



# **KEONG HONG HOLDINGS LIMITED**

(Incorporated in Singapore on 15 April 2008)  
(Company Registration Number: 200807303W)

## **CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS AND HALF YEAR ENDED 31 MARCH 2022**

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

		The Group		
		6 months ended 31 March 2022	6 months ended 31 March 2021	Increase/ (Decrease)
		S\$'000	S\$'000	%
	Note			
Revenue	4	54,706	28,100	94.7
Cost of sales		(62,356)	(21,500)	>100.0
<b>Gross (loss)/profit</b>		(7,650)	6,600	n.m.
<b>Other item of income</b>				
Other income	6	3,529	4,763	(25.9)
Administrative expenses		(9,518)	(8,719)	9.2
Finance costs		(2,150)	(3,529)	(39.1)
Share of results of joint ventures, net of tax		6,269	2,620	>100.0
Share of results of associates, net of tax		(1,649)	(2,989)	(44.8)
Loss before income tax	6	(11,169)	(1,254)	>100.0
Income tax expense	7	(136)	(864)	>100.0
Loss for the period		(11,305)	(2,118)	>100.0
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange difference on translating foreign operations		3	543	>100.0
<i>Items that may not be reclassified subsequently to profit or loss:</i>				
Fair value gain (loss) on financial assets at FVOCI		587	(555)	n.m.
<b>Other comprehensive income for the period, net of tax</b>		590	(12)	n.m.
<b>Total comprehensive income for the period</b>		(10,715)	(2,130)	>100.0
<b>Loss attributable to:</b>				
Owners of the parent		(10,796)	(1,439)	>100.0
Non-controlling interests		(509)	(679)	(25.0)
		(11,305)	(2,118)	>100.0
<b>Total comprehensive income attributable to:</b>				
Owners of the parent		(10,206)	(1,451)	>100.0
Non-controlling interests		(509)	(679)	(25.0)
		(10,715)	(2,130)	>100.0
<b>Loss per share attributable to owners of the parent (cents)</b>				
• Basic	9	(4.59)	(0.61)	
• Diluted	9	(4.59)	(0.61)	

## B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		31 March 2022 S\$'000	30 September 2021 S\$'000	31 March 2022 S\$'000	30 September 2021 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	13	19,211	20,908	-	-
Right-of-use assets		5,813	6,353	-	74
Investment properties	14	19,245	21,382	-	-
Investments in subsidiaries		-	-	29,181	29,181
Investments in associates		29,535	31,055	7,123	7,123
Investments in joint ventures		35,969	32,275	-	-
Intangible assets	12	43	9	-	-
Financial assets at FVOCI	11	31,412	30,872	2,685	2,145
Financial assets at FVTPL		19,806	19,806	-	-
Non-trade receivables		35,369	36,815	-	-
Deferred tax assets		67	67	-	-
<b>Total non-current assets</b>		<b>196,470</b>	<b>199,542</b>	<b>38,989</b>	<b>38,523</b>
<b>Current assets</b>					
Inventories		1,099	836	-	-
Trade and other receivables		51,132	42,756	21,737	22,160
Contract assets		32,038	35,443	-	-
Prepayments		1,317	992	27	13
Fixed deposits		1,723	2,172	101	623
Cash and bank balances		29,239	20,874	737	2,252
		116,548	103,073	22,602	25,048
Non-current assets classified as held for sale		-	1,880	-	-
<b>Total current assets</b>		<b>116,548</b>	<b>104,953</b>	<b>22,602</b>	<b>25,048</b>
<b>Total assets</b>		<b>313,018</b>	<b>304,495</b>	<b>61,591</b>	<b>63,571</b>
<b>Equity</b>					
Share capital	16	25,048	25,048	25,048	25,048
Treasury shares	16	(3,303)	(3,303)	(3,303)	(3,303)
Share option reserve		2,041	2,041	2,041	2,041
Foreign currency translation reserve		678	675	-	-
Merger reserve		(4,794)	(4,794)	-	-
Fair value reserve		(24,972)	(25,559)	(4,140)	(4,680)
Other reserve		1,125	1,125	-	-
Retained earnings		152,636	163,432	(8,266)	(5,872)
Equity attributable to owners of the parent		148,459	158,665	11,380	13,234
Non-controlling interests		(1,574)	(1,065)	-	-
<b>Total equity</b>		<b>146,885</b>	<b>157,600</b>	<b>11,380</b>	<b>13,234</b>
<b>Non-current liabilities</b>					
Bank borrowings	15	8,820	9,801	-	-
Lease liabilities		5,102	5,423	-	58
Medium term notes	15	35,217	-	35,217	-
Provisions		512	512	-	-
Deferred tax liabilities		1	1	-	-
<b>Total non-current liabilities</b>		<b>49,652</b>	<b>15,737</b>	<b>35,217</b>	<b>58</b>

## B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

	Note	The Group		The Company	
		31 March 2022 S\$'000	30 September 2021 S\$'000	31 March 2022 S\$'000	30 September 2021 S\$'000
<b>Current liabilities</b>					
Contract liabilities		129	129	-	-
Trade and other payables		32,904	28,327	2,244	2,303
Bank borrowings	15	51,832	34,948	-	-
Lease liabilities		756	892	-	21
Medium term notes	15	12,750	47,955	12,750	47,955
Provisions		14,905	14,119	-	-
Current income tax payable		3,205	4,788	-	-
<b>Total current liabilities</b>		<b>116,481</b>	<b>131,158</b>	<b>14,994</b>	<b>50,279</b>
<b>Total liabilities</b>		<b>166,133</b>	<b>146,895</b>	<b>50,211</b>	<b>50,337</b>
<b>Total equity and liabilities</b>		<b>313,018</b>	<b>304,495</b>	<b>61,591</b>	<b>63,571</b>

## C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<u>The Group</u>	Share capital S\$'000	Treasury shares S\$'000	Share option reserve S\$'000	Foreign currency translation reserve S\$'000	Merger reserve S\$'000	Fair value reserve S\$'000	Other reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non-controlling interests S\$'000	Total S\$'000
<b>1HFY2022</b>											
Balance at 1 October 2021	25,048	(3,303)	2,041	675	(4,794)	(25,559)	1,125	163,432	158,665	(1,065)	157,600
Loss for the financial period	-	-	-	-	-	-	-	(10,796)	(10,796)	(509)	(11,305)
Other comprehensive income for the financial period:											
Exchange differences on translating foreign operations	-	-	-	3	-	-	-	-	3	-	3
Fair value gain on financial assets at FVOCI	-	-	-	-	-	587	-	-	587	-	587
Total comprehensive income for the financial period	-	-	-	3	-	587	-	(10,796)	(10,206)	(509)	(10,715)
<b>Transactions with owners, recognised directly in equity</b>											
Amortisation of fair value for share options granted to employees	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>25,048</b>	<b>(3,303)</b>	<b>2,041</b>	<b>678</b>	<b>(4,794)</b>	<b>(24,972)</b>	<b>1,125</b>	<b>152,636</b>	<b>148,459</b>	<b>(1,574)</b>	<b>146,885</b>
<b>1HFY2021</b>											
Balance at 1 October 2020	25,048	(3,303)	2,030	837	(4,794)	(14,465)	1,125	180,987	187,465	1,615	189,080
Loss for the financial period	-	-	-	-	-	-	-	(1,439)	(1,439)	(679)	(2,118)
Other comprehensive income for the financial period:											
Exchange differences on translating foreign operations	-	-	-	543	-	-	-	-	543	-	543
Fair value loss on financial assets at FVOCI	-	-	-	-	-	(555)	-	-	(555)	-	(555)
Total comprehensive income for the financial period	-	-	-	543	-	(555)	-	(1,439)	(1,451)	(679)	(2,130)
<b>Transactions with owners, recognised directly in equity</b>											
Amortisation of fair value for share options granted to employees	-	-	11	-	-	-	-	-	11	-	11
	-	-	11	-	-	-	-	-	11	-	11
<b>Balance at 31 March 2021</b>	<b>25,048</b>	<b>(3,303)</b>	<b>2,041</b>	<b>1,380</b>	<b>(4,794)</b>	<b>(15,020)</b>	<b>1,125</b>	<b>179,548</b>	<b>186,025</b>	<b>936</b>	<b>186,961</b>

### C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

<u>The Company</u>	Share Capital S\$'000	Treasury shares S\$'000	Share option reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
<b>1HFY2022</b>						
Balance at 1 October 2021	25,048	(3,303)	2,041	(4,680)	(5,872)	13,234
Loss for the financial period	-	-	-	-	(2,394)	(2,394)
Other comprehensive income for the financial period:						
Fair value gain on financial assets at FVOCI	-	-	-	540	-	540
Total comprehensive income for the financial period	-	-	-	540	(2,394)	(1,854)
<b>Contribution by and distribution to owners of the parent:</b>						
Amortisation of fair value for share options granted to employees	-	-	-	-	-	-
<b>Total transactions with owners of the parent</b>	-	-	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>25,048</b>	<b>(3,303)</b>	<b>2,041</b>	<b>(4,140)</b>	<b>(8,266)</b>	<b>11,380</b>
<b>1HFY2021</b>						
Balance at 1 October 2020	25,048	(3,303)	2,030	(3,930)	2,851	22,696
Loss for the financial period	-	-	-	-	(2,096)	(2,096)
Other comprehensive income for the financial period:						
Fair value loss on financial assets at FVOCI	-	-	-	(555)	-	(555)
Total comprehensive income for the financial period	-	-	-	(555)	(2,096)	(2,651)
<b>Contribution by and distribution to owners of the parent:</b>						
Amortisation of fair value for share options granted to employees	-	-	11	-	-	11
<b>Total transactions with owners of the parent</b>	-	-	11	-	-	11
<b>Balance at 31 March 2021</b>	<b>25,048</b>	<b>(3,303)</b>	<b>2,041</b>	<b>(4,485)</b>	<b>755</b>	<b>20,056</b>

## D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		<b>The Group</b>	
		<b>6 months ended</b>	<b>6 months ended</b>
		<b>31 March 2022</b>	<b>31 March 2021</b>
Note		<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>			
	Loss before income tax	(11,169)	(1,254)
	Adjustments for:		
	Reversal of Impairment loss on non-current assets held for sale	(20)	-
	Reversal of loss allowance of other receivables	-	(306)
12	Amortisation of intangible assets	14	6
14	Depreciation of investment properties	298	320
	Depreciation of property, plant equipment	1,656	1,642
	Depreciation of right-of-use assets	573	601
	Gain on disposal of plant and equipment	(66)	-
	Interest income	(1,845)	(2,202)
	Interest expense	2,150	3,529
	Amortisation of fair value for share options granted to employees	-	11
	Loss on unrealised foreign exchange	1,510	2,523
	Share of results of joint ventures	1,649	(2,620)
	Share of results of associates	(6,269)	2,989
	Operating cash flows before working capital changes	<u>(11,519)</u>	<u>5,239</u>
	Working capital changes		
	Inventories	(263)	(596)
	Trade and other receivables	(7,826)	(1,479)
	Prepayments	(341)	238
	Contract assets	3,382	(6,192)
	Contract liabilities	-	(505)
	Provisions	(486)	863
	Trade and other payables	5,420	(9,165)
	Cash used in operations	<u>(11,633)</u>	<u>(11,597)</u>
	Income tax paid	<u>(1,715)</u>	<u>(3,399)</u>
	<b>Net cash used in operating activities</b>	<u>(13,348)</u>	<u>(14,996)</u>
<b>Investing activities</b>			
	Loan to associates	-	(2,082)
	Loan to joint ventures	-	(1,305)
13	Purchase of property, plant and equipment	(102)	(813)
	Purchase of investment properties	-	(8)
12	Purchase of intangible assets	(48)	-
	Purchase of right-of-use assets	(103)	(73)
	Proceeds from disposal of non-current asset held for sales	1,900	-
	Proceeds from disposal of property, plant and equipment	278	-
	Repayment of loan from joint ventures	1,785	-
	Repayment of loan from associate	302	250
	Repayment of loan from third parties	15	111
	Interest received	14	36
	Dividend income from joint venture	4,000	-
	Redemption of capital upon divestment of financial assets at FVOCI	47	150
	<b>Net cash from/(used in) investing activities</b>	<u>8,088</u>	<u>(3,734)</u>



## D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Note	The Group	
	6 months ended	6 months ended
	31 March 2022	31 March 2021
	S\$'000	S\$'000
<b>Financing activities</b>		
Fixed deposit pledge with financial institutions	-	(3)
Proceeds from bank borrowings	22,585	9,418
Proceeds from finance lease	85	49
Repayment of lease liabilities	(542)	(486)
Repayment of bank borrowings	(6,785)	(5,935)
Interest paid	(2,155)	(3,438)
<b>Net cash from/(used in) financing activities</b>	<b>13,188</b>	<b>(395)</b>
Net change in cash and cash equivalents	7,928	(19,125)
Cash and cash equivalents at beginning of financial year	21,813	40,000
Effect of foreign exchange rate changes on cash and cash equivalents	(116)	(153)
<b>Cash and cash equivalents at end of financial period</b>	<b>29,625</b>	<b>20,722</b>
<b>Cash and cash equivalents:</b>		
Fixed deposits	1,723	9,563
Cash and bank balances	29,239	11,694
	30,962	21,257
Fixed deposits pledge	(535)	(535)
Bank overdraft	(802)	-
<b>Cash and cash equivalents at end of financial period</b>	<b>29,625</b>	<b>20,722</b>

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1. CORPORATE INFORMATION**

Keong Hong Holdings Limited (the "Company") is a public limited company, incorporated and domiciled in Singapore. The Company is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the six months ended 31 March 2022 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activity of the Company is that of an investment holding company.

The principal activities of the significant subsidiaries are those relating to investment holding, real estate development and building construction.

### **2. BASIS OF PREPARATION**

The condensed interim financial statements for the six months ended 31 March 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 September 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollar which is the Company's functional currency, and all values presented are rounded to the nearest thousand (\$'000) except where otherwise stated.

#### **2.1. New and amended standards adopted by the Group**

The Group has adopted the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("SFRS(I) INT") that are effective for annual periods beginning on or after 1 October 2021, where applicable. The adoption of these new and revised SFRS(I) or SFRS(I) INT does not have any material impact to the Group's financial statements.

#### **2.2. Use of judgements and estimates**

The preparation of financial statements in conformity with SFRS(I)s requires the management to exercise judgement in the process of applying the Group's and the Company's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year, or in the financial period of revision and future years if the revision affects both current and future financial years.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2021.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes

(i) Determine the lease term

The Group has several lease contracts that included extension and/or termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend and/or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the option.

The assessment on lease terms is reviewed at the end of each reporting period if there is a significant change in the Group's intentions, business plan or other circumstances unforeseen since it was first estimated.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

(i) Construction contracts

The Group has significant ongoing construction contracts as at 30 September 2021 that are non-cancellable. For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

Significant assumptions are used to estimate the total contract sum and the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion and completeness of provision for onerous contracts recognised. In making these estimates, management has relied on past experience and the work of specialists.

(ii) Impairment of investments in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and where applicable, cash-generating units ("CGU") have been determined based on value-in-use calculations. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

(iii) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting and disclosures purposes. In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent it is available. The Group works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model. For unquoted equity shares, the Group determines the fair value with reference to SFRS(I) 13 Fair Value Measurement to establish the appropriate valuation techniques and inputs to the model. Changes in assumptions on the inputs to the model could affect the reported fair value of the financial instruments.

(iv) Loss allowance on trade and other receivables, retention sum and contract assets

Trade receivables, retention sum and contract assets

Expected credit loss model is initially based on the Group's historical observed default rates. The Group will calibrate the model to adjust historical credit loss experience with industry future outlook. At each reporting period, historical default rates are updated and change in the industry future outlook is reassessed. The Group also evaluates expected credit loss on credit-impaired receivables separately at each reporting period.

Non-trade receivables from subsidiaries, associates and joint ventures

Management determines whether there is significant increase in credit risk of these subsidiaries, associates and joint ventures since initial recognition. Management assesses the financial performances of subsidiaries, associates and joint ventures to meet the contractual cash flows obligation.

(v) Measurement of lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term. The Group has determined the discount rate by reference to the Group's incremental borrowing rate when the rate inherent in the lease is not readily determinable. The Group obtains the relevant market interest rate after considering the applicable geographical location where the lessee operates as well as the term of the lease. Management considers industry data available as well as any security available in order to adjust the market interest rate obtained from similar economic environment, term and value of the lease.

### **2.3. Going Concern**

The Group incurred a net loss of S\$11.3 million for the financial period ended 31 March 2022 and reported a net current asset of S\$67,000 as at 31 March 2022.

Notwithstanding the above, the appropriateness of the going concern assumptions of the Group is appropriate based on the following factors:

- (a) The continuing financial support from the ultimate controlling company, LJHB Holdings Pte. Ltd.;
- (b) The adequacy of funds, including receipt of projected dividend income and cash flows for ongoing projects, and
- (c) Continued support from its bankers on the unutilised banking facilities will be forthcoming.

### 3. SEASONAL OPERATIONS

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

### 4. SEGMENT AND REVENUE INFORMATION

The Group is organised into four main operating divisions as follows

- a) Buildings and Construction – general building contractors
- b) Property development – developing properties with other partners
- c) Investment property – leasing office and retail shops in two commercial buildings acquired in Osaka Japan
- d) Investment holding – investment in quoted and unquoted equity shares

These operating segments are reported in a manner consistent with internal reporting provided to management who are responsible for allocating resources and assessing performance of the operating segments.

#### 4.1. Reportable segments

	The Group					Total
	6 months ended 31 March 2022					
	Buildings and Construction	Property development	Investment Property	Investment Holding	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>						
External revenue	54,020	-	686	-	-	54,706
Inter-segment sales	-	156	-	-	(156)	-
	54,020	156	686	-	(156)	54,706
<b>Loss from operations</b>						
Share of results from joint ventures, net of tax	-	6,269	-	-	-	6,269
Share of results from associates, net of tax	-	(1,649)	-	-	-	(1,649)
Interest income	1,772	-	-	73	-	1,845
Interest expenses	(589)	-	(52)	(1,509)	-	(2,150)
Depreciation and Amortisation	(2,239)	-	(298)	(4)	-	(2,541)
Income tax expense	(140)	-	-	4	-	(136)
Reportable segment (loss)/profit before income tax	(10,426)	3,181	(1,091)	(2,833)	-	(11,169)
Net (loss)/profit for the period after tax	(10,566)	3,181	(1,091)	(2,829)	-	(11,305)
<b>Other information</b>						
Additions to non-current assets	253	-	-	-	-	253
Investment in joint ventures	-	35,969	-	-	-	35,969
Investment in associates	-	29,535	-	-	-	29,535
Segment assets	190,023	92,508	20,849	9,638	-	313,018
Segment liabilities	105,750	67	10,103	50,213	-	166,133

#### 4.1. Reportable segments (continued)

	The Group					Total
	6 months ended 31 March 2021					
	Buildings and Construction	Property development	Investment Property	Investment Holding	Elimination	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Revenue</b>						
External revenue	27,315	-	785	-	-	28,100
Inter-segment sales	-	135	-	-	(135)	-
	27,315	135	785	-	(135)	28,100
<b>Loss from operations</b>						
Share of results from joint ventures, net of tax	-	2,620	-	-	-	2,620
Share of results from associates, net of tax	-	(2,989)	-	-	-	(2,989)
Interest income	2,111	-	-	91	-	2,202
Interest expenses	(401)	-	(61)	(3,067)	-	(3,529)
Depreciation and Amortisation	(2,224)	-	(320)	(25)	-	(2,569)
Income tax expense	(856)	-	-	(8)	-	(864)
Reportable segment (loss)/profit before income tax	(331)	3,249	(1,215)	(2,957)	-	(1,254)
Net (loss)/profit for the period after tax	(1,187)	3,249	(1,215)	(2,965)	-	(2,118)
<b>Other information</b>						
Additions to non-current assets	886	-	8	-	-	894
Investment in joint ventures	-	34,385	-	-	-	34,385
Investment in associates	-	27,255	-	-	-	27,255
Segment assets	183,493	157,476	25,522	15,582	-	382,073
Segment liabilities	82,747	44	9,620	102,702	-	195,113

#### 4.2. Disaggregation of revenue

	The Group				
	6 months ended 31 March 2022				
	Buildings and Construction	Property development	Investment Property	Investment Holding	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Type of goods or services</b>					
Construction	54,020	-	-	-	54,020
Rental	-	-	686	-	686
Total revenue	54,020	-	686	-	54,706
<b>Timing of revenue recognition</b>					
At a point in time	-	-	-	-	-
Over time	54,020	-	686	-	54,706
Total revenue	54,020	-	686	-	54,706
<b>Geographical information</b>					
Singapore	53,568	-	-	-	53,568
Maldives	452	-	-	-	452
Japan	-	-	686	-	686
Total revenue	54,020	-	686	-	54,706

	The Group				
	6 months ended 31 March 2021				
	Buildings and Construction	Property development	Investment Property	Investment Holding	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Type of goods or services</b>					
Construction	27,315	-	-	-	27,315
Rental	-	-	785	-	785
Total revenue	27,315	-	785	-	28,100
<b>Timing of revenue recognition</b>					
At a point in time	-	-	-	-	-
Over time	27,315	-	785	-	28,100
Total revenue	27,315	-	785	-	28,100
<b>Geographical information</b>					
Singapore	26,692	-	-	-	26,692
Maldives	623	-	-	-	623
Japan	-	-	785	-	785
Total revenue	27,315	-	785	-	28,100

## 5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2022 and 30 September 2021.

	Note	The Group		The Company	
		31 March	30 September	31 March	30 September
		2022	2021	2022	2021
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets</b>					
Financial assets at FVOCI	11	31,412	30,872	2,685	2,145
Financial assets at FVTPL		19,806	19,806	-	-
Financial assets at amortised cost		117,073	102,067	22,575	25,035
<b>Financial liabilities</b>					
Financial liabilities at amortised cost		146,939	127,271	50,211	50,337

## 6. LOSS BEFORE TAXATION

### 6.1. Significant items

	The Group	
	6 months	6 months
	ended 31	ended 31
	March 2022	March 2021
	S\$'000	S\$'000
<b>Income</b>		
Gain on disposal of plant and equipment	66	-
Interest income	1,845	2,202
Rental income from warehouse	703	510
Management fee	150	150
Government grant	654	1,201
<b>Expenses</b>		
<i>Cost of sales</i>		
Construction costs	50,456	11,600
Cost of inventories	1,765	846
Employee benefit expenses	6,176	5,443
Depreciation of property, plant and equipment	6	6
Depreciation of investment properties	298	320
<i>Administrative expenses</i>		
Amortisation of intangible assets	14	6
Depreciation of property, plant and equipment	1,650	1,636
Depreciation of right-of-use asset	573	601
Employee benefit expenses	2,280	2,459
Professional fees	1,318	195
Foreign exchange loss, net	1,510	2,523



## 6.2. Related party transactions

In addition to the related party transactions disclosed elsewhere in the interim condensed financial statements, the Group entered into the following transactions with their related parties.

	The Group	
	6 months ended 31 March 2022	6 months ended 31 March 2021
	S\$'000	S\$'000
<b>Joint ventures</b>		
Contract revenue from joint ventures	9,051	7,757
Loan to joint ventures	-	1,305
Interest charged to joint ventures	340	603
Payment on behalf of joint ventures	307	214
<b>Associates</b>		
Contract revenue from associates	-	-
Loan to associates	-	1,626
Cash advances to associates	-	199
Payment made on behalf of associates	358	257
Management fee charged to associates	150	150
Interest charged to associates	1,491	1,560
<b>Directors' interest in medium term notes</b>		
- Leo Ting Ping Ronald	2,000	2,000
- Fong Heng Boo	500	500
- Chong Weng Hoe	250	250
<b>Interest expense</b>		
- Leo Ting Ping Ronald	63	63
- Fong Heng Boo	15	15
- Chong Weng Hoe	8	8

## 7. TAXATION

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit and loss are:

	The Group	
	6 months ended 31 March 2022	6 months ended 31 March 2021
	S\$'000	S\$'000
Current income tax expense		
Deferred income tax expense relating to origination and reversal of Temporary differences	136	864
	-	-
	136	864

## 8. DIVIDENDS

	<b>The Group</b>	
	<b>6 months ended 31 March 2022</b>	<b>6 months ended 31 March 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Ordinary dividends paid		
Final exempt dividend	-	-
Interim exempt dividend	-	-
	-	-

## 9. LOSS PER ORDINARY SHARES

Loss per share is calculated by dividing the net loss attributable to owners of the Company by the weighted average number of ordinary shares (excluding treasury shares) outstanding during the financial year.

	<b>The Group</b>	
	<b>6 months ended 31 March 2022</b>	<b>6 months ended 31 March 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Loss attributable to owners of the parent	(10,796)	(1,439)
Weighted average number of ordinary shares (excluding treasury shares) (in thousands)	235,010	235,010
Basic and diluted loss per share (cents)	(4.59)	(0.61)
Diluted loss per share <sup>(1)</sup> (cents)	(4.59)	(0.61)

<sup>(1)</sup> No adjustment was made to the weighted average number of ordinary shares calculation for the diluted loss per share as the Company was in a loss making position for the current period reported on and the corresponding period of the preceding year, the effects of all dilutive share options have been anti-dilutive.

## 10. NET ASSET VALUE

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 31 March 2022</b>	<b>As at 30 September 2021</b>	<b>As at 31 March 2022</b>	<b>As at 30 September 2021</b>
Net asset value per ordinary share (excluding treasury shares)(cents)	63.2	67.5	4.8	5.6
Number of issued shares excluding treasury shares	235,010,000	235,010,000	235,010,000	235,010,000

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income comprise the following

	The Group	
	31 March 2022	30 September 2021
	S\$'000	S\$'000
Singapore listed equity securities <sup>(1)</sup>	2,685	2,145
Unquoted equity securities <sup>(2)</sup>	28,727	28,727
	31,412	30,872

- (1) The Singapore listed equity securities are listed on the catalist board of the Singapore Exchange Securities Trading Limited. The fair value of the investments in quoted equity securities were based on the quoted closing market prices on the last market day of the financial year. The investments classified as Level 1 fair value hierarchy.
- (2) These are unquoted equity share investments in Katong Holdings Pte Ltd. The fair value of the Group's investments in unquoted equity shares were valued by an independent valuer. The investments are classified as Level 3 fair value hierarchy.

### 11.1. Fair value measurement

The Group classifies financial assets at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : inputs other than quoted prices within Level 1 that are observable for the assets or liabilities, either directly (as prices) or indirectly (i.e. derived from prices)

Level 3 : inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presented the assets measured at fair value:

	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group – 31 March 2022</b>				
<b>Financial assets, at FVOCI</b>				
- Singapore listed equity securities	2,685	-	-	2,685
- Unquoted equity securities	-	-	28,727	28,727
<b>Group – 30 September 2021</b>				
<b>Financial assets, at FVOCI</b>				
- Singapore listed equity securities	2,145	-	-	2,145
- Unquoted equity securities	-	-	28,727	28,727

## 12. INTANGIBLE ASSETS

	Computer software	Transferrable club membership	Contractual customers relationship	Goodwill	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>					
<b>Cost</b>					
Balance at 1 October 2021	235	-	309	1,611	2,155
Additions	48	-	-	-	48
Disposal	-	-	-	-	-
Balance at 31 March 2022	283	-	309	1,611	2,203
<b>Accumulated amortisation</b>					
Balance at 1 October 2021	138	-	-	-	138
Amortisation for the financial period	14	-	-	-	14
Balance at 31 March 2022	152	-	-	-	152
<b>Impairment</b>					
Balance at 1 October 2021	88	-	309	1,611	2,008
Disposal	-	-	-	-	-
Balance at 31 March 2022	88	-	309	1,611	2,008
<b>Net carrying amount</b>					
Balance at 31 March 2022	43	-	-	-	43
Remaining useful life	1 – 2 years	-	-	-	-

	Computer software	Transferrable club membership	Contractual customers relationship	Goodwill	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>					
<b>Cost</b>					
Balance at 1 October 2020	235	222	309	1,611	2,377
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
Balance at 31 March 2021	235	222	309	1,611	2,377
<b>Accumulated amortisation</b>					
Balance at 1 October 2020	127	-	-	-	127
Amortisation for the financial period	6	-	-	-	6
Balance at 31 March 2021	133	-	-	-	133
<b>Impairment</b>					
Balance at 1 October 2020	88	31	309	1,611	2,039
Disposal	-	-	-	-	-
Balance at 31 March 2021	88	31	309	1,611	2,039
<b>Net carrying amount</b>					
Balance at 31 March 2021	14	191	-	-	205
Remaining useful life	1 – 2 years	-	-	-	-

## 13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 March 2022, the Group acquired assets amounting to S\$102,000 (31 March 2021: S\$813,000) and disposed of assets amounting to S\$142,000 (31 March 2021: Nil).

## 14. INVESTMENT PROPERTIES

The Group's investment properties consist of commercial properties. They are held for long-term rental yields and/or capital appreciation and mainly leased to third parties for rental income.

	The Group	
	31 March 2022	30 September 2021
	S\$'000	S\$'000
<b>Cost</b>		
Beginning of financial year	24,230	25,749
Additions	-	31
Currency realignment	(2,107)	(1,550)
<b>Balance at end of financial period</b>	<b>22,123</b>	<b>24,230</b>
<b>Accumulated depreciation</b>		
Beginning of financial year	2,848	2,383
Depreciation	298	627
Currency realignment	(268)	(162)
<b>Balance at end of financial period</b>	<b>2,878</b>	<b>2,848</b>
<b>Net book value</b>		
Balance at end of financial period	19,245	21,382
At valuation	24,508	24,508

### 14.1. Valuation

The Group's investment properties were valued by an independent professional valuation firm having appropriate recognised professional qualifications and recent experience in the location and category of the investment properties held by the Group.

The valuation was determined by applying the income approach. The independent valuers have considered valuation techniques including the discounted cash flow method and direct capitalisation method in arriving at the open market value as at the reporting date. The discounted cash flow method involves the estimation and projection of rental income over a period of 10 years based on the typical holding period of real estate investors and discounting the rental income with an internal rate of return to arrive at the market value. The direct capitalisation method capitalises a single-year net cash flow into a present value using the capitalisation rate. The valuation conforms to International Valuation Standards and is based on the asset's highest and best use, which is in line with their actual use. The resulting fair values of freehold land and commercial building are considered Level 3 fair value measurements.

The last valuation of the Group's investment properties were conducted as at 30 September 2021.

## 15. BORROWINGS

	The Group	
	31 March 2022	30 September 2021
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
Secured	51,832	34,948
Unsecured	12,750	47,955
Amount repayable after one year		
Secured	8,820	9,801
Unsecured	35,217	-

The secured borrowings of the Group are secured by:

- a) charge over the investment property;
- b) charge over property, plant and equipment;
- c) charge over receivables of construction contracts;
- d) deposits pledge with financial institutions; and
- e) corporate guarantee provided by the Company

The unsecured borrowings of the Group relate to the outstanding 6.25 per cent. Notes due 2023 comprised in Series 003 (the "Notes") issued under the S\$200,000,000 Multicurrency Medium Term Note Programme. The Notes will mature on 19 August 2023.

For the financial year ended 30 September 2021, the Notes due payable on 19 August 2023, have been classified as current liabilities as the Group has not been able to maintain a ratio of EBITDA to interest expenses of not less than 2:00 as at 31 March 2021 ("1HFY2021") and 30 September 2021 ("FY2021") that constitutes an Event of Default (as defined in the Trust Deed).

On 28 January 2022, through a Consent Solicitation Exercise, the Group obtained the consent of its Noteholders to (a) include a cure mechanism (by way of an interest service reserve account for the Notes) in respect of any non-compliance with the required threshold for the ratio of EBITA to Interest Expense; (b) waive certain provisions of the Trust Deed and the Conditions as a result of any non-compliance with the EBITA-Interest Threshold in respect of Financial period ended 31 March 2021 and financial year ended 30 September 2021; and (c) waive the occurrence of any Event(s) of Default or Potential Event(s) of Default as a result of any non-compliance with the EBITA-Interest Threshold in respect of Financial period ended 31 March 2021 and financial year ended 30 September 2021.

On 17 February 2022, Notice was given to the Noteholders that as at 11 February 2022, a Change of Control Event has occurred under Condition 6(b)(ii) of the Notes, it therefore confers upon Noteholders the option (the "Put Option") for early redemption of the Notes. Certain Noteholders exercised the put option, amounting to S\$12,750,000 in aggregate principle of the Notes, payable on 18 April 2022.

As a consequence of the above conditions, S\$12,750,000 in aggregate principle of the Notes were classified as current liabilities with the remaining reclassified to non-current liabilities as at 31 March 2022.

## 16. SHARE CAPITAL

**16.1.** There has been no change in the Company's issued share capital since the end of the previous period reported on.

**16.2.** As at 31 March 2022 and 31 March 2021, there were 6,455,000 outstanding options issued under Employee Share Option Scheme, which are convertible into 6,455,000 shares.

### 16.3. Treasury shares

	<b>The Group and the Company</b>			
	<b>31 March 2022</b>		<b>31 March 2021</b>	
	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>
	<b>'000</b>	<b>S\$'000</b>	<b>'000</b>	<b>S\$'000</b>
Treasury shares	7,555	3,303	7,555	3,303

As at 31 March 2022 and 31 March 2021, the Company held 7,555,000 treasury shares representing 3.11% of the total number of issued shares of 242,565,000. The Company did not sale, transfer, cancel and/or use any treasury shares as at the current financial period reported on.

### 16.4. Total number of issued shares (excluding treasury shares)

	<b>The Group and the Company</b>			
	<b>31 March 2022</b>		<b>30 September 2021</b>	
	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>
	<b>'000</b>	<b>S\$'000</b>	<b>'000</b>	<b>S\$'000</b>
Issued and fully-paid (excluding treasury shares), at the beginning and end of financial period	235,010	21,745	235,010	21,745

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2022 and 30 September 2021.

## 17. SUBSEQUENT EVENTS

There are no known significant subsequent events which have led to adjustments to this set of interim financial statements.

On 18 April 2022, the Company redeemed S\$12,750,000 in aggregate principal amount of the Notes (the "Redeemed Notes") and that the Redeemed Notes have been cancelled on the same day, in accordance with the terms and conditions of the Notes. Following the cancellation of the Redeemed Notes, the aggregate outstanding principal amount of the Notes is S\$35,250,000.

The financial effects of the above transaction have not been included in this interim financial statements for the period ended 31 March 2022.

## **F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

### **1. Review**

The condensed consolidated statement of financial position of Keong Hong Holdings Limited and its subsidiaries as at 31 March 2022 and the related consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period and full year then ended and certain explanatory notes have not been audited or reviewed.

### **2. Review of performance of the Group**

#### **REVIEW OF FINANCIAL PERFORMANCE**

##### **Revenue**

The Group generated revenue of S\$54.7 million for the six months ended 31 March 2022 (“1HFY2022”) as compared to S\$28.1 million for the six months ended 31 March 2021 (“1HFY2021”). The increase was mainly due to improvement in construction productivity and the commencement of upgrading works to Grand Hyatt Hotel Singapore in 1HFY2022.

##### **Gross profit and Gross profit margin**

In the current financial period reported on, labour shortages and rising business costs due to the COVID-19 pandemic continued. As a result, the Group recorded a gross loss of S\$7.7 million in 1HFY2022 as compared to a gross profit of S\$6.6 million in 1HFY2021. Accordingly, the Group reported a negative gross profit margin of 14.0% in 1HFY2022 as compared to gross profit margin of 23.5% in 1HFY2021.

##### **Other income**

Group’s other income decreased by S\$1.2 million from S\$4.7 million in 1HFY2021 to S\$3.5 million in 1HFY2022. The decrease was mainly due to lower government grant income and interest income recorded in the current financial period reported on.

##### **Administrative expenses**

Administrative expenses were higher at S\$9.5 million in 1HFY2022 as compared to S\$8.7 million in 1HFY2021 mainly attributable to non-recurring expenses incurred in relation to the Group’s consent solicitation exercise and mandatory cash offer that took place in 1HFY2022. The increase was partially offset by lower exchange loss recorded in the current financial period reported on.

##### **Finance costs**

Finance costs decreased from S\$3.5 million in 1HFY2021 to S\$2.2 million in 1HFY2022. This was mainly due to reduction in the Group’s borrowings via repayments.

##### **Share of results of joint ventures, net of tax**

The Group recorded a net gain of S\$6.3 million from joint ventures in 1HFY2022 as compared to S\$2.6 million in 1HFY2021 due mainly to share of profit from its property development projects. The increase, was however, partially offset by losses relating to certain construction projects.

##### **Share of results of associates, net of tax**

The Group recorded a lower net loss on its share of results of associates, net of tax from S\$3.0 million in 1HFY2021 to S\$1.6 million in 1HFY2022 as the financial performance of the hospitality business in Maldives continues to improve with further easing of COVID-19 restrictions around the world.

##### **Income tax expense**

Income tax expense decreased to S\$136,000 in 1HFY2022 as the Group recorded a lower taxable income in the current financial period reported on as compared to the corresponding period of the preceding year.



#### **Loss for the financial period reported on**

Consequence to the above, the Group sustained a net loss of S\$11.3 million in 1HFY2022, as compared to a net loss of S\$2.1 million in 1HFY2021.

#### **REVIEW OF FINANCIAL POSITION**

##### **Non-current assets**

Non-current assets decrease marginally by 1.5% from S\$199.5 million in FY2021 to S\$196.5 million in 1HFY2022. The decrease was mainly due to lower carrying value of the Group's property, plant and equipment, investment properties and right-of-use asset as a result of depreciation and amortisation of S\$2.5 million for the current financial period reported on.

##### **Current assets**

In the period under review, Group's current assets was higher at S\$116.5 million. The increase was mainly due to:

- Increase in trade and other receivables by S\$8.4 million in tandem with the increase in revenue recorded, with higher payment and retention sum due from customers' and
- Increase in cash and bank balances by S\$8.4 million.

##### **Non-current liabilities**

Group's non-current liabilities increased by S\$34.0 million to S\$49.7 million mainly due to the re-classification of the Medium Term Notes to non-current liabilities as detailed in Note 15.

##### **Current Liabilities**

Current liabilities decreased by S\$14.7 million to S\$116.5 million in 1HFY2022, mainly S\$14.7 million mainly attributable to the following

- Reclassification of medium term notes of S\$35.2 million from current to non-current liabilities;
- Increase in bank borrowings through utilisation of banking facilities by S\$16.9 million; and
- Increase in trade and other payables by S\$4.6 million resulting from higher sub-contractors certified work done and retention sum due to sub-contractors.

#### **REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS**

The Group recorded a deficit in net cash from operating activities of S\$13.3 million mainly attributable to loss making construction projects and the elevated business costs arising from the COVID-19 pandemic.

Arising from the repayment of loan amounting S\$2.1 million from various parties, dividend income of joint venture amounting S\$4.0 million and proceeds from disposal of non-current asset held for sales of S\$1.9 million, the Group generated net cash from investing activities of S\$8.1 million in 1HFY2022. Whereas in the previous corresponding period of 1HFY2021, the Group recorded net cash used in investing activities as loan of S\$3.4 million was extended to associates and joint venture.

The Group generated a net cash of S\$13.2 million from financing activities in 1HFY2022. This was mainly due to drawdown of additional banking facilities to finance the ongoing construction activities.

### **3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No forecast or prospect statement was previously disclosed to shareholders.

**4. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

**Overview**

Singapore's economy grew by 3.4% on a year-on-year basis in the first quarter of 2022, moderating from the 6.1% growth in the preceding quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 0.4%, slower than the 2.3% growth in the previous quarter.

The construction sector grew by 1.8% year-on-year in the first quarter, slower than the 2.9% growth in the preceding quarter. The value-added of the sector in absolute terms remained 25.3% below its pre-pandemic level, as activity at construction worksites continued to be weighed down by labour shortages. On a quarter-on-quarter seasonally-adjusted basis, the sector expanded by 2.8% in the first quarter, a turnaround from the 2.1% contraction in the fourth quarter of 2021.

Looking ahead, the worst of the economic downturn brought about by the COVID-19 pandemic may be over with Singapore's high vaccination rate and steady rollout of booster shots as well as further easing of restrictions and reopening of borders. The Ministry of Trade and Industry announced on 17 February 2022 that the Singapore economy is projected to expand by 3.0% to 5.0% in 2022.

However, the on-going Russia-Ukraine conflict has resulted in soaring energy and commodity prices, intensified inflationary pressures and increased uncertainty about the recovery of the global economy. New waves of COVID-19 infections in China and its strict lockdowns may further exacerbate global supply chain disruptions and Singapore, as an open economy, will not be insulated from these external shocks.

Taking into account the global and domestic economic environment, we envisage that it may take another few more years before we are able to return to our pre-pandemic performance.

**Building Construction**

The Group's current project pipeline consists of National Skin Centre, Sky Everton condominium, Wilshire Residences condominium, The Antares condominium and the Grand Hyatt Hotel Singapore. As at 31 March 2022, our construction order book stood at approximately S\$438 million.

Activities in the construction sector will continue to recover on the back of the progressive easing of border restrictions on the entry of migrant workers as well as streamlining of COVID-19 requirements for the construction sector. BCA has forecast a steady improvement in construction demand over the medium term and has increased their projection for the total construction demand in 2022 to be between S\$27 billion and S\$32 billion, an improvement over the previous projection of between S\$25 billion and S\$32 billion. The average annual construction demand for 2023 to 2026 is expected to range between S\$25 billion and S\$32 billion per year, an increase from the previous projection of S\$23 billion to S\$28 billion. The sustained construction demand will be supported by public sector projects as well as higher demand for residential, commercial and industrial building developments as the economy recovers.

In the coming months, the construction sector will continue to face challenges such as lengthy supply chain disruptions and persistent cost pressures from escalating energy, steel, raw material, shipping and labour costs. We are working closely with our sub-contractors to mitigate these challenges.

**Property Development and Investment**

Singapore's private residential market slowed in the first quarter of 2022 amid new cooling measures introduced in December 2021, rising interest rates and inflation, as well as geopolitical tensions. Sales of new private homes were down 39.5% in the first quarter to 1,825 units, from 3,018 units in the preceding quarter. Prices of private residential properties

were up by 0.7% in the first quarter of 2022, marking the eighth consecutive quarter of increase but significantly lower than the 5.0% growth in the fourth quarter of 2021.

The Antares condominium has achieved sales of more than 98% to date, whilst its completion has been pushed back to the third quarter of 2022.

Notwithstanding the recent property cooling measures and inflationary pressures, the Group remains positive of the fundamentals of the domestic property market, and will continue to exercise caution and be more selective in replenishing our land bank.

### **Hotel Development and Investment**

The Maldives tourism industry has rebounded well from the pandemic, boosted by pent-up demand for leisure travel. During 2021, more than 1.3 million tourists have arrived in Maldives as compared to 555,494 tourist arrivals in 2020. The country aims to welcome 1.6 million international visitors this year.

This has augured well for our Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort, with both properties achieving a combined average occupancy rate of more than 65% year to date.

As the Group's hospitality business is poised for a long-awaited recovery, we are actively seeking new development and investment opportunities in the Maldives islands.

## **5. Dividend information**

### **5a. Current Financial Period Reported on**

Any dividend recommended for the current financial period reported on? No.

Name of Dividend	Final
Dividend type	Cash
Dividend per share	0 cents
Tax rate	Tax exempt

### **5b. Corresponding Period for the Immediate Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

Name of Dividend	Final
Dividend type	Cash
Dividend per share	0 cents
Tax rate	Tax exempt

### **5c. Date Payable**

Not applicable

### **5d. Books Closure Date**

Not applicable

**6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision**

In view of the challenging business environment and the financial performance of the Group, no dividend has been declared or recommended, as it is critical for the Group to conserve its cash resources to sustain its business operations.

**7. Interested person transactions**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

**8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 under Rule 720(1)).**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

**9. Negative Confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual.**

To the best of our knowledge, nothing has come to the attention of the Board of Directors that may render the interim financial statements for the six-months and half year ended 31 March 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Leo Ting Ping Ronald  
Executive Chairman and Chief Executive Officer

Er Ang Hooa  
Executive Director

Singapore  
11 May 2022