion fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the subsidiary for the financial years ended 31 March 2023 and 31 March 2022. The percentage to be appropriated to the above mentioned funds is determined by the Board of Directors of the PRC subsidiaries.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The Group includes within net debt, loans and borrowings, trade and other payables less cash and bank balances and fixed deposits. Capital includes equity attributable to the owners of the Company less the abovementioned restricted statutory reserve fund and general reserve fund.

	Note	Group 2023 \$'000	Group 2022 \$'000
Loans and borrowings		205,629	119,887
Trade and other payables (excluding sales tax payable and advance payments)		108,981	89,455
Less: Cash and bank balances and fixed deposits	17	<u>(120,766)</u>	<u>(143,069)</u>
Net debt		<u>193,844</u>	<u>66,273</u>
Equity attributable to the owners of the Company		338,161	336,322
Less: Statutory reserve fund	25	(1,556)	(1,556)
General reserve fund	25	<u>(155)</u>	<u>(155)</u>
Total capital		<u>336,450</u>	<u>334,611</u>
Capital and net debt		<u>530,294</u>	<u>400,884</u>
Gearing ratio		<u>37%</u>	<u>17%</u>

Notes to the Financial Statements

For the financial year ended 31 March 2023

41. CAPITAL MANAGEMENT (CONT'D)

The Group is required by certain banks to fulfil the requirements to maintain certain debt ratio and debt metrics as at financial year end. The Group has obtained waivers from the relevant two banks on the need to meet certain aforesaid requirements, after financial year end and before these financial statements were authorised for issue. The loans from the two banks amounted to \$26.5 million and \$20.0 million respectively as at financial year end and their maturity dates are April 2023 and November 2023 respectively. On 3 April 2023, the loan amounting to \$26.5 million was fully repaid.

42. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 17 April 2023, Unique Realty, a 25%-owned associated company of the Group has been stuck off.

On 23 June 2023, Lian Beng (St Kilda) Pty Ltd, a 20%-owned associated company of the Group, is undergoing voluntary liquidation.

43. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Directors on 12 July 2023.

Statistics of Shareholdings

As at 16 June 2023

DISTRIBUTION OF SHAREHOLDINGS

Issued and Fully Paid Capital	:	S\$54,124,915.22
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
Total no. of issued Ordinary Shares (excluding treasury shares)	:	563,396,245
Total no. of treasury shares	:	6,339,400

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	108	5.43	5,227	0.00
100 – 1,000	132	6.64	57,184	0.01
1,001 – 10,000	554	27.85	3,158,580	0.56
10,001 – 1,000,000	1,155	58.07	81,667,308	14.50
1,000,001 AND ABOVE	40	2.01	478,507,946	84.93
TOTAL	1,989	100.00	563,396,245	100.00

The percentage of shareholdings in the hands of the public as at 16 June 2023 was approximately 34.52% and hence the Company has complied with Rule 723 of the Listing Manual which states that an issuer must ensure that at least 10% of the total number of issued shares excluding treasury shares is at all times held by the public.

The Company holds 6,339,400 treasury shares as at 16 June 2023. The percentage of such holding against the total number of issued shares excluding treasury shares is 1.13%.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	113,386,337	20.13
2	KWOK NGAT KHOW	81,255,273	14.42
3	TOK CHENG HOE	81,255,273	14.42
4	LIM KEE SENG	68,237,360	12.11
5	DBS NOMINEES (PRIVATE) LIMITED	16,615,685	2.95
6	PHILLIP SECURITIES PTE LTD	11,934,180	2.12
7	CHEE SWEE HENG	10,000,000	1.77
8	LIM & TAN SECURITIES PTE LTD	7,563,400	1.34
9	YIP SAU LEUNG	7,401,887	1.31
10	CHUA SIAK NENG	6,508,956	1.16
11	GOH KIA HUA	6,297,056	1.12
12	OCBC SECURITIES PRIVATE LIMITED	6,109,712	1.08
13	UOB KAY HIAN PRIVATE LIMITED	5,474,032	0.97
14	ANG JUI KHOON	4,893,425	0.87
15	SNG KAY BOON TERENCE	4,171,200	0.74
16	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,219,109	0.57
17	RAFFLES NOMINEES (PTE.) LIMITED	3,180,009	0.56
18	YEO LAI HUAT	3,000,000	0.53
19	LOONG SANG YEE	2,791,900	0.50
20	MAYBANK SECURITIES PTE. LTD.	2,682,625	0.48
	TOTAL	445,977,419	79.15

Statistics of Shareholdings

As at 16 June 2023

SUBSTANTIAL SHAREHOLDERS

(As shown in the Company's Register of Substantial Shareholders as at 17 June 2022)

NAME	DIRECT INTEREST (NO. OF SHARES)	%	DEEMED INTEREST (NO. OF SHARES)	%
CHOO CHEE ONN	108,843,298	19.32	–	–
KWOK NGAT KHOW	81,255,273	14.42	–	–
TOK CHENG HOE	81,255,273	14.42	–	–
LIM KEE SENG	68,237,360	12.11	–	–
YIP SAU LEUNG	25,645,887 ⁽¹⁾	4.55	3,051,825 ⁽²⁾	0.54

Notes:

- (1) Yip Sau Leung's shareholding interest of 25,645,887 Shares in the Company comprises 7,401,887 Shares held in his name and 18,244,000 Shares held through a nominee.
- (2) Yip Sau Leung is deemed interested in the 2,325,725 Shares held by his spouse and 726,100 Shares held by his son.

Notice of 17th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 17th Annual General Meeting of **KSH HOLDINGS LIMITED** will be held at Furama City Centre Hotel, 60 Eu Tong Sen Street, Singapore 059804, Ballroom 1, Level 5 on Friday, 28 July 2023 at 9.30 a.m. for the following purposes:

This Notice has been made available on SGXNet and the Company's website and may be accessed at the URL <http://kimsengheng.listedcompany.com> under "Annual Report 2023".

AS ORDINARY BUSINESS

1. To receive the audited accounts for the financial year ended 31 March 2023 and the Statement of the directors of the Company ("**Directors**") and the Auditors' Report. **Resolution 1**
2. To declare a final tax exempt (one-tier) cash dividend of 1.00 cent per share for the financial year ended 31 March 2023. **Resolution 2**
3. To approve Directors' fees of S\$155,000 to be paid quarterly in arrears for the financial year ending 31 March 2024 to the Independent Directors. (2023: S\$155,000) **Resolution 3**
4. To re-elect the following Directors who retire in accordance with Article 89 of the Company's Constitution and who, being eligible, offer themselves for re-election:
 - (a) Mr Lim Yeow Hua @ Lim You Qin **Resolution 4**
 - (b) Mr Tok Cheng Hoe **Resolution 5**
 - (c) Mr Kwok Ngat Khow **Resolution 6**

Mr Lim Yeow Hua @ Lim You Qin will, upon re-election as a Director of the Company, remain an Independent Director of the Company as well as the Chairman of the Audit & Risk Committee and a member of each of the Nominating Committee and Remuneration Committee.

Mr Tok Cheng Hoe and Mr Kwok Ngat Khow will each, upon re-election as a Director of the Company, remain as an Executive Director.
5. To re-appoint Messrs Ernst & Young LLP as Auditor and to authorise the Directors to fix their remuneration. **Resolution 7**

Notice of 17th Annual General Meeting

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following as Ordinary Resolutions, with or without modifications:-

6. **Authority to allot and issue shares up to 50 per centum (50%) of the total number of issued shares** **Resolution 8**

That pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Companies Act**”) and listing rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the directors of the Company to allot and issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time to such persons and upon such terms and conditions and for such purposes as the directors may in their absolute discretion deem fit, provided that the aggregate number of shares and convertible securities to be issued pursuant to this resolution does not exceed 50% of the total number of issued shares excluding treasury shares issued by the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares issued by the Company. For the purpose of this resolution, the total number of issued shares excluding treasury shares to be issued by the Company shall be based on the total number of issued shares excluding treasury shares issued by the Company at the time this resolution approving the mandate is passed (after adjusting for any new shares arising from conversion or exercise of convertible securities; or new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the option or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual and any subsequent bonus issue, consolidation or subdivision of shares in the Company), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

(See Explanatory Note (i))

7. That pursuant to Section 161 of the Companies Act, the Directors be empowered to allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the KSH Scrip Dividend Scheme. **Resolution 9**

(See Explanatory Note (ii))

Notice of 17th Annual General Meeting

8. The proposed renewal of the Share Purchase Mandate

Resolution 10

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire ordinary shares ("**Shares**") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
- (i) on-market purchases (each a "**Market Purchase**") transacted on the SGX-ST; and/or
 - (ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with an equal access scheme as may be determined or formulated by the Directors as they consider fit,

in accordance with the Companies Act, the Listing Manual and all other laws, rules and regulations as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

- (b) the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
 - (ii) the date on which purchases or acquisitions of Shares have been carried out to the full extent permitted under the Share Purchase Mandate; or
 - (iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in a general meeting;

Notice of 17th Annual General Meeting

(c) in this Resolution:

“**Prescribed Limit**” means 10% of the issued Shares (excluding treasury shares and subsidiary holdings), as at the date of the passing of this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered (excluding any subsidiary holdings and any treasury shares that may be held by the Company from time to time);

“**Relevant Period**” means the period commencing from the date of passing of this Resolution and expiring on the date the next annual general meeting of the Company is held or required by law to be held, whichever is the earlier;

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price,

where:

“**Average Closing Price**” is the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded, preceding the date of the Market Purchase, or the date of the making of the offer pursuant to the Off-Market Purchase, as the case may be, and deemed to be adjusted for any corporate action that occurs during such five-day period and the date of the Market Purchase or the Off-Market Purchase, as the case may be; and

“**date of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

Notice of 17th Annual General Meeting

- (d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient, necessary or desirable to give effect to the transactions contemplated by this Resolution.

(See Explanatory Note (iii))

9. To transact any other ordinary business of an Annual General Meeting of which due notice shall have been given.

BY ORDER OF THE BOARD
KSH Holdings Limited

Tang Hay Ming Tony
Ong Beng Hong
Company Secretaries

13 July 2023

EXPLANATORY NOTES:

- (i) Ordinary Resolution 8 authorises the Directors from the date of the above Annual General Meeting until the next annual general meeting to issue shares and convertible securities in the Company up to 50% of the Company's total number of issued shares excluding treasury shares in the capital of the Company, with an aggregate sub-limit of 20% of the Company's total number of issued shares excluding treasury shares for any issue of shares and convertible securities not made on a pro-rata basis to existing shareholders of the Company, as more particularly set out in the resolution.
- (ii) Ordinary Resolution 9 authorises the Directors to issue shares pursuant to the KSH Scrip Dividend Scheme to members who in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of qualifying dividend.
- (iii) Ordinary Resolution 10, if passed, will empower the Directors to purchase or otherwise acquire Shares by way of Market Purchases or Off-Market Purchases, provided that the aggregate number of Shares to be purchased or acquired under the Share Purchase Mandate does not exceed the Prescribed Limit, and at such price(s) as may be determined by the Directors from time to time up to but not exceeding the Maximum Price. The information relating to Ordinary Resolution 10 is set out in the Appendix enclosed together with the Annual Report.

Notice of 17th Annual General Meeting

NOTES:

1) The members of the Company are invited to attend physically at the Annual General Meeting (the “**Meeting**” or “**AGM**”). **There will be no option for shareholders to participate virtually.** This Notice, Proxy Form and Annual Report are available to members by electronic means via publication on SGXNet at the URL at <https://www.sgx.com/securities/company-announcements> or at the Company’s website at the URL at <http://kimsengheng.listedcompany.com>. A member will need an internet browser and PDF reader to view these documents.

2) Arrangements for participation in the AGM physically

Members (including CPFIS and SRS investors) may participate in the AGM by:

- (a) attending the AGM in person;
- (b) submitting questions to the Chairman of the Meeting in advance of, or at, the AGM; and/or
- (c) voting at the AGM
 - (i) themselves personally; or
 - (ii) through their duly appointed proxy(ies).

CPFIS and SRS investors who wish to appoint the Chairman of the Meeting (and not third party prox(ies)) as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes. Please see item 6 below for details.

In the event members encounter Covid-19 like symptoms prior to the Meeting, members are strongly encouraged to exercise social responsibility to rest at home and consider appointing a proxy(ies) to attend the Meeting. We encourage members to mask up when attending the Meeting.

3) Relevant Intermediary

- (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead at the AGM.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967.

4) A proxy need not be a member of the Company.

5) A member can appoint the Chairman of the Meeting as his/her/it proxy, **but** this is **not mandatory**.

If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6) CPFIS/SRS investors who hold shares in the Company through CPF Agent Banks/SRS Operators:

- (a) may vote at the Meeting if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Meeting, in which case they should approach their CPF Agent Banks/SRS Operators to submit their votes at least 7 working days prior to the date of AGM i.e. by 9.30 a.m. on 19 July 2023.

7) Submission of instrument of proxy or proxy (“**Proxy Form**”) – **by 9.30 a.m. on 26 July 2023**

The Proxy Form must be submitted through any one of the following means:

- (a) if submitted personally or by post, be deposited at the registered office of the Company at 36 Senoko Road, Singapore 758108; or

Notice of 17th Annual General Meeting

(b) if submitted by email, be received by the Company at mainoffice@kimsengheng.com.sg

in either case, not less than 48 hours before the time appointed for holding the Meeting i.e. by 9.30 a.m. on 26 July 2023, and failing which, the Proxy Form will not be treated as valid.

- 8) The Company shall be entitled to, and will, treat any valid Proxy Form which was delivered by a member to the Company **before 9.30 a.m. on 26 July 2023** as a valid instrument as the member's proxy to attend, speak and vote at the Meeting if: (a) the member had indicated how he/she/it wished to vote for or vote against or abstain from voting on each resolution; and (b) the member has not withdrawn the appointment by 9.30 a.m. on 26 July 2023.
- 9) If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
- 10) Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the Meeting if he/she so wishes. The appointment of the proxy(ies) for the Meeting will be deemed to be revoked if the member attends the Meeting in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the Meeting.
- 11) Submission of questions by members in advance of the Meeting – **by 20 July 2023**
 - (a) Members may also submit questions related to the resolutions to be tabled for approval at the Meeting. All questions, together with the members' full names, identification numbers, contact numbers and email addresses and manner in which they hold shares in the Company ("**Shares**"), must be submitted by 20 July 2023 via email to agm@kimsengheng.com.sg or by post to the registered office of the Company at 36 Senoko Road, Singapore 758108.
 - (b) The Company will publish the responses to substantial and relevant questions on the SGX website at <https://www.sgx.com/securities/company-announcements> or at the Company's website at the URL at <http://kimsengheng.listedcompany.com> by 9.30 a.m. on 24 July 2023.
 - (c) The Company endeavours to address (i) subsequent clarifications sought (ii) follow-up questions or (iii) subsequent substantial and relevant questions which are received after its responses referred to at (b) above, at the Meeting itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
 - (d) Minutes of AGM – The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNet, and the minutes will include the responses to the questions which are addressed during the AGM, if any.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof or submitting any details of Relevant Intermediary Participants in connection with the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation, compilation and publication of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where member discloses the personal data of the Relevant Intermediary Participants to the Company (or its agents or service providers), the member has obtained the prior consent of such Relevant Intermediary Participants for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such Relevant Intermediary Participants for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Additional Information on Directors Seeking Re-Election

Mr Lim Yeow Hua @ Lim You Qin, Mr Tok Cheng Hoe and Mr Kwok Ngat Khow are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 28 July 2023 (“**AGM**”) (collectively, the “**Retiring Directors**” and each a “**Retiring Director**”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

	MR LIM YEOW HUA @ LIM YOU QIN	MR TOK CHENG HOE	MR KWOK NGAT KHOW
Date of Appointment	18 December 2006	22 March 2006	22 March 2006
Date of last re-appointment (if applicable)	29 September 2020	30 July 2021	30 July 2021
Age	61	73	75
Country of principal residence	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“ NC ”) and has reviewed and considered the qualification, work experience and suitability of Mr Lim Yeow Hua @ Lim You Qin for re-appointment as an Independent Director of the Company as well as the Chairman of the Audit and Risk Committee and a member of each of the Remuneration Committee and NC and will be considered independent of Management. The Board has reviewed and concluded that Mr Lim Yeow Hua @ Lim You Qin possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and the relevant Board Committees.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Tok Cheng Hoe for re-appointment as an Executive Director of the Company. The Board has reviewed and concluded that Mr Tok Cheng Hoe possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Kwok Ngat Khow for re-appointment as an Executive Director of the Company. The Board has reviewed and concluded that Mr Kwok Ngat Khow possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.

Additional Information on Directors Seeking Re-Election

	MR LIM YEOW HUA @ LIM YOU QIN	MR TOK CHENG HOE	MR KWOK NGAT KHOW
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive ; responsible for the management and execution of construction projects	Executive ; responsible for the management and execution of construction projects
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of Audit & Risk Committee and a member of each of the Nominating Committee and Remuneration Committee	Executive Director	Executive Director
Professional qualifications and working experience and occupation(s) during the past 10 years	<p>Member of the Singapore Chartered Accountants</p> <p>Accredited Tax Advisor of the Singapore Chartered Tax Professionals</p> <p>Mr Lim Yeow Hua @ Lim You Qin is a chartered accountant and has more than 30 years of experience in the tax, financial services and investment banking industries. He founded and was Managing Director of Asia Pacific Business Consultants Pte. Ltd. from 2006 to 2017. From 2018 to 2019, he was the Group Head of Tax at In.Corp Global Pte. Ltd.</p> <p>Mr Lim Yeow Hua @ Lim You Qin presently holds directorships in various listed companies. Please refer to other principal commitments.</p>	<p>Mr Tok Cheng Hoe is presently an Executive Director of the Company.</p> <p>Mr Tok Cheng Hoe has more than 40 years of experience in the construction, construction-related and property development industries</p>	<p>Mr Kwok Ngat Khow is presently an Executive Director of the Company.</p> <p>Mr Kwok Ngat Khow has more than 40 years of experience in the construction, construction-related and property development industries</p>

Additional Information on Directors Seeking Re-Election

	MR LIM YEOW HUA & LIM YOU QIN	MR TOK CHENG HOE	MR KWOK NGAT KHOW
Shareholding interest in the listed issuer and its subsidiaries	302,500 shares as at 13 July 2023	81,255,273 shares as at 13 July 2023	81,255,273 shares as at 13 July 2023
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments* Including Directorships# (for the last 5 years) * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	<p>Past (for the past 5 years): <u>Directorships</u> KTL Global Limited</p> <p>Prestige Biopharma Pte Ltd (now known as Prestige Biopharma Limited)</p> <p>Singapore Women's & Children's Medical Group Pte Ltd SMS Medical Services Ltd.</p> <p><u>Other Principal Commitments</u> Group Head of Tax at In.Corp Global Pte. Ltd.</p> <p><u>Present Directorships</u> Accrelist Limited</p> <p>NauticAWT Limited</p> <p>Oxley Holdings Limited</p>	<p>Past (for the past 5 years): <u>Directorships</u> Nil</p> <p><u>Other Principal Commitments</u> Nil</p> <p>Present <u>Directorships</u> Directorships in the Group's subsidiaries</p> <p><u>Other Principal Commitments</u> Nil</p>	<p>Past (for the past 5 years): <u>Directorships</u> Nil</p> <p><u>Other Principal Commitments</u> Nil</p> <p>Present <u>Directorships</u> Nil</p> <p><u>Other Principal Commitments</u> Nil</p>

Additional Information on Directors Seeking Re-Election

	MR LIM YEOW HUA @ LIM YOU QIN	MR TOK CHENG HOE	MR KWOK NGAT KHOW
	Revez Corporation Ltd <u>Other Principal Commitments</u> Nil		
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes Eratat Lifestyle Limited was delisted from the Mainboard of the SGX-ST on 19 July 2017 with the SGX-ST's approval and had undergone liquidation pursuant to compulsory winding up proceedings. Mr Lim Yeow Hua @ Lim You Qin was a non-executive independent director of Eratat Lifestyle Limited and had not been involved in the management or operations of the company.	No	No

Additional Information on Directors Seeking Re-Election

	MR LIM YEOW HUA & LIM YOU QIN	MR TOK CHENG HOE	MR KWOK NGAT KHOW
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

Additional Information on Directors Seeking Re-Election

	MR LIM YEOW HUA & LIM YOU QIN	MR TOK CHENG HOE	MR KWOK NGAT KHOW
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

Additional Information on Directors Seeking Re-Election

	MR LIM YEOW HUA & LIM YOU QIN	MR TOK CHENG HOE	MR KWOK NGAT KHOW
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

Additional Information on Directors Seeking Re-Election

	MR LIM YEOW HUA & LIM YOU QIN	MR TOK CHENG HOE	MR KWOK NGAT KHOW
<p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>			
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No	No	No

Additional Information on Directors Seeking Re-Election

	MR LIM YEOW HUA & LIM YOU QIN	MR TOK CHENG HOE	MR KWOK NGAT KHOW
Disclosure applicable to the appointment of Director only.			
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	Not Applicable	Not Applicable	Not Applicable

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KSH HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Registration No. 200603337G

PROXY FORM

(Please see notes overleaf before completing this Form)

This form of proxy has been made available on SGXNet and the Company's website and may be accessed under "Annual Report 2023" at the URL <http://kimsengheng.listedcompany.com>.

IMPORTANT

1. The Annual General Meeting ("AGM") will be held physically at Furama City Centre Hotel, 60 Eu Tong Sen Street, Singapore 059804, Ballroom 1, Level 5. Members have no option to participate virtually.
2. For CPF Investors/SRS Investors who have used their CPF/SRS monies to buy the Company's shares, this Proxy Form is not valid to use by CPF Investors/SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF Investors/SRS Investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

I/We, _____ (Name) _____ (NRIC/PP/UEN No.)
of _____ (Address)
being a member/members of KSH Holdings Limited (the "Company"), hereby appoint:
(a)

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	(%)
Address			

and/or*

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	(%)
Address			

OR

(b) the Chairman of the Annual General Meeting ("AGM") as my/our proxy/proxies* to attend, speak or vote for me/us* on my/our* behalf at the AGM of the Company to be held physically at Furama City Centre Hotel, 60 Eu Tong Sen Street, Singapore 059804, Ballroom 1, Level 5 on Friday, 28 July 2023 at 9.30 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for, against or abstain the Resolutions proposed at the Annual General Meeting as indicated hereunder.

If no specific direction as to voting is given or in the event of any other matter arising at the Annual General Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. In the absence of specific direction in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid. All resolutions put to the vote at the Annual General Meeting shall be decided by way of poll.

No.	Resolutions relating to	For	Against	Abstain
1.	To receive the Directors' Statement, Auditors' Report and Audited Accounts for the financial year ended 31 March 2023			
2.	To approve a final tax-exempt (one-tier) cash dividend of 1.00 cent per share for the financial year ended 31 March 2023			
3.	To approve Directors' Fees S\$155,000 for the financial year ending 31 March 2024 to the Independent Directors			
4.	To re-elect Mr Lim Yeow Hua @ Lim You Qin as a Director retiring under Article 89			
5.	To re-elect Mr Tok Cheng Hoe as a Director retiring under Article 89			
6.	To re-elect Mr Kwok Ngat Khaw as a Director retiring under Article 89			
7.	To re-appoint Ernst & Young LLP as Auditor			
8.	To authorise the Directors to allot and issue new shares			
9.	To authorise the Directors to allot and issue shares pursuant to the KSH Scrip Dividend Scheme			
10.	To approve the renewal of the Share Purchase Mandate			

Dated this _____ day of _____ 2023

Total number of shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s)/Common Seal
* Delete as appropriate

IMPORTANT: Please read notes overleaf



Notes:-

1. Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of poll.
2. Please insert the total number of shares of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
3. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead.
4. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5. A member who is a relevant intermediary entitled to attend the meeting and vote, is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

"Relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
6. A proxy need not be a member of the Company. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.
 7. The instrument appointing a proxy(ies) ("**Proxy Form**") must be submitted to the Company in the following manner:-
 - (a) if submitted personally or by post, be deposited at the registered office of the Company at 36 Senoko Road, Singapore 758108; or
 - (b) if submitted by email, be received by the Company at mainoffice@kimsengheng.com.sg

in either case, not less than 48 hours before the time appointed for holding the AGM, that is by 9.30 a.m. on 26 July 2023, failing which, the Proxy Form will not be treated as valid.

The Company shall be entitled to reject any instrument appointing a proxy/proxies which is incomplete, illegible or where the true intentions of the member, being the appointer, are not ascertainable from the instructions of the appointer specified in the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy/proxies if the member is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by the Central Depository (Pte) Limited to the Company.

8. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
9. The Proxy Form must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
10. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.

PERSONAL DATA PRIVACY:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 13 July 2023.

KSH HOLDINGS LIMITED

Company Registration Number 200603337G

36 Senoko Road, Singapore 758108

Tel : (65) 6758 2266 | (65) 6662 9100

Fax : (65) 6758 2523

