LUM CHANG HOLDINGS LIMITED

ANNUAL REPORT

2022

OUR VISION

TO BE A QUALITY PROPERTY DEVELOPER AND LEADING BUILDER IN SINGAPORE AND THE REGION.

OUR MISSION

We are committed towards global sustainability, safety, quality excellence and value creation for all our stakeholders. We establish partnerships with strategic players and deliver projects exceeding clients' satisfaction. We are a progressive organisation that fosters a people-excellence culture based on merit and equal opportunity.

OUR CORE VALUES

We are a progressive company built upon eight decades of traditional values and cooperative team work which shape our business framework. Our core values represented by the acronym, **IMPRESS**, are:

INTEGRITY
Uncompromising honesty, fairness and accountability in everything we do

MARK
Making our mark, staying ahead of the curve and establishing new benchmarks

PASSION
Doing whatever it takes to deliver what we promise

RESOURCEFULNESS
Pioneering creative solutions for business and operational transformation

EXCEPTIONAL VALUE
Leveraging modern, cost-effective techniques to deliver quality, durability and value multiplication

SAFETY
Committing to a Zero Accident policy, upholding respect for life

SERVICE EXCELLENCE
Exceeding expectations, building trust to keep our clients returning

CONTENTS

HIGHLIGHTS

2021

SEPTEMBER

- Lum Chang Building Contractors (LCBC) conferred awards at the Building and Construction Authority (BCA) of Singapore Awards 2021:
  - Integrated Digital Delivery (IDD) Gold Award (Firm category)
  - IDD Gold Plus Award for North-South Corridor - Tunnel (Contract N110) (Project category)
  - Construction Excellence Merit Award for Tekka Place (Commercial/Mixed Development Buildings category)
  - Design & Engineering Safety Award for Tekka Place (Project category)
- Secured contract for addition and alteration works for VivoCity
- Obtained TOP for six semi-detached units (Phase 2) and two bungalow units (Phase 3) at One Tree Hill Collection

OCTOBER

- Disposed of serviced residence at Kelaty House in London, United Kingdom

VivoCity

One Tree Hill Collection

2022

JANUARY

- Completed the construction of 21 Latania semi-detached and bungalow homes at Twin Palms, Sungai Long

FEBRUARY

- Completed the Basic Structure of Reception Track 1 at Tanah Merah Station
- Launched nine units of shop lots at Twin Palms, Sungai Long

Twin Palms, Sungai Long

MAY

- Completed the construction of 19 Westiara bungalow homes at Twin Palms, Sungai Long

JULY

- LC Interior conferred the Workplace Safety and Health (WSH) Performance (Silver) Award at the WSH Awards 2022

AUGUST

- LC Interior signed joint venture agreement with Brandsbridge Pte Ltd

SEPTEMBER

- LCBC conferred awards at the BCA's inaugural Built Environment Transformation Awards 2022 for
  - Woodlands North Coast (Industrial category)
  - PSA Liveable City (Commercial category)

CORPORATE PROFILE

From its modest beginnings as a sole proprietorship in the 1940s, Lum Chang has grown to become a leading construction firm listed on the Singapore Exchange, backed by an extensive portfolio of projects.

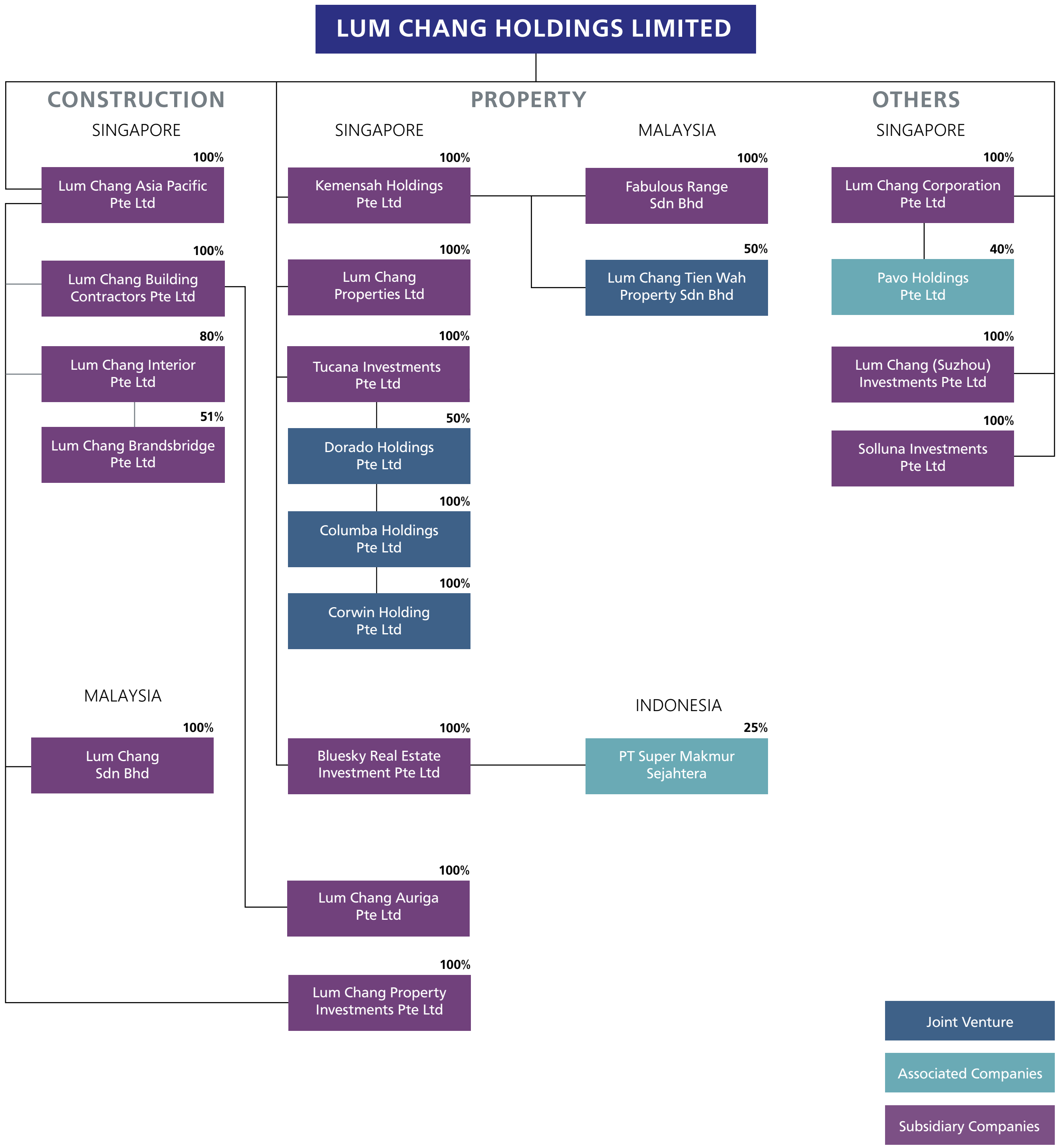
With firm foundations built upon more than eight decades in construction, the Group has evolved and expanded its businesses to include property development, investment and interior finishing works. The success of the Group is recognised through its impressive diversity of award-winning residential and commercial developments in Singapore and Malaysia.

Recognising that sustainability should be an inherent part of its business, the Group strives to integrate its uncompromising commitment to quality, health and safety, and the environment into its business operations. It works closely with key stakeholders to implement initiatives that will minimise the environmental impact that may be associated with its business activities. It also incorporates innovative green solutions into its business practices and development projects.

Guided by sound management strategies and good corporate governance, the Company has been rewarded with steadfast and sustained growth, and a solid reputation for quality and reliability. With a proven track record, a keen eye for investment opportunities and its strategic network of business alliances, Lum Chang remains committed to delivering its best to shareholders, clients and associates, employees and the community as a whole.

CORPORATE STRUCTURE

As at 16 September 2022



* For the complete list of subsidiary companies and associated companies, please refer to Note 40 of the Notes to the Financial Statements.

BOARD OF DIRECTORS

From left to right: Mr Kenneth Ho Siew Keong, Mr Clement Leow Wee Kia, Mr Tony Fong, Mr Raymond Lum Kwan Sung (seated, left), Mr Kelvin Lum Wen Sum, Dr Willie Lee Leng Ghee, Mr David Lum Kok Seng (seated, right), Mr Peter Sim Swee Yam and Mdm Constance Lee Sok Koon

MR RAYMOND LUM KWAN SUNG is the Executive Chairman of Lum Chang Holdings Limited (LCH), a position he has held since 1984.

With more than 40 years of business experience, Mr Lum's visionary leadership has seen the Group through diversification, successful business alliances and timely corporate moves, leading to its present focus on construction and property development, both locally and overseas. In particular, Mr Lum has been instrumental in growing Lum Chang into a foremost and well-regarded construction firm in Singapore.

Mr Lum is active in community work and was awarded the Public Service Medal (Pingat Bakti Masyarakat) in 1982. He has served on the boards of public institutions and quasi-government organisations such as the Singapore Trade Development Board (now known as Enterprise Singapore); Singapore Police Association for National Servicemen and Civil Defence Association for National Servicemen. He was also a board member of the Commercial & Industrial Security Corporation (CISCO). He relinquished his duties as Honorary Consul-General of Ghana to Singapore in February 2017.

Mr Lum holds a Bachelor of Science in Civil Engineering from the University of London, United Kingdom.

MR DAVID LUM KOK SENG is the Managing Director of LCH. His dynamic entrepreneurial leadership coupled with more than 40 years of industry experience have led Lum Chang towards increasing its footprint, affirming it as a strong and trusted local construction brand known for quality and reliability.

Mr Lum has successfully led the expansion of the Group's property development activities in Singapore, Malaysia and the United Kingdom.

His insightful market knowledge, strategic business contacts and relentless entrepreneurial drive have significantly contributed to the development of the Group and will continue to drive the Group to achieve greater heights.

MR TONY FONG is the Executive Director of LCH, appointed in July 2012. He joined LCH in 2004 as Group Financial Controller and Company Secretary, and was promoted to Group Finance Director in September 2010.

He oversees the financial management functions of the Group and also contributes to its business development and strategic plans. In addition, he is responsible for ensuring that the Company complies with good corporate governance policies and practices.

Mr Fong was trained in a firm of Chartered Accountants in the United Kingdom and is a member of the Association of Chartered Certified Accountants and the Institute of Singapore Chartered Accountants.

MR KELVIN LUM WEN SUM is a non-independent non-executive Director of LCH, appointed in November 2016. He has been engaged as a consultant to the Group since November 2015 to provide advice on strategy, business development and operations.

Mr Lum is the Chief Executive Officer of mainboard-listed Ellipsiz Ltd. He is responsible for charting its corporate directions and implementing growth strategies, including managing its investment activities.

Mr Lum previously held the position of Group Managing Director of another mainboard-listed company, the former LCD Global Investments Ltd, where he oversaw its group operations focusing on strategic planning, investments and business development. He was with the financial sector prior to joining the LCD group.

Mr Lum currently sits on the School Management Committees of Nanyang Primary School and Nanyang Kindergarten, serving as Vice Chairman. He is also a director of Nanyang Girls' High School Ltd and Nanyang International Education (Holdings) Limited.

Apart from his work commitments, Mr Lum is also an active supporter of grassroots initiatives. He is currently Patron of both the Marine Parade Community Club Building Fund Committee and charitable organisation, The Hut.

He holds a Bachelor of Commerce from the University of Western Australia.

MR PETER SIM SWEE YAM, BBM, PBM, is a non-executive independent Director of LCH, appointed in November 2001. He chairs the Remuneration Committee and serves on the Audit and Risk Committee, and the Nominating Committee. Mr Sim is also the Lead Independent Director of LCH.

Mr Sim is a solicitor by profession and a director of the law firm, Sim Law Practice LLC.

He also serves as an independent director of the following listed companies, namely Singapore Land Group Limited and ST Group Food Industries Holdings Limited. He is also a director of the Singapore Heart Foundation.

DR WILLIE LEE LENG GHEE is a non-executive independent Director of LCH, appointed in February 2006. He was appointed Chairman of the Nominating Committee in December 2015. He also serves on the Audit and Risk Committee, and the Remuneration Committee.

Dr Lee has an MBBS from the then University of Singapore and had been a medical practitioner for about 50 years.

MR CLEMENT LEOW WEE KIA is a non-executive independent Director of LCH, appointed in May 2018. He serves on the Audit and Risk Committee.

Mr Leow also serves as an independent director of catalyst-listed MSM International Limited and mainboard-listed Ellipsiz Ltd and Overseas Education Limited.

Mr Leow was previously the Chief Executive Officer and an Executive Director of Allied Technologies Limited and Crowe Horwath Capital Pte Ltd. He was also the Head of Corporate Finance of Partners Capital (Singapore) Pte Ltd. Mr Leow, who has held senior positions in corporate finance and banking in Singapore, has more than 20 years of corporate finance experience in initial public offerings, mergers and acquisitions including corporate advisory transactions.

Mr Leow graduated from Cornell University with a Bachelor of Science in Applied Economics and also holds a Master in Business Administration and a Postgraduate Diploma in Financial Strategy from the University of Oxford. He completed the Governance as Leadership Program at Harvard University and is a member of the Singapore Institute of Directors.

Mr Leow is also an Executive Committee member of the Singapore Tennis Association and was awarded the Singapore Armed Forces Good Service Medal in 2007.

MDM CONSTANCE LEE SOK KOON is a non-executive independent Director of LCH, appointed in August 2021. She chairs the Audit and Risk Committee.

Mdm Lee is also the lead independent Director of Japan Foods Holding Ltd, as well as an independent director at SBS Transit Ltd, Mooreast Holdings Ltd and NUS America Foundation, Inc. In addition, she serves as an honorary member of the fundraising committee of Singapore Arts School Ltd and sits on the Finance and Investment Committee of the Singapore Island Country Club.

Mdm Lee had previously held the position of Director of Operations in the Development Office of the National University of Singapore. Prior to that, she was Executive Director of Lum Chang Holdings Limited and the former L.C. Development Limited, where she oversaw the finance and corporate affairs of the two mainboard-listed companies for more than 20 years.

Mdm Lee holds a Bachelor of Accountancy (Hons) from the then University of Singapore, and is a member of both the Institute of Singapore Chartered Accountants and the Singapore Institute of Directors.

MR KENNETH HO SIEW KEONG is a non-executive independent Director of LCH, appointed in September 2021. He serves on the Audit and Risk Committee, and the Remuneration Committee.

Mr Ho is presently the Head of Vietnam and China (Real Estate) for CEL Development Pte Ltd.

He has more than 25 years of experience in business development and operations in overseas markets, particularly China and the emerging markets of Indochina. Starting 1996 to the present, Mr Ho has held various senior positions in DelGro Corporation Ltd, Transil Corporation Pte Ltd, UPP Holdings Ltd and the former LCD Global Investments Ltd. He had also managed a Vietnam Real Estate Fund as Managing Director of Bankside Capital Pte Ltd.

Mr Ho graduated from York University with a Bachelor of Arts (Honours) in Economics and Political Science.

PRESENT AND PAST DIRECTORSHIPS

As at 16 September 2022

RAYMOND LUM KWAN SUNG

Present Directorships

Lum Chang Holdings Limited *
Lum Chang Asia Pacific Pte Ltd
Lum Chang Auriga Pte Ltd
Lum Chang Building Contractors Pte Ltd
Lum Chang Corporation Pte Ltd
Lum Chang Properties Ltd
Lum Chang Property Investments Pte Ltd
Lum Chang (Suzhou) Investments Pte Ltd
Binjai Holdings Pte Ltd
Singapore-Suzhou Township Development Pte Ltd #
Sky Real Estate Investment Pte Ltd
UK Property Investment Pte Ltd
Lum Chang Sdn Bhd
Lum Chang Investments Pte Ltd
RMDV Investments Pte Ltd
Arandeur Holdings Pte Ltd
SG Link Pte Ltd

Past Directorships over the Preceding Five Years

Kwong Wai Shiu Hospital & Nursing Home

DAVID LUM KOK SENG

Present Directorships

Lum Chang Holdings Limited *
Lum Chang Asia Pacific Pte Ltd
Lum Chang Auriga Pte Ltd
Lum Chang Building Contractors Pte Ltd
Lum Chang Corporation Pte Ltd
Lum Chang Properties Ltd
Lum Chang Property Investments Pte Ltd
Lum Chang (Suzhou) Investments Pte Ltd
Binjai Holdings Pte Ltd
Kemensah Holdings Pte Ltd
Singapore-Suzhou Township Development Pte Ltd
Tucana Investments Pte Ltd
Wembley Properties Pte Ltd
Lum Chang Tien Wah Property Sdn Bhd
FCL Compassvale Pte Ltd
Pavo Holdings Pte Ltd
Beverian Holdings Pte Ltd
Bevrian Pte Ltd
RMDV Investments Pte Ltd
Arandeur Holdings Pte Ltd
DML London Pte Ltd
Nanyang Girls' High School Ltd

Past Directorships over the Preceding Five Years

Lum Chang Sdn Bhd
Fabulous Range Sdn Bhd
Uptown Viewpoint Sdn Bhd
Urban Assignment Sdn Bhd
Venus Capital Corporation Sdn Bhd
Kwong Wai Shiu Hospital & Nursing Home
Nanyang International Education (Holdings) Limited
The DL Grind Pte Limited

TONY FONG

Present Directorships

Lum Chang Holdings Limited *
Lum Chang Asia Pacific Pte Ltd
Lum Chang Auriga Pte Ltd
Lum Chang Brandsbridge Pte Ltd
Lum Chang Building Contractors Pte Ltd
Lum Chang Corporation Pte Ltd
Lum Chang Interior Pte Ltd
Lum Chang Properties Ltd
Lum Chang Property Investments Pte Ltd
Lum Chang (Suzhou) Investments Pte Ltd
Binjai Holdings Pte Ltd
Bluesky Real Estate Investment Pte Ltd
Kemensah Holdings Pte Ltd
Sky Real Estate Investment Pte Ltd
Solluna Investments Pte Ltd
Tucana Investments Pte Ltd
UK Property Investment Pte Ltd
Wembley Properties Pte Ltd
Lum Chang Sdn Bhd
Lum Chang Interior (M) Sdn Bhd
Fabulous Range Sdn Bhd
Nexus Sdn Bhd
PJBOX Sdn Bhd
Twin Palms Development Sdn Bhd
Venus Capital Corporation Sdn Bhd
Lum Chang Development Services Limited+
CLI CP (Netherlands) Pte Ltd
Columba Holdings Pte Ltd
Corwin Holding Pte Ltd
Dorado Holdings Pte Ltd
Dorado Retail Holdco Pte Ltd
Dorado Retail Pte Ltd
Xin Tekka Pte Ltd +
Lum Chang Tien Wah Property Sdn Bhd
CLI CP (Netherlands) B.V.
FCL Admiralty Pte Ltd #
Pavo Holdings Pte Ltd
PT Super Makmur Sejahtera
Daehan Rehabilitation Services Sdn Bhd
Daehan Rehabilitation Centre Sdn Bhd

Past Directorships over the Preceding Five Years

Uptown Viewpoint Sdn Bhd
Urban Assignment Sdn Bhd
130 WS Holdings Limited
130 WS Investments Limited
Kelaty Holdings Limited
Kelaty Propco Limited
Kelaty Leaseco Limited

KELVIN LUM WEN SUM

Present Directorships

Lum Chang Holdings Limited *
UK Property Investment Pte Ltd
Ellipsiz Ltd *
Ellipsiz DSS Pte Ltd
EIR Investments Pte Ltd
iNETest Resources Pte Ltd
Axis-Tec Pte Ltd
Ellipsiz Agro Investments Pte Ltd
ISE Capital Management Pte Ltd
ISE Foods Holdings Pte Ltd
iNETest Malaysia Sdn Bhd
Ellipsiz iNETest Co Ltd
Ellipsiz Taiwan Inc
Beverian Holdings Pte Ltd
Bevrian Pte Ltd
RMDV Investments Pte Ltd
LS Investments Pte Ltd
Nanyang Kindergarten
Nanyang Primary School
Nanyang Girls' High School Ltd
Nanyang International Education (Holdings) Limited

Past Directorships over the Preceding Five Years

CrystalTech Scientific Inc
Ellipsiz Taiwan Second Source Inc
EllipTech Solutions Pte Ltd
Kalms (Singapore) Pte Ltd
Kalms Investment Pte Ltd
SV Probe Pte Ltd
SV Technology Inc
Tokyo Cathode Laboratory (S) Pte Ltd
Veight Investments Pte Ltd

ADRIAN LUM WEN HONG

Present Directorships

Lum Chang Holdings Limited *
(Alternate Director to Mr David Lum Kok Seng)
Lum Chang Auriga Pte Ltd
Lum Chang Interior Pte Ltd
Lum Chang Property Investments Pte Ltd
Bluesky Real Estate Investment Pte Ltd
Kemensah Holdings Pte Ltd
Solluna Investments Pte Ltd
Sky Real Estate Investment Pte Ltd
Tucana Investments Pte Ltd
Wembley Properties Pte Ltd #
Lum Chang Sdn Bhd
Lum Chang Interior (M) Sdn Bhd
Fabulous Range Sdn Bhd
PJBOX Sdn Bhd
Venus Capital Corporation Sdn Bhd
Lum Chang Development Services Limited+
CLI CP (Netherlands) Pte Ltd
Columba Holdings Pte Ltd
Corwin Holding Pte Ltd
Dorado Holdings Pte Ltd
Dorado Retail Holding Pte Ltd
Dorado Retail Pte Ltd
Xin Tekka Pte Ltd +
Lum Chang Tien Wah Property Sdn Bhd #
CLI CP (Netherlands) B.V.
Pavo Holdings Pte Ltd
Beverian Holdings Pte Ltd
Bevrian Pte Ltd
Ellipsiz Ltd *
Ellipsiz Agro Investments Pte Ltd
LS Investments Pte Ltd
Kwong Wai Shiu Hospital
KWSH Foundation Limited

Past Directorships over the Preceding Five Years

Daehan Rehabilitation Services Sdn Bhd
Daehan Rehabilitation Centre Sdn Bhd
Uptown Viewpoint Sdn Bhd
Urban Assignment Sdn Bhd
Kelaty Holdings Limited
Ellipsiz DSS Pte Ltd
Ellipsiz iNETest Co Ltd
Ellipsiz Taiwan Inc
iNETest Resources Pte Ltd
iNETest Malaysia Sdn Bhd

* Public-listed company
# Alternate Director
+ In members' voluntary liquidation

PETER SIM SWEE YAM

Present Directorships

Lum Chang Holdings Limited *
Gravitas Alliance International Pte Ltd
Sim Law Practice LLC
Singapore Heart Foundation
Singapore Land Group Limited *
SKB & Associates Pte Ltd
ST Group Food Industries Holdings Limited *

Past Directorships over the Preceding Five Years

Haw Par Corporation Limited
Marco Polo Marine Ltd
Mun Siong Engineering Limited
Singapore Reinsurance Corporation Limited

DR WILLIE LEE LENG GHEE

Present Directorships

Lum Chang Holdings Limited *

CONSTANCE LEE SOK KOON

Present Directorships

Lum Chang Holdings Limited *
Japan Foods Holding Ltd *
Moorest Holdings Ltd *
NUS America Foundation, Inc
SBS Transit Ltd *

Past Directorships over the Preceding Five Years

Invictus Group Pte Ltd
Singapore Arts School Ltd

CLEMENT LEOW WEE KIA

Present Directorships

Lum Chang Holdings Limited *
Ellipsiz Ltd *
Grand Team Technologies Pte Ltd
MSM International Limited *
Overseas Education Limited *

Past Directorships over the Preceding Five Years

Allied Technologies Limited
Crowe Horwath Capital Pte Ltd

KENNETH HO SIEW KEONG

Present Directorships

Lum Chang Holdings Limited *
Silverlink Holdings Pte Ltd
Transil Corporation Pte Ltd
Yinjian Investment (S) Pte Ltd
Beijing Yinjian Industry Co. Ltd

Past Directorships over the Preceding Five Years

CES Vietnam Holdings Pte Ltd
CES Management (Vietnam) Pte Ltd
CEL Technology Development (Taicang) Company

SENIOR MANAGEMENT

TAN WEY PIN
Managing Director, Construction

Mr Tan Wey Pin joined LCBC in 2003 and was subsequently appointed Executive Director in 2007. Mr Tan was promoted to Managing Director of LCBC in 2010, and as Head of Construction, is responsible for its overall management and strategy development to spearhead its growth.

Mr Tan holds a Bachelor of Engineering (Civil) from the University of New South Wales, Australia. He has more than 30 years of construction industry experience, during which he managed a number of complex and largescale projects in infrastructure, civil and building works.

ADRIAN LUM WEN HONG
Alternate Director to Mr David Lum Kok Seng/ Director, Property Development

Mr Adrian Lum Wen Hong joined LCH in 2006. He currently serves as Director, Property Development. He oversees the Property Division and is responsible for formulating business strategy and identifying investment opportunities, land and property development, potential joint ventures, and business acquisitions for the Group.

Prior to joining Lum Chang, Mr Lum held management positions whilst working locally and abroad. Mr Lum is currently a non-independent non-executive Director of Ellipsiz Ltd and a Director of Kwong Wai Shiu Hospital. In August 2021, Mr Lum was appointed as Alternate Director of the Company to Mr David Lum Kok Seng.

Mr Lum holds a Master's Degree in Engineering with First Class Honours from the Imperial College of London, United Kingdom, and was awarded the Governor's MEng Prize for academic excellence.

LIM THIAM HOOI
Managing Director, Interior

Mr Lim Thiam Hooi is the Managing Director of Lum Chang Interior (LC Interior). He oversees the day-to-day operations of the business and is responsible for developing and executing business strategies to achieve profitability and drive sustainable growth.

Mr Lim has over 30 years of experience in the building industry, with nearly 20 years managing projects in the specialised fields of interior-retrofitting, conservation, and additions and alterations. Prior to joining Lum Chang, Mr Lim was with Shanghai Chong Kee Furniture & Construction Pte Ltd for 16 years, where he last held the position of director.

Mr Lim graduated with a Bachelor of Engineering (Civil) from National University of Singapore.

CHAM KOOI JOO
Managing Director, Malaysia

Mr Cham Kooi Joo joined Lum Chang Malaysia (LCM) in 2002 as General Manager and assumed the role of Managing Director in 2016. He oversees the overall management and strategic planning of Malaysia's property development operations.

Mr Cham holds a Masters Degree in Construction Project Management from the University of Manchester, United Kingdom. He has over three decades of property development and construction experience, during which he was involved in the successful completion of a number of largescale developments.

NG KEAR JIN
General Manager, Commercial, Construction

Mr Ng Kear Jin, General Manager of Commercial, joined LCBC in 2004. As Head of the Commercial Unit, he is responsible for the business development, purchasing, and contracts departments. He is also directly involved in, and oversees the tendering of projects for the Company.

With more than 26 years of diversified experience in construction, Mr Ng has extensive experience in managing both building and infrastructure projects.

Mr Ng graduated with a Bachelor of Engineering (Hons) degree (Mechanical) from Nanyang Technological University, Singapore. He is also a registered Design for Safety and Green Mark Accredited Professional.

TAN JUI HOCK
General Manager, Projects, Construction

Mr Tan Jui Hock, General Manager of Projects, is responsible for leading LCBC's Civil and Infrastructure Team. Mr Tan joined the company in 2009 as Deputy Project Manager and has been involved in many key civil projects.

Mr Tan has over 23 years of experience with core competencies in infrastructure projects including design coordination, site operation and project management. He holds a Bachelor of Science (Civil Engineering) from the National Chiao Tung University, Taiwan.

YAP LAY HOON
Financial Controller

Ms Yap Lay Hoon joined LCH as an Accountant in 2000 and was appointed Financial Controller in July 2022.

Ms Yap has more than 20 years of financial and accounting experience, and is responsible for managing the finance and accounting functions of the Group, including financial reporting and planning, treasury management, taxation and fund-raising.

Ms Yap holds a Bachelor of Accountancy degree from the Nanyang Technological University of Singapore and is a member of the Institute of Singapore Chartered Accountants. Prior to joining Lum Chang, Ms Yap was an auditor in a local audit firm.

DAWN LIM
Head of Corporate Services
(Corporate Communications and Human Resources)

Ms Dawn Lim joined the Group in 2010 and was appointed Head of Corporate Services (Corporate Communications and Human Resources) in July 2022.

With more than 20 years of experience in communications and corporate affairs in both the public and private sectors, Ms Lim was the Group's Senior VP for Corporate Communications prior to her current role. She is responsible for the overall planning and implementation of corporate communications activities and all matters pertaining to human resources.

Ms Lim graduated with a Bachelor of Business Administration from the National University of Singapore.

CORPORATE DATA

BOARD OF DIRECTORS

Raymond Lum Kwan Sung
Executive Chairman

David Lum Kok Seng
Managing Director

Tony Fong
Executive Director

Kelvin Lum Wen Sum
Non-independent Non-executive Director

Adrian Lum Wen Hong
Alternate Director to Mr David Lum Kok Seng

Peter Sim Swee Yam
Lead Independent Director

Dr Willie Lee Leng Ghee
Independent Director

Constance Lee Sok Koon
Independent Director

Clement Leow Wee Kia
Independent Director

Kenneth Ho Siew Keong
Independent Director

REGISTERED OFFICE

14 Kung Chong Road, #08-01
Lum Chang Building, Singapore 159150

Tel: (65) 6273 8888
Fax: (65) 6933 6688

Email: lch@lumchang.com.sg
www.lumchang.com.sg

REGISTRARS & TRANSFER OFFICE

Tricor Barbinder
Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road, #02-00, Singapore 068898

COMPANY REGISTRATION NO.

198203949N

AUDIT AND RISK COMMITTEE

Constance Lee Sok Koon
Chairman

Peter Sim Swee Yam
Dr Willie Lee Leng Ghee
Clement Leow Wee Kia
Kenneth Ho Siew Keong

NOMINATING COMMITTEE

Dr Willie Lee Leng Ghee
Chairman

Peter Sim Swee Yam
Raymond Lum Kwan Sung

REMUNERATION COMMITTEE

Peter Sim Swee Yam
Chairman

Dr Willie Lee Leng Ghee
Kenneth Ho Siew Keong

COMPANY SECRETARIES

Tony Fong
Tan Eng Chan Gerald

INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP
Public Accountants
and Chartered Accountants
Singapore
Audit Partner
Tan Bee Nah
(effective from the financial year ended 30 June 2020)

PRINCIPAL BANKERS

CIMB Bank Berhad

Malayan Banking Berhad

Oversea-Chinese Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited

United Overseas Bank Limited

NETWORK OF OPERATIONS

SINGAPORE

14 Kung Chong Road
#08-01 Lum Chang Building
Singapore 159150

Tel: (65) 6273 8888
Fax: (65) 6933 6688

- Lum Chang Holdings Limited
- Lum Chang Asia Pacific Pte Ltd
- Lum Chang Auriga Pte Ltd
- Lum Chang Building Contractors Pte Ltd
- Lum Chang Corporation Pte Ltd
- Lum Chang Properties Ltd
- Lum Chang Property Investments Pte Ltd
- Lum Chang (Suzhou) Investments Pte Ltd
- Binjai Holdings Pte Ltd
- Bluesky Real Estate Investment Pte Ltd
- Columba Holdings Pte Ltd
- Corwin Holding Pte Ltd
- Dorado Holdings Pte Ltd
- Kemensah Holdings Pte Ltd
- Pavo Holdings Pte Ltd
- Sky Real Estate Investment Pte Ltd
- Solluna Investments Pte Ltd
- Tucana Investments Pte Ltd
- UK Property Investment Pte Ltd
- Wembley Properties Pte Ltd

1 Commonwealth Lane
#06-34, One Commonwealth
Singapore 149544

Tel: (65) 6716 9200
Fax: (65) 6716 9211

- Lum Chang Interior Pte Ltd

45 Jalan Pemimpin
#01-03A, Foo Wah Industrial Building
Singapore 577197

Tel: (65) 6259 3522

- Lum Chang Brandsbridge Pte Ltd

WEST MALAYSIA

Lot 10-02 & 10-03
Level 10, Menara HLA
No. 3 Jalan Kia Peng
50450 Kuala Lumpur, Malaysia

Tel: 03 2171 2222
Fax: 03 2171 2333

- Lum Chang Sdn Bhd
- Lum Chang Tien Wah Property Sdn Bhd
- Fabulous Range Sdn Bhd

CHAIRMAN'S STATEMENT

YEAR IN REVIEW

The year under review was one of lingering uncertainty, both economic and geopolitical, and the past year has seen a continuation of our most challenging period in recent times.

Despite Singapore's progressive emergence from the Covid-19 pandemic, its ramifications continued to cast a shadow over the business environment in FY2022, and many of the same concerns have persisted. Operations have also been hampered by the development of more recent issues, including significant inflationary pressures and geopolitical tensions, particularly the Russia-Ukraine war.

The significant easing of pandemic measures notwithstanding, the Group continued to face persistent operational challenges. Manpower shortage and corresponding higher labour cost, global supply chain disruptions and increasing raw material prices impacted our bottom line. All these had a debilitating impact on our business and negatively impacted our financial performance especially during the second half, resulting in a disappointing overall financial result for the Group and our shareholders. Although the Group posted higher revenue of $416.8 million, 28% higher than last year's $325.6 million, challenging business conditions had a significant impact resulting in the Group reporting a loss of $10.8 million attributable to shareholders.

DIVIDENDS

Notwithstanding the negative bottom-line performance and in consideration of any lingering impacts from the Covid-19 pandemic and global uncertainties, the Board has recommended to maintain the Group's final dividend at one cent per share for FY2022, subject to shareholder's approval at our upcoming Annual General Meeting (AGM) scheduled on 28 October 2022.

PROPERTY & INVESTMENT

Leasing activities for our joint venture project, Tekka Place, continued during the year and occupancy of the mall is around 80%. We will work diligently to continue with promotional campaigns to stimulate footfall and bolster tenants' sales.

As the impact of the pandemic starts to subside, the embattled hospitality sector started to experience some recovery. With reciprocal green lanes and the Vaccinated Travel Framework, Singapore saw some 1.5 million visitor arrivals in the first half of 2022. Tekka Place's apart'hotel, Citadines Rochor Singapore, is starting to see a robust rebound with room occupancy reaching 87% for August 2022. Outlook for the hospitality industry is expected to remain good for the rest of the year, barring any unforeseen border restrictions. However, challenges like manpower shortages, inflationary cost pressure and rising interest costs is expected to persist, at least for the short term.

The residential market in Singapore continues to remain resilient. A further four semi-detached units from the Group's prestigious freehold residential project, One Tree Hill Collection in Orchard Road, were sold leaving two semi-detached units unsold.

In Malaysia, movement restrictions were fully lifted in September 2021 and there was a gradual improvement in market sentiment. While there were no new launches of residential units at Twin Palms Sungai Long, the Group released nine units of shop lots for sale in February 2022. Despite challenging conditions and uncertain outlook, 22 units of landed homes were sold during the financial year, bringing the total number of units sold to date to 439 units or 97% of the 453 units launched so far. The Group plans to release more residential units for sale later in the current financial year FY2023.

The Group also completed the disposal of the serviced residence at Kelaty House in October 2021. The serviced residence was the last asset the Group held in the United Kingdom. That said, we remain vigilantly on the lookout for investment opportunities that will yield good returns.

CONSTRUCTION

After dealing with unprecedented disruptions, construction activities regained some momentum during the year. However, the sector continued to face challenges including that from labour shortage and inflationary pressures on raw materials, resulting in delays and increased operational costs. The division reported higher revenue of $335.3 million, compared to $272.5 million last year but incurred a loss of $12.6 million for the year due to the aforementioned reasons.

There were no new civil engineering projects added to LCBC's order book during the year under review. This allowed LCBC to focus on execution and management of operational costs of their existing projects. Contract T315, which involves addition and alteration works to the existing Tanah Merah Station and viaducts, received a certificate of substantial completion for works relating to the basic structure of the reception track.

Operationally, LCBC continued to build on their digital transformation efforts with new implementations including AI proximity sensors, Dynamo Script for Revit and online work schedule management, to name a few.

In a nod to its digital capabilities, LCBC was lauded for its innovative adoption of construction technology to improve productivity and collaboration, at the BCA's inaugural IDD Awards. The division took home the Gold award in the Firm category and the Gold Plus project category award for Contract N110, the North-South Corridor Tunnel. It also received the Construction Excellence Merit and the Design and Engineering Safety Award for Tekka Place. In September 2022, LCBC further took home two out of four awards at BCA's inaugural Built Environment Transformation Awards. Woodlands North Coast was recognised in the Industrial category while PSA Liveable City topped the Commercial category. The other two categories are Institutional and Residential Buildings. The awards recognise a project's high sustainability standards, productivity and digitalisation amongst other considerations.

Separately, LC Interior formed a joint venture with Brandsbridge Pte Ltd in August 2022. Established in 2013, Brandsbridge provides design and interior contracting services in the retail and commercial space in Singapore, Malaysia, Indonesia, and Thailand. This new collaboration builds on the experience and trusted track record of both firms to deliver complementary and more comprehensive interior-retrofitting services for the retail market. During the financial year under review, LC Interior also secured a $27 million contract for addition and alteration works at VivoCity. Awards-wise, LC Interior also garnered the Workplace Safety and Health (WSH) Performance, Silver Award.

SENIOR MANAGEMENT CHANGES

Mrs Foo Yoke Heng, one of our long-serving colleagues on the Senior Management team, announced her decision to retire from her position as Human Resources Director. In her more than 20 years with the Group, Mrs Foo played an important role in building our capabilities and establishing internal policies. We thank her for her invaluable service and solid contributions to the Group.

At the same time, I am pleased to announce the promotions of Ms Yap Lay Hoon and Ms Dawn Lim to the Senior Management team. Ms Yap has been promoted to Financial Controller, while Ms Lim will serve as Head of Corporate Services (Corporate Communications and Human Resources). Both ladies have accumulated many years of experience in their respective fields, which coupled with their enterprise knowledge of the workings of the Group, ideally position them to add value to the Senior Management team.

CONCLUSION

Today's global business landscape has been made harsher by lingering concerns of the pandemic and geopolitical risks that came into play. Globally, economic damage from the Russia-Ukraine conflict is expected to cause a significant slowdown in global growth in 2022 and add to inflationary pressure, as reported by the International Monetary Fund, in their April 2022 World Economic Outlook report.

Locally, the Singapore construction sector maintains an optimistic outlook with a steady pipeline of projects. The BCA projects that the value of construction contracts to be awarded in 2022 will be between $27 billion and $32 billion, around the same level recorded in pre-pandemic 2019. Of these, 60% is expected to come from public sector projects, supported by the strong pipeline of public housing projects, healthcare developments and infrastructure projects like the Cross Island MRT Line.

In the medium-term (between 2023 to 2026), public sector projects are also expected to lead the demand with upcoming MRT projects, including Phases 2 & 3 of the Cross Island Line and its Punggol Extension and the Downtown Line Extension to Sungei Kadut, the Toa Payoh Integrated Development, redevelopment of Alexandra Hospital and a new integrated hospital at Bedok.

However, the Group realistically expects sector challenges to remain prevalent. An increasingly competitive landscape, increased manpower and construction material costs will undoubtedly lead to compressed margins. That said, we will continue to forge ahead and focus on completing our existing projects. And while the Group remains well-positioned to tender for new projects, we will continue to monitor the market vigilantly and exercise prudence as we evaluate projects and other business opportunities.

Although the challenging business environment in which we operated in during the year placed significant pressure on our people, Lum Chang is a resilient organisation with a strong and experienced management leadership team and the Group is confident that we will prevail during these difficult times.

With that, I wish to record my appreciation for the insightful counsel provided by my fellow Board Members to steer the Group during this challenging year, the resilience of the Senior Management team, and the commitment of every Lum Chang employee. My thanks also go out to our partners, clients and shareholders for their confidence and support during a challenging year.

May you and your loved ones stay safe and healthy.

Raymond Lum Kwan Sung
Executive Chairman
16 September 2022

PROPERTY & INVESTMENT

CREATING LUXURIOUS LIVING SPACES

Through the years, the Group has developed an impressive and diversified portfolio of quality property developments, including luxury homes and premium condominiums, prime commercial properties and integrated developments in Singapore, Malaysia and the United Kingdom.

With our experience and success in developing quality projects for different businesses and individuals, the Group's developments embody a lifestyle of luxury enhanced by stunning green spaces, or offer efficient space planning that cater to specific commercial requirements.

In Singapore, a further four units of the Group's luxury landed residential estate, One Tree Hill Collection, were sold during the year. Meanwhile, Tekka Place, the Group's joint venture integrated development project continues to market a variety of leasing space options, and occupancy of the mall is around 80%.

In the United Kingdom, the Group divested its stake in the serviced residence at Kelaty House.

The Group's Malaysian luxury gated residences, Twin Palm Sungai Long launched nine units of shop lots for sale, and in addition, 22 units of landed homes were sold during the year.

SINGAPORE

ONE TREE HILL COLLECTION

One Tree Hill Collection is a prestigious residential development nestled within a private enclave of an affluent residential estate. Located at the junction of One Tree Hill and Jalan Arnap, just minutes from bustling Orchard Road, the development offers a tranquil respite from the busy city life.

Comprising 12 semi-detached and two bungalows, all homes feature posh interiors with quality finishes and fittings. Each unit offers living spaces spread over four levels, including a basement and attic, and comes with at least four en suite bedrooms, including the master suite, as well as a home lift and private lap pool.

To date, 10 semi-detached and two bungalow units have been sold. All units in the project have received TOP.

TEKKA PLACE

Jointly developed with LaSalle Investment Management, the integrated development comprises a retail mall and an apart'hotel.

The retail podium offers 80 retail units spread across the basement and first two floors of the main block. Occupancy at the retail mall is currently around 80%. Citadines Rochor, the 320-unit apart'hotel offers studio and one-bedroom units, and is equipped with a full spectrum of amenities. It occupies the third to tenth floors of the main block.

MALAYSIA

TWIN PALMS SUNGAI LONG

Twin Palms Sungai Long is a luxurious modern residential estate sprawled over 126 acres of freehold land, replete with lush greenery.

Located within a gated and guarded community, this exclusive development is nestled on the hillside of Bandar Sungai Long, Kajang, close to the SILK and the Lekas Highways, and the Grand Saga Cheras-Kajang and East Klang Valley Expressways.

Comprising 573 bungalows, semi-detached and superlink homes, Twin Palms boasts a suite of recreational and sports facilities including an infinity pool, wading and children's pool, gymnasium, sauna, activity hall with badminton, table tennis and basketball courts, a multipurpose hall, children's playroom, convenience kiosk, poolside café and BBQ place.

For the year under review, nine units of shop lots were launched, while 22 units of Latania semi-detached homes and Westiara bungalows were sold. To date, the total number of residential units sold is 439, or 97% of the units launched.

The Group plans to release more residential units for sale later in the year.

DEVELOPMENT AT PETALING JAYA, KUALA LUMPUR

Development plans of the Petaling Jaya mixed-use project are currently on hold while we continue to monitor market conditions and explore other development options.

CONSTRUCTION

MAINTAINING BUSINESS STABILITY AND BUILDING A RESILIENT TOMORROW

The construction sector gained some traction during the year but continued to face challenges including labour shortage and inflationary pressures on raw materials. The Group's construction division continues to focus on shortening delays and successfully completing its existing construction projects. Activity for all projects is progressing towards pre-Covid levels of productivity.

During the year, the LTA Tanah Merah MRT (Contract T315) project's basic structure of one of the reception tracks was substantially completed. Construction of Phase 1 of the industrial project at Kallang Way is expected to complete by the end of the year, while the third and final phase of Family Justice Courts is ongoing and expected to complete in the second quarter of 2023.

Awards-wise, LCBC took home two IDD Awards, in the first year that the BCA has elected to recognise firms and projects for their outstanding IDD adoption. The division won the Gold award in the Firm category and the Gold Plus project category award for North-South Corridor Tunnel (Contract N110).

Despite being completed three years ago, Tekka Place took home the Construction Excellence Merit and the Design & Engineering Safety awards, also given out by the BCA.

In September 2022, LCBC further took home two out of four awards for BCA's inaugural Built Environment Transformation Awards. Woodlands North Coast was recognised in the Industrial category while PSA Liveable City topped the Commercial category. The awards recognise a project's high sustainability standards, productivity and digitalisation amongst other considerations.

Amid the current adverse operating conditions, LCBC is closely monitoring its overall cost structure while selectively pursuing new projects. As a leading building contractor in Singapore, LCBC will continue investing in our people and aligning itself to new technologies to improve our workflow processes.

INDUSTRIAL PROJECT AT KALLANG WAY (KINGSVILLE)

LCBC was awarded a $187.2 million contract by DBS Trustee Limited as Trustee of Mapletree Industrial Trust, for the construction of three multi-user general industrial buildings.

Construction is being carried out in three phases. Phase 1 is expected to complete in the fourth quarter of 2022, while Phases 2 and 3, are slated for completion in the first half of 2023.

FAMILY JUSTICE COURTS

This former State Courts building at Havelock Square was granted conservation status in 2013, and will serve as the Family Justice Courts when completed.

The $155.5 million contract encompasses the refurbishment works to the existing nine-storey octagonal building, including façade conservation, overall structural strengthening works, construction of new floor slabs and the replacement of lifts. The contract also includes an optional five-year comprehensive maintenance service package worth $9.4 million if exercised.

Constructed in three phases, works for Phases 1 and 2 were completed in January 2021 while work on the remaining Phase 3 is ongoing and expected to complete in the second quarter of 2023.

MANDAI REJUVENATION PROJECT

The scope of works for the Mandai rejuvenation project from Mandai Park Development includes the construction of a transport hub, nature-themed indoor attractions and a resort.

The proposed overall development plan for Mandai is expected to be completed in phases. The rejuvenation project will bring together urban planning, ecology and technology expertise to build on the concept of Singapore as a city in a garden, while conserving the nature heritage in Mandai.

NORTH-SOUTH CORRIDOR (CONTRACT N110)

The 21.5km North-South Corridor is Singapore's first integrated transport corridor. In line with the Government's car-lite vision, it will feature continuous bus lanes and at-grade cycling trunk routes to serve public bus commuters, cyclists and pedestrians.

The $799 million contract by LTA, was awarded for the construction of a section of the North-South Corridor tunnel. Works under the design and construction contract include a 1.95-kilometre section of the tunnel between Ang Mo Kio Avenues 3 and 9, a facility building near Ang Mo Kio Town Garden, at-grade roads and drainage system. The contract also includes work on culverts and relevant connections, commuter facilities and pedestrian overhead bridges. Progressing into its fourth year, the project is expected to be completed in 2027.

In September 2021, the project was awarded the IDD Gold Plus Award, Project category at the inaugural BCA IDD Awards.

TANAH MERAH STATION (CONTRACT T315)

The $325.0 million addition and alteration contract works are underway for LTA's existing Tanah Merah MRT Station.

The Tanah Merah MRT Station will have a new platform and concourse added to the station, including two new entrances linked by an underpass near the Tanah Merah Kechil Avenue intersection, along with related road and drainage works.

The scope of works also includes the extension of tracks and viaducts that will run parallel to the existing East-West Line, with links to the new East Coast Integrated Depot at Changi.

Progressing into its sixth year of construction, LCBC received a certificate of substantial completion for works relating to the basic structure of Reception Track 1 in February this year.

The project is expected to be completed in 2025.


Image : LTA

INTERIOR

INTERIOR SPACE PLANNING AND DESIGN

LC Interior is a specialist interior contracting firm providing high-end interior fit-out solutions, conservation project management, and addition and alteration services.

In August 2022, LC Interior and Brandsbridge Pte Ltd formed a joint venture, under the name of Lum Chang Brandsbridge, to deliver complementary and more comprehensive interior-retrofitting services for the retail segment.

During the year under review, LC Interior was awarded the contract for addition and alteration works at VivoCity.

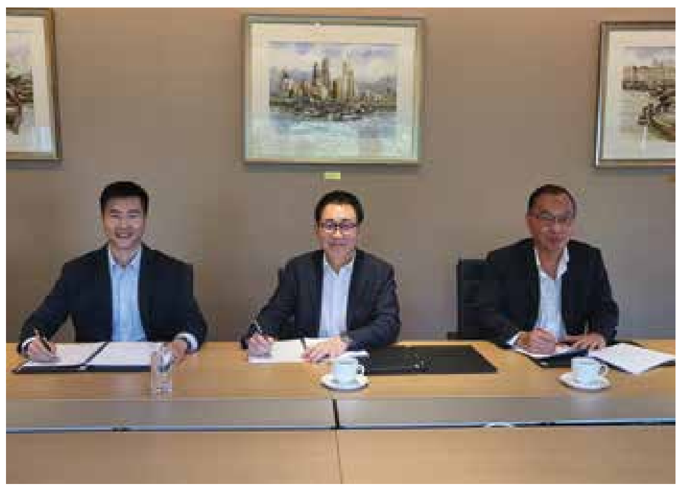
For the second consecutive year, LC Interior was recognised with the WSH Performance (Silver) award.

LUM CHANG BRANDSBRIDGE

On 30 August 2022, LC Interior formed a joint venture with Brandsbridge Pte Ltd.

Bringing together the strengths of both firms, this new partnership aims to provide complementary and more comprehensive interior-retrofitting services for the retail segment.

Established in 2013, Brandsbridge provides design and interior contracting services in the retail and commercial space in Singapore, Malaysia, Indonesia, and Thailand.



VIVOCITY

The addition and alteration works at VivoCity includes the upgrading of all lifts and lift lobbies, corridors leading to the restrooms and all restrooms.

The project is expected to complete in the first quarter of 2023.

EUROKARS GROUP NEW CORPORATE HEADQUARTERS

The interior fit-out contract for Eurokars Group's new corporate headquarters includes work for lift lobbies from basement three to level eight, general office area, and the penthouse at level eight.

The project is expected to complete in end 2023.

BEDOK SOUTH STATION (CONTRACT T311)

LC Interior was awarded a sub-contract for architectural works at Bedok South Station and tunnels for the Thomson East Coast Line (TEL).

The Bedok South Station architectural works sub-contract consists of two underground levels and is designed as a Civil Defence Shelter Station. The station at-grade structure consists of entrances, lift and vent shafts, escape stairs, and commuter facilities such as covered linkways, which connect the station entrance structures to pick-up points, taxi and bus shelters.

The project is expected to complete in 2024.

TANAH MERAH STATION (CONTRACT T315)

The Tanah Merah Station architectural works subcontract involves the upgrading of the headway and conversion of two of the existing platforms to the TEL. A new elevated six-car island platform will also be constructed. Other additional alteration works include the upgrading of the public toilets and family facilities.

The project is expected to complete in 2024.

LUM CHANG SUSTAINABILITY REPORT

REPORTING PRACTICE

Reporting Principles & Statement of Use

This sustainability report is produced in accordance to the GRI standards "Core" option covering our Group's performance from 1 July 2021 to 30 June 2022. The GRI standards were selected as it represents the global best practices for reporting on economic, environmental and social topics.

The following principles have been applied to determine relevant topics that define the report content and ensure quality of information: (a) GRI principles for defining report content: Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness; (b) GRI principles for defining report quality: Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness. The report also incorporates the primary components of report content as set out by the Singapore Exchange-Securities Trading's (SGX-ST) "Comply or Explain" requirements on sustainability reporting under Listing Rule 711B.

The United Nations Sustainable Development Goals (UN SDGs) have also been incorporated into this Report, which highlight the Group's contributions to sustainable development.

Reporting Scope

The report covers the Group's business segments of Property Development, Construction, Investment Property and Interior Contracting for all geographical locations that we operate in.

Restatements

There are no restatements of information made from previous reporting periods.

Assurance

Internal controls and verification mechanisms have been established by management to ensure the accuracy and reliability of narratives and data. We have also considered the recommendations of an external Environmental, Social and Governance (ESG) consultant for the selection of material topics as well as compliance with GRI Standards and SGX-ST Listing Rules. The Board of Directors has therefore assessed that external assurance is not required for the Report. To enhance the credibility of the Report, the Group will obtain internal assurance from FY2023 onwards in accordance with the requirements of the SGX listing rules.

Availability and Feedback

This report is available online at SGXNet and www.lumchang.com.sg. Please send your comments or feedback through the investor relations portal at investor.lumchang.com.sg/ir_contact. Detailed section reference with GRI Standards can be found at GRI Standards Content Index section.

SUSTAINABILITY STRATEGY OVERVIEW

Lum Chang is committed to operating in an environmentally responsible manner to capture opportunities that present themselves in a sustainable and green economy. As Singapore embarks on the implementation of the Singapore Green Plan, demand for green and sustainable buildings and infrastructure is expected to increase. The Group is well positioned to capture these opportunities by incorporating sustainable features and materials into the planning and design of buildings. As a forward-looking property investment company, we have set short- and medium-term objectives that entail improving the energy consumption and intensity of significant investment properties. In the long-term, we strive to ensure that all significant investment properties maintain their Green Mark certifications as a testament to their building quality.

The Group, along with all key suppliers and sub-contractors are expected to comply strictly with all environmental protection-related legal requirements imposed by local regulatory authorities. This commitment extends beyond compliance; energy and water conservation practices will be enhanced, along with minimising wastage and reducing construction waste.

The Group is committed to worker and employee health and safety. As the COVID-19 pandemic continues to pose health and safety challenges, the Group will remain vigilant and comply with all relevant safety regulation to protect the health of our workers and employees. The Group will continue to aim for zero fatality and injuries at our work sites to ensure a safe and healthy workplace environment. To achieve this aim, we have leveraged technology and implemented safety practices at construction sites to prevent mishandling of machinery and equipment. Our suppliers and sub-contractors are subjected to robust assessments of their workplace health and safety practices and socioeconomic compliance.

As we strive towards being an employer of choice, we will continue to nurture qualified and experienced personnel, and ensure the provision of equal opportunities for all staff. We aim to promote diversity along the lines of gender, race and age, to build a capable and diverse workforce.

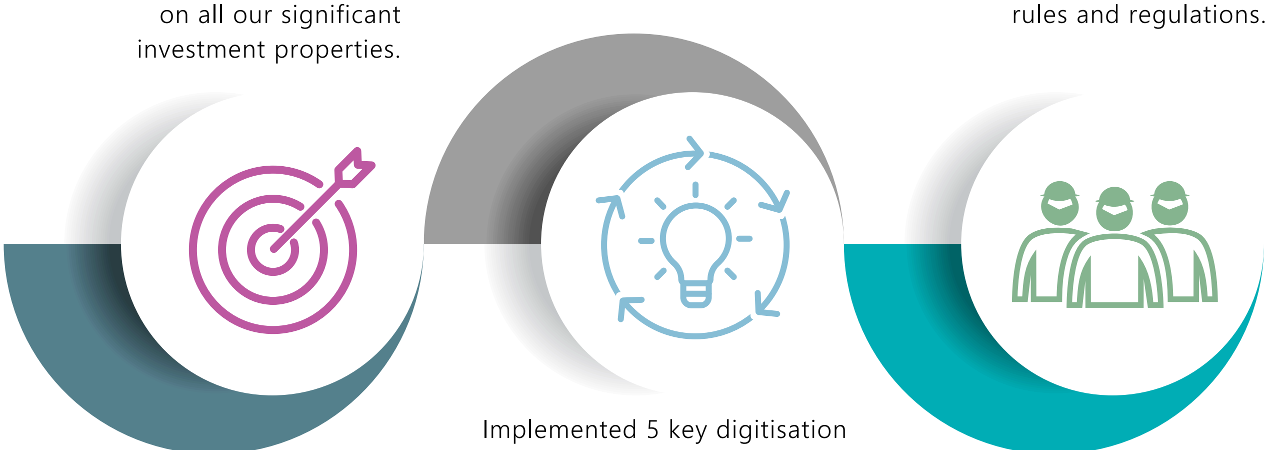
We will continue to develop meaningful partnerships with charitable organisations and various institutions to improve the welfare of the community.

Please refer to the respective focus areas for detailed sustainability targets of our business segments.

ESG Performance Highlights

Maintained Green Mark certification on all our significant investment properties.

Zero incidents of non-compliance with COVID-19 rules and regulations.



Implemented 5 key digitisation and innovation initiatives at the Group to improve operating efficiency.

Awards and Accreditations

As testament of our commitment to performance excellence, our construction arm, LCBC, has won a slew of various awards issued by the BCA since the early 1990s. These range from the BCA Green Mark, Green and Gracious Builder, Construction Excellence, Construction Productivity, and Building Information Modelling (BIM) awards. We were also recognised by the LTA for our excellence in development and infrastructure project management. LCBC and LC Interior's recent awards in the last two years include:

- **BCA Built Environment Transformation Award, Industrial Category, 2022**
  Woodlands North Coast
- **BCA Built Environment Transformation Award, Commercial Category, 2022**
  PSA Liveable City
- **WSH Performance (Silver), 2022**
- **BCA Design & Engineering Safety Awards, Project Category, 2021**
  Tekka Place
- **BCA Construction Excellence Award - Merit, Commercial/Mixed Development Buildings Category, 2021**
  Tekka Place
- **BCA Integrated Digital Delivery Gold Award, Firm Category 2021**
- **BCA Integrated Digital Delivery Gold Plus Award, Project Category 2021**
  N110
- **WSH Performance (Silver), 2021**
- **WSH Performance (SHARP), 2021**
  St James Power Station
- **2021 Urban Land Institute (ULI) Global Awards for Excellence**
  Kampung Admiralty

Lum Chang's environmental initiatives are certified under the internationally recognised Environmental Management System Certificate (ISO 14001) as well as the Quality Management System Certificate (ISO 9001).

The above industry awards and certification demonstrate our continuous commitment to excellence and innovation.

BCA Awards 2022


WSH Awards 2022

Contribution to the SDG Goals

The Group's business focus is aligned with the UN SDGs. The attainment of the UN SDGs is a continuing global effort and forms part of the Group's long-term focus on sustainability. The Group's contributions to the relevant goals are highlighted below.

Read more in the following section(s)	UN SDG	The Group's Contribution
Focus 1: Governance and Ethics	16. Peace, Justice and Strong Institutions	Comply fully with all socioeconomic and environmental laws and regulations.
Focus 2: Economic Performance	13. Climate Action	Monitor emissions and continually seek ways to reduce it.
Focus 3: Our Environment	6. Clean Water and Sanitation	Maintain water efficiency and monitor water usage in construction projects.
	12. Responsible Consumption and Production	Ensure that waste and effluents are managed in an environmentally sound manner. Engage in waste reduction, reuse and recycling whenever possible.
Focus 4: Quality and Innovation	9. Industry, Innovation and Infrastructure	Improve the efficiency of materials usage and increase the sourcing of building materials from sustainable sources.
	11. Sustainable Cities and Communities	Leverage technological developments to improve the efficiency of building functionality.
Focus 5: Workplace Health and Safety	8. Decent Work and Economic Growth	Provide work opportunities as well as a safe and conducive working environment to the community.
Focus 6: Our People	4. Quality Education	Provide training, career appraisal and development opportunities for all our employees.
Focus 7: Social Responsibility	11. Sustainable Cities and Communities	Implement initiatives with social impact and donate to community organisations. Develop expertise in sustainable human settlement planning by supporting students through built environment related tertiary education.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

We identify stakeholders as groups that have an actual or potential impact on our business, groups that are impacted by the Group's business activities and external organisations that have proficiency in areas that we consider material. The engagement with our stakeholders helps us determine our material topics and identify our focus areas for the sustainability report.

In identifying the concerns of the various stakeholder groups, we have considered the following matters:

1. Whether the issues would be main topics and future challenges to the sector.
2. Key organisational values, policies, operational management systems, goals and targets.

Employees and Workers	**Engagement Platforms**	• Regular safety briefings and meetings to discuss safety measures against COVID-19 • Trainings for safety and inspections • Open annual performance appraisal system
	Issues of Concern	• Workplace health and safety, in particular transmission of COVID-19 among employees and workers • Remuneration and benefits • Training and development
	Our Response	• Implement comprehensive health and safety policies and practices • Monitor the COVID-19 situation and remain agile in complying with safety rules and regulations • Provide training and career development opportunities • Provide meaningful performance appraisals and fair remuneration
	Relevant Sections	• **Focus 5**: Workplace Health and Safety • **Focus 6**: Our People
Suppliers and Subcontractors	**Engagement Platforms**	• Regular and ongoing assessment of contractors and suppliers
	Issues of Concern	• Health and safety • Environmental compliance • Labour laws
	Our Response	• Continuous engagement and ongoing assessment of performance of contractors
	Relevant Sections	• **Focus 1**: Governance and Ethics • **Focus 5**: Workplace Health and Safety
Customers	**Engagement Platforms**	• Ongoing dialogues and engagement
	Issues of Concern	• Product and service quality • Data privacy
	Our Response	• Implement quality standards and ongoing dialogue with customers • Implement robust data management policies and cyber resilience
	Relevant Sections	• **Focus 1**: Governance and Ethics • **Focus 4**: Quality & Innovation

Stakeholder		
Governments and Regulators	Engagement Platforms	• Regulatory filings • Annual Reports • Site inspections • SGX announcements • Sustainability Reporting • Ongoing dialogues
	Issues of Concern	• Compliance with laws and regulations
	Our Response	• Implement robust policies and procedures
	Relevant Sections	• **Focus 1**: Governance and Ethics • **Focus 2**: Economic Performance • **Focus 3**: Our Environment • **Focus 5**: Workplace Health and Safety • **Focus 6**: Our People
Community	Engagement Platforms	• Community engagement activities
	Issues of Concern	• Social development • Noise management • Vector controls
	Our Response	• Evaluate and mitigate any negative impacts of business operations on the surrounding community • Identify community needs and evaluate the available support from the Group
	Relevant Sections	• **Focus 3**: Our Environment • **Focus 7**: Social Responsibility
Shareholders and Investors	Engagement Platforms	• Annual General Meeting • Financial results, company announcements and Annual Reports • Investor relations management
	Issues of Concern	• Economic performance • Compliance with laws and regulations • Corporate Governance and Ethics
	Our Response	• Publish informative and insightful Annual Reports, Sustainability Reports and announcements • Engage shareholders through investor relations events
	Relevant Sections	• **Focus 1**: Governance and Ethics • **Focus 2**: Economic Performance • **Focus 3**: Our Environment • **Focus 4**: Quality & Innovation • **Focus 5**: Workplace Health and Safety • **Focus 6**: Our People • **Focus 7**: Social Responsibility

We also considered the recommendations of an external ESG consultant for the selection of material topics. To improve comparability, the material topics have been benchmarked against selected industry peer groups.

The Group's material topics are identified based on its actual and potential impacts on our internal and external stakeholders. We focus on reporting risks and opportunities arising from our most important environmental, social and governance issues, which may ultimately affect our financial performance. With the assistance of our ESG consultant, we have taken the following steps to identify and present the relevant material topics in this Report:

1. Identification: Initial selection of material topics based on the risks and opportunities to the sector.
2. Prioritisation: Material topics are prioritised in order of descending importance based on their alignment with the concerns of internal and external stakeholders including whether they are aligned with key organisational values, policies, operational management systems, goals and targets.
3. Review: Review the relevance of previously identified material topics.
4. Validation: Validate the order of disclosure for the selected material topics in the Sustainability Report with the Board.

The table below illustrates the material topics selected and their relevance to each of the Group's operating segments as well as the respective focus areas where further information on the material topics can be found in the Report. The material ESG factors and targets have been reviewed and approved by the Board.

Focus Areas	Material Topics	Boundaries
Focus 1: Governance and Ethics	GRI 205: Anti-corruption	• Group-wide
	GRI 207: Tax Compliance	
	GRI 418: Customer Privacy	
Focus 2: Economic Performance	GRI 201: Economic Performance	• Construction • Investment Property • LC Interior
Focus 3: Our Environment	GRI 301: Materials	• Construction
	GRI 302: Energy	• Construction • Investment Property • Property Development
	GRI 303: Water and Effluents	
	GRI 305: Emission	
	GRI 306: Waste	
	GRI 307: Environmental Compliance	
	GRI 308: Supplier Environment Assessment	
	GRI 413: Local Community	
Focus 4: Quality and Innovation	GRI 203: Indirect Economic Impacts	• Construction • LC Interior
	GRI 416: Customer Health and Safety	• Property Development • Investment Property • LC Interior
Focus 5: Workplace Health and Safety	GRI 403: Occupational Health and Safety	• Construction • LC Interior
	GRI 419: Socioeconomic Compliance	• Group-wide

Focus 6: Our People	GRI 401: Employment	• Group-wide
	GRI 404: Training and Education	
	GRI 405: Diversity and Equal Opportunity	
	GRI 414: Supplier Social Assessment	• Construction • Investment Property • Property Development
Focus 7: Social Responsibility	GRI 413: Local Community	• Group-wide

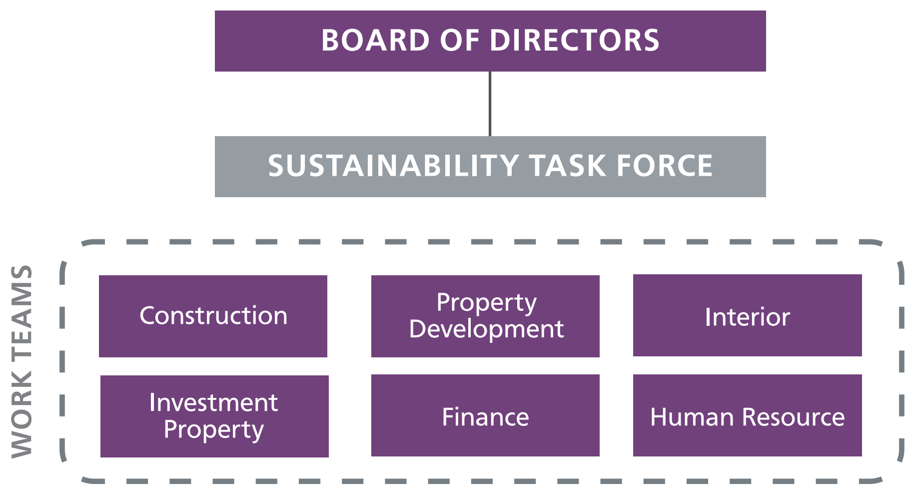
FOCUS 1: GOVERNANCE AND ETHICS

CORPORATE GOVERNANCE

We adhere to the "comply or explain" regime of the Singapore Code of Corporate Governance. Please refer to the Corporate Governance section of the Annual Report. We comply with the Listing Rules as prescribed by the SGX-ST.

SUSTAINABILITY GOVERNANCE AND STATEMENT OF THE BOARD

The Sustainability Task Force (STF) which comprises key management personnel and representatives from different business units was established to drive Lum Chang's sustainability efforts.



The STF reviews the Group's sustainability objectives, challenges, targets and progress to align with the strategic direction of the Group, and supervises the work teams in implementing and tracking sustainability data and progress.

The Board incorporates sustainability issues into the strategic formulation of the Group. The STF determines the material environmental, social and economic factors. The Board approves the material environmental, social and economic factors identified and ensures that the factors identified are well-managed and monitored. The Board of Directors acknowledges its responsibility for ensuring the integrity of the ESG report. To the best of its knowledge, this report addresses all relevant material issues and fairly presents the ESG performance of the organisation and its impacts.

All directors on the Board have attended sustainability training recognised by SGX to prepare directors with knowledge on climate reporting in accordance with the Taskforce for Climate-related Financial Disclosures (TCFD).

RISK MANAGEMENT

The Group adopts a precautionary approach in strategic decisions and day-to-day operations by implementing a comprehensive risk management framework. We have integrated the process for identifying, assessing and managing material ESG related risks into our organisation's overall risk management framework.

ETHICS AND INTEGRITY

Lum Chang is committed to building and maintaining a culture of integrity. We work conscientiously to establish our employees' understanding and compliance with applicable laws and policies and adhere to the highest standards of ethics and integrity. Our ethics and compliance programme is an essential part of the Group's operations.

CUSTOMER PRIVACY AND DATA

GRI 418-1

Lum Chang upholds its commitment to the protection of our customers' privacy and data through the implementation of its Data Protection Policy. This Policy governs the collection, handling and protection of our customers' personal information in a responsible manner, in accordance with the Personal Data Protection Act 2012 (No. 26 of 2012) (the "Act"). Security procedures have been established to promote and ensure data privacy, and are regularly monitored to ensure compliance with the applicable laws and regulations. Lum Chang does not divulge or sell personal information to third parties for marketing or promotional purposes. Our data protection officers ensure full compliance with the Act in executing their duties.

There were no reported breaches in FY2022. Lum Chang continues to improve our processes in place to ensure greater data privacy to maintain the confidence of our customers.

ANTI-CORRUPTION

GRI 205-1, 205-2, 205-3

Lum Chang is devoted to running our business operations based on our principles of honesty, integrity, responsibility and accountability at all levels of the organisation. All employees are briefed and required to comply with the Employee Code of Conduct, policies on Conflict of Interest and Whistle-Blowing. The Employee Code of Conduct and policies reiterates the Group's stance against corruption and bribery, as well as a clear framework for staff to conform to during their dealings with customers, suppliers and fellow colleagues. We communicate our anti-corruption policies and procedures to all of our business partners.

There were zero incidents of corruption and public legal cases brought against the organisation or its employees in FY2022. We remain vigilant in ensuring that our employees conduct themselves with the highest integrity.

Please refer to the Corporate Governance Report in this Annual Report for more information.

TAX COMPLIANCE

GRI 207-1, 207-2, 207-3

The Group's strategy and approach to tax is to fully comply with relevant tax laws and regulations in all jurisdictions we operate in, which indirectly support the local governments and authorities in their economic, environmental and social development objectives. The Group has zero tolerance for any intentional breach of tax laws and regulations.

Relevant staff attend tax related trainings to keep themselves updated on key changes. The Group also engages qualified professional tax advisors in all jurisdictions to ensure compliance at the transaction levels as well as fulfilling required tax filings. The Audit Committee may also from time to time engage the Group's internal auditor to monitor compliance with the tax governance and control framework. Any instances of non-compliance are reported to the Audit Committee and resolved promptly.

GOVERNANCE AND ETHICS TARGETS

Targets for FY2023
Zero incidents of non-compliance with corporate laws and regulations.
Zero complaints concerning breaches of customer privacy and losses of customer data.
Zero incidents of corruption.

FOCUS 2: ECONOMIC PERFORMANCE

The Group recognises that sustainability can be a key value driver for our business. The Group's operations and business provides wealth creation and services for the economy and our employees. The economic performance provides support and funding for our sustainability initiatives which simultaneously improves our operating efficiency and business value, resulting in circular benefits for the Group.

At the same time, the Group is cognizant of the potential impacts of climate change on the Group's business. We are preparing to implement the TCFD recommendations in the FY2023 sustainability report where we will report on the impact of climate-related risks and opportunities on Lum Chang's businesses, strategy, and financial planning.

ECONOMIC PERFORMANCE TARGETS

Targets for FY2023	
Group-wide	Identify key climate-related risks and opportunities for the Group in accordance with the TCFD recommendations.

FOCUS 3: OUR ENVIRONMENT

At Lum Chang, we are conscious of the environmental impacts arising from our business activities and have implemented an overall framework of eco-friendly practices to minimise energy, water and waste consumption. The initiatives implemented by the Group strive to promote resource efficiency and reduce materials usage, leading to lower operating costs.

The Group is well positioned to capture opportunities in sustainable buildings and projects. Our environmental strategy is aligned with the Singapore Green Plan 2030, which will see an increased demand for sustainable construction practices and green projects.

Environmental Measures

- Train and promote environmental awareness amongst staff
- Use of natural resources efficiently, e.g. using energy efficient lighting and air-conditioning, and water recycling in our construction site offices
- Work with sub-contractors and suppliers who are Environmental Partners
- Ensure work site accesses are clear and safe for all stakeholders
- Plan and ensure our site activities are carried out with the consideration of public safety at all times
- Minimise and control noise and vibration arising from our work activities
- Promote Green and Gracious initiatives through communicating our policies and necessary information to all stakeholders

SUSTAINABLE DESIGNS AND INSTALLATIONS

GRI 302-5, 303-3, 305-5, 306-2

Property Development

Various sustainable features are incorporated into the planning design of our buildings. These features reduce the environmental footprint of the building and improve the wellbeing of building inhabitants.

Key features of our properties include:

	Energy Management	Water Management	Waste Management
Tekka Place, Singapore	✓ Use of daylighting for common areas ✓ Meters to monitor energy and water consumption of water and cooling systems ✓ Energy efficient systems for air conditioning, lighting, car park systems	✓ Water efficient fittings with minimum 2 ticks rating ✓ Water efficient irrigation system with rain sensor ✓ Provide smart remote monitoring system with alert features for leak detection	✓ Wastewater discharge to PUB sewers/ discharge points ✓ Provide facilities for collection and storage of different common recyclables
Twin Palms Sungai Long, Malaysia	✓ Use of Solar panel Hot water system	✓ Use of Rain water harvesting system for irrigation	✓ Wastewater discharge to IWK sewers/ discharge points
One Tree Hill, Singapore	✓ Installation of energy-efficient equipment	✓ Water efficient fittings	✓ Usage of materials with green labels

Designs of all buildings are also assessed for any residual risk that could not be mitigated, so that proper risk management can be executed. The appointed Principal Designer will lead in planning, managing, monitoring and coordinating health and safety regulations during the pre-construction phase of the project.

LC Interior

LC Interior specialises in interior fitting-out, conservation and restoration, and addition and alteration services, across a broad range of sectors including commercial, retail, F&B and hospitality. Driven by a strong service-led culture, LC Interior develops collaborative partnerships with the project's main contractor, architects and designers, to deliver innovative and efficient construction solutions.

LC Interior incorporates sustainable methods and technologies in our design-and-build projects where possible, for the benefit of our clients and occupants. For example, the Group was involved in the conservation and restoration works at St. James Power Station's (SJPS) in 2021 which entailed the restoration of the fair-faced external façade walls. Hot steam was used to clean the façade walls instead of the conventional water jet, which maximised cost effectiveness by minimising water usage. Instead of the conventional "hack and replaster methodology", nano lime injection was used for the restoration of old lime plaster walls of both the internal and external façade, thus allowing the repair of as much of the existing material as possible without using additional raw materials.

ENERGY, WATER AND WASTE MANAGEMENT

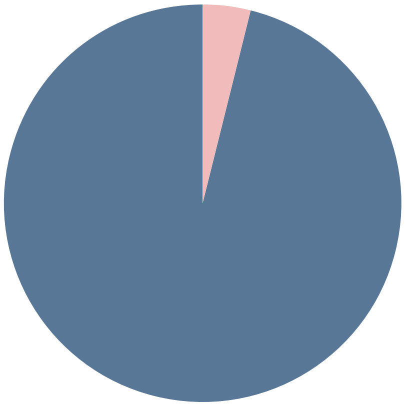
GRI 302-1, 303-1, 303-3, 305-1, 305-2, 305-4, 306-2

Construction

Our construction projects are equipped with Earth Control Measure to control earth and silt from being discharged into public drains that lead to water catchment areas. The collected water, containing a mixture of mud and silt, is treated and filtered before being discharged into the common public drainage.

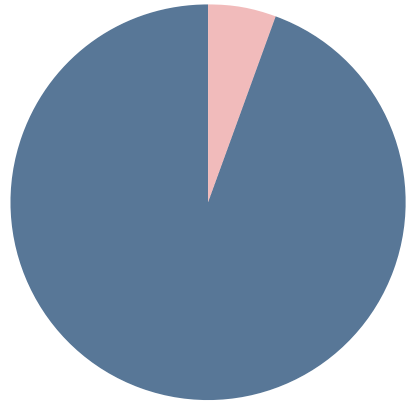
Lum Chang completed one construction project in FY2022. The total energy and emissions performance from our construction projects is shown in the following graph. Emissions are measured in kilograms of carbon dioxide equivalent (kg CO2e).

Energy Consumption (kWh)



- **7,917,984** (kWh) Fuel
- **328,728** (kWh) Electricity

Emissions (kg CO2e)

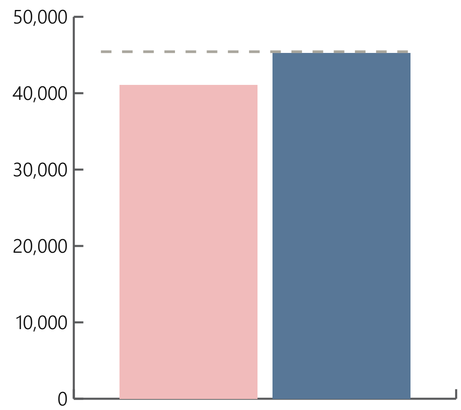


- **2,191,950** Scope 1[1]
- **134,121** Scope 2

Energy Intensity (kWh)

- **45,240** (kWh) Targeted Consumption[2]
- **41,116** (kWh) Actual Consumption

Energy Intensity (kWh/million $ work done)

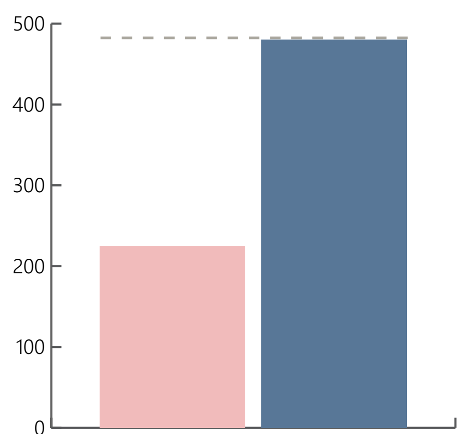


We endeavour to use recycled materials where possible during construction to minimise environmental impact. Steel and other metals are reused for additional structure stabilising works, safety barriers, access ramps or as metro deck during deep excavation. Formworks and timbers are reused as mosquito trap casings, notice boards and table tops. Excess concrete is used as counterweight for perimeter hoardings and lean concreting for exposed soil to control erosion. This contributes to responsible waste management practices at the construction sites and enabled the Group to meet consumption targets set for the projects.

Water Intensity (m^3)

- **480** (m^3) Targeted Consumption
- **225** (m^3) Actual Consumption

Water Intensity (m^3/million $ work done)



We strive for continual excellence and are working toward meeting our targets for ongoing projects in FY2023.

[1] Scope 1 emissions refer to emissions from sources owned and controlled by the Group. Scope 2 emissions refer to indirect emissions from the generation of purchased electricity.

[2] Targeted consumption takes into account industry benchmarks recommended by the BCA Green and Gracious Builder Scheme.

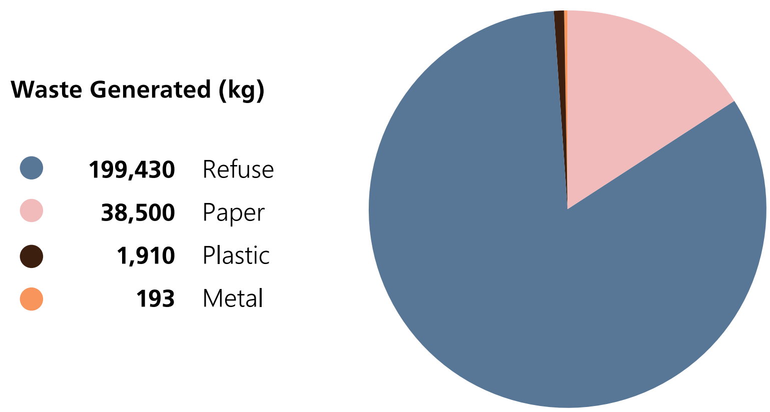
Investment Property

In Lum Chang Building, our energy conservation initiatives include energy-efficient equipment for thermal control and lighting in the building. Our tenants and staff are regularly engaged on energy-saving practices through training materials and email correspondences. Water fittings with good water efficiency rating from Public Utilities Board (PUB) Water Efficiency Labelling Scheme are used to reduce water wastage. Rainwater is also harvested to provide irrigation to the landscape areas in the building. Great care is taken to ensure that waste materials are disposed in an environmentally friendly manner at our investment properties.

Due to the fluctuating number of occupants in the investment properties, the total energy and water consumption data as well as waste data vary. Nevertheless, we continue to monitor the energy and water consumption data on a regular basis and aim to reduce waste production where possible.

The Group has operational control over Lum Chang Building[3] and the retail space at Tekka Place. Tekka Place is certified Green Mark Gold Plus. The following represents the aggregated resource efficiency and performance related to the two representative properties.

Energy Consumption (kWh)	3,701,142
Emissions (kg CO2e)	Scope 2: 1,510,066
Water Consumption (m^3)	44,930



We shall continue to monitor and improve the operating efficiency of the properties that we operate as well as provide further details on building features which are aimed at improving energy and water efficiency.

[3] Includes only the energy and water consumption of the landlord.

SUPPLIER ENVIRONMENTAL MANAGEMENT

GRI 308-1, 308-2

Lum Chang endeavours to ensure that suppliers engaged and products used throughout the supply chain satisfy the environmental standards held by the Group.

In FY2022, 100% of new suppliers were screened based on environmental criteria such as Green Mark. Suppliers are assessed based on their product range, such as their use of low volatile organic compound paints and Persistent Bio-Toxic free lighting. Only selected supplier products with green certification are considered unless otherwise stated in project tender documents.

Our appointed project partners are also certified under ISO, Green Mark. We require our main sub-contractors to operate under an Environmental Management System, such as ISO 14001. The majority of materials supplied should be in line with the Building Research Establishment Environmental Assessment Method 'responsible sourcing criteria'. Generally, our concrete and steel supply are required to have a BES 6001 certificate of 'Very Good' or 'Excellent'.

We vigilantly assess the green features and certification of our supplier products. Third party testing will be conducted by a certified testing company, if the certifications are not issued by a recognised certification body.

In FY2022, there were zero incidents of negative environmental impact in our supply chain.

NOISE AND VECTOR MANAGEMENT

GRI 413-2

Lum Chang implements its noise management programme and vector control measures to minimise noise levels and prevent pest breeding at construction sites. We continuously engage with members of the public residing in the vicinity, to seek their understanding on the ongoing works. The Group has implemented comprehensive measures to dampen the impact of noise on the surrounding community. Noise management measures include the use of portable and non-portable noise meters for continuous monitoring of noise levels, noise barriers, and exploring alternative construction methods to reduce sources of noise. Routine checks are conducted to detect and remove breeding of vectors. Pest control companies are engaged to carry out regular insecticide spraying.

ENVIRONMENTAL COMPLIANCE

GRI 307-1

We regularly review our internal processes to ensure that there is mindful planning, communication and effective implementation of mitigating measures against environmental non-compliance, noise and mosquito breeding in our projects to prevent such occurrences. There were two incidents of environmental non-compliance due to vector breeding found in construction sites in FY2022.

ENVIRONMENTAL TARGETS

Segment	FY2022 Target	Status	Performance Update
Property Development	To maintain Green Mark or equivalent for the Group's significant investment properties.	✓ Met	We have maintained Green Mark certification on 100% of significant investment properties.
	Design to achieve Green Mark (or equivalent) award for new significant projects.	Not applicable	There were no new significant projects completed in FY2022 that were eligible for Green Mark certification.
	Use water efficient fittings approved by local certification authorities.	✓ Met	Used approved water efficient fittings certified to Water Efficiency Labelling Scheme standards for two projects.
	Adopt green building strategies and technologies at the construction phase of the development of new and ongoing significant projects.	✓ Met	The Group provides facilities for the collection and storage of common recyclables such as paper, glass, metal and plastic. Programs to minimise energy usage, water consumption and construction waste are implemented at construction sites. We are beginning to utilise embodied carbon calculations to account for the carbon footprint involved in the production of concrete, glass, steel, aluminium, paint, ceramic tiles and ceiling boards used in our projects.
Construction	**Zero** incident of environment non-compliance.	⦿ Not Met	There were two incidents of environmental non-compliance.
	Zero incident of non-compliance with environmental and labour laws among suppliers.	✓ Met	Achieved **zero** incident of non-compliance with environmental and labour laws among suppliers.
LC Interior	Incorporate environmentally sustainable innovations and use green materials in our projects where possible.	✓ Met	Sustainable materials with environmentally friendly certification for floor plasters, floor finishes, waterproofing for wet areas and paints were deployed at Bedok South and Tanah Merah Stations.
	Educate our workers on safety practices to ensure full compliance with laws and regulations.	✓ Met	Workers at LC Interior underwent 10 safety trainings in FY2022.

Targets for FY2023		
Property Development	**Long-term Target**	Design to achieve Green Mark (or equivalent) award for new significant projects.
	Use water efficient fittings approved by local certification authorities.	
	Adopt green building strategies and technologies at the construction phase of the development of new and ongoing significant projects.	
Investment Property	**Long-term Target**	To maintain Green Mark or equivalent for the Group's significant investment properties.
	Zero incident of non-compliance with environmental and labour laws among suppliers.	
Construction	**Zero** incident of environment non-compliance.	
	Zero incident of non-compliance with environmental and labour laws among suppliers.	
LC Interior	Incorporate environmentally sustainable innovations and use green materials in our projects where possible.	
	Educate our workers on safety practices to ensure full compliance with laws and regulations.	

FOCUS 4: QUALITY AND INNOVATION

As Singapore makes its transition into a Smart Nation supported by a digital economy, digital government and digital society, digital technologies such as big data analytics, artificial intelligence (AI), Internet of Things (IoT) and robots will play a pivotal role in our nation's economy. Digitalisation will be pervasive and change traditional processes that were designed around the first industrial revolution.

The Group has been a front-runner in adopting digital tools and cutting-edge software in a bid to transform our operations and capture opportunities in digitalisation and Singapore's transition into a smart nation. We believe that buildings today will change with technology and our adaptability to change will determine our success and ability to stay ahead.

The Group strives for excellence in construction practices to ensure the satisfaction of our customers and the safety of building occupants. We practice robust quality inspections and assessments on our structural works, architectural works and mechanical & electrical (M&E) works. Our commitment is reflected through our targets for the Construction Quality Assessment System (CONQUAS) score, where we aim to maintain or be above the annual national average score for private housing, public housing and non-housing projects.

DIGITALISATION INITIATIVES

Construction
GRI 203-2

Site Safety

To prevent unauthorised personnel from driving vehicles, Lum Chang implemented ignition key reminder alarms to alert operators if ignition keys are left in vehicles. The alarm will notify the operator once the ignition key is farther than a pre-set distance from the operator. The Group also utilises remote worksite monitoring closed-circuit television (CCTV) cameras to enable project teams to manage workers more efficiently and identify safety lapses in real-time.

AI proximity sensors are installed around heavy machinery at construction sites. The system detects people, stationery obstacles, and moving objects around blind spots and provides the operator with in-cabin visual and audible warnings. The functionalities can also work in harsh environments with poor visibility, reducing the risk of incidents and significantly improving site safety.

Virtualisation

Embracing the digital revolution, Lum Chang has developed its technical capability and integrated a full suite of digital delivery processes in all of our Projects. We utilise Virtual Reality (VR) technology in digital designs to provide immersive experiences for our clients. Projects have incorporated 5D BIM to automate the progress payment process and improve payment performance. This was achieved by utilising the 3D model function in the costX BIM software, where the Quantity Surveyor and Client can visually verify and evaluate the works for Progress Payment and retrieve any required data from the 3D Model instantaneously, as opposed to verifying hardcopy prints in a traditional progress payment submission. Using Model Maps in the costX software, the 3D quantities from the model will be automatically transferred to the Bill of Quantities for payment.

Site Logistics

As a forward-looking contractor, the Group is a first-mover in the utilisation of Integrated Digital Delivery (IDD) which has become a game changer in the Built Environment (BE) industry. Through our use of digital technology to integrate work processes, we successfully connect the BE professionals working on the same project. We have also adopted a Digital Delivery Management System (DMS) – Aespada DMS, which is a cloud-based DMS that manages and monitors all deliveries to our construction sites, based on a time slot management system and delivery scheduling. This ensures no clashes of deliveries to site and spaces out deliveries to prevent congestion at our project sites, which contributes to maintaining positive public engagement.

Digital Fabrication and Modelling

Since 2019, rebar modelling has been implemented as a standard practice for all Lum Chang projects. Besides improving the productivity of the whole value chain, from rebar modelling to procurement to payment, it also improves the accuracy of orders and maintaining records. Information of the rebar, including weight and quantity, is imported directly through the system instead of relying on manual data entry. The process extracts the Bar Bending Schedule (BBS) from the models for direct procurement, fabrication and payment, leading to significant overall productivity gains and material cost savings. Quantitatively, the integration of rebar modelling has yielded the following improvements in our operations:

- Achieved 33% overall improvement to productivity in rebar modelling process
- Achieved significant cost savings between 0.7 - 1.2% for steel rebar

The Group has further been diligent in improving and automating our rebar modelling process by using customised templates and add-in software. Aided by customised modelling software, rebar lengths exported from models are automatically included in the ordering form. Other benefits include achieving bar bending parameters with respect to shape, better visualisation of rebar congestion, connections and constructability, thereby reducing wastage from over-conservative ordering and lack of visual coordination. The occurrence of errors too, are minimised. Minimum and maximum configuration checks are performed to mitigate incorrect use of rebar shape and bending length errors before any data export, reducing the man hours needed to identify the problems before shape code parameters are being processed in the Enterprise Resource Planning (ERP) system.

Another digital process that we implemented was digital fabrication, which is a design and production process that combines 3D modelling and computing-aided design with manufacturing. Case in point, a highly detailed 3D model is built and sent to the factory for Computer Numerical Control machining or Laser Cutting. This process was adopted in the construction of the entrance canopy at the Northpoint City project and in the structural steel members at the PSA Headquarter project.

The Group also adopted digital construction, which is the application of digital tools to improve the process of delivering and operating in the built environment. A tracking system is linked to the 3D model, allowing the tracking of its status and all precast elements from overseas yards to the project sites in real-time.

In keeping with our continuous effort to improve productivity, our construction project consultants drive innovation and adopt new technologies in their projects. All current and future projects will continue to adopt prefabrication and modularisation in the mechanical, electrical and plumbing (MEP) system. Horizontal and vertical riser modules will also be used to increase efficiency on site. We are also in the midst of installing modular MEP plant rooms in the Woodlands North Coast project to achieve easy installation of MEP services and equipment on site and significantly improve productivity.

LC Interior

GRI 416-1, 416-2

In keeping with our endeavour for quality and excellence, we implement stringent quality management practices and standards to ensure high quality and safety in use. Our Quality Management strictly complies with legislative requirements and industry standards, and we aim to achieve zero user safety incidents in all projects.

INNOVATION TARGETS AND PERFORMANCE

Innovation and quality are long-term targets for the Group. This has been shown through our continual drive to explore digital trends and adopt new technologies.

Segment	FY2022 Target	Status	Performance Update
Construction	To continually explore new technologies for implementation in construction projects. To continually increase efficiency, improve execution quality and enhance project control by harnessing technology and digitalisation.	✔ Met	The Group has implemented the following technologies as part of our digitalisation efforts: • AI proximity sensors on construction equipment • Implemented remote CCTV camera monitoring for worksites • Implemented 'Click Up' online work schedule management system • Utilised mobile applications to streamline time clock to salary payment for workers • Installed new Dynamo scripts to improve productivity in Revit software
	To achieve a Construction Quality Assessment System ("CONQUAS") score of 95 points and above for private housing, public housing and non-housing projects.	⦿ Not Met	The Group's projects at 7 North Coast, 1 North Coast and PSA Liveable City achieved overall CONQUAS scores of 92.5, 94.0 and 94.8 respectively. Our target was not met due to the materials selected for flooring and finishes. The scores are above the Singapore national average CONQUAS score of 91.9[4].

[4] Source: BCA

<table>
<tr><th colspan="3">Targets for FY2023</th></tr>
<tr><td rowspan="2">Group-wide</td><td rowspan="2">Long-term Target</td><td>To continually explore new technologies for implementation in construction projects.</td></tr>
<tr><td>To continually increase efficiency, improve execution quality and enhance project control by harnessing technology and digitalisation.</td></tr>
<tr><td>Construction</td><td colspan="2">To maintain or be above the annual national CONQUAS score for private housing, public housing and non-housing projects.</td></tr>
</table>

FOCUS 5: WORKPLACE HEALTH AND SAFETY

Lum Chang is committed to providing a safe and healthy workplace for all our employees. Great importance is placed on the safety of all employees and workers as they are the key drivers of project quality and are crucial to the Group's talent and people focus. From our engagement with stakeholders, workplace health and safety ranked highly in their concerns. As such, we have implemented comprehensive safety policies and practices and remain constantly vigilant of any hazards that pose safety risks to our workers and employees. Workplace health and safety rests upon all parties in the Group and we aim to build an incident free workplace driven by a culture of safety in our organisation.

Lum Chang Safety Culture

- Management commitment to Quality, Environment, Health and Safety
- Respect of people
- Involvement and responsibility of all in the project team
- Prevention approach
- Risk assessment and risk management
- Systematic communication and information dissemination
- Constant safety training & promotion
- Continuous improvement mind-set

SAFETY AGAINST COVID-19

GRI 403-1, 403-2, 403-4, 403-6, 403-8, 403-10

The COVID-19 pandemic during FY2022 was a challenge to public safety and health. During those times, the Group focused on protecting our workers and employees to safeguard employee wellbeing and prevent business interruption.

Even now, the Group implements any Safe Management Measures (SMM) as and when required, at the Headquarter office under the purview of the Safe Management Task Force to provide a safe working environment for our staff. The SMM are aligned to the latest Government regulations. All employees are briefed on the SMM and are required to adhere strictly to the measures. With the easing of restrictions in April 2022, corresponding measures were removed in accordance to Government guidelines.

All site projects have an Emergency Response Team for COVID-19, led by a Safe Management Officer (SMO). To ensure the safety and welfare of our migrant workers, we keep abreast of the COVID-19 safety laws and regulations and implement any new measures as soon as possible to ensure that the living situation of our migrant workers is in strict compliance with local COVID-19 laws and regulations.

We do our utmost to adhere to safety guidelines and ensure their safety and health. There were no reported incidents of non-compliance with local COVID-19 laws and regulations regarding the living conditions of our migrant workers.

OCCUPATIONAL HEALTH AND SAFETY

Construction

GRI 403-1, 403-2, 403-4, 403-5, 403-6, 403-7, 403-9

Our approach to workplace health and safety management is outlined by legislative requirements and industry safety standards. Our ISO 45001 certification in Occupational Health and Safety Management reflects our ongoing commitment and efforts to reduce risks and make safety an integral part of our business.

On top of regular health and safety briefings and audits, various safety programmes and activities are organised to raise awareness of health and safety practices. All our staff are trained in accordance to their job requirements and are educated on safety awareness before being placed on a job. Staff are recognised and rewarded for showcasing exemplary safety performance and providing valuable contributions towards cultivating workplace safety.

During reviews when workplace hazards or risks are identified, and the current hazard control and emergency response systems in place are insufficient to counter these risks and prevent hazards, or when non-conformance is identified, the Workplace Safety and Health Officer will record these incidents. Thorough reviews of existing practices and measures are conducted to ensure that it is adequate to counter any newly identified hazards or risks. Proposed actions are reviewed through a risk assessment to ensure all necessary corrective actions taken are effective to prevent recurrence. The Workplace Safety and Health Committee will also recommend any additional preventive measures to prevent similar recurrence.

The Group's Workplace Injury Rate (WIR)[5] was 10.35 in FY2022, which was lower than the Singapore National construction sector average Workplace Major Injury Rate of 32.1 per 100,000 workers in 2021. The Group takes a serious view on workplace health and safety. We enforce workplace health and safety practices diligently and have been implementing technology to alert workers of dangers and prevent incidents. However, the occurrence of incidents may still occur due to the high risk nature of the construction industry. There were two reportable incidents and one work-related fatality at our worksites this year which led to 6,044 man days lost. The Group's workplace health and safety procedures regarding incident reporting, investigation and remediation were strictly followed to prevent similar incidents from reoccurring.

LC Interior

GRI 403-9

As a reputable sub-contractor, we implement adequate safety policies and procedures to ensure that we deliver our worked in a safe and timely manner. Our workplace health and safety management strictly complies with legislative requirements and industry safety standards, and we aim to achieve zero safety incidents in all projects.

[5] Workplace Injury Rate = $\dfrac{\text{No.of Man Days Lost To Workplace Accidents}}{\text{No.of Workers}} \times 100{,}000$

SOCIAL COMPLIANCE

GRI 419-1

There were no instances of significant fines or non-monetary sanctions due to non-compliance in FY2022.

SAFETY TARGETS AND PERFORMANCE

Workplace health and safety is prioritised by the Group, with an additional focus on minimising the impact of COVID-19 to our employees. We work constantly to reduce incident rates by performing inspections and implementing corrective measures should incidents occur.

FY2022 Target	Status	Performance Update
To achieve an Accident Frequency Rate[6] (AFR) of not more than **0.48** and Accident Severity Rate[7] (ASR) of not more than **9.5**. The targets were determined based on benchmarking against the expected safety performance of the industry.	⦿ Refer to performance update	AFR and ASR targets were not met in FY2022. ASR increased due to the occurrence of 3 reportable workplace incidents. However, our workplace injury rate for FY2022 was only 10.35 which is well below the national average of 32.1.
Zero stop work days.	⦿ Not Met	There were 78 stop work days due to asbestos.
Zero non-compliance with COVID-19 safety measures.	✓ Met	Achieved **zero** incident of non-compliance with COVID-19 safety rules and regulations.

Targets for FY2023
To achieve a WIR that is better than the Singapore national average
Zero non-compliance with COVID-19 safety measures.

FOCUS 6: OUR PEOPLE

Our employees are our greatest assets to the success and long-term sustainability of our business, and it is important to improve the capabilities and talent within the Group. An empowering and nurturing workplace environment, mutual respect for all our staff and workers are Lum Chang's commitments to our people. Our employees and workers have placed training and development as well as fair remuneration and benefits as key concerns. Hence, we are committed to investing in our people and retaining a diverse and robust talent pool by supporting the long-term growth and development of all our employees.

EMPLOYEE DIVERSITY

GRI 401-1, 405-1

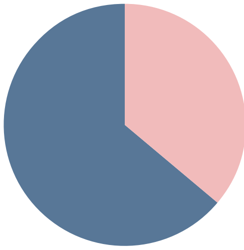
We are a fair and non-discriminatory employer with a diverse work force. We continuously forge a culture of trust and respect between the various groups of people, irrespective of gender, nationality, race or religion.

[6] Accident Frequency Rate = $\frac{\text{No.of Workplace Accidents Reported}}{\text{No.of Man-hours Worked}} \times 1{,}000{,}000$

[7] Accident Severity Rate = $\frac{\text{No.of Man Days Lost To Workplace Accidents}}{\text{No.of Man-hours Worked}} \times 1{,}000{,}000$

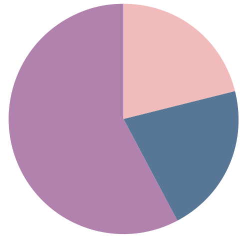
As at 30 June 2022, the Group had a total of 454 employees. There were 189 new hires and 181 employees who left the company in FY 2022. The breakdown of existing employees by gender, age and nationality are shown below.

Employee Gender Distribution



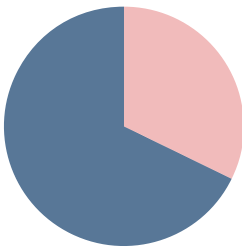
290 Male **164** Female

Employee Age Distribution



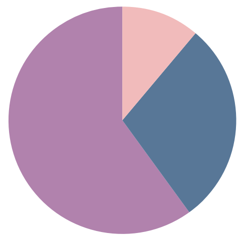
96 Below 30 **262** Between 30 to 50 **96** Above 50

New Hires by Gender



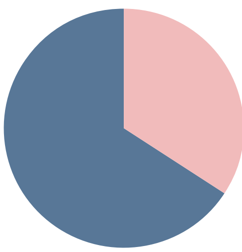
128 Male **61** Female

New Hires by Age



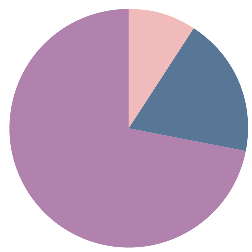
55 Below 30 **113** Between 30 to 50 **21** Above 50

Employee Turnover by Gender



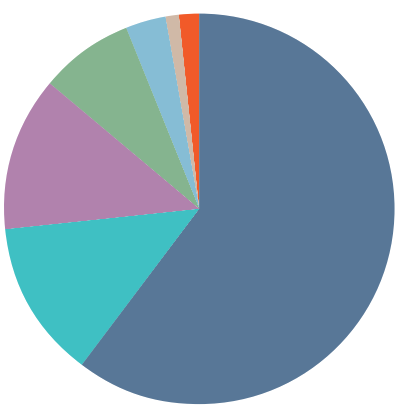
119 Male **62** Female

Employee Turnover by Age



34 Below 30 **130** Between 30 to 50 **17** Above 50

Employees by Nationality



60.4% Singaporean and Permanent Residents
13.2% Filipino
12.6% Malaysian
7.9% Indian
3.3% Burmese
1.1% People's Republic of China
1.5% Others

EMPLOYEE WELFARE

GRI 401-2, 401-3

All employees of Lum Chang enjoy a variety of benefits and activities to promote work-life harmony.

Healthcare	Disability and Invalidity Coverage	Parental Leave	Others
• Staff are provided Dental and Health Screening subsidies, as well as covered under Hospitalisation and Surgical insurance, General Practitioner Outpatient and Specialist Medical Benefits.	• Staff will be covered under Personal Accident Insurance and Work Injury Compensation Insurance.	• Eligible staff are entitled to Maternity Leave, Paternity Leave, Shared Parental Leave, Childcare Leave, Extended Childcare Leave, Unpaid Infant Care Leave and Adoption Leave where applicable.	• Staff are entitled to receive the following benefits: - Newborn gifts - Examination and Marriage leave

In FY2022, 79 employees were entitled to parental leave, out of which 52 employees took parental leave. We believe that our staff's well-being is of utmost importance. To facilitate camaraderie amongst our employees and promote work-life integration, the Group organised year-round events revolving around team building, recreation, social and health.

Before the pandemic, fun-filled activities including bowling tournaments, annual dinner and dance, and donation drives were frequently held. We also organised various activities for both staff and their families such as day-trip excursions, movie screening, handicraft and baking classes.

With the easing of Covid-19 restrictions this year, we resumed social and recreation activities from April 2022. We continued to organise mental wellbeing workshops to equip staff with the skills to perform under pressure, and stay healthy while doing so. Some of the leisure events our employees engaged in were perfume making, and attending a group movie screening. We also organised an outing for our migrant workers to visit places of interest in Singapore.

Perfume Making Workshop

During the June school holidays, staff had the opportunity to bring their children to work for a day. The event welcomed 14 children for a day of exciting fun-filled activities at Lum Chang HQ, which also allowed them to check out their parents' work places, meet their parent's colleagues and learn more about what working at Lum Chang is like.


Movie Screening


Outing for Migrant Workers


Project Site Quarterly Dinner


Bring Your Child to Work Day

SUPPLIER SOCIAL MANAGEMENT

GRI 414-1, 414-2

Lum Chang endeavours to ensure that subcontractors and labour suppliers satisfy the health and safety standards held by the Group.

New subcontractors and labour suppliers are screened based on their safety practices and past track records to ensure that they have adequate safety policies and act in strict compliance with local labour and safety laws and regulations.

All work done at the site is monitored closely to ensure accountability. We regularly assess our subcontractors and labour suppliers on their deliverables and ethical conduct. Suppliers who do not comply with labour and safety laws and regulations will be blacklisted from our future jobs.

In FY2022, there were zero incidents of social non-compliance in our supply chain.

EMPLOYEE DEVELOPMENT

GRI 404-1, 404-2, 404-3

We believe in the training of our employees and we equip them with the relevant skills to develop their potential. Our employees undergo a diverse range of career development opportunities and training such as job-specific technical skills training, on-the-job and professional training combined with executive and leadership development, technical and professional seminars, courses, workshops, and overseas immersion programmes. Our managers have obtained professional qualifications and are accredited in their various fields in construction productivity and design for manufacturing and assembly.

In addition, a quarterly review of workers' construction experience in Singapore is conducted to ensure prompt feedback in areas where the Group can provide tailored trainings to enhance their skills and experience.

Our employees undergo a substantial amount of training every year as part of their professional and career development. In FY2022, we achieved a total of 4,970 training hours for our staff. Our employees went through programs such as the Specialist Diploma in Virtual Design & Construction (SDVDC), Specialist Diploma in Construction Productivity (SDCP), and Certification Course in BIM Management to extend their construction sector domain knowledge and enhance safety practices onsite.

PEOPLE TARGETS

The Group strives to develop the skillsets of our employees and provide the necessary support to enable them to excel in their jobs and complete projects effectively.

FY2022 Target	Status	Performance Update
To administer performance reviews for 100% of employees.	✓ Met	Performance reviews administered for 100% of the Group's employees.
To achieve at least 10 hours of training programs per employee for employees who require training to upgrade their professional competency.	✓ Met	Employees received a total of 4,970 training hours, equivalent to 10.9 training hours per employee.

Targets for FY2023
To administer performance reviews for 100% of employees.
To achieve at least 10 hours of training programs per employee for employees who require training to upgrade their professional competency.

FOCUS 7: SOCIAL RESPONSIBILITY

The Group aims to limit negative impacts of its construction activities on communities, and to look for opportunities to contribute socially with the aim to be recognised as a responsible and sustainable business. We consider the community surrounding our project sites our key stakeholder as we recognise that our operations can have a significant impact on their quality of living. We prioritise implementing robust vector and noise management measures to limit the impacts of using heavy machinery. We actively evaluate the social impact of our suppliers to ensure that our high standards are upheld across our entire supply chain.

COMMUNITY ENGAGEMENT

GRI 413-1

As an organisation that believes in giving back to the community, Lum Chang has been active in lending its support to numerous charities, organisations and causes to help the needy and less privileged in society. Over the years, we have been actively supporting charitable organisations through cash and in-kind donations.

During the year, we donated to numerous community organisations including Compassion Fund, West Coast CCC Community Development & Welfare Fund and PAP Community Foundation.

We also participated in fund-raising golf tournaments organised by Singapore Island Country Club, Kwong Wai Shiu Hospital and Real Estate Developers' Association of Singapore (REDAS).

Lum Chang is a partner of People's Association (PA) and we are a proud recipient of the PA Community Spirit Awards 2022 – Merit Award which recognises our efforts in supporting the PA and its Community Development Councils in bonding the community and building social capital.

PA Community Spirit Awards 2022

In January this year, a visual experiential exhibition titled KaleidoShapes: Reflect10ns was held at our development property, Tekka Place. The exhibition by artistically gifted children and youths from underserved families, aims to give back to the community through art. The showcase is part of Tekka Place's collaboration with The RICE Company Limited to support the Business Times Budding Artists Fund.

We organised an online fundraiser to collect donations via Giving.SG in support of Chen Su Lan Methodist Children's Home, for our annual year-end staff charity drive. The donations went towards providing special meals for their residents during the festive season.

Since 2011, the Company has been taking part in the BCA-Industry Built Environment Undergraduate Scholarship Scheme which aims to attract high calibre students from National University of Singapore (NUS) and Nanyang Technological University (NTU) to take up challenging and fulfilling careers in the built environment. In FY2022, the Group granted $120,000 to nine second-year Civil Engineering and Project & Facilities Management students from NUS under the BCA-Lum Chang iBuildSG Undergraduate Scholarship Programme.


KaleidoShapes: Reflect10ns Art Exhibition at Tekka Place

Targets for FY2023
To conduct at least two community engagements with social impact.
To donate to at least two causes with social impact.

SGX FIVE PRIMARY COMPONENTS INDEX

S/N	Primary Component	Section Reference
1	Material Topics	• Stakeholder Engagement and Materiality Assessment
2	Policies, Practices and Performance	• Sustainability Strategy Overview • **Focus 1**: Governance and Ethics **Focus 2**: Economic Performance **Focus 3**: Our Environment **Focus 4**: Quality & Innovation **Focus 5**: Workplace Health and Safety **Focus 6**: Our People **Focus 7**: Social Responsibility
3	Board Statement	Sustainability Governance and Statement of the Board
4	Targets	• **Focus 1**: Governance and Ethics **Focus 2**: Economic Performance **Focus 3**: Our Environment **Focus 4**: Quality & Innovation **Focus 5**: Workplace Health and Safety **Focus 6**: Our People **Focus 7**: Social Responsibility
5	Framework	Reporting Practice

GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
102-1	Name of the organisation	Corporate Profile
102-2	Activities, brands, products, and services	Corporate Profile
102-3	Location of headquarters	Corporate Profile
102-4	Location of operations	Corporate Profile
102-5	Ownership and legal form	Corporate Profile
102-6	Markets served	Corporate Profile
102-7	Scale of the organisation	Corporate Structure
102-8	Information on employees and other workers	Focus 6: Our People
102-9	Supply chain	Network of Operations
102-10	Significant changes to the organisation and its supply chain	Network of Operations
102-11	Precautionary principle or approach	Chairman's Message
102-12	External initiatives	Not Applicable. No reportable external initiatives.
102-13	Membership of associations	Not Applicable. No reportable memberships.
102-14	Statement from senior decision-maker	Chairman's Message

GRI Standards	Disclosure Content	Section Reference
102-15	Key impacts, risks, and opportunities	Chairman's Message, Sustainability Strategy Overview
102-16	Values, principles, standards, and norms of behaviour	Ethics and Integrity
102-17	Mechanisms for advice and concerns about ethics	Ethics and Integrity
102-18	Governance structure	Sustainability Governance and Statement of the Board
102-40	List of stakeholder groups	Stakeholder Engagement and Materiality Assessment
102-42	Identifying and selecting stakeholders	Stakeholder Engagement and Materiality Assessment
102-43	Approach to stakeholder engagement	Stakeholder Engagement and Materiality Assessment
102-44	Key topics and concerns raised	Stakeholder Engagement and Materiality Assessment
102-46	Defining report content and topic boundaries	Reporting Practice
102-47	List of material topics	Reporting Practice
102-48	Restatements of information	Reporting Practice
102-49	Changes in reporting	Reporting Practice
102-50	Reporting period	Reporting Practice
102-51	Date of most recent report	15 September 2021
102-52	Reporting cycle	Reporting Practice
102-53	Contact point for questions regarding the report	Reporting Practice
102-54	Claims of reporting in accordance with the GRI Standards	Reporting Practice
102-55	GRI content index	GRI Content Index
102-56	External assurance	Reporting Practice
203-2	Significant Indirect economic impacts	Focus 4: Quality and Innovation
205-1	Operations assessed for risks related to corruption	Anti-corruption
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
207-1	Approach to tax	Tax Compliance
207-2	Tax governance, control, and risk management	Tax Compliance
207-3	Stakeholder engagement and management of concerns related to tax	Tax Compliance
207-4	Country-by-country reporting	Tax Compliance
302-1	Energy consumption within the organisation	Energy, Water and Waste Management
302-4	Reduction of energy consumption	Energy, Water and Waste Management
302-5	Reductions in energy requirements of products and services	Energy, Water and Waste Management

GRI Standards	Disclosure Content	Section Reference
303-1	Interactions with water as a shared resource	Energy, Water and Waste Management
303-2	Management of water discharge-related impacts	Energy, Water and Waste Management
303-3	Water withdrawal	Not Applicable. Water withdrawal information unavailable
305-1	Direct GHG emissions (Scope 1)	Energy, Water and Waste Management
305-2	Indirect GHG emissions (Scope 2)	Energy, Water and Waste Management
305-5	Reductions in GHG Emissions	Energy, Water and Waste Management
306-1	Waste generation and significant waste-related impacts	Energy, Water and Waste Management
306-2	Management of significant waste-related impacts	Energy, Water and Waste Management
306-3	Waste generated	Energy, Water and Waste Management
307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environmental Compliance
308-1	Percentage of new suppliers that were screened using environmental criteria	Supplier Environmental Management
308-2	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Supplier Environmental Management
401-1	New employee hires and employee turnover	Employee Diversity
401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	Employee Welfare
401-3	Parental leave	Employee Welfare
403-1	Occupational health and safety management system	Safety Against COVID-19
403-2	Hazard identification, risk assessment, and incident investigation	Focus 5: Workplace Health and Safety
403-3	Occupational health services	Safety Against COVID-19
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety Against COVID-19
403-5	Worker training on occupational health and safety	Safety Against COVID-19
403-6	Promotion of worker health	Safety Against COVID-19
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Focus 5: Workplace Health and Safety
403-8	Workers covered by an occupational health and safety management system	Safety Against COVID-19
403-9	Work-related injuries	Focus 5: Workplace Health and Safety
403-10	Work-related ill health	Safety Against COVID-19

GRI Standards	Disclosure Content	Section Reference
404-1	Average hours of training per year per employee	Employee Development
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Development
404-3	Regular performance and career development review	Employee Development
405-1	Diversity of governance bodies and employees	Employee Diversity
413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement
413-2	Operations with significant actual and potential negative impacts on local communities	Noise and Vector Management
414-1	New suppliers that were screened using social criteria	Supplier Social Management
414-2	Negative social impacts in the supply chain and actions taken	Supplier Social Management
416-1	Assessment of the health and safety impacts of product and service categories	Focus 4: Quality and Innovation
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Focus 4: Quality and Innovation
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy and Data
419-1	Non-compliance with laws and regulations in the social and economic area	Significant Non-compliance

CORPORATE GOVERNANCE

INTRODUCTION

The Company recognises the importance of adhering to sound governance practices and processes to enhance shareholder value and is committed to upholding the standards set out in the Code of Corporate Governance 2018 (the "Code") issued by the Monetary Authority of Singapore on 6 August 2018. This report describes the Company's corporate governance framework and practices that the Group has adopted with reference to the Code. The Company has complied in all material aspects with the principles and guidelines set out in the Code and has explained its position if not, in accordance with the "comply or explain" requirement as laid down in Paragraph 2 of the Introduction to the Code. Minimal adjustments to the Group's corporate governance practices and processes should be expected as its commitment to sound corporate governance has already ensured significant compliance with the Code.

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 Group.

In that regard, the Board oversees the business affairs of the Group and is principally responsible for setting the Group's business direction, approving strategic plans, and monitoring and reviewing its financial performance. The Board also continually monitors and assesses the internal controls which enables risks to be properly assessed and managed. More particularly, the Board also maintains oversight and overall control over review of management performance, identification of key stakeholder groups, setting the Group's values and standards and the sustainability of the Group's operations. These are recognised as being crucial to the proper long-term governance of the Group as a whole.

Board committees have been constituted in order to assist the Board in the discharge of its oversight function. All Board committees are actively engaged and play an important role in ensuring good corporate governance in the Group by making recommendations on courses of action, in accordance with their respective terms of reference, for the Board's collective decision. Any decisions and recommendations made by the Board committees, even if permitted by their respective terms of reference, are nevertheless subject to confirmation by the Board.

The Board schedules regular meetings but *ad hoc* meetings are held as and when required. Otherwise, approvals from the Board are sought by way of circular board resolutions. Meetings by telephone and video conferencing are also allowed under the Company's Constitution ("Company's Constitution"). Records of all such meetings and resolutions including discussions on key deliberations and decisions taken by the Board are maintained by the Company Secretaries.

The Company adheres to internal guidelines which set out specific authorisations, materiality thresholds and approval limits for borrowings, acquisitions, disposals, investments and capital or operational expenditure so that Board approval is only required when transactions exceed such limits or where such transactions are otherwise considered material in nature. However, specific matters such as share issues, dividend distribution and share buybacks, always require the Board's approval regardless of approval limits or materiality.

BOARD MATTERS (CONTINUED)

The Board's Conduct of Its Affairs (Principle 1) (continued)

Details of the attendance of the Board members at Board meetings and meetings of the various Board committees for the period 1 July 2021 to 30 June 2022 (FY2022) are set out in Table 1.

Table 1 NAME	BOARD	AUDIT AND RISK COMMITTEE	NOMINATING COMMITTEE	REMUNERATION COMMITTEE
Number of Meetings held	**4**	**4**	**2**	**2**
	Number of Meetings attended			
Raymond Lum Kwan Sung	4	N.A.	2	N.A.
David Lum Kok Seng	4	N.A.	N.A.	N.A.
Tony Fong	4	N.A.	N.A.	N.A.
Kelvin Lum Wen Sum	4	N.A.	N.A.	N.A.
Peter Sim Swee Yam	4	4	2	2
Dr Willie Lee Leng Ghee	4	4	2	2
Constance Lee Sok Koon	3	3	N.A.	N.A.
Clement Leow Wee Kia	4	4	N.A.	N.A.
Kenneth Ho Siew Keong	3	3	N.A.	1
Daniel Soh Chung Hian (2)	1	1	1	N.A.
Andrew Chua Thiam Chwee (2)	1	1	N.A.	1

Note:

(1) Mr Adrian Lum Wen Hong, alternate director to Mr David Lum Kok Seng, attended 3 board meetings as observer during the course of FY2022.

(2) Messrs Daniel Soh Chung Hian and Andrew Chua Thiam Chwee retired at the FY2021 AGM held on 29 October 2021.

Prior to each Board Meeting, each director is supplied with complete, adequate and timely information by management pertaining to matters to be brought before the Board for its decision as well as ongoing reports relating to operational and financial performance of the Group. The Company provides the Board with its accounts on a quarterly basis. Financial information, reports and assessments are provided for circular meetings as well to provide sufficient information to the Board to make informed decisions.

Management generally takes the lead in updating the Board on new developments in the Group's business environment and on the conduct of day-to-day affairs of the Company. In addition, members of the Board are regularly updated on changing commercial risks and industry developments (as deemed appropriate) and are provided with opportunities (arranged and funded by the Group at the Group's cost and expense) to train and update themselves on corporate governance matters and new developments in the regulatory regimes.

Pursuant to Rule 720(7) of the Listing Manual, all of the Directors underwent the required training on sustainability matters as prescribed by the SGX-ST during the course of FY2022.

The Board also has separate and independent access to senior management and the Company Secretaries at all times. To assist the Board in fulfilling its responsibilities, the Board is fully aware that they may seek or direct management to seek independent professional advice, where appropriate. The costs of such independent professional advice are borne by the Company. The Company Secretaries ensure that the communication and flow of information between the Board, the Board committees and management is maintained.

At least one of the Company Secretaries also attends all Board meetings and is responsible, under the Board's auspices, for taking adequate steps to ensure that Board procedures and relevant legislative and regulatory requirements are complied with.

New directors are subject to a tailored induction programme upon joining the Board, which includes, *inter alia*, briefings on the business activities, policies and internal controls of the Group, and site visits to the Group's various projects in Singapore and overseas. New directors are also issued a formal letter setting out their duties and obligations as directors in the context of the Code and the Companies Act 1967 (the "Act"), and the Company's expectations as regards their conduct and contributions in the performance of their functions.

The directors are subject to the requirements of the Code and specific fiduciary duties which are set out in the Act, the key aspects of which may be summarised as follows:

- To act honestly in good faith and in the interests of the Company;
- To avoid conflicts of interest;
- To exercise skill, care and diligence in the performance of duties; and
- To not misuse power and information for personal gain.

Whilst the Company places great emphasis on continuity of its serving directors and the vast experience that they provide in their various fields of expertise, the Company nevertheless understands the need for renewal from time to time and therefore has in place a modified induction programme for new directors who, whilst providing a fresh perspective and outlook on their functions, may require some guidance in specific areas of expertise such as accounting, legal, and industry-specific knowledge so as to better perform their functions as directors. In such cases, the Company will either enlist the assistance of its organic expertise or, if necessary, by external agencies to train the new director, at the Company's expense, in such specific areas of expertise that he or she may require.

The appointment and removal of the Company Secretaries are subject to the approval of the Board.

Board Composition and Guidance (Principle 2)

The Board has a formal and transparent process for the appointment and re-appointment of directors, which takes into account the need for progressive renewal of the Board. In doing so, the Board strives to maintain 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 Group.

The composition of the Board is reviewed regularly and the current composition ensures that the mix of experience and expertise is appropriate as members of the Board collectively possess a wealth and diversity of expertise ranging from legal, financial, management, human resources and industry knowledge. The structure of the Board as well as its size, which currently stands at nine, is suitable given the nature and scope of the Group, ensuring that meetings and decision-making are effective and productive. The size and composition of the Board is reviewed from time to time, taking into account the scope and nature of the Company's operations, to ensure that the size of the Board remains adequate to provide for a diversity of views, facilitate effective decision-making, and that the Board has an appropriate balance of executive, non-executive, independent and non-independent members so as to enable it to make decisions in the best interests of the Group.

The Board practices diversity which provides for the inclusion of directors with a wide mix of expertise, experience, perspectives, skills and backgrounds considering diversity factors including but not limited to, diversity in business or professional experience, age and gender, ethnicity and culture, geographical background and nationalities. The Board values the benefits that diversity can bring to the Board in its deliberations by avoiding groupthink and fostering constructive debate. Diversity enhances the Board's decision-making capability and ensures that the Company has the opportunity to benefit from all available talent and perspectives, which is essential to the effective governance of the business and for ensuring long-term sustainable growth.

Board Composition and Guidance (Principle 2) (continued)

The Nominating Committee, in carrying out its duties of determining the composition of the Board, looks for a diversity of background and opinion from candidates with the appropriate background and industry or related expertise and experience. In identifying candidates as part of the Board's refresh and casual vacancy processes, and making recommendations for appointment to the Board, the Nominating Committee considers diversity factors such as age, gender, ethnicity and educational, business and professional background of its members in order to achieve an appropriate level of diversity in the Board composition so as to enable it to make decisions in the best interests of the Group. In its annual review of the Board's composition, the Nominating Committee considers the subject of the diversity in the composition of the Board. The current Board has one female member, Mdm Constance Lee Sok Koon.

With nine members, comprising three executive and six non-executive directors, five of whom are independent, the Board maintains its independence as more than half its members are independent from any management and business relationship with the Company in accordance with Provisions 2.2 and 2.3 of the Code. Furthermore, the Lead Independent Director has the authority to convene and lead meetings of the independent directors without the presence of the executive directors from time to time as deemed necessary, and acts as the leader of the independent directors at board meetings in raising queries and pursuing matters in accordance with Provision 2.5 of the Code. This ensures that the Board is able to exercise its powers judiciously and objectively.

In considering the independence of the non-executive directors, the Nominating Committee and the Board consider the criteria set out in Provision 2.1 of the Code which defines an independent director as one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere or be reasonably perceived to interfere with the exercise of the director's independent business judgement with a view to the best interests of the Group. Additionally, the Nominating Committee and the Board, in accordance with Provision 4.4 of the Code, determine if a director is independent, having regard to the circumstances set forth in Provision 2.1 and taking into account disclosures by directors of their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence.

The Nominating Committee and the Board determine annually whether directors who have served on the Board for more than nine years from the date of their first appointment, are still independent within the meaning of the Code and can therefore continue to serve on the Board. The Board recognises the contribution of the independent directors who over time have developed deep insights into the Group's business and operations, and who are therefore able to provide invaluable contributions to the Board as a whole.

However, with effect from 1 January 2022, a director who has been a director for an aggregate period of more than nine years (whether before or after listing) and whose continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officers, will no longer be considered independent. In order to avoid the situation whereby there are no independent directors on the Board of the Company in breach of Provision 2.2 of the Code, the Company had since the FY2021 AGM implemented a two-tier voting system (the "two-tier voting system") under which the appointment of any independent director who has been a director for an aggregate period of more than nine years (whether before or after listing) will be subject to approval in separate resolutions by (a) all shareholders; and (b) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officers.

Before subjecting directors to the two-tier voting system, the Nominating Committee and the Board conduct an initial review of all directors who have served on the Board for more than nine years, focusing particularly on the following:

- Whether the director in question remains independent in character and judgement notwithstanding his long service on the Board;
- Whether there are relationships or circumstances established during their tenure which are likely to affect, or could appear to affect the director's judgement; and
- The content and adequacy of the disclosures made by the directors in respect of any such relationship and/ or circumstances as and when they occur.

In determining whether to subject directors who have served on the Board for more than nine years to the two-tier voting system, the Company carefully balances the need for progressive refreshing of the Board to maintain the Group's relevance and competitive edge in a modern, changing business environment with the invaluable experience, viewpoints and knowledge of specific industry standards as applied to the Group, that only long-serving directors can provide. The Board also takes into account the requirements of the Group's business and the need to avoid undue disruptions to the proper functioning of the Board resulting from unnecessary changes to the composition of the Board and the Board committees.

No directors are subject to the two-tier voting system at the FY2022 AGM.

The Board notes that Mr Kelvin Lum Wen Sum, notwithstanding his non-independent status, had nevertheless demonstrated a high level of autonomy in the discharge of his fiduciary duties and that he had exercised his business judgement in the best interests of the Company and its minority shareholders.

The Company progressively and staggers refreshing of the Board composition as needed, taking into account diversity considerations.

Chairman and Managing Director (Principle 3)

There is no clear division of responsibilities between the leadership of the Board and management; however no one individual has unfettered powers of decision-making, as explained below.

Mr Raymond Lum Kwan Sung is the Executive Chairman of the Company. Together with the Executive Committee ("EXCO"), the Executive Chairman provides overall leadership and strategic vision for the Group. He strives to promote high standards of corporate governance in the Group by facilitating a culture of openness and debate at the board by ensuring that all directors, and especially the independent and non-executive directors, receive complete, adequate and timely information, so as to ensure that they are able to contribute their experience and expertise to Board proceedings. Thus facilitated by the Executive Chairman, his thoughtful and targeted guidance at Board meetings also allows proper time management of the agenda at meetings and ensures that comprehensive and detailed discussions of strategic issues and other pressing agenda items can take place. The Executive Chairman's role as a member of the EXCO also allows him to act as a bridge with management such that the Board is able to boast an amicable and constructive relationship with management to the Group's mutual benefit. The close working relationship between the Board and management fostered by the Executive Chairman allows him to provide a clear, consistent and cohesive narrative of the Company's activities as part of the Company's constant efforts towards effective communications with its shareholders.

BOARD MATTERS (CONTINUED)

Chairman and Managing Director (Principle 3) (continued)

The Executive Chairman and the Managing Director, Mr David Lum Kok Seng, are siblings and their executive roles are not clearly separated as both are closely involved in the day-to-day management and operations of the Group. The Board notes the familial relationship between the Executive Chairman and the Managing Director and the unique circumstances that govern such relationships, and is of the opinion that the Company's best interests are served by taking advantage of the sibling dynamic cultivated over a lifetime of mutual support in the consolidation and expansion of the Group from its modest beginnings in the construction industry. As such, the Board can raise no objections to the overlap in their respective executive roles. However, the Nominating Committee's view is that the Board remains independent in accordance with Provision 2.2 of the Code since more than half the Board and more than half of its committees (excluding the EXCO) remain independent up to the next AGM. In this respect also, and in accordance with Provision 3.3 of the Code, the Lead Independent Director avails himself to the shareholders who may have concerns, and for which contact through normal channels cannot resolve or is otherwise inappropriate or inadequate.

Board Membership (Principle 4)

The Board has established various Board committees to assist and facilitate the execution of its duties. These are the EXCO, the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee. Apart from the EXCO, the Board committees are led by and comprise a majority of independent directors. Notwithstanding the establishment of the various Board committees as aforementioned, it must be emphasised that the Board nevertheless retains overall authority and control over the activities of the Board committees as decisions and recommendations of each Board committee must subsequently be confirmed by the Board. The composition of the Board committees and the dates of initial appointment and re-election of the directors to the Board are set out in Table 2.

Table 2

BOARD MEMBERS	EXECUTIVE COMMITTEE	AUDIT AND RISK COMMITTEE	NOMINATING COMMITTEE	REMUNERATION COMMITTEE	DATE OF INITIAL APPOINTMENT TO THE BOARD	DATE OF LAST RE-ELECTION TO THE BOARD
Raymond Lum Kwan Sung	C		M		18.09.1982	29.10.2019
David Lum Kok Seng (1)	M				18.09.1982	29.10.2020
Tony Fong	M				02.07.2012	29.10.2020
Kelvin Lum Wen Sum					10.11.2016	29.10.2019
Peter Sim Swee Yam		M	M	C	30.11.2001	29.10.2021
Dr Willie Lee Leng Ghee		M	C	M	28.02.2006	29.10.2021
Constance Lee Sok Koon		C			27.08.2021	29.10.2021
Clement Leow Wee Kia		M			03.05.2018	29.10.2020
Kenneth Ho Siew Keong		M		M	10.09.2021	29.10.2021

C – Chairman
M – Member

(1) Mr Adrian Lum Wen Hong was appointed as alternate director to Mr David Lum Kok Seng on 27 August 2021.

Executive Committee

The key responsibilities of the EXCO include the formulation of policies, the determination of business strategy and planning to execute and achieve targets and directives set by the Board as well as the execution of existing businesses and the management of funds and cashflow. The Members of the EXCO comprise Mr Raymond Lum Kwan Sung (Executive Chairman), Mr David Lum Kok Seng (Managing Director), Mr Tony Fong (Executive Director, Finance), Mr Adrian Lum Wen Hong (Director, Property Development), and Ms Emlyn Lum Wen Yan (Vice President, Finance).

Nominating Committee

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. In that regard, the Board and the Nominating Committee strive to ensure that directors on the Board possess the experience, knowledge and skills critical to the Group's business so as to enable the Board to make sound and well-considered decisions; and as such considers the respective experience, field-specific expertise and industry knowledge of prospective Board candidates.

The Nominating Committee held two meetings in FY2022. Dr Willie Lee Leng Ghee remains the Chairman of the Nominating Committee which continues to comprise a majority of independent directors. The Nominating Committee's key responsibilities, as defined in its terms of reference, include:

(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Executive Chairman, the Managing Director and key management personnel;

(b) the process and criteria for evaluation of the performance of the Board, the Board committees and directors;

(c) the review of training and professional development programs for the Board and the directors;

(d) assessing the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board;

(e) making recommendations on appointment and re-nomination of directors, having regard to the relevant director's contribution and performance;

(f) making recommendations having regard to the changing needs of the Group as regards diversity, experience and expertise so as to maximise the effectiveness of the Board as a whole in the performance of its functions;

(g) reviewing each director's independence annually; and

(h) considering whether or not a director who has multiple board representations is able to and has been properly carrying out his duties as a director of the Company.

With regard to the selection of new directors, the Nominating Committee evaluates the balance of diversity, skills, knowledge and experience on the Board and, arising from such evaluation, determines the role and the desirable competencies for a particular appointment to enhance the existing Board composition. The Nominating Committee meets with short-listed candidates to assess their suitability and availability for appointment to the Board. The Nominating Committee then makes recommendations to the Board for approval. New directors are appointed by the Board upon the recommendation of the Nominating Committee but they must submit themselves for re-election at the next AGM in accordance with the Company's Constitution.

The Company's Constitution requires that at each AGM, not less than one-third of the directors for the time being (being those who have been longest in office since the last re-election) retire from office by rotation and may seek re-appointment. The Company's Constitution also requires that every director of the Company shall retire at least once every three years.

Nominating Committee (continued)

Before making its recommendation to the Board for the re-appointment of a retiring director, the Nominating Committee takes into consideration the director's contribution and performance which are determined by factors such as attendance, preparedness, participation and candour (as well as contribution to the effectiveness of the Board). The director is also assessed based on his or her ability to adequately carry out the duties expected while performing roles in other companies or in other appointments. Messrs Raymond Lum Kwan Sung, Kelvin Lum Wen Sum and Clement Leow Wee Kia will be seeking re-election as directors pursuant to Article 107(2) of the Company's Constitution (collectively, the "Retiring Directors") at the FY2022 AGM. The Nominating Committee has reviewed and is satisfied with their contribution as directors, and has therefore endorsed their nomination for re-election. Mr Adrian Lum Wen Hong, as the alternate director to Mr David Lum Kok Seng, will continue to hold office at Mr David Lum Kok Seng's pleasure subject to his remaining a full member of the Board. Pursuant to Rule 720(6) of the Listing Manual issued by Singapore Exchange Securities Trading Limited (the "Listing Manual"), the information relating to the Retiring Directors as set out in Appendix 7.4.1 of the Listing Manual may be found in pages 77 to 84 of this annual report.

The independence of each director is assessed and reviewed by the Nominating Committee. As part of the review, each independent director is required to complete a checklist annually to confirm his independence. The checklist is drawn up based on the requirements of Provision 2.1 of the Code. The Nominating Committee takes into account, *inter alia*, whether a director has business relationships with the Company, its related companies, its substantial shareholders or its officers; and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Group. Based on the checklists received and reviewed by the Nominating Committee, the independent directors have no association with management that would compromise their independence.

Further, in determining the independence of its independent directors, the Nominating Committee and the Board also took into account Rules 210(5)(d)(i), (ii) and (iii) of the Listing Manual, on the circumstances in which a director will not be deemed independent and provisions in the Code as to the circumstances in which a director should not be deemed independent. It must be reiterated at this juncture that as of the FY2021 AGM, the Company had implemented the two-tier voting system in respect of its independent directors who have been a director for an aggregate period of more than nine years.

On the bases set out above and on the basis of the checklist provided by each independent director, the Nominating Committee examined the different relationships identified by the Code that might impair the independent directors' independence and objectivity, and determined that all the independent directors were independent within the meaning of the Code. In addition to the requirements of the Listing Manual and the Code, the Nominating Committee considered whether each of the independent directors had demonstrated an appropriate level of independence of character and judgement in the discharge of his responsibilities as a director of the Company, and is satisfied that each of them acted with independent judgement. The Board therefore considers that there is nothing to indicate that their ability and willingness to act independently has been compromised in any way. It should be noted that all directors, including independent directors, are required to recuse themselves from any transactions that might give rise to a conflict of interest. Following the review, the Nominating Committee was of the view that Messrs Peter Sim Swee Yam, Clement Leow Wee Kia, Kenneth Ho Siew Keong, Dr Willie Lee Leng Ghee and Mdm Constance Lee Sok Koon should be deemed independent within the meaning of the Code.

The Board therefore comprises a majority of independent directors, with a total of nine directors of whom five are independent.

Board Performance (Principle 5)

The Nominating Committee annually assesses the effectiveness of each Board committee and the Board as a whole by evaluating such factors as the adequacy and size of the Board and the Board committees, each individual director's contributions at Board committee level and towards the effectiveness of the Board, the Board's access to information, Board processes and accountability and communication with senior management. The Nominating Committee's assessment confirmed that the Board and the Board committees were generally functioning effectively and performing well within a highly competitive and challenging environment. In the conduct of its assessment, the Nominating Committee compared the Board's overall performance with its industry peers.

Each member of the Board is also assessed individually according to, amongst other things, his or her contributions, knowledge and abilities, teamwork, integrity and effectiveness. The Nominating Committee also reviews the criteria for evaluation annually, making changes where necessary.

The Nominating Committee is of the view that directors who have multiple board representations have devoted sufficient time and attention to the affairs of the Group, and that their multiple board representations do not hinder their abilities to perform their duties as directors of the Company. Indeed, such multiple board representations of the directors benefit the Group, as the directors are able to bring with them the experience and knowledge obtained from board representations in other companies. The Nominating Committee continually monitors the performance of directors who have multiple board resolutions with a view to ensuring that they are not thereby distracted from their immediate duties to the Company. In view of this, the Nominating Committee has not set any prescribed maximum number of listed company board representations which any director may hold and is satisfied that the current criteria adopted is adequate and appropriate for the Group. The Nominating Committee will continue to monitor the performance and contributions of directors who have multiple board representations to ensure that their ability to perform their duties as directors of the Company is not hampered.

Key information on the Board; in particular, all the directorships in listed companies held by the directors, both current and those held over the preceding five years, as well as their principal commitments as defined in Provision 4.5, footnote 15 of the Code, may be found in pages 6 to 11 of this annual report.

Share Purchase Committee

At the AGM on 29 October 2021, the shareholders of the Company had granted a renewal of the mandate to the Company to carry out share buybacks as permitted by the Act (the "Share Purchase Mandate").

The Share Purchase Committee, comprising Messrs Raymond Lum Kwan Sung, David Lum Kok Seng and Tony Fong, was authorised to purchase shares of the Company at such time as it deems suitable subject to the prescribed conditions in the Share Purchase Mandate. The Company did not purchase any shares during FY2022.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies (Principle 6)

Level and Mix of Remuneration (Principle 7)

Disclosure on Remuneration (Principle 8)

Remuneration Committee

The Board has 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.

The Remuneration Committee comprises non-executive independent directors only. The Chairman of the Remuneration Committee is Mr Peter Sim Swee Yam. The Remuneration Committee held two meetings in FY2022.

The scope of the Remuneration Committee includes reviewing and recommending to the Board the remuneration packages of the executive directors and key management personnel, as well as the fees of the non-executive directors. No director is involved in deciding his or her own remuneration.

Directors' remuneration and fees are set in accordance with a general remuneration framework consisting of basic retainer fees benchmarked against the remuneration and fees paid by other companies in related industries, and this general framework is reviewed and approved by the Remuneration Committee. The fee framework for the non-executive directors and remuneration packages of the executive directors contain appropriate and meaningful measures to assess and evaluate the performance of the directors and key management personnel. Such appropriate and meaningful measures are arrived at with the assistance of external expertise engaged for that purpose, as deemed necessary and/or appropriate by the Remuneration Committee.

The remuneration of the executive directors and key management personnel consists of a basic component, a variable component and other appropriate benefits in kind. The remuneration of the executive directors and key management personnel are arrived at having regard to the following:

- Alignment with the interests of shareholders with a view to promoting the long-term success of the Group; and
- Appropriate and meaningful measures for the purpose of assessing the performance of the executive directors and key management personnel.

As regards the non-executive directors, their remuneration is pegged to their level of contribution, and takes into account factors such as the effort and time spent in the discharge of their functions and their individual scope of responsibilities. Non-executive directors' fees are subject to approval at each AGM.

The Board is of the view and explains that, given the highly competitive industry conditions coupled with the sensitivity and confidentiality of remuneration matters, the disclosure of the remuneration packages of the independent directors and key management personnel, including those who are immediate family members of the directors and the disclosure of remuneration of key management personnel on a named basis, as required by Provisions 8.1 and 8.2 of the Code, would be prejudicial to the Company's interests.

A breakdown, showing the level and mix of each individual director's remuneration paid or payable for FY2022, is set out in Table 3.

Table 3	FEES	SALARY	BONUS	OTHER BENEFITS
	(%)	(%)	(%)	(%)
$878,500				
Raymond Lum Kwan Sung	-	86	8	6
$864,500				
David Lum Kok Seng	-	87	8	5
$341,500				
Tony Fong	-	88	8	4
Below $100,000				
Kelvin Lum Wen Sum	100	-	-	-
Peter Sim Swee Yam	100	-	-	-
Dr Willie Lee Leng Ghee	100	-	-	-
Constance Lee Sok Koon	100	-	-	-
Clement Leow Wee Kia	100	-	-	-
Kenneth Ho Siew Keong	100	-	-	-

The remuneration of the Group's top 5 key executives for FY2022 is set out in Table 4.

Table 4	FEES	SALARY	BONUS	OTHER BENEFITS
	(%)	(%)	(%)	(%)
$1,000,000 to $1,250,000	-	50	47	3
1				
$500,000 to $750,000	-	78	17	5
1				
$250,000 to $499,999	-	60	37	3
3				

The Remuneration Committee and the Board are of the view that

(i) A significant and appropriate proportion of the executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance, and that performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company;

(ii) The remuneration of non-executive directors is appropriate to their respective levels of contribution, taking into account factors such as effort, time spent, and responsibilities; and

(iii) The level of 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.

REMUNERATION MATTERS (CONTINUED)

Remuneration Committee (continued)

The two employees who are immediate family members of the Executive Chairman, the Managing Director or a substantial shareholder and whose remuneration exceeds $100,000 during the financial year ended 30 June 2022 are:

1. Ms Emlyn Lum Wen Yan, a daughter of Mr Raymond Lum Kwan Sung (the Executive Chairman) and niece of Mr David Lum Kok Seng (the Managing Director), and who is employed by the Company as Vice President, Finance. She received remuneration comprising salary and annual bonus in the $100,000 to $150,000 band during the financial year.

2. Mr Adrian Lum Wen Hong, a son of Mr David Lum Kok Seng (the Managing Director) and nephew of Mr Raymond Lum Kwan Sung (the Executive Chairman), and who is employed by the Company as Director, Property Development. He received remuneration comprising salary, annual bonus and other benefits in the $450,000 to $499,999 band during the financial year.

For FY2022, the aggregate total remuneration paid to key management personnel, excluding the Board of Directors, was $3,414,000.

ACCOUNTABILITY AND AUDIT

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 in order to safeguard the interests of the Group and its stakeholders.

The Board, through its announcements of interim and full-year results, aims to provide shareholders with a balanced and understandable assessment of the Company's performance and prospects. To enable the directors to properly fulfil their duties, management also submits financial and business reports to the Board on a regular and timely basis, whether requested or not. Such reports compare actual performance against the budget and provide explanatory notes on material variances.

For FY2022, the Executive Directors of the Company (which includes the Executive Director, Finance), provided written representations to the Board on the integrity of the interim and full-year financial statements announcements covering the Company and its subsidiaries. Pursuant to Rule 705(5) of the Listing Manual, the Board provided a negative assurance confirmation on the Group's interim financial statements announcements.

Audit and Risk Committee (Principle 10)

The Board has an Audit and Risk Committee that discharges its duties objectively. The main responsibilities of the Audit and Risk Committee are to assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, business and financial risk management, and other relevant legislative and regulatory requirements. The Audit and Risk Committee comprises five independent directors. It has explicit authority to investigate any matter within its terms of reference and full access to and the co-operation of management. It also has direct and independent access to the internal and external auditors.

The Audit and Risk Committee is chaired by Mdm Constance Lee Sok Koon and its members are all non-executive and independent directors. More than half of the members of the Audit and Risk Committee, including the Chairman of the Audit and Risk Committee, have recent and relevant experience in the financial or accounting fields. The Company believes in taking a holistic approach towards the constitution of its various Board committees and as such does not restrict membership in the Audit and Risk Committee only to directors who have financial and/or accounting experience. The Audit and Risk Committee meets on a regular basis to carry out its role of reviewing the financial reporting process, the systems of internal control, management of financial risks and the audit process.

The Audit and Risk Committee is tasked, under its terms of reference, to perform the following functions:

(a) Independent review of financial statements and announcements;

(b) Examination of the effectiveness of financial, operating, compliance and information technology controls;

(c) Review and approval of audit plans of the external and internal auditors of the Company;

(d) Review of the scope of internal audit reports as well as management's response to the findings;

(e) Review of interested person transactions;

(f) Review of the scope and results of the external audit, and the independence and objectivity of the external auditors;

(g) Review of the nature and extent of non-audit services performed by external auditors; and

(h) Review of procedures for detecting fraud and receive updates on whistle blowing reports.

The Audit and Risk Committee, having regard to the critical role it plays in business and financial risk management, ensures that each of its members take adequate measures to keep abreast of changes to accounting standards and issues which have a direct impact on the Group's financial statements.

The Audit and Risk Committee also makes a point of meeting the external auditors, PricewaterhouseCoopers LLP ("PwC"), and the internal auditors at least once annually without the presence of management, in accordance with Provision 10.5 of the Code.

The Audit and Risk Committee reviewed the independence of PwC (including the non-audit services provided to the Group), and is satisfied that (i) they have maintained their independence and (ii) the nature and extent of their non-audit services did not affect their objectivity. The Audit and Risk Committee has therefore recommended to the Board that PwC be nominated for re-appointment as auditors at the FY2022 AGM.

The Group has complied with Rule 712 and Rule 715 or 716 of the Listing Manual in relation to its auditors.

The Audit and Risk Committee held four meetings in FY2022. During these meetings and in the course of FY2022, the Audit and Risk Committee carried out its functions set out above and in doing so reviewed the internal risk management function, whistle-blowing policy, interested person transactions and material contracts, amongst other activities.

ACCOUNTABILITY AND AUDIT (CONTINUED)

Audit and Risk Committee (Principle 10) (continued)

For FY2022, the Board has received assurance from the Managing Director and Executive Director, Finance, as well as other such key management personnel as may be responsible by way of a representation letter, in accordance with Provision 9.2 of the Code:

(a) That the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) Regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Internal Risk Management

The internal controls and systems of the Group have been designed to provide reasonable assurance that its assets are safeguarded, proper accounting records are maintained, and that financial information used within the business and for publication is reliable.

The Group has an independent internal audit function headed by an Internal Auditor ("Internal Audit") who reports directly, with full and direct access at all times, to all members of the Audit and Risk Committee. The Audit and Risk Committee has the authority to approve the appointment, termination and remuneration of the internal auditor(s). The Internal Auditor is a member of the Singapore Chapter of the Institute of Internal Auditors ("IIA") and adopts the International Standards for the Professional Practice of Internal Auditing ("the IIA Standards") laid down in the International Professional Practices Framework issued by the IIA. The Group identifies and provides training and development opportunities for its internal auditor(s) to ensure that their technical knowledge and skill set remains current and relevant. The functions of Internal Audit include the independent reviewing and evaluation of the Group's internal controls as well as financial, operational and compliance controls and risk management and as such has the necessary resources and standing required for full and unfettered access to all the Group's documents, records, properties and personnel. Internal Audit independently performs regular audits of the Group's individual business units and operations, which include overseas subsidiaries and associates.

The Audit and Risk Committee, together with Internal Audit, ensures the identification of undue business risk and the implementation of effective remedial action through the internal audit process. Internal Audit plans its internal audit schedules in consultation with, but independent of, management. The audit plan is submitted to the Audit and Risk Committee for approval prior to the commencement of the internal audit work. Regular reports on the effectiveness of the systems of internal control are prepared and presented to senior management and the Board.

The Audit and Risk Committee regards the systems of internal control and risk management as necessary components to safeguard the Shareholders' investments and the Company's assets. The Audit and Risk Committee reviews and assesses Internal Audit based on the Group's adoption of the IIA Standards on a regular basis (but in any event not less than annually) and is satisfied with the adequacy and the overall effectiveness of Internal Audit as at 30 June 2022. Accordingly, the Audit and Risk Committee is satisfied that the internal audit function of the Group is independent, effective and adequately resourced for the financial year ended 30 June 2022.

The Audit and Risk Committee has the primary task of reviewing the risk controls implemented by the Group; and at suitable intervals, depending on developments in the business environment, conducts appropriate inquiry into the risks faced by the Group.

Internal Audit independently conducts audits that involve testing the material internal control systems in the Group. Any material non-compliance or lapses in internal controls together with corrective measures recommended by Internal Audit are reported to the Audit and Risk Committee. The Audit and Risk Committee also reviews the effectiveness of the measures taken by management in response to the recommendations made by Internal Audit. The system of internal control and risk management is continually refined by management, the Audit and Risk Committee and the Board.

The Group has reviewed its key risk factors, which include financial, operational, regulatory and strategic risks and formalised them in a risk register, together with practical business and internal controls to manage or mitigate them.

A risk management framework on the Group's ongoing process in identifying, assessing and reporting risks was also formalised. Through Internal Audit under the supervision of the Audit and Risk Committee, the Board monitors the design and implementation of the risk management and internal control systems to be in line with the risk policies and risk tolerance levels of the Group. These initiatives enable key business risks to be assessed so as to better manage the exposure of the Group's risks but at the same time allow the Group to leverage on growth and business opportunities as and when they arise.

The Group is committed to strengthening its risk management policies and procedures to keep abreast of the challenges and developments in the industry and will continue to identify, monitor, manage and mitigate the key risks.

The ongoing process of identifying business risks and implementing suitable preventive or corrective measures continues to be carried out primarily by the Audit and Risk Committee together with Internal Audit, with overall oversight by the Board and with participation by various stakeholders within the Group in their respective specific areas. The system of internal controls is regularly assessed for its effectiveness and the results are presented to senior management and the Board.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group's assets and investments are safeguarded. The Board notes that no system of internal and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the management, the Board, with the concurrence of the Audit and Risk Committee, is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls, and risk management systems were effective and adequate as at 30 June 2022.

Whistle-Blowing Policy

The Company has in place whistle-blowing arrangements whereby employees may raise concerns about fraudulent activities, financial malpractices, conduct that would be considered as physically dangerous or harmful, unethical behaviour and harassment, sexual or otherwise. To ensure independent investigation of such matters and for appropriate follow-up action, whistle-blowing reports may be sent to the two independent directors who are the internal coordinators of the Whistle-Blowing Policy (the "Whistle-Blowing Coordinators"). The Whistle-Blowing Coordinators report to the Chairman of the Audit and Risk Committee. The Audit and Risk Committee is responsible for oversight and monitoring of the Whistle-Blowing Policy and whistle-blowing arrangements thereunder as a whole.

The Company accepts anonymous whistle-blowing reports but employees are encouraged to identify themselves in their reports in order to facilitate timely and effective investigations into their complaints. The Audit and Risk Committee and the Board ensure the identity of the whistleblower is kept confidential. The Whistle-Blowing Coordinators are required to treat all whistle-blowing reports in strict confidence and act to investigate complaints promptly.

The Company has made it clear in the Whistle-Blowing Policy that any employee who makes a whistle-blowing report in good faith will not be dismissed, disciplined or otherwise unfavourably treated.

ACCOUNTABILITY AND AUDIT (CONTINUED)

Audit and Risk Committee (Principle 10) (continued)

Interested Person Transactions

The Company has established a procedure for the recording and reporting of interested person transactions.

Name of Interested Person	Nature of relationship	Aggregate value of all IPTs during FY2022 (excluding transactions less than $100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under Shareholders' Mandate pursuant to Rule 920 (excluding transactions less than $100,000)
		$'000	$'000
Consultancy service rendered			
Kelvin Lum Wen Sum	Director of the Company	$154	NIL
Capital injection into an associated company – PT Super [1]			
Cyan Bay Pte Ltd	An associate of a controlling shareholder and director of the Company	$343	NIL

(1) PT Super Makmur Sejahtera (PT Super) is a 25% associated company of the Group and 75% owned by Cyan Bay Pte Ltd, a unit of Ellipsiz Ltd, to undertake property investment in Bintan. During FY2022, the Group injected additional equity of $343,000 to PT Super for land acquisition and working capital.

The Company does not have a general shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

Material Contracts

Other than disclosed elsewhere in the Annual Report, there were no other material contracts and loans entered into by the Company or any of its subsidiaries involving the interests of any director and/or the controlling shareholders and their associates, either still subsisting at the end of FY2022 or, if not subsisting, which were entered into during FY2022.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings (Principle 11)

Engagement with Shareholders (Principle 12)

The Company treats all its shareholders fairly and equitably in order to enable them to exercise shareholders' rights and accord them the opportunity to communicate their views on matters affecting the Group. The Company endeavours to give shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company updates its shareholders primarily through SGXNET. Interim and full-year results are released within the prescribed periods and material and/or price-sensitive information are released promptly. This ensures that inadvertent disclosures of information made to select groups of shareholders are promptly disseminated to all other shareholders. Annual Reports of the Company and the notices of general meetings are only published on the Company's corporate website but physical copies thereof are provided to shareholders upon request. In addition to the foregoing, the Company's website is an important source of information for shareholders and the investing community. Interim and full-year results announcements, news releases, annual reports and other key facts and figures about the Group are available on the investor relations section of the Company website in accordance with Provisions 12.1, 12.2 and 12.3 of the Code. A dedicated investor relations email address is maintained to enable the investing community to reach out to the Company.

General meetings provide an excellent opportunity for the shareholders to query the directors with regard to the Company and their recommendations. The Company values dialogue with its shareholders, and avails the respective chairs of the Audit and Risk, Nominating and Remuneration Committees, as well as the external auditors to address, or to assist the directors in addressing, any relevant queries by the shareholders during general meetings.

To accord shareholders their rights proportionate to their shareholdings in voting, the Company has implemented electronic voting by poll for each resolution tabled at general meetings. Voting by poll promotes greater transparency and effective participation as independent scrutineers are appointed to conduct the voting process by briefing the shareholders on the voting process, and to verify and tabulate votes after each resolution. Upon conclusion of general meetings, the voting results at the general meetings and the names of the independent scrutineers are announced via SGXNET.

The Company does not "bundle" resolutions at general meetings of shareholders unless said resolutions are interdependent and linked so as to form one significant proposal. The Company will explain the reasons and material implications in notices of meeting if ever such "bundling" becomes necessary or desired.

Minutes of general meetings are prepared and published on the Company website. The Company's Constitution places no limit on the number of proxies for nominee companies so that shareholders who hold shares through nominees can attend general meetings as proxies.

Voting in *absentia* is allowed under the Company's Constitution but is not implemented due to concerns on the integrity of information transmitted through the available media and concerns over the authenticity of the identity of shareholders.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders (Principle 13)

The Company identifies stakeholders that are impacted, or have the potential to be impacted by the Group's business and operations as well as those external organisations that have a material impact on the Group's business and operations. Accordingly, the Company engages its stakeholders through a variety of channels to ensure that the business interests of the Group are balanced against that of the stakeholders. More information on the Company's stakeholder engagement, including its engagement platforms and issues of concern may be found in the Company's "Sustainability Story" which may be found in pages 29 to 58 of this annual report.

The Company maintains a corporate website (www.lumchang.com.sg) to engage its stakeholders.

DIVIDEND POLICY

The Company has not formally instituted a dividend policy; however it has a good track record of paying annual dividends to shareholders since its listing on the Singapore Exchange in 1984. When proposing any dividend payout and/or determining the form, frequency and/or the amount of such dividend payout, the Board will take into account, *inter alia*, the Group's financial position, retained earnings, results of operations and cash flows, expected working capital requirements, expected capital expenditure, future expansion and investment plans and other funding requirements, general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group.

DEALINGS IN SECURITIES

The Company has adopted an internal compliance code whereby directors and affected staff ("relevant persons") are prohibited from dealing in the Company's shares during "black-out" periods which are as prescribed under the Listing Manual; being a period of two weeks before the announcement of its interim financial results and one month before the announcement of its full-year results. Relevant persons are also not allowed to deal in the Company's shares prior to the announcement of material price-sensitive information of which they are in possession.

Each year, the Company plans the release of the announcements of its interim and full-year results and sets out the "black-out" periods. The Company ensures that each of the relevant persons is informed of such "black-out" periods and each of the relevant persons is required to acknowledge and declare that he or she is fully aware of the same. Notwithstanding that relevant persons are permitted to trade in the Company's shares during the permitted periods, the Company also specifically highlights in its policy that relevant persons should not deal in the Company's shares on short-term considerations during the permitted periods.

The Company provides regular updates to the directors and key management personnel on developments in insider trading regulations with particular focus on developments in local case law and changes in the regulatory framework, regularly highlighting the importance of safeguarding confidential information as well as the misuse of insider information.

USE OF PROCEEDS FROM THE TERM AND CONVERTIBLE LOANS

The net proceeds received by the Company from the Term and Convertible loans extended by a third party, have been fully utilised as follows:

Use of proceeds	**Re-allocated amount (S$'000)**	**Amount utilised as at the date of this annual report (S$'000)**	**Balance of net proceeds as at the date of this annual report (S$'000)**
Repay existing borrowings	36,000	36,000	-
General corporate purposes [1]	3,900	3,900	-
Total	**39,900**	**39,900**	**-**

Note:

(1) Mainly utilised for expenses relating to employee benefits, bank interests, office overheads, legal and professional fees.

The use of proceeds is in accordance with the stated use and the percentage allocated in the announcement of the Company dated 28 September 2021.

The convertible loan of S$20 million was not converted as at the date of this annual report.

ADDITIONAL INFORMATION ON RETIRING DIRECTORS SEEKING RE-ELECTION

Mr Raymond Lum Kwan Sung, Mr Kelvin Lum Wen Sum and Mr Clement Leow Wee Kia are the Retiring Directors seeking re-election at the forthcoming AGM.

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:

Name of Director	**Mr Raymond Lum Kwan Sung**	**Mr Kelvin Lum Wen Sum**	**Mr Clement Leow Wee Kia**
Date of Appointment	18 September 1982	10 November 2016	3 May 2018
Date of last re-appointment (if applicable)	29 October 2019	29 October 2019	29 October 2020
Age	76	48	48
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, *inter alia*, the recommendations of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experience and suitability of Mr Raymond Lum for re-appointment as the Executive Chairman and a member of the Nominating Committee of the Company. The Board has reviewed and concluded that Mr Raymond Lum possesses the necessary and appropriate experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and the Nominating Committee.	The Board of Directors of the Company has considered, *inter alia*, the recommendations of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Kelvin Lum for re-appointment as a Non-independent Non-executive Director of the Company. The Board has reviewed and concluded that Mr Kelvin Lum possesses the necessary and appropriate experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, *inter alia*, the recommendations of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Clement Leow for re-appointment as a Non-executive Independent Director and a member of the Audit and Risk Committee of the Company, and is considered independent of Management. The Board has reviewed and concluded that Mr Clement Leow possesses the necessary and appropriate experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and the Audit and Risk Committee.

Additional Information on Retiring Directors Seeking Re-Election (continued)

Name of Director	**Mr Raymond Lum Kwan Sung**	**Mr Kelvin Lum Wen Sum**	**Mr Clement Leow Wee Kia**
Whether appointment is executive, and if so, the area of responsibility	Executive; provides overall leadership and strategic vision for the Group and together with Mr David Lum Kok Seng is responsible for the day-to-day management operations of the Group.	Non-executive.	Non-executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and a member of the Nominating Committee.	Non-independent Non-executive Director.	Independent Director and a member of the Audit and Risk Committee.
Professional qualifications and working experience and occupation(s) during the past 10 years	Mr Raymond Lum holds a Bachelor of Science in Civil Engineering from the University of London, United Kingdom. He has more than 40 years of experience in the construction, construction-related and property development industries.	Mr Kelvin Lum holds a Bachelor of Commerce from the University of Western Australia. He has been engaged as a consultant to the Group since November 2015 to provide advice and expertise on strategy, business development and operations, particularly in the fields of banking, consultancy, management and hospitality.	Mr Clement Leow has more than 20 years of corporate finance experience in initial public offerings, mergers and acquisitions, including corporate advisory transactions. He graduated from Cornell University with a Bachelor of Science in Applied Economics and also holds a Master in Business Administration and a Postgraduate Diploma in Financial Strategy from the University of Oxford. He completed the Governance as Leadership Program at Harvard University and is a member of the Singapore Institute of Directors.
Shareholding interest in the listed issuer and its subsidiaries	Please refer to page 87 of the Directors' Statement in the Company's 2022 Annual Report.	Please refer to page 87 of the Directors' Statement in the Company's 2022 Annual Report.	Please refer to page 87 of the Directors' Statement in the Company's 2022 Annual Report.

Additional Information on Retiring Directors Seeking Re-Election (continued)

Name of Director	**Mr Raymond Lum Kwan Sung**	**Mr Kelvin Lum Wen Sum**	**Mr Clement Leow Wee Kia**
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	Mr Raymond Lum and Mr David Lum, the Managing Director of the Company, are siblings. Ms Emlyn Lum Wen Yan, who is deemed interested in Lum Chang shares held directly by Lum Chang Investments Pte Ltd and through its nominee accounts, is a daughter of Mr Raymond Lum.	Mr Kelvin Lum is a son of Mr David Lum, the Managing Director of the Company and a nephew of Mr Raymond Lum, the Executive Chairman of the Company. Mr Kelvin Lum is also the brother of Mr Adrian Lum Wen Hong, Director, Property Development.	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)	Please refer to pages 9 to 11 of the Present and Past Directorships section in the Company's 2022 Annual Report.	Please refer to pages 9 to 11 of the Present and Past Directorships section in the Company's 2022 Annual Report.	Please refer to pages 9 to 11 of the Present and Past Directorships section in the Company's 2022 Annual Report.
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

Additional Information on Retiring Directors Seeking Re-Election (continued)

Name of Director	**Mr Raymond Lum Kwan Sung**	**Mr Kelvin Lum Wen Sum**	**Mr Clement Leow Wee Kia**
(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?	No	No	No
(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

Additional Information on Retiring Directors Seeking Re-Election (continued)

Name of Director	**Mr Raymond Lum Kwan Sung**	**Mr Kelvin Lum Wen Sum**	**Mr Clement Leow Wee Kia**
(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
(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

Additional Information on Retiring Directors Seeking Re-Election (continued)

Name of Director	**Mr Raymond Lum Kwan Sung**	**Mr Kelvin Lum Wen Sum**	**Mr Clement Leow Wee Kia**
(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
(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

Additional Information on Retiring Directors Seeking Re-Election (continued)

Name of Director	**Mr Raymond Lum Kwan Sung**	**Mr Kelvin Lum Wen Sum**	**Mr Clement Leow Wee Kia**
(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 (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 (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, *in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?*	No	No	No

Additional Information on Retiring Directors Seeking Re-Election (continued)

Name of Director	**Mr Raymond Lum Kwan Sung**	**Mr Kelvin Lum Wen Sum**	**Mr Clement Leow Wee Kia**
(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?	No	No	No
Disclosure applicable to the appointment of Director only			
Any prior experience as a director of an issuer listed on the Exchange? *If yes, please provide details of prior experience.* *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.* *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).*	Not Applicable	Not Applicable	Not Applicable

GROUP FINANCIAL HIGHLIGHTS

	2022 $'000	2021 $'000	**Increase/ (Decrease) %**
For the Year:			
Revenue	**416,790**	325,621	28
(Loss)/profit			
Before income tax	**(11,876)**	11,053	(207)
After income tax	**(11,382)**	8,057	(241)
Attributable to equity holders of the Company	**(10,828)**	2,973	(464)
(Loss)/profit attributable to equity holders of the Company as a percentage of:			
Total revenue	**(2.60%)**	0.91%	
Average shareholders' equity	**(4.85%)**	1.20%	
At 30 June:			
Shareholders' equity	**207,517**	238,686	(13)
Total equity	**209,705**	258,046	(19)
Total assets	**460,199**	615,074	(25)
Per share:			
(Loss)/earnings attributable to equity holders of the Company (Note 1)	**(2.87¢)**	0.79¢	(463)
Net asset value (Note 2)	**$0.55**	$0.63	(13)
Dividends paid & proposed (Note 3):			
Special dividend	**2.25¢**	4.25¢	
Interim dividend	**0.75¢**	0.75¢	
Final dividend	**1.00¢**	1.00¢	

Notes:
1. Earnings per share (basic) is computed based on the weighted average capital (excluding treasury shares) during the year.
2. Net asset value per share is computed by dividing the shareholders' equity by the number of ordinary shares (excluding treasury shares) in issue at each year end.
3. Please refer to Note 31 of the Notes to the Financial Statements for the treatment of the proposed dividend in the accounts.

FIVE-YEAR FINANCIAL SUMMARY

	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Consolidated Income Statement					
Revenue	416,790	325,621	322,691	240,251	262,327
(Loss)/profit before income tax	(11,876)	11,053	(2,930)	28,677	32,408
(Loss)/profit after income tax	(11,382)	8,057	(6,107)	27,526	26,918
(Loss)/profit attributable to equity holders of the Company	(10,828)	2,973	(2,111)	23,287	24,639
(Loss)/profit attributable to non-controlling interests	(554)	5,084	(3,996)	4,239	2,279
Consolidated Balance Sheet					
Property, plant and equipment & investment properties	55,766	156,280	85,341	169,968	206,047
Investments in associated companies & joint ventures	27,539	30,554	38,265	33,764	10,387
Other assets	376,894	428,240	453,431	475,935	382,945
Total assets	460,199	615,074	577,037	679,667	599,379
Total borrowings	70,787	227,246	168,555	212,731	199,239
Other liabilities	179,707	129,782	138,060	190,312	143,492
Total liabilities	250,494	357,028	306,615	403,043	342,731
Net assets	209,705	258,046	270,422	276,624	256,648
Share capital	86,572	86,572	86,572	86,572	86,574
Treasury shares	(2,845)	(2,845)	(2,845)	(1,620)	(1,025)
Capital and other reserves	36,255	41,528	40,027	26,922	23,281
Retained profits	87,535	113,431	133,059	145,277	129,015
Shareholders' equity	207,517	238,686	256,813	257,151	237,845
Non-controlling interests	2,188	19,360	13,609	19,473	18,803
Total equity	209,705	258,046	270,422	276,624	256,648

	2022	2021	2020	2019	2018
Ratios					
(Loss)/profit attributable to equity holders of the Company as a percentage of:					
Total revenue	(2.60%)	0.91%	(0.65%)	9.69%	9.39%
Average shareholders' equity	(4.85%)	1.20%	(0.82%)	9.41%	10.74%
Per share:					
(Loss)/earnings attributable to the equity holders of the Company (Note 1)	(2.87¢)	0.79¢	(0.56¢)	6.11¢	6.45¢
Net asset value (Note 2)	$0.55	$0.63	$0.68	$0.68	$0.62
Dividends paid & proposed (Note 3):					
Special dividend	2.25¢	4.25¢	-	-	-
Interim dividend	0.75¢	0.75¢	0.30¢	0.30¢	0.30¢
Final dividend	1.00¢	1.00¢	1.00¢	1.50¢	1.50¢

Notes:
1. Earnings per share (basic) is computed based on the weighted average capital (excluding treasury shares) during the year.
2. Net asset value per share is computed by dividing the shareholders' equity by the number of ordinary shares (excluding treasury shares) in issue at each year end.
3. Please refer to Note 31 of the Notes to the Financial Statements for the treatment of the proposed dividend in the accounts.

DIRECTORS' STATEMENT

for the Financial Year Ended 30 June 2022

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2022 and the balance sheet of the Company as at 30 June 2022.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 97 to 203 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) 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 as follows:

Mr Raymond Lum Kwan Sung

Mr David Lum Kok Seng

Mr Tony Fong

Mr Kelvin Lum Wen Sum

Mr Adrian Lum Wen Hong (Alternate Director to Mr David Lum Kok Seng)

Mr Peter Sim Swee Yam

Dr Willie Lee Leng Ghee

Mdm Constance Lee Sok Koon

Mr Clement Leow Wee Kia

Mr Kenneth Ho Siew Keong

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 object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" on page 89 in this statement.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee			Holdings in which a director is deemed to have an interest		
	At 21.7.2022	**At 30.6.2022**	**At 1.7.2021 or date of appointment if later**	**At 21.7.2022**	**At 30.6.2022**	**At 1.7.2021 or date of appointment if later**
The Company:						
Lum Chang Holdings Limited						
(Ordinary shares)						
Raymond Lum Kwan Sung	**15,528,397**	**15,528,397**	15,528,397	**185,776,232**	**185,776,232**	185,776,232
David Lum Kok Seng	**10,938,436**	**10,938,436**	10,938,436	**209,770,612**	**209,770,612**	209,770,612
Tony Fong	**300,000**	**300,000**	300,000	**17,000**	**17,000**	17,000
Peter Sim Swee Yam	**-**	**-**	-	**10,000**	**10,000**	10,000
Adrian Lum Wen Hong	**125,000**	**125,000**	125,000	**-**	**-**	-
Constance Lee Sok Koon	**8,000**	**8,000**	8,000	**-**	**-**	-
Lum Chang Holdings Limited						
($40 million 5.8% fixed rate notes due 2021)						
Raymond Lum Kwan Sung	**-**	**-**	3,500,000	**-**	**-**	-
David Lum Kok Seng	**-**	**-**	3,000,000	**-**	**-**	-
Kelvin Lum Wen Sum	**-**	**-**	1,000,000	**-**	**-**	-
Dr Willie Lee Leng Ghee	**-**	**-**	500,000	**-**	**-**	-
Subsidiary of Lum Chang Holdings Limited:						
UK Property Investment Pte Ltd						
(Ordinary shares)						
Raymond Lum Kwan Sung	**-**	**-**	-	**15**	**15**	15
David Lum Kok Seng	**-**	**-**	-	**15**	**15**	15

(b) Mr David Lum Kok Seng and Mr Raymond Lum Kwan Sung, who by virtue of their interests of not less than 20% of the issued capital of the Company, are deemed to have interests in the whole of the share capital of the Company's wholly owned subsidiaries and in the shares in the following subsidiaries that are not wholly owned by the Group:

	At 30 June 2022	**At 1 July 2021**
UK Property Investment Pte Ltd		
- Number of ordinary shares	**70**	70
Wembley Properties Pte Ltd		
- Number of ordinary shares	**7**	18,900,007
Lum Chang Interior Pte Ltd and its subsidiary		
- Number of ordinary shares	**2,400,000**	1,200,000

SHARE OPTIONS

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

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

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

AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee at the end of the financial year were as follows:

Constance Lee Sok Koon, Chairman

Peter Sim Swee Yam

Dr Willie Lee Leng Ghee

Clement Leow Wee Kia

Kenneth Ho Siew Keong

The Audit and Risk Committee carries out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2022 before their submission to the Board of Directors, as well as the Independent Auditor's Report on the balance sheet of the Company and the consolidated financial statements of the Group.

The Audit and Risk Committee has recommended to the Board of Directors that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Raymond Lum Kwan Sung	David Lum Kok Seng
Director	Director

16 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUM CHANG HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Lum Chang Holdings Limited ("the Company") and its subsidiaries ("the Group") and the balance sheet 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)s") 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 30 June 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

• the consolidated income statement of the Group for the financial year ended 30 June 2022;

• the consolidated statement of comprehensive income of the Group for the financial year then ended;

• the balance sheet of the Group as at 30 June 2022;

• the balance sheet of the Company as at 30 June 2022;

• the consolidated statement of changes in equity of the Group for the financial year then ended;

• the consolidated statement of cash flows of the Group for the financial year then ended; and

• the notes to the financial statements, including a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority 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.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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 for the financial year ended 30 June 2022. 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
Accounting for construction contracts *Refer to Note 2.2(a) (Significant accounting policies relating to revenue recognition), Note 3(a) (Critical accounting estimates, assumptions and judgements), Note 4 (Revenue) to the financial statements.*	
For the financial year ended 30 June 2022, revenue from construction contracts for civil and building works ("construction revenue") amounted to $321.7 million. The Group recognised construction revenue over time by reference to the Group's progress towards completing the contract. Significant judgement is required to estimate the construction revenue, variation or claims, provision for liquidated damages and total construction costs that will affect the profit margins recognised from the construction contracts.	Our audit procedures included the following: (1) We obtained an understanding of the projects in progress through discussions with management and examination of project documentation (including contracts and correspondences with customers). (2) In relation to construction revenue, we: a. traced, on a sample basis, total contract sums to contracts and variation orders entered into by the Group with its customers; b. assessed the adequacy of provision for liquidated damages to be net off against contract sums; and c. assessed the reasonableness of the revenue recognised via discussion with the project teams and obtaining corroborating evidence such as correspondences with the customers.

Our Audit Approach (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Accounting for construction contracts (continued)	(3) In relation to construction cost, we: a. traced, on a sample basis, the actual costs incurred to supplier invoices, sub-contractor progress billings and contracts, other supporting documents; and b. tested management's estimates of cost to complete via the following: i. traced, on a sample basis, to quotations and contracts entered with suppliers and sub-contractors. ii. reviewed the appropriateness of the estimated costs to completion for materials, labour and other construction work with reference to the progress of each project. iii. discussed with the relevant project teams regarding the progress of each project to assess the appropriateness of the estimated costs to completion for each project. (4) In relation to the revenue recognised for projects in progress at the reporting date, we: a. recomputed the measurement of progress based on the proportion of contract costs incurred-to-date to the estimated total contract costs; and b. recomputed the revenue for the current financial year based on the measurement of progress and traced to the accounting records. We found no exceptions from performing the above procedures. We have also assessed the appropriateness of the disclosures in the financial statements in relation to the sensitivity of changes in contract sums and estimated costs to completion of projects in progress to the Group's construction revenue, gross profit, and loss before income tax and found them to be appropriate.

Other Information

Management is responsible for the other information. The other information comprises the Chairman's Statement, Corporate Governance, Group Financial Highlights, Five-Year Financial Summary and Directors' Statement but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

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)s, 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 have 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 the 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 scepticism 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.

- Evaluate the overall presentation, structure and content of the 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.

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

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 Ms Tan Bee Nah.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 16 September 2022

CONSOLIDATED INCOME STATEMENT

for the Financial Year Ended 30 June 2022

	Note	Group 2022 $'000	Group 2021 $'000
Revenue	4(a)	**416,790**	325,621
Cost of sales		**(400,140)**	(292,691)
Gross profit		**16,650**	32,930
Other income	5(a)	**4,315**	7,896
Other gains - net	5(b)	**1,265**	8,303
Expenses			
- Distribution and marketing		**(1,962)**	(1,129)
- Administrative and general		**(25,346)**	(25,746)
- Finance	8	**(3,749)**	(4,772)
Share of profits of associated companies		**415**	655
Share of losses of joint ventures		**(3,464)**	(7,084)
(Loss)/profit before income tax		**(11,876)**	11,053
Income tax credit/(expense)	9(a)	**494**	(2,996)
Net (loss)/profit		**(11,382)**	8,057
Net (loss)/profit attributable to:			
Equity holders of the Company		**(10,828)**	2,973
Non-controlling interests		**(554)**	5,084
		(11,382)	8,057
(Loss)/earnings per ordinary share attributable to the equity holders of the Company (cents per share)	10		
- Basic		**(2.87)**	0.79
- Diluted		**(2.87)**	0.79

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the Financial Year Ended 30 June 2022

	Note	Group 2022 $'000	Group 2021 $'000
Net (loss)/profit		**(11,382)**	8,057
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- (Losses)/gains	28(e)	**(1,761)**	2,586
- Reclassification	28(e)	**(798)**	86
Share of other comprehensive income of associated companies	19	**-**	22
		(2,559)	2,694
Items that will not be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- (Losses)/gains	28(e)	**(545)**	1,255
Financial assets, at fair value through other comprehensive income ("FVOCI")			
- Fair value losses	28(d)	**(2,714)**	(1,193)
		(3,259)	62
Other comprehensive (loss)/income for the year, net of tax		**(5,818)**	2,756
Total comprehensive (loss)/income for the year		**(17,200)**	10,813
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(16,101)**	4,474
Non-controlling interests		**(1,099)**	6,339
		(17,200)	10,813

 The accompanying notes form an integral part of these financial statements.

BALANCE SHEET - GROUP

As at 30 June 2022

	Note	2022 $'000	2021 $'000
ASSETS			
Current assets			
Cash and cash equivalents	11	**79,264**	100,078
Trade and other receivables	12(a)	**45,021**	49,487
Contract assets	4(b)	**64,136**	56,777
Other financial assets	15	**4,000**	-
Tax recoverable	9(b)	**195**	244
Properties held for sale	13	**15,918**	1,352
Development properties	14	**21,463**	94,648
Other current assets	16(a)	**14,198**	6,046
		244,195	308,632
Non-current assets			
Trade and other receivables	12(b)	**103,939**	86,594
Club memberships	17	**288**	309
Other financial assets	15	**21,241**	23,953
Investments in joint ventures	18	**21,069**	24,932
Investments in associated companies	19	**6,470**	5,622
Investment properties	21	**19,286**	119,833
Property, plant and equipment	22	**36,480**	36,447
Deferred income tax assets	9(c)	**6,391**	4,598
Other non-current assets	16(b)	**840**	4,154
		216,004	306,442
Total assets		**460,199**	615,074
LIABILITIES			
Current liabilities			
Trade and other payables	25(a)	**93,441**	97,628
Contract liabilities	4(b)	**6,330**	1,125
Provision for other liabilities	25(b)	**33,007**	12,274
Current income tax liabilities	9(b)	**1,428**	1,051
Borrowings	26	**48,442**	52,606
		182,648	164,684
Non-current liabilities			
Trade and other payables	25(a)	**24,731**	17,565
Financial liability, at FVPL	25(c)	**20,547**	-
Borrowings	26	**22,345**	174,640
Deferred income tax liabilities	9(c)	**223**	139
		67,846	192,344
Total liabilities		**250,494**	357,028
NET ASSETS		**209,705**	258,046
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	27	**86,572**	86,572
Treasury shares	27	**(2,845)**	(2,845)
Capital and other reserves	28(a)	**36,255**	41,528
Retained profits	30(a)	**87,535**	113,431
		207,517	238,686
Non-controlling interests	29	**2,188**	19,360
Total equity		**209,705**	258,046

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET - COMPANY

As at 30 June 2022

	Note	2022 $'000	2021 $'000
ASSETS			
Current assets			
Cash and cash equivalents	11	**28,087**	15,418
Trade and other receivables	12(a)	**49,944**	54,425
Other current assets	16(a)	**3**	124
		78,034	69,967
Non-current assets			
Trade and other receivables	12(b)	**132,457**	130,012
Club memberships	17	**311**	325
Investments in subsidiaries	20	**35,828**	72,311
Property, plant and equipment	22	**2,626**	1,518
Other non-current assets	16(b)	**126**	-
		171,348	204,166
Total assets		**249,382**	274,133
LIABILITIES			
Current liabilities			
Trade and other payables	25(a)	**98,482**	139,726
Current income tax liabilities	9(b)	**160**	198
Borrowings	26	**512**	40,319
		99,154	180,243
Non-current liabilities			
Financial liability, at FVPL	25(c)	**20,547**	-
Borrowings	26	**20,827**	41
		41,374	41
Total liabilities		**140,528**	180,284
NET ASSETS		**108,854**	93,849
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	27	**86,572**	86,572
Treasury shares	27	**(2,845)**	(2,845)
Capital and other reserves	28(a)	**3,182**	3,182
Retained profits	30(b)	**21,945**	6,940
Total equity		**108,854**	93,849

 The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Financial Year Ended 30 June 2022

		← Attributable to equity holders of the Company →						
	Note	Share capital $'000	Treasury shares $'000	Capital and other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2022								
Balance as at 1 July 2021		**86,572**	**(2,845)**	**41,528**	**113,431**	**238,686**	**19,360**	**258,046**
Net loss		-	-	-	(10,828)	(10,828)	(554)	(11,382)
Other comprehensive loss		-	-	(5,273)	-	(5,273)	(545)	(5,818)
Total comprehensive loss		**-**	**-**	**(5,273)**	**(10,828)**	**(16,101)**	**(1,099)**	**(17,200)**
Interim dividend for FY2022	31	-	-	-	(2,825)	(2,825)	-	(2,825)
Special dividend for FY2022	31	-	-	-	(8,476)	(8,476)	-	(8,476)
Final dividend for FY2021	31	-	-	-	(3,767)	(3,767)	-	(3,767)
Capital contribution by a non-controlling shareholder of subsidiary		-	-	-	-	-	300	300
Interim dividend paid to non-controlling shareholders of subsidiaries	29	-	-	-	-	-	(1,599)	(1,599)
Transaction with non-controlling shareholders of subsidiaries	29	-	-	-	-	-	(14,774)	(14,774)
Total transactions with owners, recognised directly in equity		**-**	**-**	**-**	**(15,068)**	**(15,068)**	**(16,073)**	**(31,141)**
Balance as at 30 June 2022		**86,572**	**(2,845)**	**36,255**	**87,535**	**207,517**	**2,188**	**209,705**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

for the Financial Year Ended 30 June 2022

	Note	← Attributable to equity holders of the Company				→		
		Share capital $'000	Treasury shares $'000	Capital and other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2021								
Balance as at 1 July 2020		**86,572**	**(2,845)**	**40,027**	**133,059**	**256,813**	**13,609**	**270,422**
Net profit		-	-	-	2,973	2,973	5,084	8,057
Other comprehensive income		-	-	1,501	-	1,501	1,255	2,756
Total comprehensive income		**-**	**-**	**1,501**	**2,973**	**4,474**	**6,339**	**10,813**
Interim dividend for FY2021	31	-	-	-	(2,825)	(2,825)	-	(2,825)
Special dividend for FY2021	31	-	-	-	(16,009)	(16,009)	-	(16,009)
Final dividend for FY2020	31	-	-	-	(3,767)	(3,767)	-	(3,767)
Interim dividend paid/ payable to non-controlling shareholders of subsidiaries	29	-	-	-	-	-	(588)	(588)
Total transactions with owners, recognised directly in equity		**-**	**-**	**-**	**(22,601)**	**(22,601)**	**(588)**	**(23,189)**
Balance as at 30 June 2021		**86,572**	**(2,845)**	**41,528**	**113,431**	**238,686**	**19,360**	**258,046**

 The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the Financial Year Ended 30 June 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Net (loss)/profit		**(11,382)**	8,057
Adjustments for:			
- Income tax (credit)/expense	9(a)	**(494)**	2,996
- Share of losses of associated companies and joint ventures		**3,049**	6,429
- Allowance for impairment of receivables		**55**	791
- Amortisation of club memberships	6	**24**	33
- Depreciation of property, plant and equipment	6	**6,420**	5,455
- Dividend income from financial assets, at FVOCI	4(a)	**(880)**	(832)
- Fair value gains on investment properties	5(b)	**(100)**	(16,393)
- Fair value loss on financial assets, at FVPL	5(b)	**-**	7,748
- Fair value loss on financial liability, at FVPL	5(b)	**547**	-
- Gain on disposal of subsidiaries	5(b)	**(827)**	-
- Write back on club memberships		**(3)**	-
- Gain on disposal of property, plant and equipment - net	5(b)	**(62)**	(522)
- Interest income	5(a)	**(224)**	(287)
- Finance expense	8	**3,749**	4,772
- Property, plant and equipment written off	6	**26**	44
Operating cash flow before working capital changes		**(102)**	18,291
Change in working capital, net of effects from disposal of subsidiaries:			
- Trade and other receivables		**(11,142)**	(27,665)
- Contract assets		**(7,359)**	(40,056)
- Contract liabilities		**5,204**	(27,284)
- Other current assets		**(6,325)**	1,331
- Development properties/properties held for sale		**57,549**	26,087
- Trade and other payables and provision for other liabilities		**26,536**	22,408
Cash generated from/(used in) operations		**64,361**	(26,888)
Income tax paid	9(b)	**(837)**	(6,130)
Net cash provided by/(used in) operating activities		**63,524**	(33,018)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

for the Financial Year Ended 30 June 2022

	Note	2022 $'000	2021 $'000
Cash flows from investing activities			
Investment in an associated company		**(343)**	(301)
Investment in financial asset, at amortised cost	15(a)	**(4,000)**	-
Dividends received from a joint venture		**-**	1,958
Dividends received from financial assets, at FVOCI	4(a)	**880**	832
Expenditure on investment property		**-**	(44,065)
Interest income received		**184**	268
Proceeds from disposal of subsidiaries, net of cash disposed	11	**51,279**	-
Proceeds from disposal of club memberships		**-**	10
Proceeds from disposal of property, plant and equipment		**499**	1,275
Purchase of financial assets, at FVOCI		**(2)**	-
Purchase of property, plant and equipment		**(2,472)**	(8,702)
Advances to joint ventures		**(3,350)**	(49)
Repayment from a joint venture		**49**	-
Net cash provided by/(used in) investing activities		**42,724**	(48,774)
Cash flows from financing activities			
Cash and cash equivalents pledged		**9**	(5)
Dividends paid	31	**(15,068)**	(22,601)
Dividends paid to non-controlling shareholders of subsidiaries		**(1,692)**	(201)
Distributions to non-controlling shareholder of a subsidiary	29	**(14,774)**	-
Bank facility fees		**(38)**	(38)
Interest paid		**(4,331)**	(5,709)
Proceeds from bank loans		**31,218**	67,294
Proceeds from financial liability, at FVPL	25(c)	**20,000**	-
Repayment of bank loans		**(97,067)**	(8,826)
Redemption of medium term note		**(40,000)**	-
Repayment of lease liabilities and hire purchase loan		**(2,261)**	(1,381)
Repayment of advance to a non-controlling shareholder of a subsidiary		**(1,107)**	-
Advance from a non-controlling shareholder of a subsidiary		**-**	1,122
Net cash (used in)/provided by financing activities		**(125,111)**	29,655
Net change in cash and cash equivalents		**(18,863)**	(52,137)
Cash and cash equivalents at beginning of financial year		**99,480**	150,433
Effect of changes in currency translation rates on cash and cash equivalents		**(1,942)**	1,184
Cash and cash equivalents at end of financial year	11	**78,675**	99,480

 The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

for the Financial Year Ended 30 June 2022

Reconciliation of liabilities arising from financing activities

	1 July 2021	Proceeds from loans	Principal and interest payments	Non-cash changes					30 June 2022
				Disposal of subsidiaries (Note 11)	Addition during the year	Fair value loss	Interest expense	Foreign exchange movement	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Borrowings									
Bank loans	182,737	31,218	(97,067)	(49,570)	-	-	18	(734)	66,602
Lease liabilities and hire purchase loan	4,526	-	(2,351)	-	1,979	-	90	(59)	4,185
Medium term notes, net of transaction costs	39,983	-	(40,000)	-	-	-	17	-	-
Financial liability, at FVPL									
Financial liability, at FVPL	-	20,000	(420)	-	-	547	420	-	20,547
Trade and other payables									
Loan interest payable	692	-	(3,821)	-	-	-	3,166	-	37
Advances from non-controlling shareholders of subsidiaries	1,122	-	(1,107)	-	-	-	-	(15)	-

	1 July 2020	Proceeds from loans	Principal and interest payments	Non-cash changes				30 June 2021
				Addition during the year	Modification of lease liability	Interest expense	Foreign exchange movement	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Borrowings								
Bank loans	124,368	67,294	(8,826)	-	-	18	(117)	182,737
Lease liabilities and hire purchase loan	4,276	-	(1,493)	1,860	(216)	112	(13)	4,526
Medium term notes, net of transaction costs	39,911	-	-	-	-	72	-	39,983
Trade and other payables								
Loan interest payable	678	-	(5,597)	-	-	5,611	-	692
Advances from non-controlling shareholders of subsidiaries	-	1,122	-	-	-	-	-	1,122

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Lum Chang Holdings Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 14 Kung Chong Road, #08-01 Lum Chang Building, Singapore 159150.

The principal activities of the Company are the holding of investments and provision of management services to the Group.

The principal activities of its subsidiaries during the financial year consist of construction, project management, property development for sale and property investment.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2021

On 1 July 2021, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group and the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in changes to the Group and the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 **Basis of preparation** (continued)

Basis of preparation – New or amended Standards and Interpretations effective for annual period 2021

The following are the new or amended Standards effective for annual periods beginning on or after 1 July 2021:

Amendments to:

- SFRS(I) 9 Financial Instruments, SFRS(I) 1-39 Financial Instruments: Recognition and Measurement and SFRS(I) 7 Financial Instruments: Disclosures (Interest Rate Benchmark Reform)

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

2.2 **Revenue recognition**

(a) Construction contracts

The Group performs construction works for customers through fixed-price contracts. Contract revenue is recognised when the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the contract. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

During the current financial year, the Group carried out a review of the method used to measure the progress of construction services taking into consideration the profile of existing ongoing contracts and determined that using proportion of contract costs incurred-to-date over the total budgeted costs would be a more appropriate method. Previously, the Group used the value of work performed relative to the total contract value as determined by surveys of work performed to measure the progress of construction services. The change in the method of measuring the progress of construction services resulted in higher revenue and higher loss before tax for the financial year ended 30 June 2022 of approximately $6,100,000 and $4,700,000 respectively.

The period between the transfer of the promised goods and payment by the customer may exceed one year. For such contracts, there is no significant financing component present as the payment terms are an industry practice to protect the customer from the Group's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 **Revenue recognition** (continued)

(a) Construction contracts (continued)

Contract modifications that add distinct goods or services at their standalone selling prices are accounted for as separate contracts. Contract modifications that add distinct goods or services but not at their standalone selling prices are accounted for as a continuation of the existing contract. The Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. Contract modification that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

The customer is invoiced on a milestone payment schedule. If the value of the goods or services transferred by the Group exceed the payments (or amounts due), a contract asset is recognised. If the payments (or amounts due) exceed the value of the goods or services transferred, a contract liability is recognised.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (e.g. SFRS(I) 2 Inventories), these have been accounted in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

(b) Development properties

Revenue and profits from development properties is recognised as disclosed in Note 2.6 "Development properties".

(c) Properties held for sale

Revenue from sale of completed properties is recognised at a point in time upon completion of the sales and purchase agreements, which essentially means that the completed properties have been delivered to the customers, the customers have accepted taking over the titles of the completed properties and collectability of the related receivables is reasonably assured.

(d) Rendering of services

Revenue from rendering of management and technical assistance fees are recognised over time when these services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition (continued)

(e) Rental income

Rental income from operating leases (net of any incentives given to the lessees) on investment properties and property, plant and equipment is recognised on a straight-line basis over the lease term.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) Interest income

Interest income is recognised using the effective interest method.

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 **Group accounting** (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions (continued)

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to Note 2.7 for the accounting policy on goodwill on acquisition of subsidiaries.

(iii) Disposals of subsidiaries or businesses

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.10 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in revenue reserve within equity attributable to the equity holders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 **Group accounting** (continued)

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Investments in associated companies and joint ventures in the consolidated balance sheet include goodwill (net of accumulated impairment loss) identified on acquisition, where applicable. Goodwill represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' and joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies or joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make or has made payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associate or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the asset transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to Note 2.10 for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses (Note 2.11).

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.8).

(b) Depreciation

Construction in progress is not depreciated. Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land	2 to 6 years
Leasehold buildings	2 to 40 years
Plant and machinery	5 to 10 years
Furniture, office equipment and fittings	2 to 5 years
Motor vehicles	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 **Property, plant and equipment** (continued)

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when 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. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within other gains/(losses).

2.5 **Properties held for sale**

Properties held for sale are those completed properties which are intended for sale in the ordinary course of business. They are stated at the lower of cost and net realisable value. Costs capitalised include cost of land and other directly related development expenditure incurred in developing the properties. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.6 **Development properties**

Development properties refer to properties developed for sale. Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete the development and selling expenses.

Revenue from sale of development properties is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer at a point in time or over time.

For development properties where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset, such as when the property is accepted by the customer, or deemed as accepted according to the contract, or when title has passed to the customer.

For development properties where the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the stage of completion of the properties.

The stage of completion is measured based on proportion of contract costs incurred-to-date over the total budgeted costs. Management has determined that this method provides a faithful depiction of the Group's performance in transferring control of the development properties to the customers.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 **Development properties** (continued)

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. Payment is typically due within two weeks. 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.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (e.g. SFRS(I) 2 Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only 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.

The period between the transfer of the promised goods and payment by the customer may exceed one year. For such contracts, the Group adjusts the promised amount of consideration for the effect of a financing component, if significant.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

2.7 **Intangible assets**

Goodwill

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to qualifying assets. This includes those costs on borrowings acquired specifically for the qualifying assets under construction, as well as those in relation to general borrowings used to finance the qualifying assets under construction.

The actual borrowing costs incurred during the period up to the completion of the qualifying assets are capitalised as part of the cost of qualifying assets. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to related expenditures that are financed by general borrowings, where applicable.

2.9 Investment properties

Investment properties of the Group include those land and buildings and portions of building that are held for long-term rental yields and/or for capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.10 Investments in subsidiaries, joint ventures and associated companies

Investments in subsidiaries, joint ventures and associated companies are carried at cost less accumulated impairment losses (Note 2.11) in the Company's balance sheet.

On disposal of such investments, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in associated company and joint venture is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Club memberships*
Property, plant and equipment
Investments in subsidiaries, associated companies and joint ventures

Club memberships, property, plant and equipment and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values (if material) plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' and the joint venture's borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

2.13 Club memberships

Club memberships are stated at cost less accumulated amortisation and accumulated impairment losses (Note 2.11). Amortisation is calculated on a straight-line basis to write off the cost of club memberships over their expected useful lives of between 10 to 86 years.

2.14 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 **Financial assets** (continued)

(a) *Classification and measurement* (continued)

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables and deposits.

There are two subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset.

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging instrument is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income are recognised in profit or loss in the period in which it arised and presented in other gains/(losses).

(ii) Equity investments

The Group subsequently measures all its equity investments at fair values. The Group's equity securities are not held for trading. The Group has elected to recognise changes in its fair value of equity securities in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/(losses)" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

(b) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, retention sum receivables and contract assets, the Group applied the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables, dividend receivables, lease receivables, interest receivables, advances to joint venture, associated company and subsidiaries and cash and cash equivalents and deposits, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 **Financial assets** (continued)

(c) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that assets is reclassified to profit or loss.

The Group has elected to recognise changes in its fair value of equity investments in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Accordingly, on disposal of its equity instruments, any differences between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.15 **Fair value estimation of financial assets and liabilities**

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques such as estimated discounted cash flows analysis, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised costs approximate their carrying amounts.

2.16 **Borrowings**

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.18 Leases

(i) When the Group and the Company are the lessees:

At the inception of the contract, the Group and the Company assessed if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- *Right-of-use*

  The Group and the Company recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets (except for those which meets the definition of an investment property) are presented within “Property, plant and equipment”.

  Right-of-use asset which meets the definition of an investment property is presented within “Investment properties” and accounted for in accordance with Note 2.9.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 **Leases** (continued)

(i) When the Group and the Company are the lessees: (continued)

- *Lease liabilities*

  The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group and the Company shall use its incremental borrowing rate.

  Lease payments include the following:

  - Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
  - Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  - Amount expected to be payable under residual value guarantees;
  - The exercise price of a purchase option if is reasonably certain to exercise the option; and
  - Payment of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

  For a contract that contains both lease and non-lease components, the Group has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

  Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

  - There is a change in future lease payments arising from changes in an index or rate;
  - There is a change in the Group and the Company's assessment of whether it will exercise an extension option; or
  - There are modifications in the scope or the consideration of the lease that was not part of the original term.

  Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- *Short-term and low value leases*

  The Group and the Company has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 **Leases** (continued)

(i) When the Group and the Company are the lessees: (continued)

- *Variable lease payments*

  Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group and the Company shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

(ii) When the Group is the lessor:

Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

Lessor - Subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

2.19 **Income taxes**

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 **Income taxes** (continued)

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss for the period, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.20 **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Employee compensation

Employee benefits are recognised as employee compensation expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.22 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the Company's functional and presentation currency.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 **Currency translation** (continued)

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.23 **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.24 **Cash and cash equivalents**

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When an entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the share capital account of the Company.

2.26 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.27 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.28 Financial liability designated at fair value through profit or loss ("FVPL")

At initial recognition, the Group measures financial liability at FVPL at its fair value. All transaction costs related to the financial liability designated as fair value through profit or loss are expensed as incurred. Movement in fair values and interest expense are recognised in profit or loss in the period in which it arose and presented in "Other gains - net" and "Finance expenses" respectively.

Financial liability designated at FVPL is a current liability unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case it is presented as non-current liability.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Construction contracts*

The Group has significant ongoing construction contracts for civil and building works carried out by a subsidiary and the revenue recognised for the financial year ended 30 June 2022 amounted to $321,669,000 (2021: $256,550,000). For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the civil and building works.

Significant assumptions and judgements are required to estimate the total construction revenue, variation or claims, provision for liquidated damages, total construction costs that will affect the profit margins recognised from the construction contracts. In making these estimates and judgements, management evaluates and places reliance on past experience, contractual obligations, estimates from quantity surveyors and value of work performed as determined by the architects.

The supply chain and labour issues arising from the effects of the pandemic and the volatility of the geoeconomics and geopolitical climate had impacted the ongoing construction contracts of the Group. While there had been greater construction activities in the current financial year, the progress was still affected by disruptions in the supply chain, a tight labour supply and Safe Management Measures. These factors have resulted in additional costs (associated with project resumption, prolongation and acceleration) to complete the projects, and project delays beyond the contracted dates of completion.

The Group has considered the market conditions as at 30 June 2022 in making estimates and judgements on the recoverability of assets and provision of liabilities as at that date. As at the date these financial statements are authorised for issuance, the Group continues to face challenges arising from the effects of the pandemic and the volatility of the geoeconomics and geopolitical climate. Further resumption, prolongation and acceleration costs may be incurred if the COVID-19 situation and Russia-Ukraine conflict persist beyond management's current expectations. Such cost estimation would be revised in the accounting periods where the changes in circumstances arise. Accordingly, the Group cannot reasonably ascertain the full extent of the probable impact arising from these challenges.

If the contract sum relating to uncompleted contracts at balance sheet date had decreased by 1%, the Group's revenue would have been lower by $8,846,000, gross profit would have been lower by $14,119,000 and loss before income tax would have been higher by approximately $14,119,000.

If the estimated costs to completion relating to uncompleted contracts at balance sheet date had increased by 1%, the Group's gross profit would have been lower by approximately $8,206,000 and loss before income tax would have been higher by approximately $8,206,000.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(b) *Valuation of investment properties*

Investment properties (Note 21) are stated at fair value based on independent valuation by external valuers. The fair values are based on highest and best use basis. The external valuers have considered valuation techniques including the direct market comparison method and discounted cash flow method where appropriate (Note 21). The fair value of investment properties as at 30 June 2022 amounts to approximately $19,286,000 (2021: $119,833,000).

Please refer to Note 21(d) for further disclosure on the significant inputs used in the fair valuation of these properties.

(c) *Fair value of financial assets, at FVOCI*

As at 30 June 2022, the Group has financial assets, at FVOCI amounting to $21,241,000 (2021: $23,953,000). These financial assets, at FVOCI relate to investments in unlisted equity instruments, with details set out in Note 15(b). The fair values of these investments have been measured based on the valuation techniques described in Note 34(e). If the adjustment for lack of control and marketability of the unlisted shares measured using the adjusted net assets value method were to increase or decrease by 5%, the net assets of the Group will decrease or increase by $1,496,000.

4. REVENUE

(a) Disaggregation of revenue

	Group		
2022	**At a point in time $'000**	**Over time $'000**	**Total $'000**
Revenue from construction contracts			
- Non-related parties	**-**	**334,658**	**334,658**
Revenue from sale of properties			
- Related party*	**-**	**780**	**780**
- Non-related parties	**43,242**	**34,926**	**78,168**
Management and technical assistance fees from			
- Non-related parties	**-**	**289**	**289**
- Joint ventures	**-**	**198**	**198**
Total revenue from contracts with customer	**43,242**	**370,851**	**414,093**
Rental income			**1,817**
Dividend income from financial assets, at FVOCI			**880**
Total revenue			**416,790**

	Group		
2021	**At a point in time $'000**	**Over time $'000**	**Total $'000**
Revenue from construction contracts			
- Non-related parties	-	270,095	270,095
- Joint venture	-	1,810	1,810
Revenue from sale of properties			
- Related party*	-	7,470	7,470
- Non-related parties	3,800	39,581	43,381
Management and technical assistance fees from			
- Related party*	-	29	29
- Non-related parties	-	288	288
- Joint ventures	-	198	198
Total revenue from contracts with customer	3,800	319,471	323,271
Rental income			1,518
Dividend income from financial assets, at FVOCI			832
Total revenue			325,621

* Related party refers to an associate of a director and a controlling shareholder of the Company.

4. REVENUE (CONTINUED)

(b) Contract assets and liabilities

	Group		
	30 June 2022 $'000	**30 June 2021 $'000**	**1 July 2020 $'000**
Contract assets			
- Construction and renovation contracts	**46,171**	31,044	6,334
- Development properties	**17,965**	25,733	10,387
	64,136	56,777	16,721
Contract liabilities			
- Construction and renovation contracts	**6,330**	1,125	28,409

Contract assets relate to fixed price contracts for construction and renovation contracts and development properties. The contract assets balance in relation to construction and renovation contracts increased as the Group provided more goods and services ahead of the agreed payment schedules. The contract assets balance for development properties decreased as the Group provided less goods and services ahead of the agreed payment schedules.

Contract liabilities for construction and renovation contracts have increased due to more contracts in which the Group has received consideration (or the amounts are due) ahead of the provision of goods and services.

(i) Revenue recognised in relation to contract liabilities

	Group	
	2022 $'000	**2021 $'000**
Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the period		
- Construction and renovation contracts	**1,125**	28,409
Revenue recognised in current period from performance obligations satisfied in previous periods		
- Construction and renovation contracts	**6,120**	11,554

4. REVENUE (CONTINUED)

(b) Contract assets and liabilities (continued)

(ii) Unsatisfied performance obligations

	Group	
	2022	2021
	$'000	$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 30 June		
- Construction and renovation contracts	**1,503,912**	1,802,624
- Development properties	**-**	5,552
	1,503,912	1,808,176

Management expects that the transaction price allocated to unsatisfied performance obligations as at 30 June 2022 and 2021 may be recognised as revenue in the next reporting periods as the Group continues to perform to complete the contracts over the next one to six years (2021: one to seven years).

The amount disclosed above does not include variable consideration which is subject to significant risk of reversal. As permitted under SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of period one year or less, or are billed based on time incurred, is not disclosed.

(c) Trade receivables and retention sum receivables from contracts with customers

		Group	
	30 June 2022	30 June 2021	1 July 2020
	$'000	$'000	$'000
Current assets			
Trade receivables	**34,472**	30,084	7,156
Retention sum receivables	**9,007**	16,739	8,997
	43,479	46,823	16,153
Non-current assets			
Retention sum receivables	**26,684**	13,241	13,665
Trade receivables from contracts with customers	**70,163**	60,064	29,818
Less: Loss allowances	**(139)**	(152)	(152)
	70,024	59,912	29,666

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2022

5(a). OTHER INCOME

	Group 2022 $'000	Group 2021 $'000
Interest income		
- Bank deposits	**168**	265
- Others	**56**	22
	224	287
Government grants – Construction Engineering Capability Development Programme	**214**	369
Government grants – Jobs Support Scheme	**303**	4,867
Government grants – Foreign Worker Levy Rebates	**1,161**	663
Government grants – COVID-Safe Firm-Based Support	**-**	734
Government grants – others	**964**	246
Maintenance fees from development properties	**610**	603
Other service income	**544**	-
Others – net	**295**	127
	4,315	7,896

The Construction Engineering Capability Development Programme ("CED Programme") is an incentive from the Building and Construction Authority ("BCA") for main contractors taking on complex construction projects. The scheme provides financial incentives for manpower development, engineering capability development and construction financing.

Grant income of $303,000 (2021: $4,867,000) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in Singapore Budget 2021 and 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.

Foreign Worker Levy Rebates is a scheme to help enterprises retain foreign workers who are unable to work due to the circuit breaker measures.

The COVID-Safe Firm-Based Support was a one-off support provided by the Singapore government during the financial year 30 June 2021 to help with the additional costs incurred by firms employing construction workers to comply with COVID-Safe requirements such as provision of Personal Protective Equipment and masks for workers, and individually packed meals.

5(b). OTHER GAINS - NET

	Group 2022 $'000	Group 2021 $'000
Allowance for impairment of receivables	**(55)**	(791)
Currency translation gains – net	**80**	13
Currency translation gains/(losses) – reclassification from Other Comprehensive Income	**798**	(86)
Fair value gains on investment properties (Note 21)	**100**	16,393
Fair value loss on financial asset, at FVPL [Note 15(c)]	**-**	(7,748)
Fair value loss on financial liability, at FVPL [Note 25(c)]	**(547)**	-
Gain on disposal of subsidiaries (Note 11)	**827**	-
Gain on disposal of property, plant and equipment – net	**62**	522
	1,265	8,303

6. EXPENSES BY NATURE

	Group 2022 $'000	Group 2021 $'000
Subcontractor and other construction costs	**358,724**	257,704
Depreciation of property, plant and equipment (Note 22)	**6,420**	5,455
Employee compensation (Note 7)	**52,169**	48,069
Directors' fees	**377**	377
Auditors' fees:		
Fees on audit services paid/payable to:		
- Auditor of the Company	**433**	398
- Other auditors	**34**	60
Fees on non-audit services paid/payable to:		
- Auditor of the Company	**49**	38
- Other auditors	**23**	9
Legal and professional fees	**853**	977
Rental expenses	**112**	96
Amortisation of club memberships	**24**	33
Property, plant and equipment written off	**26**	44
Others	**8,204**	6,306
Total cost of sales, distribution and marketing, and administrative and general expenses	**427,448**	319,566

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2022

7. EMPLOYEE COMPENSATION

	Group	
	2022	**2021**
	$'000	**$'000**
Wages and salaries	**48,265**	44,186
Employer's contribution to defined contribution plans including Central Provident Fund	**3,439**	3,170
Other benefits	**465**	713
Staff costs recognised in profit or loss (Note 6)	**52,169**	48,069

Key management remuneration is disclosed in Note 35(b).

8. FINANCE EXPENSES

	Group	
	2022	**2021**
	$'000	**$'000**
Interest expense:		
- Bank and other borrowings	**2,606**	2,843
- Lease liabilities	**75**	92
- Hire purchase loan	**15**	20
- Medium term notes	**559**	2,301
- Financial liability, at FVPL [Note 25(c)]	**420**	-
- Others	**36**	90
	3,711	5,346
Bank facility fees	**38**	505
Less: interest expense capitalised in investment property	**-**	(1,079)
Finance expenses recognised in profit or loss	**3,749**	4,772

9. INCOME TAXES

(a) **Income tax (credit)/expense**

	Group	
	2022	**2021**
	$'000	**$'000**
Tax (credit)/expense attributable to (loss)/profit is made up of:		
Current income tax		
- Singapore	**1,428**	1,461
- Foreign	**50**	139
	1,478	1,600
Deferred income tax	**(1,755)**	1,526
	(277)	3,126
Over provision in prior financial years		
- Current income tax	**(217)**	(125)
- Deferred income tax	**-**	(5)
	(217)	(130)
	(494)	2,996

The tax on the Group's (loss)/profit before tax differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	Group	
	2022	**2021**
	$'000	**$'000**
(Loss)/profit before income tax	**(11,876)**	11,053
Share of losses of associated companies and joint ventures	**3,049**	6,429
	(8,827)	17,482
Tax calculated at tax rate of 17% (2021: 17%)	**(1,501)**	2,972
Effects of:		
- Statutory stepped income exemption	**(42)**	(38)
- Different tax rates in other countries	**272**	348
- Tax incentives	**(157)**	(114)
- Income not subject to tax	**(788)**	(4,190)
- Expenses not deductible for tax purposes	**3,086**	4,111
- Recognition of previously unrecognised deferred tax assets	**(965)**	(268)
- Deferred tax assets not recognised	**(77)**	151
- Others	**(105)**	154
- Over provision of tax	**(217)**	(130)
	(494)	2,996

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2022

9. INCOME TAXES (CONTINUED)

(b) **Movement in current income tax liabilities, net of tax recoverable**

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Beginning of financial year	**807**	5,466	**198**	266
Currency translation differences	**2**	(4)	**-**	-
Income tax (paid)/refund	**(837)**	(6,130)	**72**	(126)
Tax expense	**1,478**	1,600	**160**	198
Over provision in prior financial years	**(217)**	(125)	**(270)**	(140)
End of financial year	**1,233**	807	**160**	198
Representing:				
Current income tax liabilities	**1,428**	1,051	**160**	198
Tax recoverable	**(195)**	(244)	**-**	-
	1,233	807	**160**	198

(c) **Deferred income taxes**

The movement in deferred income tax (assets)/liabilities account is as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Beginning of financial year	**(4,459)**	(5,996)	**-**	-
Currency translation differences	**46**	16	**-**	-
(Credited)/charged to profit or loss	**(1,755)**	1,526	**-**	-
Over provision in prior financial years	**-**	(5)	**-**	-
End of financial year	**(6,168)**	(4,459)	**-**	-

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

9. INCOME TAXES (CONTINUED)

(c) **Deferred income taxes** (continued)

The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax assets	**(6,391)**	(4,598)	**-**	-
Deferred tax liabilities	**223**	139	**-**	-
Net deferred tax assets	**(6,168)**	(4,459)	**-**	-

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Deferred income tax liabilities

	Accelerated tax depreciation	**Others**	**Lease assets**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Group				
30 June 2022				
Beginning of financial year	859	-	749	1,608
Charged/(credited) to profit or loss	461	-	(144)	317
End of financial year	**1,320**	**-**	**605**	**1,925**
30 June 2021				
Beginning of financial year	9	87	791	887
Charged/(credited) to profit or loss	850	(87)	(42)	721
End of financial year	859	-	749	1,608

9. INCOME TAXES (CONTINUED)

(c) **Deferred income taxes** (continued)

Deferred income tax assets

	Expenditure on sale of development properties $'000	Tax losses $'000	Provisions $'000	Others $'000	Lease liabilities $'000	Total $'000
Group						
30 June 2022						
Beginning of financial year	(1,201)	(1,938)	(2,215)	-	(713)	(6,067)
Currency translation differences	36	4	6	-	-	46
(Credited)/charged to profit or loss	(273)	1,713	(3,659)	-	147	(2,072)
End of financial year	**(1,438)**	**(221)**	**(5,868)**	**-**	**(566)**	**(8,093)**
30 June 2021						
Beginning of financial year	(1,725)	(1,791)	(2,554)	(22)	(791)	(6,883)
Currency translation differences	11	3	2	-	-	16
Charged/(credited) to profit or loss	513	(150)	337	22	78	800
End of financial year	(1,201)	(1,938)	(2,215)	-	(713)	(6,067)

Deferred income tax assets are recognised for temporary differences to the extent that realisation of the related income tax benefits through future taxable profits is probable.

Deferred income tax assets have not been recognised on the following temporary differences:

	Group 2022 $'000	Group 2021 $'000
Unutilised tax losses	**27,356**	33,174
Unabsorbed capital allowances	**127**	130
	27,483	33,304

The unrecognised unutilised tax losses and unabsorbed capital allowances of the companies within the Group can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies in their respective countries of incorporation. These unrecognised tax losses do not have any expiry dates, except for tax losses amounting to $1,724,000 (2021: $1,601,000) which can be carried forward for a period of ten years subsequent to the year of the loss. The unabsorbed capital allowances have no expiry dates.

10. (LOSS)/EARNINGS PER SHARE

	Group	
	2022	**2021**
Net (loss)/profit attributable to equity holders of the Company ($'000)	**(10,828)**	2,973
Weighted average number of ordinary shares in issue for basic earnings per share ('000) for diluted earnings per share ('000)	**376,688**	376,688
(Loss)/earnings per share (in cents per share)		
- Basic	**(2.87)**	0.79
- Diluted	**(2.87)**	0.79

Basic (loss)/earnings per share is calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

For the purpose of calculating diluted (loss)/earnings per share, the net (loss)/profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. There are no potential dilutive ordinary shares as at 30 June 2022 and 30 June 2021.

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and on hand	**66,858**	97,659	**16,563**	15,416
Short-term bank deposits	**12,406**	2,419	**11,524**	2
	79,264	100,078	**28,087**	15,418

Included in cash and cash equivalents of the Group is an amount of approximately $7,847,000 (2021: $166,000) held under the Malaysia Housing Developers (Control and Licensing) Act 1966 and an amount of approximately $2,532,000 (2021: $12,315,000) held under the Singapore Housing Developers (Project Account) Rules (1997 Ed.), withdrawals from which are restricted to payments for expenditure incurred on the project.

As at 30 June 2022, short-term bank deposits of $589,000 (2021: $598,000) were pledged as security for bank facilities.

11. CASH AND CASH EQUIVALENTS (CONTINUED)

For the purposes of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group 2022 $'000	Group 2021 $'000
Cash and bank balances (as above)	**79,264**	100,078
Less: Cash and cash equivalents pledged	**(589)**	(598)
Cash and cash equivalents per consolidated statement of cash flows	**78,675**	99,480

Disposal of subsidiaries

During the financial year ended 30 June 2022, the Group disposed its subsidiaries that owned a freehold property in the United Kingdom to a third party. The effects of the disposal on the cash flows of the Group were:

	Group At 21 October 2021 $'000
Carrying amounts of assets and liabilities as at the date of disposal:	
Cash and cash equivalents	301
Investment property	97,483
Trade and other receivables	3,070
Total assets	100,854
Trade and other payables	1,378
Borrowings	49,570
Total liabilities	50,948
Net assets disposed of	49,906
Cash inflows arising from disposal:	
Net assets disposed of (as above)	49,906
Reclassification of currency translation reserve	847
	50,753
Gain on disposal [Note 5(b)]	827
Cash proceeds on disposal (Note 21)	51,580
Less: Cash and cash equivalents in subsidiaries disposed of	(301)
Net cash inflow on disposal as reflected in the consolidated statement of cash flows	51,279

12. TRADE AND OTHER RECEIVABLES

(a) **Current**

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Trade receivables				
- Non-related parties	**34,593**	30,025	**-**	-
- Related party*	**-**	4	**-**	-
- Joint venture and associated companies	**38**	178	**-**	-
	34,631	30,207	**-**	-
Less: Allowance for impairment of receivables				
- Non-related parties	**(139)**	(152)	**-**	-
Trade receivables - net	**34,492**	30,055	**-**	-
Construction contracts				
Retention sum receivables				
- Non-related parties	**9,007**	14,595	**-**	-
- Joint venture	**-**	2,144	**-**	-
Advances to subsidiaries (i)	**-**	-	**60,489**	91,821
Less: Allowance for impairment	**-**	-	**(10,586)**	(38,410)
	-	-	**49,903**	53,411
Interest receivable	**6**	2	**-**	-
Dividend receivable	**-**	-	**-**	929
Lease receivables (Note 24)	**182**	484	**-**	-
Other receivables	**1,334**	2,159	**41**	85
Advances to a joint venture (ii)	**802**	834	**-**	-
Less: Allowance for impairment	**(802)**	(786)	**-**	-
	-	48	**-**	-
	45,021	49,487	**49,944**	54,425

* Related party refers to associate of a director and a controlling shareholder of the Company.

(i) The advances to subsidiaries are unsecured, repayable on demand and interest-free.

Included in the advances to subsidiaries is an amount of $5,755,000 (2021: $5,755,000) that has been subordinated to a bank loan of a subsidiary.

(ii) The advances to a joint venture are unsecured. An advance amounting to $651,000 (2021: $671,000) bears interest at 8% per annum and is repayable on demand. The remaining advance of $151,000 (2021: $163,000) is interest-free and repayable on demand.

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) **Non-current**

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Construction contracts				
Retention sum receivables				
- Non-related parties	**26,684**	13,241	**-**	-
Advances to a joint venture (i)	**76,350**	73,000	**-**	-
Other receivables	**799**	41	**-**	-
Lease receivables (Note 24)	**-**	206	**-**	-
Advances to subsidiaries (ii)	**-**	-	**132,457**	130,012
Advances to an associated company (iii)	**106**	106	**-**	-
	103,939	86,594	**132,457**	130,012

(i) The advances to a joint venture of $76,350,000 (2021: $73,000,000) are unsecured, interest-free and have no fixed terms of repayment and forms part of the Group's investment in the joint venture. Settlement of these advances is neither planned nor likely to occur in the foreseeable future.

(ii) The advances to subsidiaries amounting to $132,457,000 (2021: $130,012,000) are unsecured, interest-free and have no fixed terms of repayment and form part of the Company's investments in subsidiaries. Settlement of these advances is neither planned nor likely to occur in the foreseeable future.

(iii) The advances to an associated company amounting to $106,000 (2021: $106,000) are unsecured, interest-free and have no fixed terms of repayment. Settlement of these advances is neither planned nor likely to occur in the foreseeable future.

(c) The fair values of the non-current trade and other receivables of the Group approximate their carrying amounts as at the balance sheet date.

13. PROPERTIES HELD FOR SALE

	Group	
	2022	2021
	$'000	$'000
Properties held for sale – at cost	**15,918**	1,352

Details of the properties completed and held for sale are as follows:

Location	Description of development	Tenure/Group's interest in property	Site area sq.m.	Estimated gross floor area sq.m.
2 parcels of land at Lot No. 990 and 1308 Mukim Cheras, Daerah Hulu Langat, State of Selangor, Malaysia	Residential development	Freehold/100%	2,264	1,883
One Tree Hill Collection, Singapore	Residential development	Freehold/100%	419	870

These properties are pledged to banks as securities for borrowings of the Group (Note 26).

14. DEVELOPMENT PROPERTIES

	Group	
	2022	2021
	$'000	$'000
Properties under construction	**21,463**	94,648

Details of the development properties as of 30 June 2022 are as follows:

Location	Description of development	Tenure/Group's interest in property	Site area sq.m.	Stage of completion/ Expected year of completion
2 parcels of land at Lot No. 990 and 1308 Mukim Cheras, Daerah Hulu Langat, State of Selangor, Malaysia	Residential development	Freehold/100%	81,775	24%/2026

The development properties are pledged to banks as securities for borrowings of the Group (Note 26).

15. OTHER FINANCIAL ASSETS

	Group	
	2022	2021
	$'000	$'000
Current		
Financial asset, at amortised cost	**4,000**	-
Non-current		
Financial assets, at FVOCI	**21,241**	23,953
Financial asset, at FVPL	**-**	-
	21,241	23,953

(a) **Financial asset, at amortised cost**

	Group	
	2022	2021
	$'000	$'000
Beginning of financial year	**-**	-
Additions	**4,000**	-
End of financial year	**4,000**	-

Financial asset, at amortised cost relates to investment in short-term commercial paper issued by a listed entity.

15. OTHER FINANCIAL ASSETS (CONTINUED)

(b) Financial assets, at FVOCI

	Group	
	2022	**2021**
	$'000	**$'000**
Beginning of financial year	**23,953**	25,146
Addition	**2**	-
Fair value losses [Note 28(d)]	**(2,714)**	(1,193)
End of financial year	**21,241**	23,953
Unlisted equity investments		
At fair value		
- Singapore*	**19,616**	21,816
- British Virgin Islands	**1,625**	2,137
	21,241	23,953

* Mainly relates to investment in a Singapore incorporated entity which holds an investment in a China entity listed on the Shanghai Stock Exchange.

(c) Financial asset, at FVPL

	Group	
	2022	**2021**
	$'000	**$'000**
Beginning of financial year	**-**	8,063
Fair value loss [Note 5(b)]	**-**	(7,748)
Currency translation differences	**-**	(315)
End of financial year	**-**	-

The instrument is mandatorily measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2022

16. OTHER ASSETS

(a) **Current**

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Deposits	**1,150**	1,461	**3**	124
Advances to subcontractors	**12,865**	3,750	**-**	-
Deposits in Escrow account (i)	**-**	482	**-**	-
Prepayments	**183**	353	**-**	-
	14,198	6,046	**3**	124

(i) The deposits in Escrow account as at 30 June 2021 was set aside for the payment of redevelopment costs for the Group's investment property located in the United Kingdom.

(b) **Non-current**

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Deposits	**374**	364	**126**	-
Advances to subcontractors	**-**	3,143	**-**	-
Prepayments	**466**	647	**-**	-
	840	4,154	**126**	-

17. CLUB MEMBERSHIPS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Cost				
Beginning of financial year	**1,202**	1,239	**970**	970
Disposals	**(102)**	(37)	**(102)**	-
End of financial year	**1,100**	1,202	**868**	970
Accumulated amortisation				
Beginning of financial year	**799**	775	**636**	611
Amortisation charge	**24**	33	**17**	25
Disposals	**(102)**	(9)	**(102)**	-
End of financial year	**721**	799	**551**	636
Accumulated impairment				
Beginning of financial year	**94**	112	**9**	9
Impairment charge	**(3)**	-	**(3)**	-
Disposals	**-**	(18)	**-**	-
End of financial year	**91**	94	**6**	9
Net book value	**288**	309	**311**	325

18. INVESTMENTS IN JOINT VENTURES

Set out below are the joint ventures of the Group as at 30 June 2022, which, in the opinion of the directors, are material to the Group. The joint ventures as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

Name	Principal activities	Place of incorporation and business	Effective equity interest held by Group	
			2022	2021
			%	%
Held by subsidiaries				
Dorado Holdings Pte Ltd and its subsidiaries ("Dorado Group")	Property investment	Singapore	**50**	50
Lum Chang Tien Wah Property Sdn Bhd	Property development	Malaysia	**50**	50

The Group has $19,800,900 (2021: $20,405,700) of commitments to provide funding if called, relating to its joint venture. There are no contingent liabilities relating to the Group's interest in the joint venture.

18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised financial information for joint ventures

Set out below is the summarised financial information for Dorado Group and Lum Chang Tien Wah Property Sdn Bhd.

Summarised balance sheet

	Dorado Group $'000	Lum Chang Tien Wah Property Sdn Bhd $'000
As at 30 June 2022		
Current assets	15,507	426
Includes:		
- Cash and cash equivalents	13,243	55
Current liabilities	(8,322)	(102)
Includes:		
- Financial liabilities (excluding trade and other payables and provisions)	(5,000)	(14)
Non-current assets	422,324	24,017
Non-current liabilities	(412,802)	(7)
Includes:		
- Financial liabilities (excluding trade and other payables and provisions)	(249,587)	(7)
Net assets	16,707	24,334

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 30 June 2022

18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised balance sheet (continued)

	Dorado Group $'000	Lum Chang Tien Wah Property Sdn Bhd $'000
As at 30 June 2021		
Current assets	12,614	504
Includes:		
- Cash and cash equivalents	7,403	13
Current liabilities	(260,617)	(295)
Includes:		
- Financial liabilities (excluding trade and other payables and provisions)	(253,234)	(293)
Non-current assets	427,898	24,804
Non-current liabilities	(156,263)	(6)
Includes:		
- Financial liabilities (excluding trade and other payables and provisions)	-	(6)
Net assets	23,632	25,007

18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised statement of comprehensive income

	Dorado Group $'000	Lum Chang Tien Wah Property Sdn Bhd $'000
For the year ended 30 June 2022		
Revenue	12,812	-
Other gains/(losses)	931	(50)
Other income	228	325
Interest income	9	-
Expenses	(20,591)	(116)
Includes:		
- Depreciation	(5,655)	(11)
- Interest expense	(5,507)	(1)
(Loss)/profit from continuing operations	(6,611)	159
Income tax expense	(314)	(89)
Post-tax (loss)/profit from continuing operations/ total comprehensive (loss)/income	(6,925)	70
Dividends received from joint ventures	-	-

18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised statement of comprehensive income (continued)

	Dorado Group $'000	Lum Chang Tien Wah Property Sdn Bhd $'000
For the year ended 30 June 2021		
Revenue	11,853	-
Other (losses)/gains	(6,987)	2,447
Other income	1,205	321
Interest income	8	-
Expenses	(21,739)	(135)
Includes:		
- Depreciation	(6,067)	(14)
- Interest expense	(4,988)	(1)
(Loss)/profit from continuing operations	(15,660)	2,633
Income tax (expense)/credit	(1,051)	1
Post-tax (loss)/profit from continuing operations/ total comprehensive (loss)/income	(16,711)	2,634
Dividends received from joint ventures	-	-

The information above reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint ventures and other adjustments arising from application of equity accounting.

18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table summarises, in aggregate, the Group's share of loss and other comprehensive loss of the Group's individually immaterial joint ventures accounted for using the equity method:

	2022	2021
	$'000	$'000
Net loss	**36**	10
Total comprehensive loss	**36**	10

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in joint ventures, is as follows:

	Dorado Group	**Lum Chang Tien Wah Property Sdn Bhd**	**Total**
	$'000	**$'000**	**$'000**
As at 30 June 2022			
Net Assets	**16,707**	**24,334**	**41,041**
Interest in joint ventures (50%)	**8,354**	**12,167**	**20,521**
Carrying value of individually immaterial joint ventures			**548**
Carrying value of Group's interest in joint ventures			**21,069**
As at 30 June 2021			
Net Assets	23,632	25,007	48,639
Interest in joint ventures (50%)	11,816	12,503	24,319
Carrying value of individually immaterial joint ventures			613
Carrying value of Group's interest in joint ventures			24,932

19. INVESTMENTS IN ASSOCIATED COMPANIES

Set out below is an associated company of the Group as at 30 June 2022, which, in the opinion of the directors, is material to the Group. The associated company as listed below has share capital consisting solely of ordinary shares, which is held directly by the Group.

Name	Principal activities	Place of incorporation and business	Effective equity interest held by Group	
			2022	**2021**
			%	**%**
Held by subsidiaries				
Unquoted equity shares				
PT Super Makmur Sejahtera*	Property development	Indonesia	**25#**	25#

* Audited by other firm of auditors.

The other 75% shareholding interests is held by a related party [Note 35(c)].

PT Super Makmur Sejahtera owns parcels of land aggregating approximately 863,000 (2021: 740,000) square meters located in Bintan, Indonesia.

There are no contingent liabilities and commitments relating to the Group's interest in the associated companies.

Summarised financial information for associated companies

Set out below are the summarised financial information for PT Super Makmur Sejahtera.

Summarised balance sheet

	PT Super Makmur Sejahtera As at 30 June	
	2022	**2021**
	$'000	**$'000**
Current assets	**8**	74
Current liabilities	**(66)**	(7)
Non-current assets	**23,706**	20,094
Net assets	**23,648**	20,161

19. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Summarised statement of comprehensive income

	PT Super Makmur Sejahtera For the year ended 30 June	
	2022	**2021**
	$'000	**$'000**
Interest income	**1**	2
Other gain	**1,906**	2,841
Expenses	**(46)**	(35)
Profit from continuing operations	**1,861**	2,808
Income tax expense	**-**	-
Post-tax profit from continuing operations/ total comprehensive income	**1,861**	2,808
Dividends received from associated company	**-**	-

The information above reflects the amounts presented in the financial statements of the associated company (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated company.

The following table summarises, in aggregate, the Group's share of loss and other comprehensive loss of the Group's individually immaterial associated companies accounted for using the equity method:

	2022	**2021**
	$'000	**$'000**
Loss from continuing operations	**(24)**	(47)
Other comprehensive income	**-**	22
Total comprehensive loss	**(24)**	(25)

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2022

19. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in associated companies, is as follows:

	PT Super Makmur Sejahtera As at 30 June	
	2022	**2021**
	$'000	**$'000**
Net Assets	**23,648**	20,161
Group's equity interest	**25%**	25%
Group's share of net assets	**5,912**	5,040
Add:		
Carrying value of individually immaterial associated companies, in aggregate	**558**	582
Carrying value of Group's interest in associated companies	**6,470**	5,622

20. INVESTMENTS IN SUBSIDIARIES

	2022	**2021**
	$'000	**$'000**
Equity investment at cost		
Beginning of the financial year	**98,518**	98,518
Additions	**33,206**	-
Return of capital by subsidiaries	**(38,954)**	-
Liquidation of a subsidiary	**(55)**	-
	92,715	98,518
Less: Allowance for impairment losses	**(56,887)**	(26,207)
	35,828	72,311

During the financial year ended 30 June 2022, the Company increased its investment in a subsidiary, Lum Chang Corporation Pte Ltd, by way of capitalisation of amounts due from the subsidiary.

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The movement in allowance for impairment losses is as follows:

	2022 $'000	2021 $'000
Beginning of financial year	**26,207**	26,351
Allowance for/(write-back of) impairment losses	**30,680**	(144)
End of financial year	**56,887**	26,207

Details of subsidiaries are provided in Note 40.

Summarised financial information of subsidiaries with non-controlling interests

The non-controlling interests of the Group amounted to $2,188,000 (2021: $19,360,000) as at 30 June 2022 and is disclosed in Note 29 to the financial statements. In the opinion of the directors, none of the subsidiaries that has non-controlling interests at 30 June 2022, is material to the Group.

At 30 June 2021, Wembley Properties Pte Ltd, a subsidiary has non-controlling interests which amounted to $17,857,000 and the summarised financial information for the financial year ended 30 June 2021 are set out below and presented before inter-company eliminations. During the financial year ended 30 June 2022, following the disposal of subsidiaries by Wembley Properties Pte Ltd, the non-controlling interests amounted to $1,051,000 at 30 June 2022.

Summarised balance sheet

	Wembley Properties Pte Ltd and its subsidiaries $'000
As at 30 June 2021	
Current	
Assets	17,180
Liabilities	(8,791)
Total current net assets	8,389
Non-current	
Assets	98,138
Liabilities	(47,005)
Total non-current net assets	51,133
Net assets	59,522
Non-controlling interests' share of net assets in subsidiaries (30%)	17,857

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2022

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Summarised income statement

	Wembley Properties Pte Ltd and its subsidiaries $'000
For the year ended 30 June 2021	
Revenue	-
Profit before income tax	15,643
Income tax expense	-
Profit after income tax	15,643
Other comprehensive income	4,035
Total comprehensive income	19,678
Total comprehensive income allocated to non-controlling interests	5,903
Dividends paid to non-controlling interests	-

Summarised cash flows

	Wembley Properties Pte Ltd and its subsidiaries $'000
For the year ended 30 June 2021	
Cash flows from operating activities	
Cash generated from operations	1,344
Income tax paid	-
Net cash generated from operating activities	1,344
Net cash used in investing activities	(46,061)
Net cash provided by financing activities	50,744
Net increase in cash and cash equivalents	6,027
Cash and cash equivalents at beginning of year	10,046
Cash and cash equivalents at end of year	**16,073**

21. INVESTMENT PROPERTIES

	Group	
	2022	**2021**
	$'000	**$'000**
Beginning of financial year	**119,833**	58,316
(Reversal)/capitalisation of expenditure for development of investment property	**(67)**	46,075
Reclassification to property, plant and equipment	**(2,509)**	(5,512)
Disposal of investment property (Note 11)	**(97,483)**	-
Fair value gains recognised in profit or loss [Note 5(b)]	**100**	16,393
Currency translation differences	**(588)**	4,561
End of financial year	**19,286**	119,833

During the financial year, the Group fully disposed its investment property in the United Kingdom via disposal of its investment in the subsidiaries for a net cash consideration of $51,580,000 (net of expenses incurred and borrowings). The carrying value of the investment property disposed is $97,483,000. The Group's gain on disposal of the investment in subsidiaries after accounting for related transaction costs amounted to $827,000 [Note 5(b)].

(a) At the balance sheet date, the investment properties of the Group are leased out for rental income as stated:

Located in Singapore:

	Description/Existing use	**Tenure of land**
8 Kim Tian Road	Ground floor shop unit	9,999-year lease from 1960
14 Kung Chong Road	Light industrial building*	99-year lease from 1954

* A portion of the building which is designated to house the Group's corporate offices is classified as property, plant and equipment.

21. INVESTMENT PROPERTIES (CONTINUED)

(b) At 30 June 2022, an investment property with total carrying value of $15,686,000 (2021: investment properties with total carrying value of $116,333,000) is charged by way of mortgage in favour of a bank for a bank loan as disclosed in Note 26 to the financial statements. In addition, the sales, rental proceeds and insurance policies relating to an investment property are assigned to a bank for a bank loan (Note 26).

(c) The following amounts are derived from investment properties and recognised in profit or loss:

	Group	
	2022	**2021**
	$'000	**$'000**
Rental income	**1,078**	995
Fair value gains recognised in profit or loss	**100**	16,393
Direct operating expenses arising from:		
- Investment properties that generated rental income	**(813)**	(922)
- Investment properties that did not generate rental income	**-**	(64)

(d) Fair value hierarchy

Description	**Fair value measurements using significant unobservable inputs (Level 3) $'000**
Recurring fair value measurements	
30 June 2022	
Singapore:	
- Commercial properties	**19,286**
Recurring fair value measurements	
30 June 2021	
Singapore:	
- Commercial properties	21,695
United Kingdom:	
- Commercial properties	98,138

21. INVESTMENT PROPERTIES (CONTINUED)

(d) Fair value hierarchy (continued)

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties annually based on the properties' highest and best use.

Changes in Level 3 fair values as assessed at each reporting date by the external valuers are reviewed by the directors.

Valuation techniques used to derive Level 3 fair values

Level 3 fair values of the Group's investment properties have been generally derived using one or more of the following valuation approaches:

(i) the Direct Market Comparison Method where properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with necessary adjustments made for differences in location, tenure, size, design, layout, age and condition of the buildings, availability of car parking facilities, dates of transactions and the prevailing market conditions. The most significant inputs to the valuation approach would be the adopted value per square meter.

(ii) the Discounted Cash Flow Method where the net operating income over a period is discounted to arrive at a present value of expected future cash flows. The most significant inputs to the valuation approach would be the discount rate and the capitalisation rate.

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy at 30 June 2022:

Fair value at 30 June 2022 ('000)	Valuation technique(s)	Unobservable inputs*	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Commercial properties in Singapore				
$19,286 (2021: $21,695)	Direct Market Comparison Method	Adopted value per square meter of gross floor area	$6,620 to $28,800 per sq.m. (2021: $6,620 to $28,000 per sq.m.)	The higher the adopted value, the higher the fair value.
Commercial properties under development in United Kingdom				
$Nil (2021: $98,138)	2021: Discounted Cash Flow Method	2021: Discount rate Capitalisation rate	2021: 7.75% 5.75%	2021: The lower the discount rate, the higher the fair value. The lower the capitalisation rate, the higher the fair value.

* There were no significant inter-relationships between unobservable inputs.

22. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land $'000	Leasehold buildings $'000	Plant and machinery $'000	Furniture, office equipment and fittings $'000	Motor vehicles $'000	Construction in progress $'000	Total $'000
Group							
30 June 2022							
Cost							
Beginning of financial year	5,196	30,753	20,309	9,508	6,804	381	72,951
Currency translation differences	(49)	(11)	-	(12)	(9)	(11)	(92)
Additions	1,400	580	279	1,436	756	-	4,451
Disposals	-	(117)	(38)	(175)	(773)	-	(1,103)
Reclassification from investment properties (e)	-	2,509	-	-	-	-	2,509
End of financial year	6,547	33,714	20,550	10,757	6,778	370	78,716
Accumulated depreciation							
Beginning of financial year	2,227	8,939	14,891	7,677	2,770	-	36,504
Currency translation differences	(19)	(9)	-	(11)	(9)	-	(48)
Depreciation charge (Note 6)	1,312	2,255	1,049	926	878	-	6,420
Disposals	-	(117)	(38)	(173)	(312)	-	(640)
End of financial year	3,520	11,068	15,902	8,419	3,327	-	42,236
Net book value							
End of financial year	**3,027**	**22,646**	**4,648**	**2,338**	**3,451**	**370**	**36,480**

22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land $'000	Leasehold buildings $'000	Plant and machinery $'000	Furniture, office equipment and fittings $'000	Motor vehicles $'000	Construction in progress $'000	Total $'000
Group							
30 June 2021							
Cost							
Beginning of financial year	4,136	23,229	18,896	8,716	6,088	-	61,065
Currency translation differences	(12)	(1)	-	(1)	(2)	(2)	(18)
Additions	1,461	2,142	2,982	1,687	2,036	254	10,562
Modification of lease liability (a)	(216)	-	-	-	-	-	(216)
Derecognition of right-of-use assets	(871)	-	-	-	-	-	(871)
Disposals	-	-	(1,569)	(894)	(1,318)	-	(3,781)
Reclassification from investment properties (e)	-	5,383	-	-	-	129	5,512
Others	698	-	-	-	-	-	698
End of financial year	5,196	30,753	20,309	9,508	6,804	381	72,951
Accumulated depreciation							
Beginning of financial year	727	7,453	15,453	7,873	2,534	-	34,040
Currency translation differences	(3)	(1)	-	(2)	(1)	-	(7)
Depreciation charge (Note 6)	1,503	1,487	978	651	836	-	5,455
Disposals	-	-	(1,540)	(845)	(599)	-	(2,984)
End of financial year	2,227	8,939	14,891	7,677	2,770	-	36,504
Net book value							
End of financial year	2,969	21,814	5,418	1,831	4,034	381	36,447

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 30 June 2022

22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold building $'000	Furniture, office equipment and fittings $'000	Motor vehicles $'000	Total $'000
Company				
30 June 2022				
Cost				
Beginning of financial year	1,219	489	1,753	3,461
Additions	1,458	8	597	2,063
Disposals	(1,219)	(3)	(174)	(1,396)
End of financial year	1,458	494	2,176	4,128
Accumulated depreciation				
Beginning of financial year	923	422	598	1,943
Depreciation charge	458	38	310	806
Disposals	(1,219)	(2)	(26)	(1,247)
End of financial year	162	458	882	1,502
Net book value				
End of financial year	**1,296**	**36**	**1,294**	**2,626**
30 June 2021				
Cost				
Beginning of financial year	1,219	498	1,833	3,550
Additions	-	24	466	490
Disposals	-	(33)	(546)	(579)
End of financial year	1,219	489	1,753	3,461
Accumulated depreciation				
Beginning of financial year	470	415	597	1,482
Depreciation charge	453	36	237	726
Disposals	-	(29)	(236)	(265)
End of financial year	923	422	598	1,943
Net book value				
End of financial year	296	67	1,155	1,518

22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) 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 23.

During the previous financial year ended 30 June 2021, the Group renegotiated and modified an existing lease contract for leasehold land by extending the rent-free period by another 6 months due to the COVID situation in Malaysia. As the extension is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with a reduction to the right-of-use assets, classified under "Property, plant and equipment". The corresponding remeasurement to lease liability is recorded under "Borrowings" (Note 26).

(b) An amount of $3,969,000 (2021: $3,271,000) included in the Group's depreciation charge for leasehold land, leasehold buildings, plant and machinery, furniture, office equipment and fittings, and motor vehicles has been included in cost of sales during the financial year.

(c) One of the leasehold buildings of the Group with carrying amount of approximately $19,296,000 (2021: $17,406,000) as at 30 June 2022 is charged by way of a mortgage in favour of a bank for a bank loan as disclosed in Note 26 to the financial statements.

(d) Included within the Group's additions to property, plant and equipment, is an amount of $1,979,000 (2021: $1,635,000) which relates to addition of right-of-use assets.

(e) The amount relates to owner-occupied portion of the leasehold building transferred from investment property to property, plant and equipment resulting from the change in use during the current financial year.

23. LEASES – THE GROUP AND THE COMPANY AS A LESSEE

Nature of the Group and the Company's leasing activities

Property

The Group leases office spaces for the purpose of back office operations and state land from the government for the purposes of its construction projects.

Leasehold land

The Group secured the right-of-use of leasehold land for the purpose of construction and operation of a commercial hub.

(a) Carrying amounts

Right-of-use assets classified within property, plant and equipment

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Leasehold building	**19,891**	17,684	**1,296**	296
Leasehold land	**3,027**	2,969	**-**	-
	22,918	20,653	**1,296**	296

Right-of-use assets classified within investment properties

The right-of-use asset relating to leasehold land presented under investment properties (Note 21) is stated at fair value and has a carrying amount of $19,286,000 (2021: $21,695,000) as at 30 June 2022.

(b) Depreciation charge during the year

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Leasehold building	**880**	725	**458**	453
Leasehold land	**1,312**	1,503	**-**	-
	2,192	2,228	**458**	453

(c) Interest expense

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Interest expense on lease liabilities (Note 8)	**75**	92	**11**	18

23. LEASES – THE GROUP AND THE COMPANY AS A LESSEE (CONTINUED)

(d) Lease expense not capitalised in lease liabilities

	Group		Company	
	2022 **$'000**	**2021** **$'000**	**2022** **$'000**	**2021** **$'000**
Short-term lease expense	**92**	89	**57**	50
Low value lease expenses	**20**	7	**5**	5
	112	96	**62**	55

(e) Total cash outflow for all leases in 2022 was $2,299,000 (2021: $1,434,000) for the Group and $535,000 (2021: $522,000) for the Company.

(f) Addition of right-of-use assets during the financial year 2022 was $1,979,000 (2021: $1,635,000) for the Group and $1,458,000 (2021: $Nil) for the Company.

(g) Derecognition of right-of-use assets during the financial year 2022 was $Nil (2021: $871,000).

(h) Future cash outflow which are not capitalised in lease liabilities

Extension options

The leases for office spaces and leasehold land contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations.

24. LEASES – THE GROUP AS A LESSOR

Nature of the Group's leasing activities – Group as a lessor

The Group has leased out retail and office spaces to non-related parties for monthly lease payments. The leases have varying terms and renewal rights. These leases are classified as operating leases because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties are disclosed in Note 21.

Nature of the Group's leasing activities – Group as an intermediate lessor

Subleases – classified as finance leases

The Group's sublease of its right-of-use of land is classified as finance lease because the sublease is for the entire remaining lease term of the head lease.

Right-of-use assets relating to the head leases with subleases classified as finance lease is derecognised. The net investment in the sublease is recognised under "Trade and other receivables" (Note 12).

Finance income on the net investment in sublease during the financial year is $11,201 (2021: $5,000).

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Group	
	2022 **$'000**	**2021** **$'000**
Less than one year	**183**	519
One to two years	**-**	183
Total undiscounted lease payments	**183**	702
Less: Unearned finance income	**(1)**	(12)
Net investment in finance lease	**182**	690
Current [Note 12(a)]	**182**	484
Non-current [Note 12(b)]	**-**	206
	182	690

25(a). TRADE AND OTHER PAYABLES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Trade payables				
- Non-related parties	**72,905**	65,877	**1**	6
- Related parties*	**5**	10	**-**	5
- Joint venture	**-**	4	**-**	4
Construction contracts				
- Retention sum payables	**6,806**	12,788	**-**	-
Development projects				
- Retention sum payables	**1,435**	3,590	**-**	-
Loans and advances from:				
- Subsidiaries (i)	**-**	-	**97,500**	138,149
- Non-controlling shareholders of subsidiaries (ii)	**-**	1,122	**-**	-
Dividend payable to non-controlling shareholders of a subsidiary	**-**	398	**-**	-
Accruals for development costs	**2,155**	4,770	**-**	-
Accruals for operating expenses	**8,012**	6,173	**566**	557
Other payables	**920**	1,130	**415**	395
Deposits received	**1,165**	1,073	**-**	-
Rent received in advance	**1**	1	**-**	-
Loan interest payable	**37**	692	**-**	610
	93,441	97,628	**98,482**	139,726
Non-current				
Deposits received	**-**	152	**-**	-
Construction contracts				
- Retention sum payables	**24,698**	16,379	**-**	-
Development projects				
- Retention sum payables	**33**	1,034	**-**	-
	24,731	17,565	**-**	-

* Related parties refer to associate of a director and a controlling shareholder of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2022

25(a). TRADE AND OTHER PAYABLES (CONTINUED)

(i) Loans and advances from subsidiaries are unsecured, interest-free and repayable on demand.

(ii) The advances from the non-controlling shareholders of subsidiaries were unsecured, interest-free and repayable on demand.

(iii) The fair values of the financial liabilities included in non-current trade and other payables approximate their carrying amounts as at the balance sheet date.

25(b). PROVISION FOR OTHER LIABILITIES

Provision for other liabilities relates to provision for warranty costs and foreseeable losses.

The movement in provision for other liabilities is as follows:

	Group		Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Beginning of financial year	**12,274**	15,159	**-**	-
Provision made	**22,599**	953	**-**	-
Provision utilised	**(619)**	(526)	**-**	-
Provision written back	**(1,247)**	(3,312)	**-**	-
End of financial year	**33,007**	12,274	**-**	-
Comprising:				
Provision for warranty costs	**12,441**	12,138	**-**	-
Provision for foreseeable losses	**20,566**	136	**-**	-

25(c). FINANCIAL LIABILITY, AT FVPL

	Group and Company	
	2022 $'000	**2021 $'000**
Carrying amount	**20,547**	-
Includes:		
Fair value loss [Note 5(b)]	**547**	-
Amount the Group and Company is contractually obligated to pay to the holders of the convertible loan at maturity	**20,000**	-
End of financial year	**20,547**	-

25(c). FINANCIAL LIABILITY, AT FVPL (CONTINUED)

On 25 June 2021, the Company had entered into a convertible loan agreement ("CLA") with a third party (the "Lender"), pursuant to which the Lender agreed to extend an interest bearing (at 2% per annum) convertible loan of $20 million. The Company had drawn down the full loan on 21 July 2021. The convertible loan is convertible into 45,454,546 ordinary shares of the Company, at the option of the lender, within two years of the draw down date, or extended by the Lender to three years of the draw down date, at a conversion price of $0.44 per share subject to adjustments in accordance with the provisions of the CLA. As at the date of these financial statements, no conversion of the convertible loan has taken place.

The convertible loan is classified entirely as liability because the relative rights of existing shareholders and convertible holder are not fixed. As the instrument contains an embedded derivative, it has been designated at fair value through profit or loss on initial recognition and as such the embedded conversion feature is not separated.

The Group determines the amount of fair value changes using binomial tree method.

26. BORROWINGS

	Group		Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Current				
Term loans	**46,602**	10,458	**-**	-
Lease liabilities	**1,708**	2,017	**477**	303
Hire purchase loan	**132**	148	**35**	33
5.8% medium term notes due 2021, net of transaction costs	**-**	39,983	**-**	39,983
	48,442	52,606	**512**	40,319
Non-current				
Term loans	**20,000**	172,279	**20,000**	-
Lease liabilities	**2,203**	2,086	**821**	-
Hire purchase loan	**142**	275	**6**	41
	22,345	174,640	**20,827**	41
Total borrowings	**70,787**	227,246	**21,339**	40,360

Refer to Note 34(a)(iii) for the exposure of borrowings to interest rate risk.

26. BORROWINGS (CONTINUED)

(a) **Security granted**

Total borrowings as at 30 June 2022 included the following:

Certain revolving and term loans amounting to $42,602,000 (2021: $172,737,000) are secured by a development property (2021: two development properties) (Note 14), an investment property (2021: two investment properties) (Note 21), a leasehold building (Note 22), the assignment of sales and rental proceeds and insurance policies relating to an investment property (Note 21) and property, plant and equipment [Note 22(c)], and corporate guarantee from the Company.

Included in the borrowings as at 30 June 2021 was a term loan amounting to $79,052,000 which was secured by a development property. This term loan was fully repaid during the financial year ended 30 June 2022 and the charge over the development property was discharged in August 2022.

(b) **Medium term notes**

On 31 March 2014, the Company established a $300,000,000 Multicurrency Medium Term Note Programme (the "Programme"). Under the Programme, the Company may, subject to compliance with all relevant laws and regulations and directives, from time to time issue notes in series or tranches. The notes may be in Singapore dollars or in other currencies, in various amounts and tenors, and may bear interest at a fixed, floating, variable or hybrid rate, or may not bear interest, as agreed between the Company and the relevant dealer.

On 27 September 2018, the Company issued Medium Term Notes amounting to $40,000,000, with transaction costs amounting to $207,000. The notes bore a fixed interest of 5.8% per annum and were fully redeemed on 27 September 2021.

(c) **Fair value of non-current borrowings**

At the balance sheet date, the carrying amount of non-current borrowings approximates their fair values.

27. SHARE CAPITAL AND TREASURY SHARES

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Issued share capital	Treasury shares
	'000	'000	$'000	$'000
Group and Company				
30 June 2022				
Beginning and end of financial year	**385,030**	**(8,342)**	**86,572**	**(2,845)**
30 June 2021				
Beginning and end of financial year	385,030	(8,342)	86,572	(2,845)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares (except treasury shares) carry one vote per share and carry a right to dividends as and when declared by the Company.

The Company did not issue any ordinary shares during the financial years ended 30 June 2022 and 30 June 2021.

(a) **Treasury shares**

The Company did not purchase any of its ordinary shares during the financial years ended 30 June 2022 and 30 June 2021.

28. CAPITAL AND OTHER RESERVES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
(a) **Composition**				
Capital reserves	**19,131**	19,131	**2,800**	2,800
Share option reserve	**382**	382	**382**	382
Fair value reserve	**13,951**	16,665	**-**	-
Foreign currency translation reserve	**(810)**	1,749	**-**	-
Capital redemption reserve	**3,601**	3,601	**-**	-
	36,255	41,528	**3,182**	3,182

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
(b) **Movement in capital reserves**				
Beginning and end of financial year	**19,131**	19,131	**2,800**	2,800

The capital reserves arise mainly from acquisition of subsidiaries under common control and capitalisation of retained profits of subsidiaries in prior years.

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
(c) **Movement in share option reserve**				
Beginning and end of financial year	**382**	382	**382**	382

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
(d) **Movement in fair value reserve**				
Beginning of financial year	**16,665**	17,836	**-**	-
Financial assets, at FVOCI [Note 15(b)]				
- Fair value losses	**(2,714)**	(1,193)	**-**	-
Others	**-**	22	**-**	-
End of financial year	**13,951**	16,665	**-**	-

28. CAPITAL AND OTHER RESERVES (CONTINUED)

		Group		Company	
		2022	2021	2022	2021
		$'000	$'000	$'000	$'000
(e)	**Movement in foreign currency translation reserve**				
	Beginning of financial year	**1,749**	(923)	**-**	-
	Net currency translation differences of financial statements of foreign subsidiaries, joint ventures and associated companies	**(2,306)**	3,841	**-**	-
	Add: Non-controlling interests	**545**	(1,255)	**-**	-
		(1,761)	2,586	**-**	-
	Reclassification on repayment of loan receivables	**49**	86	**-**	-
	Reclassification on disposal of a subsidiary	**(847)**	-	**-**	-
		(798)	86	**-**	-
	End of financial year	**(810)**	1,749	**-**	-
(f)	**Movement in capital redemption reserve**				
	Beginning and end of financial year	**3,601**	3,601	**-**	-

(g) All capital and other reserves are non-distributable.

29. NON-CONTROLLING INTERESTS

	Group	
	2022	2021
	$'000	$'000
Beginning of financial year	**19,360**	13,609
(Loss)/profit for the financial year	**(554)**	5,084
Other comprehensive (loss)/income	**(545)**	1,255
Capital contribution by a non-controlling interest	**300**	-
Capital distribution to non-controlling interest	**(14,774)**	-
Dividends paid to non-controlling interests	**(1,599)**	(588)
End of financial year	**2,188**	19,360

The summarised financial information about the assets, liabilities, profit or loss and cashflows for the Group's subsidiaries with material non-controlling interests are as disclosed in Note 20.

30. RETAINED PROFITS

(a) **Group**

Retained profits of the Group are distributable except for the retained profits of associated companies and joint ventures amounting to $13,527,000 (2021: $16,555,000). Retained profits of the Company are distributable.

(b) **Company**

Movements in retained profits of the Company are as follows:

	Company	
	2022	2021
	$'000	$'000
Beginning of financial year	**6,940**	20,470
Profit for the financial year	**30,073**	9,071
Dividends paid (Note 31)	**(15,068)**	(22,601)
End of financial year	**21,945**	6,940

31. DIVIDENDS

	Group and Company	
	2022	**2021**
	$'000	**$'000**
Interim dividend of 0.75 cents (2021: 0.75 cents) per ordinary share	**2,825**	2,825
Special dividend of 2.25 cents (2021: 4.25 cents) per ordinary share	**8,476**	16,009
Final dividend of 1.0 cents (2021: 1.0 cents) per ordinary share	**3,767**	3,767
Total dividends paid	**15,068**	22,601

The directors have proposed a final dividend for the financial year ended 30 June 2022 of 1.0 cents per share, amounting to approximately $3,767,000. These financial statements do not reflect these proposed dividends, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2023.

32. CONTINGENCIES

Guarantees

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Financial guarantees given to banks and finance companies in connection with facilities given to subsidiaries	**-**	-	**49,446**	102,611
Financial guarantees given to banks and finance companies in connection with facilities given to joint ventures	**140,000**	139,461	**140,000**	139,461

At the date these financial statements are authorised for issue, the directors are of the view that no material liabilities will arise from the guarantees.

33. COMMITMENTS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Commitments not provided for in the financial statements excluding those held by joint ventures (Note 18) are as follows:				
Development expenditure contracted for development properties	**2,959**	2,345	**-**	-
Investment commitments	**10,536**	10,402	**-**	-
Purchase of property, plant and equipment	**-**	419	**-**	-
	13,495	13,166	**-**	-

34. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group is exposed to financial risks arising from its operations and the key financial risks identified include credit risk, liquidity risk and market risk (including price risk, currency risk and interest rate risk).

The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group does not hold or issue derivative financial instruments for speculative purposes.

The Group operates predominantly in Singapore, Malaysia and the United Kingdom and the functional currencies of the entities in each of the countries are the Singapore Dollar ("SGD"), the Malaysian Ringgit ("RM") and Pound Sterling ("GBP") respectively. Entities in the Group transact predominantly in their functional currencies and hold matching currency assets and liabilities to the extent possible to achieve a natural hedging effect.

(a) **Market risk**

(i) Price risk

Price risk is the risk arising from uncertainties on future prices of investments classified as financial assets, at FVPL or FVOCI. The fair value information on the Group's investments in unquoted debt and equity instruments (classified as financial assets, at FVPL or FVOCI) is presented in Note 34(e).

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) **Market risk** (continued)

(ii) *Currency risk*

The currency exposure of the Group and the Company based on the information provided to key management is as follows:

	Group			Company	
	RM	**GBP**	**USD**	**RM**	**GBP**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
At 30 June 2022					
Financial assets					
Cash and cash equivalents	19,679	3,754	-	4,537	16
Financial assets, at FVOCI	-	-	1,625	-	-
Trade and other receivables	10,580	2	-	-	-
Other financial assets	374	-	-	-	-
	30,633	3,756	1,625	4,537	16
Financial liabilities					
Borrowings	(13,244)	-	-	-	-
Trade and other payables	(5,073)	(17)	-	-	-
	(18,317)	(17)	-	-	-
Net financial assets	**12,316**	**3,739**	**1,625**	**4,537**	**16**
Less: Net financial liabilities denominated in the respective entities' functional currencies	(7,774)	(3,723)	-	-	-
Currency exposure	**4,542**	**16**	**1,625**	**4,537**	**16**

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) **Market risk** (continued)

(ii) *Currency risk* (continued)

	Group			Company	
	RM $'000	GBP $'000	USD $'000	RM $'000	GBP $'000
At 30 June 2021					
Financial assets					
Cash and cash equivalents	5,483	20,658	-	18	2,845
Financial assets, at FVOCI	-	-	2,137	-	-
Trade and other receivables	9,357	-	-	-	2,617
Intercompany receivables	227	18,235	-	-	-
Other financial assets	369	482	-	-	-
	15,436	39,375	2,137	18	5,462
Financial liabilities					
Borrowings	(17,235)	(47,005)	-	-	-
Trade and other payables	(5,870)	(6,626)	-	-	-
Intercompany payables	(227)	(18,235)	-	-	-
	(23,332)	(71,866)	-	-	-
Net financial (liabilities)/assets	**(7,896)**	**(32,491)**	**2,137**	**18**	**5,462**
Less: Net financial liabilities denominated in the respective entities' functional currencies	7,918	35,337	-	-	-
Currency exposure	**22**	**2,846**	**2,137**	**18**	**5,462**

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) **Market risk** (continued)

(ii) *Currency risk* (continued)

Sensitivity analysis for currency risk

If the RM and USD changes against the SGD by 4% (2021: 4%) and the GBP changes against the SGD by 5% (2021: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	← Increase/(Decrease) →		← Increase/(Decrease) →	
	Loss after tax 30 June 2022 $'000	**Other comprehensive loss 30 June 2022 $'000**	**Profit after tax 30 June 2021 $'000**	**Other comprehensive income 30 June 2021 $'000**
Group				
RM against SGD				
- strengthened	**(151)**	**-**	1	-
- weakened	**151**	**-**	(1)	-
GBP against SGD				
- strengthened	**(1)**	**-**	118	-
- weakened	**1**	**-**	(118)	-
USD against SGD				
- strengthened	**-**	**(54)**	-	71
- weakened	**-**	**54**	-	(71)

	← Increase/(Decrease) →		← Increase/(Decrease) →	
	Profit after tax 30 June 2022 $'000	**Other comprehensive income 30 June 2022 $'000**	**Profit after tax 30 June 2021 $'000**	**Other comprehensive income 30 June 2021 $'000**
Company				
RM against SGD				
- strengthened	**151**	**-**	1	-
- weakened	**(151)**	**-**	(1)	-
GBP against SGD				
- strengthened	**1**	**-**	227	-
- weakened	**(1)**	**-**	(227)	-

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) **Market risk** (continued)

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group is exposed to interest rate risk primarily due to changes in interest rates arising from its interest-bearing assets and debt obligations. The Group manages its interest rate risks by maintaining a mix of fixed and variable rate debt instruments with varying maturities.

The material interest-bearing assets of the Group are short-term bank deposits and financial assets at amortised cost. Short-term bank deposits bear interest at the market interest rate. Financial assets at amortised cost bear interest at 3% per annum. An interest rate movement of 0.5% will not have a substantial impact on the results of the Group.

The Group's and the Company's borrowings mainly comprise bank loans and a term loan extended by a third party. The bank loans are entered with variable interest rates while the term loan is entered with fixed interest rate.

The Group's and Company's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in SGD and RM (2021: SGD and GBP). A 0.5% change in the interest rates of these borrowings would not have a material impact on the loss after tax of the Group and the Company.

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	Variable rates				Fixed rates				
	Less than 6 months $'000	6 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Less than 6 months $'000	6 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Group									
At 30 June 2022	**46,382**	**220**	**-**	**-**	**562**	**1,276**	**22,347**	**-**	**70,787**
At 30 June 2021	120,684	15,048	47,005	-	40,258	1,890	2,361	-	227,246
Company									
At 30 June 2022	**-**	**-**	**-**	**-**	**254**	**258**	**20,827**	**-**	**21,339**
At 30 June 2021	-	-	-	-	40,069	250	41	-	40,360

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. Credit evaluations are performed on all customers who require credit over a certain amount.

The Group has established a credit policy and the exposures to credit risk are monitored on an ongoing basis. The contracting parties with the Group for the construction projects are either companies with good reputation in the market or government related entities. As for sale of properties, the buyers are either individuals who are assessed by the Group to have low credit risk or the outstanding sales proceeds are secured by the buyers' bank loans. The resultant effects of these measures have kept the Group's exposure to bad debts at an insignificant level.

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instrument is the carrying amount of that class of financial instrument presented on the balance sheet, except for corporate guarantees provided by the Company as disclosed in Note 32.

The Group's and Company's major classes of financial assets are cash and cash equivalents and trade and other receivables.

The trade receivables of the Group include four debtors (2021: seven debtors) that individually represented 6% to 26% (2021: 6% to 11%) of trade receivables.

The contracts assets of the Group include two debtors (2021: five debtors) that individually represented 20% and 41% (2021: 9% to 24%) of contract assets.

The retention sum receivables of the Group include four debtors (2021: three debtors) that individually represented 11% to 33% (2021: 16% to 41%) of retention sum receivables.

The movements in credit loss allowance are as follows:

	Trade receivables[(a)] **$'000**	**Contract assets[(a)]** **$'000**	**Total** **$'000**
Group			
Balance at 1 July 2021	152	-	152
Loss allowance written back	(13)	-	(13)
Balance at 30 June 2022	**139**	**-**	**139**
Balance at 1 July 2020 and 30 June 2021	**152**	**-**	**152**

[(a)] Loss allowance measured at lifetime expected credit losses ("ECL")

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2022

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) **Credit risk** (continued)

(i) Trade receivables, contract assets and retention sum receivables

Trade receivables, contract assets and retention sum receivables which are in default or credit-impaired are assessed individually.

Trade receivables, contract assets and retention sum receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables and contract assets due. Where recoveries are made, these are recognised in profit or loss.

The Group's credit risk exposure in relation to trade receivables, contract assets and retention sum receivables under SFRS(I) 9 as at 30 June 2022 and 30 June 2021 by segment are set out as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Trade receivables		
Construction	**25,840**	9,509
Property development and investment	**8,614**	20,496
Investment holding and others	**38**	50
	34,492	30,055
Contract assets		
Construction	**46,171**	31,044
Property development and investment	**17,965**	25,733
	64,136	56,777
Retention sum receivables		
Construction	**35,691**	29,980

The trade receivables, contract assets and retention sum receivables are subject to immaterial expected credit loss.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) **Credit risk** (continued)

(ii) Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $79,264,000 and $28,087,000 respectively (2021: $100,078,000 and $15,418,000) with banks which are rated AAA and AA+ based on Standard & Poor's and consider to have low credit risk. The cash balances are measured based on 12-month expected credit losses and subject to immaterial credit loss.

(iii) Advances to joint ventures

The Group has assessed that its joint ventures have strong financial capacity to meet the contractual obligation of $76,350,000 (2021: $73,048,000) and considered to have low credit risk. The loans are measured on 12-month expected credit losses and subject to immaterial credit loss.

(iv) Advances to subsidiaries

The Company has advances to subsidiaries amounting to $192,946,000 (2021: $221,833,000) as at 30 June 2022. The advances to subsidiaries amounting to $182,360,000 (2021: $183,423,000) are considered to have low credit risk, are measured on a 12-month expected credit losses and subject to immaterial credit losses as these subsidiaries have strong financial capacity to meet the contractual obligations. For the remaining advances to subsidiaries amounting to $10,586,000 (2021: $38,410,000), management has fully impaired the amount as these subsidiaries do not have the financial capacity to repay the amounts.

(v) Financial guarantee contracts

The Company has issued financial guarantees to banks for borrowings of its subsidiaries and joint venture. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(vi) Dividend receivables and other receivables

Dividend receivables and other receivables are measured based on 12-month expected credit losses and subject to immaterial credit loss.

(vii) Financial asset, at amortised cost

Financial asset at amortised cost are measured based on 12-month expected credit losses and subject to immaterial credit loss.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) **Liquidity risk**

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities to meet obligations when due and the ability to close out market positions at short notice. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 11.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Total $'000
Group				
At 30 June 2022				
Trade and other payables	**93,117**	**24,731**	**-**	**117,848**
Lease liabilities	**1,830**	**2,314**	**-**	**4,144**
Borrowings (excluding lease liabilities)	**48,122**	**20,182**	**-**	**68,304**
Financial guarantee contracts	**140,000**	**-**	**-**	**140,000**
At 30 June 2021				
Trade and other payables	97,576	17,565	-	115,141
Lease liabilities	2,174	2,237	-	4,411
Borrowings (excluding lease liabilities)	54,748	174,843	-	229,591
Financial guarantee contracts	139,461	-	-	139,461
Company				
At 30 June 2022				
Trade and other payables	**98,429**	**-**	**-**	**98,429**
Lease liabilities	**503**	**839**	**-**	**1,342**
Borrowings (excluding lease liabilities)	**636**	**20,040**	**-**	**20,676**
Financial guarantee contracts	**189,446**	**-**	**-**	**189,446**
At 30 June 2021				
Trade and other payables	139,693	-	-	139,693
Lease liabilities	303	-	-	303
Borrowings (excluding lease liabilities)	40,607	83	-	40,690
Financial guarantee contracts	242,072	-	-	242,072

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) **Capital risk**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group and the Company are also required by the banks and financial institutions to maintain a gearing ratio of not exceeding 150% (2021: 150%). The Group's and the Company's strategies, which were unchanged from 2021, are to maintain gearing ratios within the limits required.

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings less cash and cash equivalents (excludes pledged cash).

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Net (cash)/debt	**(7,888)**	127,766	**(6,748)**	24,942
Total equity (excluding non-controlling interest)	**207,517**	238,686	**108,854**	93,849
Gearing/(net cash) ratio	**(4%)**	54%	**(6%)**	27%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 June 2022 and 30 June 2021.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) **Fair value measurements**

The following table presents financial assets, at FVOCI and financial asset, at FVPL measured at fair value and classified by level of the following fair value measurement hierarchy.

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value hierarchy for investment properties is disclosed in Note 21.

The fair values of borrowings, trade and other receivables and trade and other payables as disclosed in Note 26, Note 12 and Note 25 respectively approximate to their carrying amounts.

The fair value of financial assets, at FVOCI and financial liability, at FVPL are as disclosed:

	Level 3	
	Group $'000	**Company $'000**
The Group:		
30 June 2022		
Financial assets, at FVOCI	**21,241**	**-**
Financial liability, at FVPL	**20,547**	**20,547**
30 June 2021		
Financial assets, at FVOCI	23,953	-

The following table presents the changes in Level 3 instruments:

	Unlisted equity investments $'000	**Unlisted debt instruments $'000**
30 June 2022		
Beginning of financial year	**23,953**	**-**
Addition	**2**	**(20,000)**
Fair value losses recognised in other comprehensive income	**(2,714)**	**-**
Fair value losses recognised in profit or loss	**-**	**(547)**
End of financial year	**21,241**	**(20,547)**
30 June 2021		
Beginning of financial year	25,146	-
Fair value losses recognised in other comprehensive income	(1,193)	-
End of financial year	23,953	-

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) **Fair value measurements** (continued)

Valuation techniques and inputs used in Level 3 fair value measurements:

(i) Financial assets, at FVOCI

Description	Fair value at 30 June 2022 $'000	Fair value at 30 June 2021 $'000	Valuation technique(s)	Significant unobservable input	Range of unobservable input	Relationship of unobservable input to fair value
Unlisted equity investments	**18,116**	20,316	Adjusted net asset value	Adjustments for lack of control and marketability	Lack of control - 20% (2021: 20%) Lack of marketability - 20% (2021: 20%)	The higher the adjustments for lack of controls and marketability, the lower the fair value.
Unlisted equity investments	**3,125**	3,637	Net asset value/Market approach	Net asset value	Not applicable	Not applicable

Financial assets, at FVOCI comprise of investments in unlisted equity instruments and the fair values of these instruments are based on the adjusted net assets value or net assets value of the investee companies. This method is appropriate as the assets and liabilities of investee companies are primarily held at their respective fair values at the balance sheet date.

To arrive at the fair value of an unlisted equity instrument accounted for as FVOCI financial asset, downward adjustments are made to the net assets value of the investee company to account for the lack of control and marketability of the unlisted equity instrument. These adjustments incorporate assumptions based on market conditions existing at the balance sheet date and are based on studies of discounts for lack of control and marketability for similar typed instruments. The extent of adjustment requires judgement and the effect of a change in management's estimate on this adjustment is disclosed in Note 3(c).

(ii) Financial asset, at FVPL

Financial asset, at FVPL comprises investment in a convertible loan instrument.

In the current financial year, the Group recorded a full fair value downward adjustment to the financial asset, at FVPL amounting to $Nil (2021: $7,748,000). This is based on the Group's assessment of the fair value of the financial asset after taking into consideration the weak financial performance and uncertainties associated with the financial asset, at FVPL.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) **Financial instruments by category**

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 15(b), Note 15(c) and Note 25(c) to the financial statements, except for the following:

	Group $'000	Company $'000
30 June 2022		
Financial assets, at amortised cost	**233,742**	**210,617**
Financial liabilities, at amortised cost	**188,634**	**119,768**
30 June 2021		
Financial assets, at amortised cost	237,884	199,979
Financial liabilities, at amortised cost	342,389	180,053

35. RELATED PARTY TRANSACTIONS

In addition to the related party information shown elsewhere in the financial statements, the following transactions between the Group and related parties took place during the financial year:

(a) **Sales and purchases of goods and services**

	Group	
	2022 $'000	**2021 $'000**
Joint ventures and associated companies		
Revenue from construction contracts	**-**	3,169
Management services fees received	**192**	221
Project management fees received	**18**	23
Related parties		
Sale of property to an associate of a director	**780**	7,470
Management services fees received *	**-**	29
Consultancy fee paid to a director of the Company	**160**	174
Interests on medium term notes paid to directors and their associates	**119**	493

* Management services fees were received from a company with common controlling shareholder and directors.

Outstanding balances at 30 June 2022, arising from sale/purchase of goods and services, are set out in Notes 4(b), 12 and 25.

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) **Key management remuneration**

The key management remuneration includes fees, salary, bonus, commission and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or the Company did not incur any costs, the value of the benefit. The key management remuneration is as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Salaries and other short-term employee benefits	**5,378**	5,982
Post-employment benefits – contribution to CPF	**121**	125
	5,499	6,107

Included in above is total remuneration to directors of the Company amounting to $2,085,000 (2021: $3,054,000).

(c) **Investment in an associated company**

This relates to the Group's 25% shareholding interest in PT Super Makmur Sejahtera ("PT Super") (Note 19). The remaining 75% shareholding interest in PT Super is held by Cyan Bay Pte Ltd, a wholly owned subsidiary of Ellipsiz Limited ("Ellipsiz").

Ellipsiz is considered a related party to the Company by virtue of common controlling shareholder and directors in the two companies.

During the financial year ended 30 June 2022, the Group invested additional $343,000 (2021: $301,000) in cash for additional 36,000 (2021: 32,500) ordinary shares in PT Super. This additional investment was mainly used for acquisition of additional land parcels in Bintan, Indonesia for investment purposes.

36. SEGMENT INFORMATION

Management has determined the operating segment based on the reports reviewed by the Executive Committee ("EXCO") that are used to make strategic decisions. The EXCO comprises the Executive Chairman, the Managing Director, the Executive Director, the Director of Property Management and the Vice President of Finance of the Company.

The EXCO considers the business primarily from a business segment perspective. Revenue from investment holding, provision of management services, construction and property investment are derived mainly from Singapore and the United Kingdom. Revenue from property development are derived mainly from Malaysia and Singapore.

The segment information provided to the EXCO for the reportable segments for the financial years ended 30 June 2022 and 30 June 2021 are as follows:

	Construction $'000	Property development and investment $'000	Investment holding and others $'000	Total $'000
Financial year ended 30 June 2022				
Revenue from external customers	335,337	80,231	1,222	416,790
Inter-segment revenue	433	1,359	39,217	41,009
	335,770	81,590	40,439	457,799
Elimination				(41,009)
Revenue				416,790
Segment results	(12,649)	(1,096)	31,437	17,692
Elimination				(25,819)
				(8,127)
Finance expense				(3,749)
Loss before income tax				(11,876)
Income tax expense				494
Net loss				(11,382)
Segment results include:				
Interest income	24	(3)	203	224
Fair value gain on investment properties	100	-	-	100
Fair value loss on financial liability, at FVPL	-	-	(547)	(547)
Depreciation of property, plant and equipment	(5,014)	(791)	(615)	(6,420)
Share of losses of associated companies and joint ventures	(10)	(3,039)	-	(3,049)

36. SEGMENT INFORMATION (CONTINUED)

	Construction $'000	Property development and investment $'000	Investment holding and others $'000	Total $'000
Financial year ended 30 June 2021				
Revenue from external customers	272,510	52,070	1,041	325,621
Inter-segment revenue	1,434	1,311	30,146	32,891
	273,944	53,381	31,187	358,512
Elimination				(32,891)
Revenue				325,621
Segment results	13,586	15,946	14,350	43,882
Elimination				(28,057)
				15,825
Finance expense				(4,772)
Profit before income tax				11,053
Income tax expense				(2,996)
Net profit				8,057
Segment results include:				
Interest income	171	2	114	287
Fair value gain on investment properties	140	16,253	-	16,393
Fair value loss on financial asset, at FVPL	-	-	(7,748)	(7,748)
Depreciation of property, plant and equipment	(4,014)	(695)	(563)	(5,272)
Share of losses of associated companies and joint ventures	(10)	(6,419)	-	(6,429)

36. SEGMENT INFORMATION (CONTINUED)

	Construction $'000	Property development and investment $'000	Investment holding and others $'000	Elimination $'000	Total $'000
As at 30 June 2022					
Segment assets	168,308	232,152	58,284	(5,131)	453,613
Tax recoverable					195
Deferred income tax assets					6,391
Consolidated total assets					460,199
Segment assets include:					
Investment in associates and joint ventures	235	27,304	-	-	27,539
Capital expenditure on property, plant and equipment	3,411	435	605	-	4,451
Segment liabilities	(147,359)	(9,397)	(21,621)	321	(178,056)
Borrowings					(70,787)
Deferred income tax liabilities and current income tax liabilities					(1,651)
Consolidated total liabilities					(250,494)

36. SEGMENT INFORMATION (CONTINUED)

	Construction $'000	Property development and investment $'000	Investment holding and others $'000	Elimination $'000	Total $'000
As at 30 June 2021					
Segment assets	148,113	423,299	43,696	(4,876)	610,232
Tax recoverable					244
Deferred income tax assets					4,598
Consolidated total assets					615,074
Segment assets include:					
Investment in associates and joint ventures	245	30,276	33	-	30,554
Capital expenditure on property, plant and equipment	10,011	23	528	-	10,562
Capital expenditure on investment property	-	46,075	-	-	46,075
Segment liabilities	(110,495)	(16,682)	(1,727)	312	(128,592)
Borrowings					(227,246)
Deferred income tax liabilities and current income tax liabilities					(1,190)
Consolidated total liabilities					(357,028)

36. SEGMENT INFORMATION (CONTINUED)

The Group is organised into three main business segments:

(a) Construction	-	construction of buildings and building extensions, additions and alterations, refurbishment and restoration of buildings.
(b) Property development and investment	-	develops property for sale and/or holds properties for its own investment purposes and for hotel operations.
(c) Investment holding and others	-	holding of investments and provision of management services to the companies within the Group.

The amounts reported to the EXCO with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than tax recoverable and deferred tax assets.

The amounts provided to the EXCO with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segments. All liabilities are allocated to the reportable segments other than current and deferred income tax liabilities and borrowings.

Sales between segments are carried out based on market terms.

Information about major customers

Revenue of approximately 69% (2021: 62%) are derived from four (2021: four) major customers. These revenues are attributable to the Construction segment.

Geographical information

The Group's three business segments operate in three main geographical areas:

Singapore	-	the country where the headquarters of the Group and the Company is located. The areas of operation are principally investment holding, provision of management services, construction, property development investment and hotel operations.
Malaysia	-	the area of operation is mainly property development.
United Kingdom	-	the area of operation is mainly property investment and property development. During the financial year ended 30 June 2022, the Group has disposed its operation in United Kingdom as disclosed in Note 11.

36. SEGMENT INFORMATION (CONTINUED)

Geographical information (continued)

Revenue and non-current segment assets are shown by the geographical area where the assets are located.

	Total sales		Non-current assets*	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	**393,734**	311,800	**54,740**	60,457
Malaysia	**23,056**	12,891	**2,154**	2,148
United Kingdom	**-**	930	**-**	98,138
	416,790	325,621	**56,894**	160,743
Investment in associated companies and joint ventures			**27,539**	30,554
			84,433	191,297

* Non-current assets exclude financial instruments, financial assets at FVPL, financial assets at FVOCI, club membership and deferred tax assets.

37. IMPACT OF COVID-19 AND RUSSIA-UKRAINE CONFLICT

The COVID-19 pandemic has continued to exert significant impact on the Group's financial position and profitability. The shortage of labour has resulted in longer periods of construction, impacting revenue recognition and costs. The recent Russia-Ukraine conflict also caused the price of construction materials to increase.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 30 June 2022:

(i) The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

(ii) During the financial year, labour shortages and supply chain disruptions have resulted in periods where the Group's operations have been affected in various degrees. These measures have resulted in costs increase associated to the prolongation and acceleration costs in completing the projects. The additional costs were partially mitigated by grants received.

(iii) The Group has received grant income under the Jobs Support Scheme, Foreign Worker Levy Rebate and COVID-Safe Firm-Based Support. Grant income of $1,464,000 (2021: $6,264,000) was recognised during the financial year and included in "Other income" in the statement of comprehensive income.

(iv) The Group has considered the market conditions (including the impact of COVID-19 and Russia-Ukraine conflict) as at the balance sheet date, in making estimates and judgements on the recoverability of assets, valuation of investment properties and provisions for onerous contracts as at 30 June 2022. The significant estimates and judgements applied are disclosed in Notes 3(a) to 3(c).

37. IMPACT OF COVID-19 AND RUSSIA-UKRAINE CONFLICT (CONTINUED)

As the global situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions and Russia-Ukraine conflict on its operating and financial performance for the financial year ending 30 June 2023. If the situation persists beyond management's current expectations, the Group's assets may be subject to write downs in the subsequent financial periods.

38. SUBSEQUENT EVENT

On 30 August 2022, the Group entered into a joint venture agreement with a third party to incorporate a company, Lum Chang Brandsbridge Pte Ltd ("LCBB"). The initial paid-up capital of LCBB is $2 and it is intended that LCBB will have a paid-up capital of $1,000,000 comprising 1,000,000 ordinary shares ("Shares") of which 510,000 Shares (representing 51% of the share capital of LCBB) are to be held by Lum Chang Interior Pte Ltd and the remaining 490,000 Shares (representing 49% of the share capital of LCBB) are to be held by the third party. At the date of these financial statements, the Group's investment in LCBB amounted to $1.

39. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2022 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

39. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs 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 costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

NOTES TO THE FINANCIAL STATEMENTS

for the Financial Year Ended 30 June 2022

40. COMPANIES IN THE GROUP

(a) The subsidiaries are as follows:

	Name	Principal activities	Place of incorporation and business	Effective equity interest held by Group	
				2022	**2021**
				%	**%**
	Held by the Company				
	Unquoted equity shares				
1	Lum Chang Asia Pacific Pte Ltd	Investment holding	Singapore	**100**	100
1	Lum Chang Corporation Pte Ltd	Investment holding	Singapore	**100**	100
1	Lum Chang Properties Ltd	Investment holding	Singapore	**100**	100
1	Lum Chang (Suzhou) Investments Pte Ltd	Investment holding	Singapore	**100**	100
2	Nexus Sdn Bhd	Dormant	Malaysia	**100**	100
1	Binjai Holdings Pte Ltd	Investment holding	Singapore	**100**	100
1	Kemensah Holdings Pte Ltd	Investment holding	Singapore	**100**	100
3	Twin Palms Development Sdn Bhd	Dormant	Malaysia	**100**	100
1	UK Property Investment Pte Ltd	Investment holding	Singapore	**70**	70
1	Wembley Properties Pte Ltd	Investment holding	Singapore	**70**	70
1	Tucana Investments Pte Ltd	Investment holding	Singapore	**100**	100
1	Sky Real Estate Investment Pte Ltd	Investment holding	Singapore	**100**	100
1	Solluna Investments Pte Ltd	Investment holding	Singapore	**100**	100
1	Bluesky Real Estate Investment Pte Ltd	Property investment	Singapore	**100**	100

40. COMPANIES IN THE GROUP (CONTINUED)

(a) The subsidiaries are as follows: (continued)

	Name	Principal activities	Place of incorporation and business	Effective equity interest held by Group	
				2022	**2021**
				%	**%**
	Held by subsidiaries				
	Unquoted equity shares				
[1]	Lum Chang Auriga Pte Ltd	Property development	Singapore	**100**	100
[1]	Lum Chang Property Investments Pte Ltd	Property investment	Singapore	**100**	100
[1]	Lum Chang Building Contractors Pte Ltd	Building construction	Singapore	**100**	100
[1]	Lum Chang Interior Pte Ltd	Renovation contractors	Singapore	**80**	80
[3]	Lum Chang Interior (M) Sdn Bhd	Dormant	Malaysia	**80**	80
[2]	Lum Chang Sdn Bhd	Dormant	Malaysia	**100**	100
	Uptown Viewpoint Sdn Bhd	Liquidated	Malaysia	**-**	100
[3]	Venus Capital Corporation Sdn Bhd	Dormant	Malaysia	**100**	100
[3]	Fabulous Range Sdn Bhd	Property development	Malaysia	**100**	100
[3]	PJBOX Sdn Bhd	Property development	Malaysia	**100**	100
[7]	Lum Chang Development Services Limited	In member's voluntary liquidation	England and Wales	**100**	100
	130 WS Holdings Limited	Liquidated	Jersey, Channel Islands	**-**	70
	130 WS Investments Limited	Liquidated	Jersey, Channel Islands	**-**	70
	Kelaty Holdings Limited	Disposed	Jersey, Channel Islands	**-**	70
	Kelaty Propco Limited	Disposed	Jersey, Channel Islands	**-**	70
	Kelaty Leaseco Limited	Disposed	Jersey, Channel Islands	**-**	70

40. COMPANIES IN THE GROUP (CONTINUED)

(b) The associated companies are as follows:

	Name	Principal activities	Place of incorporation and business	Effective equity interest held by Group	
				2022	**2021**
				%	**%**
	Held by subsidiaries				
	Unquoted equity shares				
[8]	FCL Compassvale Pte Ltd	Dormant	Singapore	**20**	20
[8]	FCL Admiralty Pte Ltd	Dormant	Singapore	**30**	30
[1]	Pavo Holdings Pte Ltd	Investment holding	Singapore	**40**	40
[4]	PT Super Makmur Sejahtera	Property development	Indonesia	**25**	25

(c) The joint ventures are as follows:

	Name	Principal activities	Place of incorporation and business	Effective equity interest held by Group	
				2022	**2021**
				%	**%**
	Held by subsidiaries				
[1]	Dorado Holdings Pte Ltd	Investment holding	Singapore	**50**	50
[9]	Lum Chang Tien Wah Property Sdn Bhd	Property development	Malaysia	**50**	50
[5,6]	Nishimatsu – Lum Chang JV	Dormant	Singapore	**50**	50
[8]	CLI CP (Netherlands) Pte Ltd	Dormant	Singapore	**50**	50
	Subsidiaries held by joint venture Dorado Holdings Pte Ltd				
[1]	Columba Holdings Pte Ltd	Investment holding	Singapore	**50**	50
[1]	Corwin Holding Pte Ltd	Property investment	Singapore	**50**	50
[1]	Dorado Retail Holdco Pte Ltd	Investment holding	Singapore	**50**	50
[1]	Dorado Retail Pte Ltd	Dormant	Singapore	**50**	50
[1]	Xin Tekka Pte Ltd	Dormant	Singapore	**50**	50
	Subsidiaries held by joint venture CLI CP (Netherlands) Pte Ltd				
[10]	CLI CP (Netherlands) B.V.	Dormant	Netherlands	**50**	50

40. COMPANIES IN THE GROUP (CONTINUED)

1 Audited by PricewaterhouseCoopers LLP, Singapore.

2 Audited by LT Lim & Associates, Malaysia.

3 Audited by PricewaterhouseCoopers, Malaysia.

4 Audited by Arif & Glorius, Indonesia.

5 Unincorporated jointly – controlled partnerships.

6 Not required to be audited in 2022 as entity is dormant.

7 Not required to be audited in 2022 as entity is in member's voluntary liquidation.

8 Audited by KPMG LLP, Singapore.

9 Audited by Ernst & Young PLT, Malaysia.

10 Not required to be audited in the country of incorporation.

In accordance to Rule 716 of the Singapore Exchange Securities Trading Limited – Listing Rules, the Audit and Risk Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries and significant associated companies would not compromise the standard and effectiveness of the audit of the Company.

41. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Lum Chang Holdings Limited on 16 September 2022.

STATISTICS OF SHAREHOLDINGS

As at 8 September 2022

Issued and Fully Paid-Up Capital	- $86,572,309
Class of Shares	- Ordinary Shares
Voting Rights	- One vote per ordinary share
Total no. of Issued Ordinary Shares (excluding treasury shares)	- 376,688,104
Total no. of Treasury Shares	- 8,341,500

DISTRIBUTION OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	% (1)
1 - 99	199	4.34	8,475	0.00
100 - 1,000	825	18.00	427,328	0.11
1,001 - 10,000	2,512	54.81	11,511,233	3.06
10,001 - 1,000,000	1,031	22.50	41,424,249	11.00
1,000,001 and above	16	0.35	323,316,819	85.83
TOTAL	**4,583**	**100.00**	**376,688,104**	**100.00**

TWENTY LARGEST SHAREHOLDERS	NO. OF SHARES	% (1)
UNITED OVERSEAS BANK NOMINEES PTE LTD	243,030,422	64.52
LUM KWAN SUNG	15,531,080	4.12
ELLIPSIZ LTD	13,755,922	3.65
HONG LEONG FINANCE NOMINEES PTE LTD	13,000,000	3.45
LUM KOK SENG	10,944,964	2.91
DBS NOMINEES PTE LTD	7,245,234	1.92
RMDV INVESTMENTS PTE LTD	3,459,159	0.92
LUM CHANG INVESTMENTS PTE LTD	2,963,674	0.79
OCBC NOMINEES SINGAPORE PTE LTD	2,956,317	0.78
CITIBANK NOMINEES SINGAPORE PTE LTD	2,093,209	0.56
CHIAM HOCK POH	1,960,300	0.52
TAN THIAN HWEE	1,723,000	0.46
LEH BEE HOE	1,295,300	0.34
UOB KAY HIAN PTE LTD	1,232,698	0.33
RAFFLES NOMINEES (PTE) LIMITED	1,152,240	0.31
NG POH MUI	1,000,400	0.27
NG POH CHENG	675,760	0.18
DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	580,062	0.15
OCBC SECURITIES PRIVATE LTD	539,528	0.14
PHILLIP SECURITIES PTE LTD	409,160	0.11
	325,548,429	**86.43**

SUBSTANTIAL SHAREHOLDERS (INCLUDING DEEMED INTERESTS)	NO. OF SHARES	% (1)
Raymond Lum Kwan Sung	201,304,629 (2)	53.44
David Lum Kok Seng	220,709,048 (3)	58.59
RMDV Investments Pte Ltd	123,803,290	32.87
Lum Chang Investments Pte Ltd	61,972,942	16.45
Beverian Holdings Pte Ltd	72,211,400	19.17
Edlyn Lum Wen Ee	61,972,942 (4)	16.45
Emlyn Lum Wen Yan	61,972,942 (4)	16.45

Based on information available to the Company as at 8 September 2022, approximately 20.71% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Notes:
(1) Percentage computed is based on 376,688,104 shares in issue (excluding treasury shares which have no voting rights).
(2) Mr Raymond Lum Kwan Sung is deemed interested in 185,776,232 shares held directly by Lum Chang Investments Pte Ltd, RMDV Investments Pte Ltd and through their nominee accounts.
(3) Mr David Lum Kok Seng is deemed interested in 209,770,612 shares held directly by Beverian Holdings Pte Ltd, RMDV Investments Pte Ltd, Ellipsiz Ltd and through their nominee accounts.
(4) Ms Edlyn Lum Wen Ee and Ms Emlyn Lum Wen Yan are deemed interested in 61,972,942 shares held directly by Lum Chang Investments Pte Ltd and through its nominee accounts.

NOTICE OF ANNUAL GENERAL MEETING

Lum Chang Holdings Limited (incorporated in the Republic of Singapore) Company Registration No. 198203949N

NOTICE IS HEREBY GIVEN that the **40th Annual General Meeting** of the Company ("**AGM**") will be held at Orchard Rendezvous Hotel, Antica I & II, Level 2, 1 Tanglin Road, Singapore 247905 on **28 October 2022**, **Friday** at **10.30 a.m.** to transact the following business:-

As Ordinary Business:

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2022 and the Auditor's Report thereon. **Resolution 1**

2. To declare a final tax exempt (one-tier) dividend of 1.0 Singapore cents per ordinary share as recommended by the Directors for the financial year ended 30 June 2022. **Resolution 2**

3. To approve the amount of S$397,366 proposed as Directors' fees for the financial year ended 30 June 2022 (2021: S$358,150). **Resolution 3**

4. To re-elect the following Directors, retiring by rotation in accordance with Article 107(2) of the Constitution of the Company and who, being eligible, offer themselves for re-election:

   (a) Mr Raymond Lum Kwan Sung **Resolution 4**
   (b) Mr Kelvin Lum Wen Sum **Resolution 5**
   (c) Mr Clement Leow Wee Kia **Resolution 6**

   Note: (a) Mr Raymond Lum Kwan Sung, the Executive Chairman, if re-elected, will remain as a member of the Nominating Committee.

   (b) Mr Kelvin Lum Wen Sum, if re-elected, will remain as a Non-independent Non-executive Director of the Company.

   (c) Mr Clement Leow Wee Kia, an Independent Director, if re-elected, will remain as a member of the Audit and Risk Committee.

   (see Explanatory Note 1)

5. To re-appoint PricewaterhouseCoopers LLP as independent auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

As Special Business:

To consider and, if thought fit, to pass the following as Ordinary Resolutions with or without modifications:-

6. **Authority to Directors to issue Shares** **Resolution 8**

"That pursuant to Section 161 of the Companies Act 1967 (the "**Act**"), the Constitution of the Company and the listing rules of the SGX-ST (including any supplemental measures thereto from time to time), the Directors be and are hereby authorised to:-

(a) (i) allot and issue ordinary shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively the "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of options, warrants, debentures or other instruments convertible into Shares,

at any time to such persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit; and

(b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force:-

(i) issue additional Instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and

(ii) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force or any additional Instruments referred to in b(i) above,

PROVIDED ALWAYS THAT:-

(I) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution (as calculated in accordance with subparagraph (II) below), of which the aggregate number of Shares issued other than on a *pro rata* basis to existing shareholders of the Company ("**Shareholders**") (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with subparagraph (II) below);

(II) subject to such manner of calculation as may be prescribed by SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under subparagraph (I) above, the total number of the issued Shares is based on the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(III) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(IV) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is the earlier."

(see Explanatory Note 2)

7. **Approval for renewal of Share Purchase Mandate** **Resolution 9**

(a) "That for the purposes of Sections 76C and 76E of the Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchases (each an "**On-Market Share Purchase**") on the SGX-ST; and/or

(ii) off-market purchases (each an "**Off-Market Share Purchase**") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, 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 date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held;

(ii) the date by which the next AGM of the Company is required by law to be held; and

(iii) the date on which the purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated;

(c) in this Resolution:

"**Prescribed Limit**" means 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings as at that date); and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price (as hereinafter defined); and

(ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last 5 Market Days ("**Market Day**" being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, before the day on which the On-Market Share Purchase was made (and deemed to be adjusted for any corporate action that occurs during the relevant 5 Market Days and the day on which On-Market Share Purchase was made) or, as the case may be, before the date of making an announcement by the Company of an offer for an Off-Market Share Purchase; and

(d) the Directors and/or each of them be and are/is hereby authorised to complete and do all such acts and things as they and/or he may consider necessary, desirable, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

(see Explanatory Note 3)

8. **Any Other Business**

To transact any other business which may properly be transacted at an Annual General Meeting.

NOTICE OF RECORD DATE FOR THE PROPOSED FINAL DIVIDEND

NOTICE IS ALSO HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on **9 November 2022** for the purpose of determining Shareholders' entitlements to a proposed final tax exempt (one-tier) dividend of 1.0 Singapore cents per ordinary share for the financial year ended 30 June 2022 (the "**Proposed Final Dividend**").

Duly completed registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at **80 Robinson Road, #02-00, Singapore 068898** up to 5.00 p.m. on 9 November 2022 will be registered to determine Shareholders' entitlements to the Proposed Final Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as at 5.00 p.m. on 9 November 2022 will be entitled to the Proposed Final Dividend.

The Proposed Final Dividend, if approved by Shareholders at the 40th AGM, will be paid on **22 November 2022**.

BY ORDER OF THE BOARD

TONY FONG
TAN ENG CHAN GERALD

Company Secretaries
Singapore
6 October 2022

Explanatory Notes to the Resolutions:

1. Detailed information on these Directors can be found under "Board of Directors", "Present and Past Directorships" and "Corporate Governance" sections in the Company's Annual Report for the financial year ended 30 June 2022.

.2. Ordinary Resolution 8, if passed, will empower the Directors, from the date of the above AGM until the next AGM, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares in pursuance of such Instruments, up to an amount not exceeding (i) 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 20% may be issued other than on a *pro rata* basis to Shareholders. The aggregate number of Shares which may be issued shall be based on the total number of issued Shares at the time that Ordinary Resolution 8 is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 8 is passed, and any subsequent bonus issue or consolidation or subdivision of Shares. This authority will, unless revoked or varied at a general meeting, expire at the next AGM, or the date by which the next AGM is required by law to be held, whichever is the earlier.

3. Ordinary Resolution 9, if passed, will enable the Directors, unless varied or revoked by the Company in general meeting, from the date of the above AGM until the next AGM, or the date by which the next AGM is required by law to be held, or the date on which the purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated, whichever is the earliest, to purchase Shares by way of On-Market Share Purchases and/or Off-Market Share Purchases of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of the ordinary resolution and up to the Maximum Price. The Company intends to use internal sources of funds or external borrowings, or a combination of both, to finance its purchase of Shares pursuant to the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and on the Company and its subsidiaries (the "**Group**") arising from purchase of Shares cannot be ascertained as at the date of this Notice of AGM as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and the amount (if any) borrowed by the Company to fund the purchase. The rationale for, the authority and the limits on, and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Company and the Group for the financial year ended 30 June 2022 (for illustrative purposes only) are set out in greater detail in the Appendix to the Notice of AGM dated 6 October 2022 in relation to the proposed renewal of the Share Purchase Mandate.

Notes:

1) A member (otherwise than a relevant intermediary) entitled to attend, speak and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead. Where such member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

2) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

   "**Relevant intermediary**" means:

   (i) 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;

   (ii) 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

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under the Central Provident Fund 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 Central Provident Fund Board holds the shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3) A proxy need not be a member of the Company.

4) The instrument appointing a proxy or proxies must be submitted in the following manner:

   (a) if submitted by post, be deposited at the office of the Company's Polling Agent, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the Company's Polling Agent at LCHAGM2022@boardroomlimited.com,

   in either case, not less than seventy-two (72) hours before the time appointed for holding the AGM.

5) The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, 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 and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation 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 the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) 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.

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LUM CHANG HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 198203949N

Annual General Meeting Proxy Form

IMPORTANT
1. The Notice of Annual General Meeting together with this proxy form and the Annual Report of Lum Chang Holdings Limited dated 6 October 2022 will be sent to members by electronic means via publication on Lum Chang Holdings Limited's corporate website at the URL http://www.lumchang.com.sg and are also made available on the SGXNet at the URL https://www.sgx.com/securities/company-announcements. A booklet ("**AGM Notice Booklet**") containing printed copies of the Notice of Annual General Meeting and this proxy form will also be sent to members by post.
2. Relevant intermediaries as defined in Section 181 of the Companies Act 1967 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
3. For CPF/SRS investors who have used their CPF/SRS monies to buy Lum Chang Holdings Limited shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees solely FOR INFORMATION ONLY.
4. This proxy form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. For submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 October 2022.

I/We ______________________ (Name) ______________________ (NRIC/Passport Number/ Company Registration Number) of ______________________________ (Address), being a member/members of Lum Chang Holdings Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			Number of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			Number of Shares	%

or failing him/her/them, the Chairman of the Annual General Meeting of the Company ("**AGM**") as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the 40th AGM to be held at Orchard Rendezvous Hotel, Antica 1 & II, Level 2, 1 Tanglin Road, Singapore 247905 on 28 October 2022, Friday at 10:30 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the ordinary resolutions to be proposed at the AGM as indicated hereunder, in the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the AGM.

No.	Resolution	For*	Against*	Abstain*
	Ordinary Business			
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2022 and the Auditor's Report thereon			
2.	To declare a final tax exempt (one-tier) dividend of 1.0 Singapore cents per ordinary share for the financial year ended 30 June 2022			
3.	To approve Directors' fees of S$397,366 for the financial year ended 30 June 2022			
4.	To re-elect Mr Raymond Lum Kwan Sung as a Director retiring under Article 107(2) of the Company's Constitution			
5.	To re-elect Mr Kelvin Lum Wen Sum as a Director retiring under Article 107(2) of the Company's Constitution			
6.	To re-elect Mr Clement Leow Wee Kia as a Director retiring under Article 107(2) of the Company's Constitution			
7.	To re-appoint PricewaterhouseCoopers LLP as independent auditors and to authorise the Directors to fix their remuneration			
	Special Business			
8.	To authorize Directors to issue shares pursuant to Section 161 of the Companies Act 1967			
9.	To approve the renewal of Share Purchase Mandate			

* If you wish to exercise all your votes "For" or "Against" the relevant resolution, please indicate with an "X" within the relevant box provided. Otherwise, please indicate the number of votes in the boxes provided. If you wish to abstain from voting on the resolution, please indicate with an "X" in the "Abstain" box in respect of that resolution. Alternatively, please indicate the number of votes in the "Abstain" box in respect of that resolution.

Dated this ________ day of ______________ 2022

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ THE FOLLOWING NOTES.

Notes:

(1) Please insert the total number of 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 or any statutory modification thereof, as the case may be), 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. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

(2) A member of the Company who is not a relevant intermediary (as defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead at the Annual General Meeting ("**AGM**") of the Company. Where such member appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

(3) A member of the Company who is a relevant intermediary is entitled to appoint more than two (2) 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. Where such member appoints more than one (1) proxy, the number of shares and the class of such shares in relation to which each proxy has been appointed shall be specified in the proxy form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

"**relevant intermediary**" has the meaning as ascribed to it in Section 181(6) of the Companies Act 1967.

(4) The instrument appointing a proxy or proxies must be submitted in the following manner:

(a) if submitted by post, be deposited at the office of the Company's Polling Agent, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted electronically, be submitted via email to the Company's Polling Agent at LCHAGM2022@boardroomlimited.com,

in either case, not less than seventy-two (72) hours before the time appointed for holding the AGM.

A member who wishes to submit an instrument of proxy must either utilise the printed copy of the proxy form received together with AGM Notice Booklet or download, complete and sign the proxy form from the Company's website, before (i) submitting it by post to the address provided above or (ii) scanning and sending it by email to the email address provided above.

(5) A proxy need not be a member of the Company.

(6) The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

(7) Where an instrument appointing a proxy is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

(8) A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act 1967.

(9) The submission of an instrument or form appointing a proxy by a member does not preclude him/her from attending and voting in person at the AGM if he/she so wishes.

(10) The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by the Depository to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, 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 and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation 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 the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) 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.

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