



# 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



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## **HIGHLIGHTS**

#### 2022

#### **JULY**

 St James Power Station conferred the Design Award, Special Categories, at the Singapore Institute of Architects (SIA) Architectural Design Awards 2022

#### **AUGUST**

 Secured the contract for the conservation, and addition and alteration works to Red Cross House

#### **SEPTEMBER**

• Secured the contract for the construction of an apartment block at Upper Wilkie Road

#### **OCTOBER**

 Achievement of five million accident-free man-hours for the North-South Corridor (Contract N110) project

#### **NOVEMBER**

 St James Power Station conferred the Award for Conservation & Innovation (Distinction) at the Urban Redevelopment Authority (URA) Architectural Heritage Awards

#### **DECEMBER**

- Secured a \$110.0 million contract from UOL Property Investments for the construction of a hotel development at Orchard Road
- Launched new phase of 24 Latania semi-detached homes at Twin Palms, Sungai Long



**Faber House** 

#### 2023

#### **MARCH**

Obtained TOP for Kingsville

#### **MAY**

 Launched new phase of 24 Indica bungalows at Twin Palms, Sungai Long

#### **JULY**

Won the Silver Award at the Royal Society for the Prevention of Accidents (RoSPA) Occupational Health & Safety Awards 2023

#### **AUGUST**

- Secured the contract for the proposed erection of a hotel at 2 Cavan Road
- LC Interior conferred the Workplace Safety and Health (WSH) Performance (Silver) Award at the WSH Awards 2023





## **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.

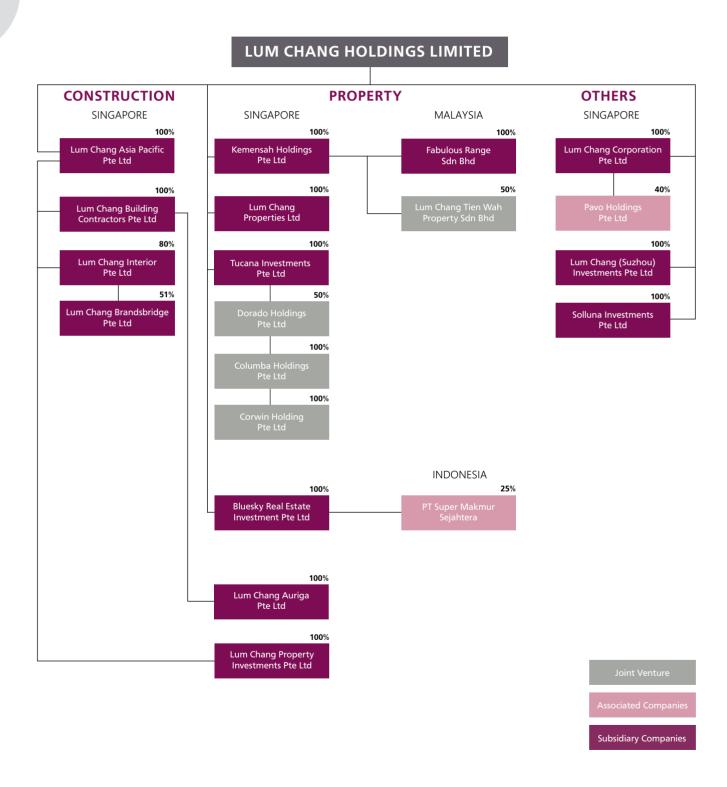
With firm foundations built upon more than eight decades in construction, the Group has evolved and expanded its businesses to include property development, investment and interior finishing works. The success of the Group is recognised through its impressive diversity of award-winning residential and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



As at 15 September 2023



<sup>\*</sup> For the complete list of subsidiary companies and associated companies, please refer to Note 38 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 about 50 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 had served on the boards of public institutions and quasi-government organisations such as the then Singapore Trade Development Board (now known as Enterprise Singapore). He was also a board member of the Commercial & Industrial Security Corporation (CISCO). Mr Lum was recently appointed an Honorary Director of Kwong Wai Shiu Hospital. 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 about 50 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.

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.

Mr Sim also serves as an independent director of the following listed companies, namely Singapore Land Group Limited and ST Group Food Industries Holdings Limited. He stepped down as a director of the Singapore Heart Foundation in September 2023.



**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 is currently the Managing Director and Head of Corporate Finance of GSUM-Titanland Capital Pte Ltd. Prior to this, Mr Leow was 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.



As at 15 September 2023

The list of current and past directorships in other listed companies and/or other principal commitments held by the respective Directors are set out in page 9-11.

#### **RAYMOND LUM KWAN SUNG**

#### **Present Directorships/Principal Commitments**

Lum Chang Holdings Limited \*

Lum Chang Asia Pacific Pte Ltd

Lum Chang Auriga 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 Investments Pte Ltd

RMDV Investments Pte Ltd

SG Link Pte Ltd

Kwong Wai Shiu Hospital

#### **Past Directorships over the Preceding Three Years**

Lum Chang Building Contractors Pte Ltd

#### **DAVID LUM KOK SENG**

#### **Present Directorships/Principal Commitments**

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

Pavo Holdings Pte Ltd

Beverian Holdings Pte Ltd

Bevrian Pte Ltd

RMDV Investments Pte Ltd

DML London Pte Ltd

Nanyang Girls' High School Ltd



#### **TONY FONG**

#### **Present Directorships/Principal Commitments**

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

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

Fabulous Range Sdn Bhd

PJBOX Sdn Bhd

Columba Holdings Pte Ltd

Corwin Holding Pte Ltd

Dorado Holdings Pte Ltd

Dorado Retail Holdco Pte Ltd

Lum Chang Tien Wah Property Sdn Bhd

Pavo Holdings Pte Ltd

PT Super Makmur Sejahtera

#### Past Directorships over the Preceding Three Years

Lum Chang Brandsbridge Pte Ltd

Lum Chang Interior Pte Ltd

Xin Tekka Pte Ltd

Lum Chang Interior (M) Sdn Bhd

Daehan Rehabilitation Services Sdn Bhd

Daehan Rehabilitation Centre Sdn Bhd

Lum Chang Development Services Limited

130 WS Holdings Limited

130 WS Investments Limited

Kelaty Holdings Limited

Kelaty Propco Limited

Kelaty Leaseco Limited

#### **KELVIN LUM WEN SUM**

#### **Present Directorships/Principal Commitments**

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

Nanyang Kindergarten

Nanyang Primary School

Nanyang Girls' High School Ltd

Nanyang International Education (Holdings) Limited

PT Super Makmur Sejahtera

#### **Past Directorships over the Preceding Three Years**

EllipTech Solutions Pte Ltd



#### **Present Directorships/Principal Commitments**

Lum Chang Holdings Limited \*

(Alternate Director to Mr David Lum Kok Seng)

Lum Chang Auriga Pte Ltd

Lum Chang Brandsbridge Pte Ltd

Lum Chang Decor 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 Brandsbridge (M) Sdn Bhd

Lum Chang Interior (M) Sdn Bhd

Fabulous Range Sdn Bhd

PJBOX Sdn Bhd

Columba Holdings Pte Ltd

Corwin Holding Pte Ltd

Dorado Holdings Pte Ltd

Dorado Retail Holdco Pte Ltd

Lum Chang Tien Wah Property Sdn Bhd #

Pavo Holdings Pte Ltd

Beverian Holdings Pte Ltd

Bevrian Pte Ltd

Ellipsiz Ltd \*

Ellipsiz Agro Investments Pte Ltd

Kwong Wai Shiu Hospital

**KWSH** Foundation

#### **Past Directorships over the Preceding Three Years**

Xin Tekka Pte Ltd

Daehan Rehabilitation Services Sdn Bhd

Daehan Rehabilitation Centre Sdn Bhd

Lum Chang Development Services Limited

Kelaty Holdings Limited

#### \* Public-listed company

#### **PETER SIM SWEE YAM**

#### **Present Directorships/Principal Commitments**

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 Three Years

Haw Par Corporation Limited

Singapore Reinsurance Corporation Limited

#### DR WILLIE LEE LENG GHEE

#### **Present Directorships/Principal Commitments**

Lum Chang Holdings Limited \*

#### CONSTANCE LEE SOK KOON

#### **Present Directorships/Principal Commitments**

Lum Chang Holdings Limited \*

Japan Foods Holding Ltd \*

Moorest Holdings Ltd \*

NUS America Foundation, Inc

SBS Transit Ltd \*

Singapore Arts School Ltd

The Singapore Island Country Club

#### **CLEMENT LEOW WEE KIA**

#### **Present Directorships/Principal Commitments**

Lum Chang Holdings Limited \*

Ellipsiz Ltd \*

Grand Team Technologies Pte Ltd

MSM International Limited \*

Overseas Education Limited \*

GSUM-Titanland Capital Pte Ltd

#### Past Directorships over the Preceding Three Years

Allied Technologies Limited

#### **KENNETH HO SIEW KEONG**

#### **Present Directorships/Principal Commitments**

Lum Chang Holdings Limited \*

Silverlink Holdings Pte Ltd

Transil Corporation Pte Ltd

Yinjian Investment (S) Pte Ltd

Beijing Yinjian Industry Co Ltd

CEL Development Pte Ltd

#### **Past Directorships over the Preceding Three Years**

CES Vietnam Holdings Pte Ltd

CES Management (Vietnam) Pte Ltd

CEL Technology Development (Taicang) Company

<sup>\*</sup> Alternate Director



## 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 nonexecutive Director of Ellipsiz Ltd. He is also a Director of both Kwong Wai Shiu Hospital and KWSH Foundation. 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 35 years of experience in the building industry, with more than 20 years managing projects in the specialised fields of interior-retrofitting, conservation, and additions and alterations.

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 SECRETARY**

Tony Fong

#### 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 Builders 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

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

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

- · Lum Chang Interior Pte Ltd
- Lum Chang Decor Pte Ltd

701 Sims Drive #02-02, LHK Building Singapore 387383 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 Brandsbridge (M) Sdn Bhd
- Lum Chang Tien Wah Property Sdn Bhd
- Fabulous Range Sdn Bhd



## **CHAIRMAN'S STATEMENT**

#### YEAR IN REVIEW

The financial year under review presented continued challenges for our Group.

Aside from ongoing geopolitical tensions, global inflationary pressures continued to be felt around the world and region, slowing global growth. These together with supply chain disruptions, labour shortage and escalating material costs resulted in challenging operating conditions for our Construction Division. The Division incurred another year of loss, and as the largest contributor to Group revenue, impacted the Group's financial results. For FY2023, the Group reported a loss of \$28.7 million attributable to shareholders.

Despite reporting a loss, the Group still managed to generate revenue of \$393.4 million, although 6% lower than last year.

Even though Singapore's overall growth in the second quarter of 2023 was 0.5% on a year-on-year basis, the growth experienced by the construction sector was encouraging. The sector, supported by an increase in both public and private sector construction output, grew by 6.8% for the same quarter and 6.9% growth in the previous quarter.

In view of the reported growth in the construction industry, the Group is cautiously optimistic and will constantly be on the lookout for opportunities as they arise. As at 30 June 2023, the Group's construction order book stood at \$1.3 billion.

#### **DIVIDENDS**

The Board has proposed a final dividend of 1.0 cents per share for FY2023, subject to shareholders' approval at our upcoming Annual General Meeting (AGM) scheduled on 27 October 2023. This together with the interim dividend of 0.75 cents per share already paid, translates to a full year dividend of 1.75 cents per share.

#### **PROPERTY & INVESTMENT**

Retail occupancy at our joint venture project, Tekka Place, is currently at 80%. We will actively market the remaining vacant units, while continuing with promotional campaigns to boost footfall and drive tenant sales.

Meanwhile, Singapore's international tourist visitor arrivals reached 1.3 million in the month of August 2023. Singapore Tourism Board (STB) expects the sector to continue its growth momentum for the rest of the year with tourism activity also expected to recover to pre-pandemic levels by 2024. Average room occupancy at Tekka Place's apart'hotel, Citadines Rochor, has been robust, averaging 87% over the financial year under review. The apart'hotel is expected to benefit from the continued recovery of tourism.

Construction of all units in the Group's prestigious freehold residential project, One Tree Hill Collection, have been completed with TOP obtained. The remaining two units were sold during the year under review.

In Malaysia, the property market continued to remain robust ever since the easing of pandemic restrictions and the resumption of economic activities. The Group launched 24 units of semi-detached homes in December 2022 and another 24 bungalows in May 2023. As at 12 September 2023, 12 semi-detached units and 11 bungalows from the two launches have been sold. The Group is expected to launch another phase of 34 bungalow units in mid-2024.

For the year under review, revenue reported for our Property Division was lower at \$26.3 million compared to \$80.2 million for the previous year, largely due to the completion of One Tree Hill Collection.



#### CONSTRUCTION

The construction sector continued to gather momentum allowing our Construction Division to focus on shortening delays and working towards completing existing projects. While construction activities have almost resumed to prepandemic levels, challenges remain prevalent. Although our Construction Division reported revenue of \$365.9 million marking an increase of 9% over the last financial year, continued manpower shortages, global supply chain disruptions, increasing costs of labour and raw materials, interest rate hikes and rising inflation impacted business operations, and the division incurred a loss of \$21.6 million before tax for the year under review.

On a more positive note, Lum Chang Building Contractors clinched a \$110.0 million contract for the construction of a hotel development along Orchard Road, while Lum Chang Interior secured contracts for the conservation and addition and alteration works at Red Cross House, construction of an apartment block at Upper Wilkie Road, and the erection of a hotel at Cavan Road, with the three contracts amounting to \$62.6 million.

Separately, for its work on the St James Power Station, LC Interior received two design awards - the Special Category Design Award from Singapore Institute of Architects, and the Distinction Award for Conservation and Innovation at the Urban Redevelopment Authority's Architectural Heritage Awards. LC Interior was also recognised for its commitment to safety with the Silver Workplace Safety and Health (WSH) Performance Award.

#### **SUSTAINABILITY**

The Group's pursuit towards sustainable growth requires us to consider the impact of our operations on the environment in our growth journey.

The Group reaffirms our commitment to sustainability with the publication of our maiden stand-alone sustainability report guided by the Global Reporting Initiative (GRI) standards, which also includes our inaugural climate report based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Lum Chang is committed to acting responsibly and maintaining a high standard of corporate governance, integrity and ethics, which are non-negotiable attributes in the way we do business.

The sustainability report can be found online at our corporate website and on SGXNet.



#### CONCLUSION

Looking ahead, uncertain global economic conditions are likely to persist amid the ongoing geopolitical tensions, and business conditions will undoubtedly remain challenging.

In its August 2023 report, the Ministry of Trade and Industry has deemed that Singapore's external demand outlook for the rest of 2023 remains weak, and downgraded the GDP growth forecast from between 0.5% and 2.5% to between 0.5% and 1.5% for 2023.

In this challenging environment, the construction industry has been and continues to be supported by steady levels of public sector demand. The Building and Construction Authority expects total construction demand in 2023 to range between \$27 billion and \$32 billion, similar to that of last year. The public sector is expected to contribute around 60% of total construction demand, supported by the strong pipeline of public housing, educational buildings, community clubs, water treatment plants, MRT line construction and other infrastructure works.

That said, the Group expects the coming year to remain challenging in terms of continued manpower shortages, rising raw material and energy prices, supply chain disruptions and high interest rates. The Group is committed to maintaining business stability by managing risks effectively and concentrating efforts to improve performance. The depth of our capability enables us to deliver complex contracts and we will leverage this competitive strength to selectively bid for new projects, while remaining disciplined with capital management. In parallel with efforts to secure projects, the Group is continuing to renew overall cost structure to better manage it and achieve greater efficiencies.

In closing, I would like to express my sincerest appreciation to my fellow Board Members for their insightful counsel, the Senior Management team and all employees for their hard work and resilience. My thanks also go out to our partners, clients and shareholders for their continued confidence and support.

Raymond Lum Kwan Sung

Executive Chairman 15 September 2023



## **PROPERTY & INVESTMENT**





The Group has through the years, built an extensive and varied collection of high-quality real estate projects. These include upscale residences and top-tier condominiums, excellent commercial properties, and integrated developments across Singapore, Malaysia, and the United Kingdom.

Leveraging our expertise and track record in creating exceptional projects, our developments reflect a lavish lifestyle complemented by breathtaking green areas, or provide well-designed spaces that address distinct commercial needs.

In Singapore, all units at One Tree Hill Collection have been sold. The Group's joint venture integrated development, Tekka Place, continues to market a variety of leasing space options, and occupancy of the mall is currently at 80%.

The Group's Malaysian luxury gated residences, Twin Palms Sungai Long, further launched 48 units for sale, and 23 units of landed homes have since been sold.



## **SINGAPORE**

#### ONE TREE HILL COLLECTION

One Tree Hill Collection is a prestigious residential development nestled within a private enclave of an affluent residential estate. 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.

All 12 semi-detached and two bungalow units have been sold.



#### **TEKKA PLACE**

Tekka Place comprises a 10-storey main block and a seven-storey annex block with rooftop deck. Jointly developed with LaSalle Investment Management, the integrated development comprises a retail mall and an apart'hotel.

The mall offers 80 retail units spread across the main and annex blocks. Occupancy at the retail mall is currently at 80%.

Citadines Rochor, the 320-unit apart'hotel occupies the third to tenth floors of the main block. The apart'hotel offers studio and one-bedroom units, and is equipped with a full spectrum of amenities.



## **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, superlink homes and nine shop lots, 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, new phases of 24 Indica bungalows and 24 Latania semi-detached homes were launched. Out of the 48 units launched, 12 semi-detached and 11 bungalows have since been sold. To date, the total number of units sold is 466, or 95% of the total units launched.



#### **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**

## SUSTAINING BUSINESS STABILITY AND BUILDING A RESILIENT FUTURE



Construction operations have nearly returned to pre-pandemic levels, but challenges in the construction sector remain. Business operations were impacted with prolonged construction periods, rising materials, labour and subcontractor costs, manpower shortages, and growing inflation.

Construction for LTA's Tanah Merah MRT project (T315) and North South Corridor is progressing well, while Family Justice Courts is expected to be completed on schedule by the end of the year. Mapletree Hi-Tech Park at Kallang Way, Kingsville, obtained TOP for its third and final phase in March this year.

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.

#### **FABER HOUSE**

LCBC was awarded a contract for the construction of a 19-storey hotel comprising 246 hotel rooms with ancillary facilities. Located at Orchard Road, the contract, valued at \$110.0 million, is awarded by UOL Property Investments Pte Ltd.

The redevelopment of Faber House, which used to be a commercial building, is part of the Urban Redevelopment Authority's Strategic Development Initiative.

The project is expected to be completed in the first half of 2026.



#### **FAMILY JUSTICE COURTS**

The \$155.5 million contract encompasses refurbishment works to an 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.

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

Constructed in three phases, works for Phases 1 and 2 were completed in January 2021, while the remaining Phase 3 is ongoing and expected to complete by end 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.



## TANAH MERAH STATION (CONTRACT T315)

Addition and alteration works at Tanah Merah MRT Station are underway, progressing into its seventh year of construction.

The LTA's \$325.0 million contract plans to 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.

The project is expected to be completed in 2025.



Phase 1 of the construction of Kingsville, the industrial project at Kallang Way, was completed in November 2022, while Phase 2 was completed in February 2023. The third and final phase obtained TOP in March 2023.

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





## NORTH-SOUTH CORRIDOR (CONTRACT N110)

In alignment with the Government's car-lite vision, the 21.5km North-South Corridor is Singapore's first integrated transport corridor. 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 fifth year, the project is expected to be completed in 2027.

In October 2022, the project celebrated the achievement of five million accident free man-hours without reportable accidents or major incident for the project.



### **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.

During the year under review, LC Interior was awarded the contract for addition and alteration works at Red Cross House and the construction of a residential apartment at Upper Wilkie Road.

St James Power Station continued to garner accolades despite being completed in 2021. The project was awarded the Design Award, Special Categories, at the SIA Architectural Design Award 2022, and the Award for Conservation & Innovation (Distinction) at the 2022 URA Architectural Heritage Awards.

In August 2023, LC Interior was awarded the contract for the erection of a hotel and was also recognised with the WSH Performance (Silver) award for the third consecutive year.

#### 2 CAVAN ROAD

LC Interior secured a contract for the proposed erection of a hotel at 2 Cavan Road.

The scope of the contract includes the construction of a block of eight-storey hotel with swimming pool, ancillary facilities and carpark including the conversion of an existing three-storey conserved warehouse to hotel ancillary facilities.

The project is expected to be completed by end 2025.



#### 44 & 46 CLUB STREET

LC Interior secured a contract for the addition and alteration works to an integrated development comprising two units of three-storey shophouses.

The contract also encompasses a change of use for the first storey to office space.

The project is expected to be completed in 2024.





#### **APARTMENT AT WILKIE ROAD**

LC Interior secured a contract for the construction of a six-storey apartment block with nine residential units and carpark at Upper Wilkie Road.

The project is expected to be completed by end 2024.



#### **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 fourth 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 the third quarter of 2023.



#### **RED CROSS HOUSE**

LC Interior secured a contract for the addition and alteration works to Red Cross House, a building that received conservation status in 2014.

The scope of the project includes conservation works, a new lift, and a new two-storey thrift shop building.

The project was completed in September 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 stand 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 Thomson East Coast Line. 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 2025.





## SUSTAINABILITY REPORT SUMMARY

#### 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 FY2023, we have started our climate reporting process by incorporating the TCFD recommendations into the sustainability report and integrating climate-related risks and opportunities into our business strategy.

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. The Group will remain vigilant and comply with all relevant safety regulations to protect the health of our workers and employees. The Group will continue to aim for zero fatalities and high-consequence 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 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.

Focus 1

Focus 2

Focus 3

Focus 4

Focus 5

Focus 6

Focus 7

#### SUSTAINABILITY PHILOSOPHY

With a dedication to long-term growth and the creation of shared value, our organisation implements responsible measures throughout our supply chain. These principles are encompassed in our diverse policies that govern our business operations and environmental responsibility. We make every effort to incorporate the principles of environmental, social, and governance (ESG) considerations into our business choices, concentrating on the aspects that are most pertinent to our operations. In order to demonstrate our commitment to worldwide sustainability endeavours and generate sustainable returns for all stakeholders, the Group has established seven key focus areas to direct our sustainability strategy:

#### **Governance and Ethics**

Our commitment to effective corporate governance practices and oversight enables us to address the concerns of our stakeholders and incorporate ESG considerations into our decision-making processes and transactions.

#### **Climate Risks and Opportunities**

The Group has commenced its climate reporting process by incorporating the TCFD Recommendations into this Report and integrating climate-related risks and opportunities into our business strategy.

#### **Our Environment**

The Group actively promotes and integrates environmentally-friendly practices into our operations, prioritising compliance with all applicable laws and regulations concerning environmental protection in the jurisdictions where we operate our business.

#### **Quality and Innovation**

The Group leverages relevant new technology to improve building efficiency while also minimising material consumption for our projects as part of its Quality and Innovation initiatives.

#### **Workplace Health and Safety**

Workplace health and safety is of utmost importance in the construction industry due to the inherent risks and hazards involved in construction activities. The Group intends to maintain a workplace injury rate that is lower than the Singapore national average.

#### **Our People**

The Group aims to nurture our talents to their fullest potential while also providing equal opportunities to all.

#### **Social Responsibility**

The Group strives to make a positive difference in local communities by collaborating with them to foster positive outcomes for the economy, environment, and society as a whole.

Our full standalone sustainability report will be published separately by end October 2023.

To minimise the impact on the environment and align with the Group's efforts towards more significant environmental conservation, no hardcopies of the Sustainability Report will be printed. An electronic version of the report may be viewed or downloaded at: https://www.lumchang.com.sg/sustainability/our-sustainability-story/





## **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, and works constructively with the Group's management. 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 Secretary(ies).

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.



Details of the attendance of the Board members at Board meetings and meetings of the various Board committees for the period 1 July 2022 to 30 June 2023 (FY2023) are set out in Table 1.

Table 1	BOARD	AUDIT AND RISK COMMITTEE	NOMINATING COMMITTEE	REMUNERATION COMMITTEE	
NAME					
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 (1)	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	4	4	N.A.	N.A.	
Clement Leow Wee Kia	4	4	N.A.	N.A.	
Kenneth Ho Siew Keong	4	4	N.A.	2	

#### Note:

(1) Mr Adrian Lum Wen Hong, alternate director to Mr David Lum Kok Seng, attended 4 board meetings as observer during the course of FY2023.

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 management provides the Board with its accounts on a quarterly basis. Financial information, reports and assessments are provided for circular meetings as well as 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 the 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.

The Board also has separate and independent access to senior management and the Company Secretary(ies) 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 Secretary(ies) ensures that the communication and flow of information between the Board, the Board committees and management is maintained.

At least one of the Company Secretary(ies) 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.

#### **BOARD MATTERS (CONTINUED)**

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

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 Secretary(ies) 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, gender 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.



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, independently 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.

Save for Mr Peter Sim Swee Yam and Dr Willie Lee Leng Ghee, none of the independent directors has served on the Board beyond nine years from the date of his first appointment. At the AGM held on 29 October 2021, Mr Peter Sim Swee Yam and Dr Willie Lee Leng Ghee had obtained shareholders' approvals on their continued appointments as independent directors. With effect from 11 January 2023, SGX-ST has limited the tenure of independent director serving on the boards of listed companies to nine years. As a transition, independent director whose tenure exceeds the nine-year limit can continue to be deemed independent until the listed companies' next AGM to be held in 2024, for the financial year ending on or after 31 December 2023. In this respect, Mr Peter Sim Swee Yam and Dr Willie Lee Leng Ghee may continue as independent directors until the Company's next AGM to be held in 2024.

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.

#### **BOARD MATTERS (CONTINUED)**

#### **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 level 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 boost 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.

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	С		М		18.09.1982	28.10.2022
David Lum Kok Seng (1)	М				18.09.1982	29.10.2020
Tony Fong	М				02.07.2012	29.10.2020
Kelvin Lum Wen Sum					10.11.2016	28.10.2022
Peter Sim Swee Yam		М	М	С	30.11.2001	29.10.2021
Dr Willie Lee Leng Ghee		М	С	М	28.02.2006	29.10.2021
Constance Lee Sok Koon		С			27.08.2021	29.10.2021
Clement Leow Wee Kia		М			03.05.2018	28.10.2022
Kenneth Ho Siew Keong		М		М	10.09.2021	29.10.2021

C – Chairman

(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.

M – Member

#### **BOARD MATTERS (CONTINUED)**

#### **Board Membership (Principle 4) (continued)**

#### **Nominating Committee (continued)**

The Nominating Committee held two meetings in FY2023. 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 and 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 reappointment. The Company's Constitution also requires that every director of the Company shall retire at least once every three years.

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. Mr David Lum Kok Seng, Mr Tony Fong and Mr Kenneth Ho Siew Keong will be seeking re-election as directors pursuant to Article 107(2) of the Company's Constitution (collectively, the "Retiring Directors") at the FY2023 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, subject to Mr David Lim Kok Seng being re-elected as a director at the FY2023 AGM and remaining a member of the Board, continue to hold office at Mr David Lum Kok Seng's pleasure. 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 49 to 56 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) and (ii) 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.

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

#### **BOARD MATTERS (CONTINUED)**

#### **Board Performance (Principle 5) (continued)**

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 three 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 28 October 2022, the shareholders of the Company had approved the renewal of the mandate for 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 FY2023.

#### 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 FY2023.

The scope of the Remuneration Committee includes reviewing and recommending to the Board the remuneration packages of the executive directors and key management personnel including termination terms to ensure they are fair, 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.

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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, 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 FY2023, is set out in Table 3.

Table 3	FEES	SALARY	BONUS	OTHER BENEFITS
	(%)	(%)	(%)	(%)
\$847,200				
Raymond Lum Kwan Sung	-	84	7	9
\$824,400				
David Lum Kok Seng	-	86	8	6
\$350,700				
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	-	-	-

#### REMUNERATION MATTERS (CONTINUED)

#### **Remuneration Committee (continued)**

The remuneration of the Group's top 5 key executives for FY2023 is set out in Table 4.

Table 4	FEES	SALARY	BONUS	OTHER BENEFITS
	(%)	(%)	(%)	(%)
\$750,000 to \$1,000,000	-	63	32	5
1				
\$500,000 to \$749,999	-	66	31	3
2				
\$250,000 to \$499,999	-	78	18	4
2				

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.

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 2023 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 \$300,000 to \$350,000 band during the financial year.

For FY2023, the aggregate total remuneration paid to key management personnel, excluding the Board of Directors, was \$2,622,364.

#### **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 Audit and Risk Committee addresses this by putting in place an enterprise risk management framework to define the strategic objectives and determine the risk appetite, tolerance and risk mitigation measures to address potential impediments to achieving the Group's business strategies.



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 FY2023, the Executive Directors of the Company (which includes the Executive Director, Finance), provided written representations to the Board on the integrity of the interim financial statements announcement 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 announcement.

#### 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.

#### ACCOUNTABILITY AND AUDIT (CONTINUED)

#### Audit and Risk Committee (Principle 10) (continued)

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 FY2023 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 FY2023. During these meetings and in the course of FY2023, 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.

In accordance with Provision 9.2 of the Code, for FY2023, the Board has received assurance from:

- (a) The Managing Director and Executive Director, Finance 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) The Managing Director, Executive Director, Finance and other key management personnel regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Audit and Risk Committee does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation. None of the Audit and Risk Committee members were previous partners or directors of the Company's existing auditors.

#### 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 is guided by 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.

#### LUM CHANG HOLDINGS AND ITS SUBSIDIARIES

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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 2023. 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 2023.

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 2023.

#### ACCOUNTABILITY AND AUDIT (CONTINUED)

#### Audit and Risk Committee (Principle 10) (continued)

#### 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 are 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 where appropriate, but employees are encouraged to identify themselves in their reports in order to facilitate timely and effective investigations into their complaints. Where practicable, 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 strictest 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.

#### 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 FY2023 (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		
Sale of property					
David Lum Kok Seng	Director of the Company	\$8,388	NIL		
Lease arrangement					
ISE Foods Holdings Pte Ltd	An associate of a controlling shareholder and director of the Company	\$229	NIL		

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 FY2023 or, if not subsisting, which were entered into during FY2023.

#### 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 published on the Company's corporate website. Physical copies of the notices of general meetings are sent to shareholders but physical copies of the Annual Reports are only 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 the 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 Report which will be made available on our corporate website at the URL <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a> by end October 2023.

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 one (1) month before the announcement of its interim (i.e. half-year) financial results and one (1) 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. The Company also specifically highlights in its policy that relevant persons should not deal in the Company's shares on short-term considerations even during the non "black-out" 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.





## **ADDITIONAL INFORMATION ON RETIRING DIRECTORS SEEKING RE-ELECTION**

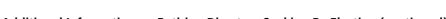
Mr David Lum Kok Seng, Mr Tony Fong and Mr Kenneth Ho Siew Keong are the Retiring Directors seeking re-election at the forthcoming AGM.

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 David Lum Kok Seng	Mr Tony Fong	Mr Kenneth Ho Siew Keong
Date of Appointment	18 September 1982	2 July 2012	10 September 2021
Date of last re-appointment (if applicable)	29 October 2020	29 October 2020	29 October 2020
Age	74	66	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, <i>inter alia</i> , the recommendations of the Nominating Committee ("NC") and has reviewed and considered the work experience and suitability of Mr David Lum for re-appointment as an Executive Director and the Managing Director of the Company.  The Board has reviewed and concluded that Mr David 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, <i>inter alia</i> , the recommendations of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Tony Fong for re-appointment as an Executive Director of the Company.  The Board has reviewed and concluded that Mr Tony Fong 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 Kenneth Ho for re-appointment as a Non-executive Independent Director, and is considered independent of Management.  The Board has reviewed and concluded that Mr Kenneth Ho possesses the necessary and appropriate experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.

Name of Director	Mr David Lum Kok Seng	Mr Tony Fong	Mr Kenneth Ho Siew Keong
Whether appointment is executive, and if so, the area of responsibility	Executive; responsible for the day-to-day management operations of the Group.	Executive; oversees the financial management functions of the Group, contributes to business development and strategic plans of the Group, and ensures compliance of good corporate governance policies and practices.	Non-executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Managing Director.	Executive Director.	Independent Director and a member of the Audit and Risk Committee and the Remuneration Committee.
Professional qualifications and working experience and occupation(s) during the past 10 years	Mr David Lum has about 50 years of experience in the construction, construction-related and property development industries.	Mr Tony Fong was trained in a firm of Chartered Accountants in the United Kingdom.  He is a member of the Association of Chartered Certified Accountants and the Institute of Singapore Chartered Accountants.	Mr Kenneth Ho holds a Degree in Bachelor of Arts in Economics & Political Science, York University, Toronto, Canada in 1990.  Mr Kenneth Ho has, in the course of his 31-year career, accumulated a vast amount of work experience across several public, government-linked and private establishments, in functional areas of business and corporate development, planning and operations, focusing particularly on business and corporate expansion into the Chinese and Vietnamese markets. Mr Ho has held several senior and responsible roles in business and corporate development since 2000.
Shareholding interest in the listed issuer and its subsidiaries	Please refer to page 59 of the Directors' Statement in the Company's 2023 Annual Report.	Please refer to page 59 of the Directors' Statement in the Company's 2023 Annual Report.	Please refer to page 59 of the Directors' Statement in the Company's 2023 Annual Report.





Name of Director	Mr David Lum Kok Seng	Mr Tony Fong	Mr Kenneth Ho Siew Keong
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 David Lum and Mr Raymond Lum, the Executive Chairman of the Company, are siblings. Mr Kelvin Lum Wen Sum and Mr Adrian Lum Wen Hong are sons of Mr David Lum.	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments* Including Directorships# for the last 3 years  * "Principal Commitments" has the same meaning as defined in the Code.  # These fields are not applicable for	Please refer to pages 9 to 11 of the Present and Past Directorships section in the Company's 2023 Annual Report.	Please refer to pages 9 to 11 of the Present and Past Directorships section in the Company's 2023 Annual Report.	Please refer to pages 9 to 11 of the Present and Past Directorships section in the Company's 2023 Annual Report.
# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9).			
	er, general manager or othe	nent of director, chief executer officer of equivalent rank.	
(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 or at any time within 2 years from the date he ceased to be a partner?	No	No	No

Name of Director	Mr David Lum Kok Seng	Mr Tony Fong	Mr Kenneth Ho Siew Keong
(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





Name of Director	Mr David Lum Kok Seng	Mr Tony Fong	Mr Kenneth Ho Siew Keong
(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

Name of Director	Mr David Lum Kok Seng	Mr Tony Fong	Mr Kenneth Ho Siew Keong
(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





Name of Director	Mr David Lum Kok Seng	Mr Tony Fong	Mr Kenneth Ho Siew Keong
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No	No	No
(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?			

Name of Director	Mr David Lum Kok Seng	Mr Tony Fong	Mr Kenneth Ho Siew Keong
(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	e appointment of Director o	nly	
Any prior experience as a director of an issuer listed on the Exchange?  If yes, please provide details of prior experience.	Not Applicable	Not Applicable	Not Applicable
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).			



# **GROUP FINANCIAL HIGHLIGHTS**

	2023 \$'000	2022 \$'000	Increase/ (Decrease) %
For the Year:			
Revenue	393,421	416,790	(6)
Loss			
Before income tax	(23,398)	(11,876)	97
After income tax	(27,610)	(11,382)	143
Attributable to equity holders of the Company	(28,662)	(10,828)	165
Loss attributable to equity holders of the Company as a percentage of:			
Total revenue	(7.29%)	(2.60%)	
Average shareholders' equity	(15.31%)	(4.85%)	
At 30 June:			
Shareholders' equity	166,813	207,517	(20)
Total equity	170,547	209,705	(19)
Total assets	441,764	460,199	(4)
Per share:			
Loss attributable to equity holders of the Company (Note 1)	(7.61¢)	(2.87¢)	165
Net asset value (Note 2)	\$0.44	\$0.55	(20)
Dividends paid & proposed (Note 3):			
Special dividend	-	2.25¢	
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.

<sup>2.</sup> 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.

<sup>3.</sup> 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**

	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Consolidated Income Statement					
Revenue	393,421	416,790	325,621	322,691	240,251
(Loss)/profit before income tax	(23,398)	(11,876)	11,053	(2,930)	28,677
(Loss)/profit after income tax	(27,610)	(11,382)	8,057	(6,107)	27,526
(Loss)/profit attributable to equity holders of the					
Company	(28,662)	(10,828)	2,973	(2,111)	23,287
Profit/(loss)attributable to non-controlling interests	1,052	(554)	5,084	(3,996)	4,239
Consolidated Balance Sheet					
Property, plant and equipment &					
investment properties	53,294	55,766	156,280	85,341	169,968
Investments in associated companies &	22.466	27.520	20 554	20.265	22.764
joint ventures Other assets	23,466 365,004	27,539 376,894	30,554 428,240	38,265 453,431	33,764 475,935
Total assets	441,764	460,199	615,074	577,037	679,667
i Otal assets			013,074	311,031	019,001
Total borrowings	65,625	70,787	227,246	168,555	212,731
Other liabilities	205,592	179,707	129,782	138,060	190,312
Total liabilities	271,217	250,494	357,028	306,615	403,043
Net assets	170,547	209,705	258,046	270,422	276,624
Share capital	86,572	86,572	86,572	86,572	86,572
Treasury shares	(2,845)	(2,845)	(2,845)	(2,845)	(1,620)
Capital and other reserves	30,805	36,255	41,528	40,027	26,922
Retained profits	52,281	87,535	113,431	133,059	145,277
Shareholders' equity	166,813	207,517	238,686	256,813	257,151
Non-controlling interests	3,734	2,188	19,360	13,609	19,473
Total equity	170,547	209,705	258,046	270,422	276,624
			,		
Ratios					
(Loss)/profit attributable to equity holders of the Company as a percentage of:					
Total revenue	(7.29%)	(2.60%)	0.91%	(0.65%)	9.69%
Average shareholders' equity	(15.31%)	(4.85%)	1.20%	(0.82%)	9.41%
Per share:					
(Loss)/earnings attributable to the equity holders of the Company (Note 1)	(7.61¢)	(2.87¢)	0.79¢	(0.56¢)	6.11¢
Net asset value (Note 2)	\$0.44	\$0.55	\$0.63	\$0.68	\$0.68
Dividends paid & proposed (Note 3):					
Special dividend	-	2.25¢	4.25¢	-	-
Interim dividend	0.75¢	0.75¢	0.75¢	0.30¢	0.30¢
Final dividend	1.00¢	1.00¢	1.00¢	1.00¢	1.50¢

Notes: 1. Earnings per share (basic) is computed based on the weighted average capital (excluding treasury shares) during the year.

<sup>2.</sup> 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 2023

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2023 and the balance sheet of the Company as at 30 June 2023.

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 68 to 169 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 2023 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 60 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:

	Holdi	ngs register	ed in	Holding	s in which a o	director	
	name of director or nominee			is deemed to have an interest			
	At 21.7.2023	At 30.6.2023	At 1.7.2022 or date of appointment if later	At 21.7.2023	At 30.6.2023	At 1.7.2022 or date of appointment if later	
The Company:							
<b>Lum Chang Holdings Limited</b> (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	-	-	-	
Subsidiary of Lum Chang Holo	lings Limited:						
<b>UK Property Investment Pte</b>	Ltd						
(Ordinary shares)							
Raymond Lum Kwan Sung	-	-	-	15	15	15	
David Lum Kok Seng	-	-	-	15	15	15	

<sup>(</sup>b) By virtue of Section 7 of the Singapore Companies Act, Mr David Lum Kok Seng and Mr Raymond Lum Kwan Sung are deemed to have an interest in all the related corporations of the Company.

#### **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.

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#### **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 2023 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

Director

David Lum Kok Seng

Director

15 September 2023

# 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 2023 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 2023;
- 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 2023;
- the balance sheet of the Company as at 30 June 2023;
- 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.

# t in the ements; sidering

#### **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 2023. 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 2023, revenue from construction contracts for civil and building works ("construction revenue") amounted to \$326.1 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 these construction contracts.

Our audit procedures included the following:

- (1) We obtained an understanding of the projects through discussions with management and examination of project documentation (including contracts and correspondences with customers).
- (2) In relation to total 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 at the reporting date 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 total construction cost, we:
  - a. traced, on a sample basis, the actual costs incurred to-date to supplier invoices, sub-contractor progress billings and contracts, other supporting documents; and
  - b. tested management's estimates of costs 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 complete 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 complete 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 actual contract costs incurred to-date to the estimated total contract costs; and
  - b. recomputed the construction 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 complete of projects in progress to the Group's construction revenue, gross profit, and loss before income tax and found them to be appropriate.

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#### 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 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.



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, 15 September 2023

# **CONSOLIDATED INCOME STATEMENT**

for the Financial Year Ended 30 June 2023

		Group		
		2023	2022	
	Note _	\$'000	\$'000	
Revenue	4(a)	393,421	416,790	
Cost of sales		(389,694)	(400,140)	
Gross profit	_	3,727	16,650	
Other income	5(a)	4,083	4,315	
Other gains - net	5(b)	73	1,265	
Expenses				
- Distribution and marketing		(392)	(1,962)	
- Administrative and general		(25,253)	(25,346)	
- Finance	8	(3,156)	(3,749)	
Share of profits of associated companies		214	415	
Share of losses of joint ventures	_	(2,694)	(3,464)	
Loss before income tax		(23,398)	(11,876)	
Income tax (expense)/credit	9(a) _	(4,212)	494	
Net loss	_	(27,610)	(11,382)	
Net loss attributable to:				
Equity holders of the Company		(28,662)	(10,828)	
Non-controlling interests	_	1,052	(554)	
		(27,610)	(11,382)	
	_	,	,	
Loss per ordinary share attributable to the equity holders of the Company (cents per share)	10			
- Basic	10	(7.61)	(2.87)	
- Diluted		(7.61)	(2.87)	



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the Financial Year Ended 30 June 2023

		Gro	up
	Neste	2023	2022
	Note	\$'000	\$'000
Net loss		(27,610)	(11,382)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Losses	28(e)	(3,885)	(1,761)
- Reclassification	28(e)	(107)	(798)
Share of other comprehensive losses of associated companies	19	(44)	
		(4,036)	(2,559)
Items that will not be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation - Gains/(losses)	28(e)	4	(545)
Financial assets, at fair value through other comprehensive income ("FVOCI")			
- Fair value losses	28(d)	(1,414)	(2,714)
		(1,410)	(3,259)
Other comprehensive loss for the year, net of tax		(5,446)	(5,818)
Total comprehensive loss for the year		(33,056)	(17,200)
Total comprehensive loss attributable to:			
Equity holders of the Company		(34,112)	(16,101)
Non-controlling interests		1,056	(1,099)
		(33,056)	(17,200)

# **BALANCE SHEET - GROUP**

As at 30 June 2023

	Note	2023 \$′000	2022 \$'000
ASSETS	11010	<b>\$ 000</b>	Ψ 000
Current assets			
Cash and cash equivalents	11	91,035	79,264
Trade and other receivables	12(a)	43,830	45,021
Contract assets	4(b)	62,327	64,136
Other financial assets	15	-	4,000
Tax recoverable	9(b)	1,593	195
Properties held for sale	13	325	15,918
Development properties	14	22,797	21,463
Other current assets	16(a) _	7,567	14,198
	_	229,474	244,195
Non-current assets			
Trade and other receivables	12(b)	112,959	103,939
Club memberships	17	267	288
Other financial assets	15	19,827	21,241
Investments in joint ventures	18	17,069	21,069
Investments in associated companies	19	6,397	6,470
Investment properties	21	20,591	19,286
Property, plant and equipment	22	32,703	36,480
Deferred income tax assets	9(c)	1,817	6,391
Other non-current assets	16(b) _	660 212,290	216,004
Total assets	-	441,764	460,199
iotal assets	-	441,704	400,199
<b>LIABILITIES Current liabilities</b> Trade and other payables	25(a)	80,616	93,441
Contract liabilities	4(b)	30,550	6,330
Provision for other liabilities	25(b)	48,013	33,007
Current income tax liabilities	9(b)	972	1,428
Financial liability, at FVPL	25(c)	20,000	-
Borrowings	26	29,464	48,442
-		209,615	182,648
Non-current liabilities			
Trade and other payables	25(a)	25,355	24,731
Financial liability, at FVPL	25(c)	-	20,547
Borrowings	26	36,161	22,345
Deferred income tax liabilities	9(c) _	86	223
	_	61,602	67,846
Total liabilities	-	271,217	250,494
NET ASSETS	_	170,547	209,705
FOURTY			
EQUITY Capital and reserves attributable to the equity holders			
of the Company	27	86,572	96 E70
Share capital Treasury shares	27 27	86,572 (2,845)	86,572 (2,845)
Capital and other reserves	28(a)	(2,845) 30,805	(2,645) 36,255
Retained profits	20(a) 30(a)	52,281	87,535
netained profits	30(a) _	166,813	207,517
Non-controlling interests	29	3,734	2,188
_	23 _		
Total equity	_	170,547	209,705



# **BALANCE SHEET - COMPANY**

As at 30 June 2023

	Note	2023 \$′000	2022 \$'000
ASSETS	_		
Current assets			
Cash and cash equivalents	11	50,825	28,087
Trade and other receivables	12(a)	32,004	49,944
Other current assets	16(a) _	69	3
	_	82,898	78,034
Non-current assets			
Trade and other receivables	12(b)	129,442	132,457
Club memberships	17	297	311
Investments in subsidiaries	20	35,828	35,828
Property, plant and equipment	22	1,977	2,626
Other non-current assets	16(b)	126	126
		167,670	171,348
Total assets	_	250,568	249,382
LIABILITIES			
Current liabilities			
Trade and other payables	25(a)	97,225	98,482
Current income tax liabilities	9(b)	-	160
Financial liability, at FVPL	25(c)	20,000	-
Borrowings	26 _	25,495	512
	_	142,720	99,154
Non-current liabilities			
Financial liability, at FVPL	25(c)	-	20,547
Borrowings	26 _	333	20,827
	_	333	41,374
Total liabilities	_	143,053	140,528
NET ASSETS	_	107,515	108,854
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) _	20,606	21,945
Total equity		107,515	108,854

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		← Attributable to equity holders of the Company →						
		Share capital	Treasury shares	Capital and other reserves	Retained profits	Total	Non- controlling interests	Total equity
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023								
Balance as at 1 July 2022		86,572	(2,845)	36,255	87,535	207,517	2,188	209,705
Net loss		-	-	-	(28,662)	(28,662)	1,052	(27,610)
Other comprehensive loss			_	(5,450)	_	(5,450)	4	(5,446)
Total comprehensive loss				(5,450)	(28,662)	(34,112)	1,056	(33,056)
Dividends paid Capital contribution by a non- controlling shareholder of	31	-	-	-	(6,592)	(6,592)	-	(6,592)
subsidiary		-	-	-	-	-	490	490
Total transactions with owners, recognised directly in equity			-	-	(6,592)	(6,592)	490	(6,102)
Balance as at 30 June 2023		86,572	(2,845)	30,805	52,281	166,813	3,734	170,547

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# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

		← 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)
Dividends paid Capital contribution by a non-	31	-	-	-	(15,068)	(15,068)	-	(15,068)
controlling shareholder of subsidiary		-	-	-	-	-	300	300
Dividends paid to non- controlling shareholders of subsidiaries Capital distribution to a non-	29	-	-	-	-	-	(1,599)	(1,599)
controlling shareholder of subsidiary	29	-	-	-	-	-	(14,774)	(14,774)
Total transactions with owners, recognised directly in equity		_	_	_	(15,068)	(15,068)	(16,073)	(31,141)
anectly in equity					(13,008)	(13,000)	(10,073)	(31,141)
Balance as at 30 June 2022		86,572	(2,845)	36,255	87,535	207,517	2,188	209,705

# CONSOLIDATED STATEMENT OF CASH FLOWS

	Note _	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Net loss		(27,610)	(11,382)
Adjustments for:			
- Income tax expense/(credit)	9(a)	4,212	(494)
- Share of losses of associated companies and joint ventures		2,480	3,049
- Allowance for impairment of non-trade receivables	5(b)	55	55
- Amortisation of club memberships	6	23	24
- Depreciation of property, plant and equipment	6	6,116	6,420
- Dividend income from financial assets, at FVOCI	4(a)	(903)	(880)
- Fair value gains on investment properties	5(b)	(77)	(100)
- Fair value (gain)/loss on financial liability, at FVPL	5(b)	(547)	547
- Gain on disposal of subsidiaries	5(b)	-	(827)
- Write back on club memberships		(2)	(3)
- Gain on disposal of property, plant and equipment - net	5(b)	(172)	(62)
- Interest income	5(a)	(1,557)	(224)
- Finance expense	8	3,156	3,749
- Impairment of property, plant and equipment	6	986	-
- Property, plant and equipment written off	6 _	46	26
Operating cash flow before working capital changes		(13,794)	(102)
Change in working capital, net of effects from disposal of subsidiaries:			
- Trade and other receivables		(6,797)	(11,142)
- Contract assets		1,810	(7,359)
- Contract liabilities		24,221	5,204
- Other current assets		6,811	(6,325)
- Development properties/properties held for sale		12,528	57,549
- Trade and other payables and provision for other liabilities	_	2,480	26,536
Cash generated from operations		27,259	64,361
Income tax paid	9(b) _	(1,739)	(837)
Net cash provided by operating activities	_	25,520	63,524



# CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Tot the Financial Fear Ended 30 June 2023	Note	2023 \$'000	2022 \$'000
Cash flows from investing activities	_		
Investment in an associated company		(26)	(343)
Investment in financial asset, at amortised cost	15(a)	-	(4,000)
Dividends received from a joint venture		97	-
Dividends received from financial assets, at FVOCI	4(a)	903	880
Interest income received		1,317	184
Proceeds from disposal of subsidiaries, net of cash disposed	11	-	51,279
Proceeds from disposal of property, plant and equipment		415	499
Proceeds from dissolution of a joint venture		235	-
Proceeds from disposal of financial assets, at amortised cost	15(a)	4,000	-
Purchase of financial assets, at FVOCI		-	(2)
Purchase of property, plant and equipment		(2,704)	(2,472)
Purchase of investment properties	21	(701)	-
Advances to joint ventures		-	(3,350)
Repayment from a joint venture	_	-	49
Net cash provided by investing activities	_	3,536	42,724
Cash flows from financing activities			
Cash and cash equivalents pledged		34	9
Dividends paid	31	(6,592)	(15,068)
Dividends paid to non-controlling shareholders of subsidiaries		-	(1,692)
Distributions to non-controlling shareholder of a subsidiary	29	-	(14,774)
Proceeds from issuance of shares to non-controlling interest by a subsidiary		490	-
Bank facility fees		(32)	(38)
Interest paid		(3,127)	(4,331)
Proceeds from bank and other loans		38,893	31,218
Proceeds from financial liability, at FVPL	25(c)	-	20,000
Repayment of bank and other loans		(43,339)	(97,067)
Redemption of medium-term note		-	(40,000)
Repayment of lease liabilities and hire purchase loan		(2,040)	(2,261)
Repayment of advance to a non-controlling shareholder of a subsidiary	_	-	(1,107)
Net cash used in financing activities	_	(15,713)	(125,111)
Net change in cash and cash equivalents		13,343	(18,863)
Cash and cash equivalents at beginning of financial year		78,675	99,480
Effect of changes in currency translation rates on cash and cash equivalents	_	(1,538)	(1,942)
Cash and cash equivalents at end of financial year	11 _	90,480	78,675

# CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

for the Financial Year Ended 30 June 2023

# Reconciliation of liabilities arising from financing activities

					Non-	cash chan	ges		
	1 July 2022 \$'000	Proceeds from loans \$'000	Principal and interest payments \$'000	Modification of lease liability \$'000	Addition during the year \$'000	Fair value gain \$'000	Interest expense \$'000	Foreign exchange movement \$'000	30 June 2023 \$'000
Borrowings									
Bank and other loans	66,602	38,893	(43,339)	-	-	-	19	(909)	61,266
Lease liabilities and hire purchase loan	4,185	-	(2,110)	1,272	1,091	-	70	(149)	4,359
Financial liability, at F	VPL	l					1		
Financial liability, at FVPL	20,547	-	(444)	-	-	(547)	444	-	20,000
Trade and other paya	bles		ı					ı	
Loan interest payable	37	-	(2,613)	-	-	-	2,592	-	16
					Non-	cash chan	ges		
	1 July 2021 \$'000	Proceeds from loans \$'000	Principal and interest payments \$'000	Disposal of subsidiaries (Note 11) \$'000	Addition during the year \$'000	Fair value loss \$'000	Interest expense \$'000	Foreign exchange movement \$'000	30 Jun 2022 \$'000
Borrowings									
Bank and other 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 F	VPL								
Financial liability, at FVPL	-	20,000	(420)	-	-	547	420	-	20,547
Trade and other paya	bles	•					•		•
Loan interest payable	692	-	(3,821)	-	-	_	3,166	-	37
Advances from non-controlling shareholders of subsidiaries	1,122	-	(1,107)	-	-	-	-	(15)	-



for the Financial Year Ended 30 June 2023

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

#### 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 2022

On 1 July 2022, 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.

#### Basis of preparation - New or amended Standards and Interpretations effective for annual period 2022

The following are the new or amended Standards effective for annual periods beginning on or after 1 July 2022:

### Amendments to:

- SFRS(I) 3 Business Combinations (Reference to the Conceptual Framework), SFRS(I)1-16 Property, Plant and Equipment (Proceeds before Intended Use), SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract) and Annual improvements to SFRS(I)s 2018-2020

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.

for the Financial Year Ended 30 June 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## 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.

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.

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.



# 2.2 **Revenue recognition** (continued)

(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.

(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.

for the Financial Year Ended 30 June 2023

# 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 **Group accounting** (continued)

- (a) Subsidiaries (continued)
  - (i) Consolidation (continued)

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.

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.



# 2.3 **Group accounting** (continued)

### (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.

#### (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.

for the Financial Year Ended 30 June 2023

# 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 **Group accounting** (continued)

- (c) Associated companies and joint ventures (continued)
  - (ii) Equity method of accounting (continued)

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.

#### (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).



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

#### (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.

#### (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.

for the Financial Year Ended 30 June 2023

# 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

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.

### 2.8 **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.

for the Financial Year Ended 30 June 2023

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

#### 2.11 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.

#### 2.11 Impairment of non-financial assets (continued)

(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.

#### 2.12 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.

for the Financial Year Ended 30 June 2023

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

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.



#### 2.14 **Financial assets** (continued)

- (a) Classification and measurement (continued)
  - 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 arises 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.

for the Financial Year Ended 30 June 2023

# 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.



#### 2.17 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.

for the Financial Year Ended 30 June 2023

#### 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.



#### 2.18 **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.

for the Financial Year Ended 30 June 2023

# 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

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.

#### 2.21 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.

for the Financial Year Ended 30 June 2023

# 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.22 **Currency translation** (continued)

#### (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.

## (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.

#### 2.25 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.

for the Financial Year Ended 30 June 2023

# 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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 2023 amounted to \$326,100,000 (2022: \$321,669,000).

For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the civil and building works. The measure of progress is determined based on the proportion of construction costs incurred to date to the estimated total construction costs ("input method"). Management has to estimate the total contract sum and total construction 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 construction costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

The ongoing geopolitical tensions, global inflationary pressures continued to pose challenges to the construction contracts. While there have been greater construction activities in the current financial year, the progress on construction contracts continue to be affected by disruptions in the supply chain and tight manpower supply. 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 for completion.



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

#### (a) Construction contracts (continued)

Customers have a right to claim for liquidated damages under the contractual terms of the contracts if contractual obligations, including completion of the project by a specific date, are not fulfilled. Management re-evaluates the probability of liquidated damages claims from customers by considering whether there are or maybe significant delays in the progress of the projects. The determination of the probability of claims are based on the circumstances and relevant events that were known to management at the date of these financial statements.

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. These estimates are also made with due consideration of the circumstances and relevant events that were known to management at the date of these financial statements. Construction projects are complex and involves uncertainties that may not be apparent to management at the balance sheet date.

If the contract sum relating to projects in progress at balance sheet date had decreased by 1% (with total contract cost remaining unchanged) from management estimates, the Group's loss before income tax would have been higher by approximately \$13,656,000.

If the estimated costs to complete relating to projects in progress at balance sheet date had increased by 1% from management estimates, the Group's loss before income tax would have been higher by approximately \$8,377,000.

#### (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 used the direct market comparison method to derive the fair value of investment properties (Note 21). The fair value of investment properties as at 30 June 2023 amounts to approximately \$20,591,000 (2022: \$19,286,000).

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 2023, the Group has financial assets, at FVOCI amounting to \$19,827,000 (2022: \$21,241,000). 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 marketability of the unlisted shares were to increase or decrease by 5%, the net assets of the Group will decrease or increase by \$1,248,000.

for the Financial Year Ended 30 June 2023

# 4. REVENUE

# (a) Disaggregation of revenue

	At a point in time	Group Over time	Total
2023	\$'000	\$'000	\$'000
Revenue from construction contracts	-	365,243	365,243
Revenue from sale of properties	19,562	5,565	25,127
Management and technical assistance fees	-	397	397
Project advisory and management fees		161	161
Total revenue from contracts with customers	19,562	371,366	390,928
Rental income  Dividend income from financial assets, at FVOCI			1,590 903
Dividend income from infancial assets, at 1 voci		-	
Total revenue		-	393,421
	A4 a maint	Group	
	At a point	0	T-4-1
2022	in time	Over time	Total
2022	\$′000	\$'000	\$'000
Revenue from construction contracts	- 42.242	334,658	334,658
Revenue from sale of properties	43,242	35,706	78,948
Management and technical assistance fees	-	469	469
Project management fees		18	18
Total revenue from contracts with customers	43,242	370,851	414,093
Rental income			1,817
Dividend income from financial assets, at FVOCI			880
Dividenta income nom inidicial assets, act voci		-	
Total revenue		_	416,790

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# 4. REVENUE (CONTINUED)

#### (b) Contract assets and liabilities

	Group			
	30 June 2023	30 June 2022	1 July 2021	
	\$'000	\$'000	\$'000	
Contract assets				
- Construction contracts	60,661	46,171	31,044	
- Development properties	1,666	17,965	25,733	
	62,327	64,136	56,777	
Contract liabilities				
- Construction contracts	30,550	6,330	1,125	

Contract assets relate to fixed price contracts for construction contracts and development properties. The contract assets balance in relation to construction 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 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	
	2023	2022
	\$'000	\$'000
Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the period		
- Construction contracts	6,330	1,125
Revenue recognised in current period from performance obligations satisfied in previous periods - Construction contracts	538	6,120

for the Financial Year Ended 30 June 2023

# 4. REVENUE (CONTINUED)

- (b) Contract assets and liabilities (continued)
  - ii) Unsatisfied performance obligations

	Gr	oup
	2023	2022
	\$'000	\$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 30 June		
- Construction contracts	1,290,797	1,503,912

Management expects that the transaction price allocated to unsatisfied performance obligations as at 30 June 2023 and 2022 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 five years (2022: one to six 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 2023	30 June 2022	1 July 2021
	\$'000	\$'000	\$'000
Current assets			
Trade receivables	32,044	34,472	30,084
Less: Loss allowances	(170)	(139)	(152)
	31,874	34,333	29,932
Retention sum receivables	10,557	9,007	16,739
	42,431	43,340	46,671
Non-current assets			
Retention sum receivables	36,359	26,684	13,241
	78,790	70,024	59,912

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# 5(a). OTHER INCOME

	Group		
	2023 \$'000	2022 \$'000	
Interest income			
- Bank deposits	1,333	168	
- Others	224	56	
	1,557	224	
Government grants			
- Construction Engineering Capability Development Programme	770	214	
- Jobs Support Scheme	-	303	
- Foreign Worker Levy Rebates	83	1,161	
- Others	655	964	
Maintenance fees from development properties	690	610	
Other service income	71	544	
Others	257	295	
	4,083	4,315	

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 \$NIL (2022: \$303,000) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS was 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.

for the Financial Year Ended 30 June 2023

# 5(b). OTHER GAINS - NET

	Group	
	2023	2022
_	\$'000	\$'000
Currency translation (losses)/gains - net	(775)	80
Currency translation gains - reclassification from Other Comprehensive Income	107	798
Fair value gains on investment properties (Note 21)	77	100
Fair value gain/(loss) on financial liability, at FVPL [Note 25(c)]	547	(547)
Gain on disposal of subsidiaries (Note 11)	-	827
Gain on disposal of property, plant and equipment - net	172	62
Others	(55)	(55)
	73	1,265

# 6. EXPENSES BY NATURE

	Group	
	2023	2022
	\$'000	\$'000
Subcontractor and other construction costs	345,454	358,724
Depreciation of property, plant and equipment (Note 22)	6,116	6,420
Employee compensation (Note 7)	56,175	52,169
Directors' fees	357	377
Auditors' fees:		
Fees on audit services paid/payable to:		
- Auditor of the Company	421	433
- Other auditors – network firms	35	32
Fees on non-audit services paid/payable to:		
- Auditor of the Company	52	49
- Other auditors – network firms	14	8
- Other auditors – non-network firms	15	15
Legal and professional fees	412	853
Rental expenses	105	112
Amortisation of club memberships	23	24
Impairment of property, plant and equipment	986	-
Property, plant and equipment written off	46	26
Others	5,128	8,206
Total cost of sales, distribution and marketing, and administrative and		
general expenses	415,339	427,448

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# 7. EMPLOYEE COMPENSATION

	Group		
	2023	2022	
	\$'000	\$'000	
Wages and salaries	52,224	48,265	
Employer's contribution to defined contribution plans			
including Central Provident Fund	3,336	3,439	
Other benefits	615	465	
Staff costs recognised in profit or loss (Note 6)	56,175	52,169	

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

# 8. FINANCE EXPENSES

	Group		
	2023	2022	
	\$'000	\$'000	
Interest expense:			
- Bank and other borrowings	2,577	2,606	
- Lease liabilities	57	75	
- Hire purchase loan	13	15	
- Medium term notes	-	559	
- Financial liability, at FVPL [Note 25(c)]	444	420	
- Others	33	36	
	3,124	3,711	
Bank facility fees	32	38	
Finance expenses recognised in profit or loss	3,156	3,749	

for the Financial Year Ended 30 June 2023

# 9. INCOME TAXES

# (a) Income tax expense/(credit)

	Group		
	2023	2022	
	\$'000	\$'000	
Tax expense/(credit) attributable to profit/(loss) is made up of:			
Current income tax			
- Singapore	964	1,428	
- Foreign	219	50	
	1,183	1,478	
Deferred income tax	4,333	(1,755)	
	5,516	(277)	
Over provision in prior financial years			
- Current income tax	(1,304)	(217)	
	4,212	(494)	

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

	Group	
	2023	2022
	\$'000	\$'000
Loss before income tax	(22.200)	(11 076)
2000 Serene meetine tan	(23,398)	(11,876)
Share of losses of associated companies and joint ventures	2,480	3,049
	(20,918)	(8,827)
Toy coloridated at toy rate of 170/ (2022, 170/)	(2 FFC)	(1 501)
Tax calculated at tax rate of 17% (2022: 17%)	(3,556)	(1,501)
Effects of:		
- Statutory stepped income exemption	(40)	(42)
- Different tax rates in other countries	70	272
- Tax incentives	(125)	(157)
- Income not subject to tax	(300)	(788)
- Expenses not deductible for tax purposes	2,450	3,086
- Recognition of previously unrecognised deferred tax assets	(677)	(445)
- Deferred tax assets not recognised	8,664	(77)
- Others	(970)	(625)
- Over provision of tax	(1,304)	(217)
	4,212	(494)

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# 9. INCOME TAXES (CONTINUED)

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

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	1,233	807	160	198
Currency translation differences	6	2	-	-
Income tax (paid)/refund	(1,739)	(837)	(179)	72
Tax expense	1,183	1,478	19	160
Over provision in prior financial years	(1,304)	(217)	-	(270)
End of financial year	(621)	1,233		160
Representing:				
Current income tax liabilities	972	1,428	-	160
Tax recoverable	(1,593)	(195)	-	-
	(621)	1,233	-	160

#### (c) **Deferred income taxes**

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

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	(6,168)	(4,459)	-	-
Currency translation differences	104	46	-	-
Charged/(credited) to profit or loss	4,333	(1,755)	-	
End of financial year	(1,731)	(6,168)	-	

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.

for the Financial Year Ended 30 June 2023

## 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	
	2023 2022		2023	2022
-	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	(1,817)	(6,391)	-	-
Deferred tax liabilities	86	223	_	
Net deferred tax assets	(1,731)	(6,168)		

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

			Profit on sales	
	Accelerated tax	Lease	of development	
	depreciation	assets	properties	Total
	\$'000	\$'000	\$'000	\$'000
Group				
30 June 2023				
Beginning of financial year	1,320	605	2,917	4,842
Credited to profit or loss	(776)	(177)	(2,917)	(3,870)
End of financial year	544	428	-	972
30 June 2022				
Beginning of financial year	859	749	4,889	6,497
Charged/(credited) to profit or loss	461	(144)	(1,972)	(1,655)
End of financial year	1,320	605	2,917	4,842

### 9. INCOME TAXES (CONTINUED)

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

Deferred income tax assets

	Expenditure on sale of development			Lease	
	properties	Tax losses	<b>Provisions</b>	liabilities	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
30 June 2023					
Beginning of financial year	(1,438)	(3,138)	(5,868)	(566)	(11,010)
Currency translation differences	98	-	6	-	104
Charged to profit or loss	373	3,138	4,622	70	8,203
End of financial year	(967)	-	(1,240)	(496)	(2,703)
30 June 2022					
Beginning of financial year	(1,733)	(6,295)	(2,215)	(713)	(10,956)
Currency translation differences	36	4	6	-	46
Charged/(credited) to profit or loss	259	3,153	(3,659)	147	(100)
End of financial year	(1,438)	(3,138)	(5,868)	(566)	(11,010)

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:

	Gro	oup
	2023	2022
	\$'000	\$'000
Unutilised tax losses	15,633	9,861
Unabsorbed capital allowances	116	127
Provisions	41,280	_
	57,029	9,988

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 \$1,587,000 (2022: \$1,724,000) of which \$463,000 will expire in 2027, \$49,000 will expire in 2028, \$1,038,000 will expire in 2029, \$35,000 will expire in 2030 and \$2,000 will expire in 2031 (2022: of which \$503,000 will expire in 2027, \$53,000 will expire in 2028, \$1,128,000 will expire in 2029, \$38,000 will expire in 2030 and \$2,000 will expire in 2031). The unabsorbed capital allowances have no expiry dates.

for the Financial Year Ended 30 June 2023

### 10. LOSS PER SHARE

	Group	
	2023	2022
Net loss attributable to equity holders of the Company (\$'000)	(28,662)	(10,828)
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 per share (in cents per share) - Basic - Diluted	(7.61) (7.61)	(2.87) (2.87)

Basic loss per share is calculated by dividing the net loss 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 per share, the net loss 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 2023 and 30 June 2022.

### 11. CASH AND CASH EQUIVALENTS

	Gr	Group		pany				
	2023	2023 2022		2022 2023		2022	2023	2022
	\$'000	\$'000	\$'000	\$'000				
Cash at bank and on hand	32,572	66,858	42,699	16,563				
Short-term bank deposits	58,463	12,406	8,126	11,524				
	91,035	79,264	50,825	28,087				

Included in cash and cash equivalents of the Group is an amount of approximately \$1,093,000 (2022: \$7,847,000) held under the Malaysia Housing Developers (Control and Licensing) Act 1966 and an amount of approximately \$151,000 (2022: \$2,532,000) 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 2023, short-term bank deposits of \$555,000 (2022: \$589,000) were pledged as security for bank facilities.

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## 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		
	2023	2022	
	\$'000	\$'000	
Cash and bank balances (as above)	91,035	79,264	
Less: Cash and cash equivalents pledged	(555)	(589)	
Cash and cash equivalents per consolidated statement of cash flows	90,480	78,675	

### Disposal of subsidiaries in the previous financial year

On 21 October 2021, 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
	2022
	\$'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

for the Financial Year Ended 30 June 2023

### 12. TRADE AND OTHER RECEIVABLES

#### (a) Current

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	28,503	34,593	-	-
Less: Loss allowance	(170)	(139)	_	
Trade receivables - net	28,333	34,454	-	-
Construction contracts				
Retention sum receivables				
- Non-related parties	10,557	9,007	-	-
Advances to subsidiaries (i)	_		42,238	60,489
Less: Loss allowance	_	-	(10,586)	(10,586)
	-	-	31,652	49,903
Unbilled revenue for development properties				
– related party*	3,355	-	-	-
Interest receivable	193	6	127	-
Lease receivables (Note 24)	388	182	-	-
Other receivables	1,004	1,372	225	41
Advances to a joint venture (ii)	803	802	-	-
Less: Allowance for impairment	(803)	(802)	_	-
·			-	_
	43,830	45,021	32,004	49,944

<sup>\*</sup> Related party refers to a director who is also 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 \$7,855,000 (2022: \$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 \$599,000 (2022: \$651,000) bears interest at 8% (2022: 8%) per annum and is repayable on demand. The remaining advance of \$204,000 (2022: \$151,000) is interest-free and repayable on demand.



### 12. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### (b) Non-current

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Construction contracts				
Retention sum receivables				
- Non-related parties	36,359	26,684	-	-
Advances to a joint venture (i)	76,350	76,350	_	_
Other receivables	-	799	-	-
Lease receivables (Note 24)	144	-	-	_
Advances to subsidiaries (ii)	-	-	129,442	132,457
Advances to an associated company (iii)	106	106		_
	112,959	103,939	129,442	132,457

- (i) The advances to a joint venture of \$76,350,000 (2022: \$76,350,000) 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 are neither planned nor likely to occur in the foreseeable future.
- (ii) The advances to subsidiaries amounting to \$129,442,000 (2022: \$132,457,000) 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 (2022: \$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 retention sum receivables and lease receivables of the Group approximate their carrying amounts as at the balance sheet date.

for the Financial Year Ended 30 June 2023

## 13. PROPERTIES HELD FOR SALE

	Gr	oup
	2023	2022
	\$'000	\$'000
Properties held for sale – at cost	325	15,918

Details of the properties completed and held for sale as of 30 June 2023 and 30 June 2022 are as follows:

Location	Description of development	Tenure/Group's interest in property	Site area sq.m.	Estimated gross floor area sq.m.
30 June 2023 2 parcels of land at Lot No. 990 and 1308 Mukim Cheras, Daerah Hulu Langat, State of Selangor, Malaysia	Residential development	Freehold/100%	445	386
30 June 2022 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

## 14. DEVELOPMENT PROPERTIES

	Gro	Group	
	2023	2022	
	\$'000	\$'000	
Properties under construction	22,797	21,463	

Details of the development properties as of 30 June 2023 and 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
<b>30 June 2023</b> 2 parcels of land at Lot No. 990 and 1308 Mukim Cheras, Daerah Hulu Langat, State of Selangor, Malaysia	Residential development	Freehold/100%	76,147	25%/2026
30 June 2022 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 amounting to \$22,244,000 (2022: \$20,622,000) are pledged to banks as securities for borrowings of the Group (Note 26).

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## 15. OTHER FINANCIAL ASSETS

	Group	
	2023 \$′000	2022 \$′000
Current		
Financial asset, at amortised cost		4,000
Non-current		
Financial assets, at FVOCI	19,827	21,241

### (a) Financial asset, at amortised cost

	Group	
	2023	2022
	\$'000	\$'000
Beginning of financial year	4,000	-
(Disposal)/Addition	(4,000)	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.

### (b) Financial assets, at FVOCI

	Group	
	2023	2022
	\$'000	\$'000
Beginning of financial year	21,241	23,953
Addition	-	2
Fair value losses [Note 28(d)]	(1,414)	(2,714)
End of financial year	19,827	21,241
<u>Unlisted equity investments</u>		
At fair value		
- Singapore*	18,790	19,616
- British Virgin Islands	1,037	1,625
	19,827	21,241

<sup>\*</sup> Mainly relates to investment in a Singapore incorporated entity which holds an investment in a China entity listed on the Shanghai Stock Exchange.

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# 16. OTHER ASSETS

### (a) **Current**

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Deposits	1,737	1,150	39	3
Advances to subcontractors	5,578	12,865	-	-
Prepayments	252	183	30	-
	7,567	14,198	69	3

## (b) Non-current

	Gre	Group		Company	
	2023	2023 2022	2022 2023	2022	
	\$′000	\$'000	\$'000	\$'000	
Deposits	257	374	126	126	
Prepayments	403	466	-	_	
	660	840	126	126	

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# 17. CLUB MEMBERSHIPS

	Group		Com	pany
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cost				
Beginning of financial year	1,100	1,202	868	970
Disposals	-	(102)	-	(102)
End of financial year	1,100	1,100	868	868
Accumulated amortisation				
Beginning of financial year	721	799	551	636
Amortisation charge	23	24	16	17
Disposals	-	(102)	-	(102)
End of financial year	744	721	567	551
Accumulated impairment				
Beginning of financial year	91	94	6	9
Impairment charge	(2)	(3)	(2)	(3)
End of financial year	89	91	4	6
Net book value	267	288	297	311

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### 18. INVESTMENTS IN JOINT VENTURES

Set out below are the joint ventures of the Group as at 30 June 2023, 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	intere	e equity st held roup
			2023	2022
			%	%
<b>Held by subsidiaries</b> 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 \$18,225,900 (2022: \$19,800,900) of commitments to provide funding if called, relating to a joint venture. There are no contingent liabilities relating to the Group's interest in the joint venture.

for the Financial Year Ended 30 June 2023

## 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

		Lum Chang
	Dorado	<b>Tien Wah Property</b>
	Group	Sdn Bhd
	\$'000	\$'000
As at 30 June 2023		
Current assets	18,114	455
Includes:		
- Cash and cash equivalents	15,869	211
Current liabilities	(260,183)	(56)
Includes:		
- Financial liabilities		
(excluding trade and other payables and provisions)	(254,863)*	(4)
Non-current assets	416,779	22,150
Non-current liabilities	(163,503)	(4)
Net assets	11,207	22,545

<sup>\*</sup> The financial liabilities relate mainly to bank loans that will be due for repayment within the next financial year. The joint venture company is in the midst of preparing the documentation for the proposed refinancing.



# 18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised balance sheet (continued)

		Lum Chang
	Dorado	<b>Tien Wah Property</b>
	Group	Sdn Bhd
	\$'000	\$'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

for the Financial Year Ended 30 June 2023

# 18. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised statement of comprehensive income

		Lum Chang
	Dorado	Tien Wah Property
	Group	Sdn Bhd
	\$'000	\$'000
For the year ended 30 June 2023		
Revenue	23,752	-
Other gains	662	-
Other income	44	1
Interest income	9	306
Expenses	(30,177)	(111)
Includes:		
- Depreciation	(5,620)	(3)
- Interest expense	(11,155)	(1)
(Loss)/profit from continuing operations	(5,710)	196
Income tax credit/(expense)	210	(89)
Post-tax (loss)/profit from continuing operations/		
total comprehensive (loss)/income	(5,500)	107
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 2022	<b></b>	<b>\$ 000</b>
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	-	-

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.

for the Financial Year Ended 30 June 2023

## 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:

	2023	2022
	\$'000	\$'000
Net loss	(22)	(36)
Total comprehensive loss	(22)	(36)

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 \$'000	Lum Chang Tien Wah Property Sdn Bhd \$'000	Total \$'000
As at 30 June 2023	44 207	22.545	22.752
Net Assets	11,207	22,545	33,752
Interest in joint ventures (50%)	5,604	11,272	16,876
Carrying value of individually immaterial joint ventures		_	193
Carrying value of Group's interest in joint ventures		-	17,069
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



# 19. INVESTMENTS IN ASSOCIATED COMPANIES

	2023 \$′000	2022 \$'000
Group		· · · · · · · · · · · · · · · · · · ·
Beginning of the financial year	6,470	5,622
Additions	26	343
Share of profits, net of tax	214	415
Share of other comprehensive loss	(44)	-
Currency translation differences	(269)	90
	6,397	6,470

The investments in associated companies mainly relate to following entity:

Name	Principal activities	Place of incorporation and business	intere	e equity st held roup
			2023	2022
			%	%
Held by subsidiaries				
<b>Unquoted equity shares</b> PT Super Makmur Sejahtera*	Property development	Indonesia	25#	25#

<sup>\*</sup> Audited by other firm of auditors.

PT Super Makmur Sejahtera owns parcels of land aggregating approximately 863,000 (2022: 863,000) square meters located in Bintan, Indonesia which are accounted for as investment properties.

There are no contingent liabilities and commitments relating to the Group's interest in the associated companies.

<sup>\*</sup> The other 75% shareholding interests is held by a related party [Note 35(c)].

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## 20. INVESTMENTS IN SUBSIDIARIES

	2023	2022
	\$'000	\$'000
Equity investment at cost		
Beginning of the financial year	92,715	98,518
Additions	-	33,206
Return of capital by subsidiaries	-	(38,954)
Liquidation of a subsidiary		(55)
	92,715	92,715
Less: Allowance for impairment losses	(56,887)	(56,887)
	35,828	35,828

During the previous 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.

The movement in allowance for impairment losses is as follows:

	2023 \$'000	2022 \$'000
Beginning of financial year Allowance for impairment losses	56,887 -	26,207 30,680
End of financial year	56,887	56,887

Details of subsidiaries are provided in Note 38.

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### 21. INVESTMENT PROPERTIES

	Group	
	2023	2022
	\$'000	\$'000
Beginning of financial year	19,286	119,833
Reversal of expenditure for development of investment property	-	(67)
Reclassification from/(to) property, plant and equipment	527	(2,509)
Addition of investment property	701	-
Disposal of investment property (Note 11)	-	(97,483)
Fair value gains recognised in profit or loss [Note 5(b)]	77	100
Currency translation differences		(588)
End of financial year	20,591	19,286

During the previous financial year ended 30 June 2022, 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 below 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	

<sup>\*</sup> A portion of the building which is designated to house the Group's corporate offices is classified as property, plant and equipment.

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### 21. INVESTMENT PROPERTIES (CONTINUED)

- (b) At 30 June 2023, an investment property with total carrying value of \$16,213,000 (2022: \$15,686,000) is charged by way of mortgage in favour of a bank for a bank loan as disclosed in Note 26 to the financial statements, including the sales, rental proceeds and insurance policies relating to the investment property.
- (c) The following amounts are derived from investment properties and recognised in profit or loss:

Group	
2023	2022
\$′000	\$'000
1,062	1,078
77	100
(911)	(813)
	2023 \$'000 1,062 77

(d) Fair value hierarchy

Description

Fair value measurements
using significant
unobservable inputs
(Level 3)
\$'000

# Recurring fair value measurements 30 June 2023

Singapore:

- Commercial properties 19,863

Thailand:

- Residential property 728

# Recurring fair value measurements 30 June 2022

Singapore:

- Commercial properties 19,286



### 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.

#### 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 2023:

Fair value at 30 June 2023 ('000)	Valuation technique(s)	Unobservable inputs*	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Commercial pro	perties in Singa	oore		
\$19,863 (2022: \$19,286)	Direct Market Comparison Method	Adopted value per square meter of gross floor area	\$5,727 to \$29,200 per sq.m. (2022: \$5,727 to \$28,800 per sq.m.)	The higher the adopted value, the higher the fair value.
Residential prop	erty in Thailand			
\$728 (2022: \$NIL)	Direct Market Comparison Method	Adopted value per square meter of gross floor area	\$11,675 per sq.m. (2022: \$NIL)	The higher the adopted value, the higher the fair value.

 $<sup>^{\</sup>star}~$  There were no significant inter-relationships between unobservable inputs.

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# 22. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land \$'000	Leasehold buildings \$'000		Furniture, office equipment and fittings \$'000	Motor vehicles \$'000	Construction in progress \$'000	Total \$'000
Group 30 June 2023 Cost		<del>- • • • • • • • • • • • • • • • • • • •</del>	<del> </del>	7 333	7	7 3 3 3	7
Beginning of financial year	6,547	33,714	20,550	10,757	6,778	370	78,716
Currency translation differences	(128)	(35)	-	(26)	(25)	(30)	(244)
Additions	556	1,650	407	598	584	-	3,795
Modification of lease liability (a)	1,249	23	-	-	-	-	1,272
Disposals Reclassification	(217)	(544)	(1,313)	(178)	(554)	-	(2,806)
to investment properties (e)	-	(527)	-	-	-	-	(527)
Reclassification to lease receivables (f)	(845)		-	_	-	_	(845)
End of financial year	7,162	34,281	19,644	11,151	6,783	340	79,361
Accumulated depreciation							
Beginning of financial year	3,520	11,068	15,902	8,419	3,327	-	42,236
Currency translation differences	(95)	(4)	-	(25)	(23)	(16)	(163)
Depreciation charge (Note 6)	1,266	2,295	910	882	763	-	6,116
Impairment	630	-	-	-	-	356	986
Disposals	(217)	(544)	(1,270)	(177)	(309)	_	(2,517)
End of financial year	5,104	12,815	15,542	9,099	3,758	340	46,658
<b>Net book value</b> End of financial year	2,058	21,466	4,102	2,052	3,025		32,703



# 22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

				Furniture, office		Construction	
	Leasehold	Leasehold		equipment	Motor	in	
	land	buildings	machinery	and fittings	vehicles	progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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
<b>Net book value</b> End of financial year	3,027	22,646	4,648	2,338	3,451	370	36,480

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# 22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

		Furniture, office		
	Leasehold building \$'000	equipment and fittings \$'000	Motor vehicles \$'000	Total \$'000
Company	· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	·	· · · · · · · · · · · · · · · · · · ·
30 June 2023				
Cost				
Beginning of financial year	1,458	494	2,176	4,128
Additions	-	286	-	286
Disposals		(6)	(255)	(261)
End of financial year	1,458	774	1,921	4,153
Accumulated depreciation				
Beginning of financial year	162	458	882	1,502
Depreciation charge	486	51	251	788
Disposals	-	(6)	(108)	(114)
End of financial year	648	503	1,025	2,176
			,	,
Net book value				
End of financial year	810	271	896	1,977
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
End of financial year  Net book value	162	458	882	1,502



### 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 current year, the Group renegotiated and modified existing lease contract for two office units and five plots of state land by extending the lease term by another 2-3 years at revised lease payments. As this extension is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with an addition 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 \$3,842,000 (2022: \$3,969,000) 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. The remaining of \$2,274,000 (2022: \$2,451,000) has been included in administrative and general expenses during the financial year.
- (c) A leasehold building of the Group with carrying amount of approximately \$18,151,000 (2022: \$19,296,000) as at 30 June 2023 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 \$1,011,000 (2022: \$1,979,000) which relates to addition of right-of-use assets. Adjustment to right-of-use assets arising from modification of leases during the year ended 30 June 2023 was \$1,272,000 (2022: \$NIL) for the Group.
- (e) The amount relates to owner-occupied portion of the leasehold building transferred to/(from) investment property (from)/to property, plant and equipment resulting from the change in use during the current financial year.
- (f) The right-of-use assets relating to the head leases with subleases classified as finance lease of \$845,000 was derecognised and recognised as lease receivables under "Leases The Group as a lessor" (Note 24).

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### 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

	Gro	Group		pany
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Leasehold building	18,930	19,891	810	1,296
Leasehold land	2,058	3,027	-	-
	20,988	22,918	810	1,296

#### Right-of-use assets classified within investment properties

The right-of-use asset relating to leasehold building presented under investment properties (Note 21) is stated at fair value and has a carrying amount of \$16,213,000 (2022: \$15,686,000) as at 30 June 2023.

### (b) Depreciation and impairment charge during the year

	Gro	Group		oany
	2023 \$′000	2022 \$'000	2023 \$'000	2022 \$'000
Depreciation				
Leasehold building	881	880	486	458
Leasehold land	1,266	1,312		
	2,147	2,192	486	458
Impairment				
Leasehold land	630	-	-	<u>-</u>



### 23. LEASES – THE GROUP AND THE COMPANY AS A LESSEE (CONTINUED)

### (c) Interest expense

	Gro	oup	Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Interest expense on lease liabilities (Note 8)	57	75	26	11

(d) Lease expense not capitalised in lease liabilities

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$′000	\$'000
Short-term lease expense Low value lease expenses	10	92	18	57
	23	20	8	5
	33	112	26	62

- (e) Total cash outflow for all leases in 2023 was \$2,055,000 (2022: \$2,299,000) for the Group and \$529,000 (2022: \$535,000) for the Company.
- (f) Addition of right-of-use assets during the financial year 2023 was \$1,011,000 (2022: \$1,979,000) for the Group and \$NIL (2022: \$1,458,000) for the Company. Adjustment to right-of-use assets arising from modification of leases during the year ended 30 June 2023 was \$1,272,000 (2022: \$NIL) for the Group.
- (g) 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.

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### 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 \$9,717 (2022: \$11,201).

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Gro	oup
	2023 \$'000	2022 \$'000
Less than one year	396	183
One to two years	145	
Total undiscounted lease payments	541	183
Less: Unearned finance income	(9)	(1)
Net investment in finance lease	532	182
Current [Note 12(a)]	388	182
Non-current [Note 12(b)]	144	
	532	182



# 25(a). TRADE AND OTHER PAYABLES

	Group		Company	
	2023 \$′000	2022 \$'000	2023 \$'000	2022 \$'000
Current				,
Trade payables				
- Non-related parties	3,951	2,932	46	1
- Related parties*	17	5	-	-
Construction contracts				
- Retention sum payables	8,780	6,806	-	-
Development projects				
- Retention sum payables	689	1,435	-	-
Loans and advances from:				
- Subsidiaries (i)	-	-	96,114	97,500
Accruals for development costs	200	2,155	-	-
Accruals for operating expenses	5,843	8,012	607	566
Accruals for construction costs	57,946	69,973	-	-
Other payables	1,278	920	458	415
Deposits received	1,891	1,165	-	-
Rent received in advance	5	1	-	-
Loan interest payable	16	37	-	-
	80,616	93,441	97,225	98,482
Non-current				
Construction contracts				
- Retention sum payables	25,028	24,698	_	-
1	-,-	,		
Development projects				
- Retention sum payables	327	33		-
	25,355	24,731		

<sup>\*</sup> Related parties refer to associate of a director and a controlling shareholder of the Company.

- (i) Loans and advances from subsidiaries are unsecured, interest-free and repayable on demand.
- (ii) 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.

for the Financial Year Ended 30 June 2023

# 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	
	2023 \$′000	2022 \$′000	2023 \$'000	2022 \$'000
Provision for warranty costs				
Beginning of financial year	12,441	12,138	-	-
Provision made	1,826	2,045	-	-
Provision utilised	(811)	(619)	-	-
Provision written back	(1,442)	(1,123)		
End of financial year	12,014	12,441	-	
Provision for foreseeable losses				
Beginning of financial year	20,566	136	-	-
Provision made	31,708	20,554	-	-
Provision utilised	(16,275)	(124)	-	_
End of financial year	35,999	20,566	-	-

## 25(c). FINANCIAL LIABILITY, AT FVPL

	Group and Company		
	2023	2022	
	\$'000	\$'000	
Beginning of financial year	20,547	-	
Addition	-	20,000	
Fair value (gain)/loss [Note 5(b)]	(547)	547	
End of financial year	20,000	20,547	
Unlisted debt instruments			
At fair value - Singapore			
Current	20,000	-	
Non-current		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. Subsequent to the financial year end, the financial liability, at FVPL was fully repaid in cash.

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	
2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
27,536	46,602	25,000	-
1,789	1,708	489	477
139	132	6	35
29,464	48,442	25,495	512
33,730	20,000	-	20,000
2,295	2,203	333	821
136	142	-	6
36,161	22,345	333	20,827
65,625	70,787	25,828	21,339
	2023 \$'000 27,536 1,789 139 29,464 33,730 2,295 136 36,161	2023     2022       \$'000     \$'000       27,536     46,602       1,789     1,708       139     132       29,464     48,442       33,730     20,000       2,295     2,203       136     142       36,161     22,345	2023 \$'000       2022 \$'000       2023 \$'000         27,536 1,789 139       46,602 1,708 132 6       25,000 489 6         29,464       48,442       25,495         33,730 2,203 136       20,000 2,203 136       - 333 136         136 36,161       142 22,345       - 333

<sup>\*</sup> Included in term loan is an amount of \$20,000,000 which was fully repaid in cash subsequent to the financial year end.

Refer to Note 34(a)(iii) for the exposure of borrowings to interest rate risk.

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### 26. BORROWINGS (CONTINUED)

#### (a) Security granted

Total borrowings as at 30 June 2023 included the following:

Certain revolving and term loans amounting to \$36,266,000 (2022: \$42,602,000) are secured by a development property (2022: a development property) (Note 14), an investment property (2022: an investment property) (Note 21), a leasehold building (2022: 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.

### (b) 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 ordin	ary shares →	← Amou	unt
	Issued share capital '000	Treasury shares '000	Issued share capital \$'000	Treasury shares \$'000
Group and Company 30 June 2023				
Beginning and end of financial year	385,030	(8,342)	86,572	(2,845)
30 June 2022				
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 2023 and 30 June 2022.

#### **Treasury shares**

The Company did not purchase any of its ordinary shares during the financial years ended 30 June 2023 and 30 June 2022.

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# 28. CAPITAL AND OTHER RESERVES

		Group		Com	Company	
		2023	2022	2023	2022	
		\$'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	12,493	13,951	-	-	
	Foreign currency translation reserve	(4,802)	(810)	-	-	
	Capital redemption reserve	3,601	3,601	-		
		30,805	36,255	3,182	3,182	
		Gro	oup	Com	pany	
		2023	2022	2023	2022	
		\$'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.

		Gro	oup	Com	pany
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
(c)	Movement in share option reserve				
	Beginning and end of financial year	382	382	382	382

		Gro	up	Com	pany
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
(d)	Movement in fair value reserve				
	Beginning of financial year	13,951	16,665	-	-
	Financial assets, at FVOCI [Note 15(b)]				
	- Fair value losses	(1,414)	(2,714)	-	-
	Others	(44)	-	-	
	End of financial year	12,493	13,951	-	-

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## 28. CAPITAL AND OTHER RESERVES (CONTINUED)

		Group		Comp	Company	
		2023	2022	2023	2022	
		\$'000	\$'000	\$'000	\$'000	
(e)	Movement in foreign currency translation reserve					
	Beginning of financial year	(810)	1,749		-	
	Net currency translation differences of financial statements of foreign subsidiaries, joint ventures					
	and associated companies	(3,881)	(2,306)	-	-	
	Add: Non-controlling interests	(4)	545	-	-	
		(3,885)	(1,761)	-	-	
	Reclassification on repayment of loan receivables	(107)	49	-	-	
	Reclassification on disposal of a subsidiary	-	(847)	-	-	
		(107)	(798)	-	-	
	End of financial year	(4,802)	(810)	_	_	
(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.

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## 29. NON-CONTROLLING INTERESTS

	Group	
	2023	2022
	\$'000	\$'000
Beginning of financial year	2,188	19,360
Profit/(loss) for the financial year	1,052	(554)
Other comprehensive income/(loss)	4	(545)
Capital contribution by a non-controlling interest	490	300
Capital distribution to non-controlling interest	-	(14,774)
Dividends paid to non-controlling interests		(1,599)
End of financial year	3,734	2,188

In the opinion of the directors, there is no non-controlling interest that is material to the Group at 30 June 2023 and 30 June 2022.

## 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 \$10,449,000 (2022: \$13,527,000). Retained profits of the Company are distributable.

### (b) Company

Movements in retained profits of the Company are as follows:

	Com	Company		
	2023	2022		
	\$'000	\$'000		
Beginning of financial year	21,945	6,940		
Profit for the financial year	5,253	30,073		
Dividends paid (Note 31)	(6,592)	(15,068)		
End of financial year	20,606	21,945		

for the Financial Year Ended 30 June 2023

# 31. DIVIDENDS

	Group and	Company
	2023	2022
	\$'000	\$'000
Interim dividend of 0.75 cents (2022: 0.75 cents) per ordinary share	2,825	2,825
Special dividend of NIL cents (2022: 2.25 cents) per ordinary share	-	8,476
Final dividend of 1.0 cents (2022: 1.0 cents) per ordinary share	3,767	3,767
Total dividends paid	6,592	15,068

The directors have proposed a final dividend for the financial year ended 30 June 2023 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 2024.

## 32. CONTINGENCIES

#### Guarantees

	Gre	oup	Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial guarantees given to banks and finance companies in connection with facilities given to subsidiaries	_	_	54,920	49,446
Financial guarantees given to banks and finance companies in connection with facilities given to joint ventures	127,500	140,000	127,500	140,000

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		Com	pany
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'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	12,955	2,959	-	-
Investment commitments	10,454	10,536	-	-
Purchase of property, plant and equipment	491	-	-	
	23,900	13,495	_	

# 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 and Malaysia and the functional currencies of the entities in each of the countries are the Singapore Dollar ("SGD") and the Malaysian Ringgit ("RM") 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 FVOCI. The fair value information on the Group's investments in unquoted debt and equity instruments (classified as financial assets, at FVOCI) is presented in Note 34(e).

for the Financial Year Ended 30 June 2023

# 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:

	<b>←</b> Gro	oup ——	Company
	RM	USD	RM
	\$'000	\$'000	\$'000
At 30 June 2023			
Financial assets			
Cash and cash equivalents	21,007	-	4,218
Financial assets, at FVOCI	-	1,037	-
Trade and other receivables	2,675	-	-
Other financial assets	453	-	-
	24,135	1,037	4,218
Financial liabilities			
Borrowings	(9,707)	-	-
Trade and other payables	(3,922)	-	-
* *	(13,629)	-	-
Net financial assets	10,506	1,037	4,218
Less: Net financial liabilities denominated in the	-	-	-
respective entities' functional currencies	(6,285)	-	-
Currency exposure	4,221	1,037	4,218



# 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

# (a) Market risk (continued)

# (ii) Currency risk (continued)

	← Group —		Company
	RM	USD	RM
	\$'000	\$'000	\$'000
At 30 June 2022			
Financial assets			
Cash and cash equivalents	19,679	-	4,537
Financial assets, at FVOCI	-	1,625	-
Trade and other receivables	10,580	-	-
Other financial assets	374	-	-
	30,633	1,625	4,537
Financial liabilities			
Borrowings	(13,244)	-	-
Trade and other payables	(5,073)	-	-
	(18,317)	-	-
Net financial assets	12,316	1,625	4,537
Less: Net financial liabilities denominated in the respective entities' functional currencies	(7,774)	_	-
Currency exposure	4,542	1,625	4,537

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# 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% (2022: 4%) 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 2023 \$'000	comprehensive loss 30 June 2023 \$'000	Loss after tax 30 June 2022 \$'000	comprehensive loss 30 June 2022 \$'000
Group				
RM against SGD				
- strengthened	(140)	-	(151)	-
- weakened	140	-	151	-
USD against SGD				
- strengthened	-	(34)	-	(54)
- weakened		34	_	54
	• Increase/	(decrease)	• Increase/	
		Other comprehensive		Other comprehensive
	Profit after tax	income	Profit after tax	income
	30 June 2023 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2022 \$'000
Company				·
RM against SGD				
- strengthened	140	-	151	-
- weakened	(140)	_	(151)	



## 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 asset of the Group is short-term bank deposits. Short-term bank deposits bear interest at the market interest rate. 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 (2022: SGD and RM). 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:

	<b>—</b>	Variable	rates -	$\longrightarrow$	<del></del>	<ul><li>Fixed r</li></ul>	ates —	$\longrightarrow$	
	Less than	6 to 12	1 to 5	Over 5	Less than	6 to 12	1 to 5	Over 5	
	6 months	months	years	years	6 months	months	years	years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group									_
At 30 June									
2023	6,379	1,157	33,730	-	20,493	1,435	2,431	-	65,625
At 30 June									
2022	46,382	220	_	_	562	1,276	22,347	_	70,787
Company									
At 30 June									
2023	5,000	-	-	-	20,249	246	333	-	25,828
At 30 June									
2022	-	-	-	-	254	258	20,827	-	21,339

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# 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 two debtors (2022: four debtors) that individually represented 10% to 26% (2022: 6% to 26%) of trade receivables.

The contracts assets of the Group include two debtors (2022: two debtors) that individually represented 19% to 67% (2022: 20% to 41%) of contract assets.

The retention sum receivables of the Group include three debtors (2022: four debtors) that individually represented 12% to 52% (2022: 11% to 33%) of retention sum receivables.

The movements in credit loss allowance are as follows:

	Trade receivables <sup>(a)</sup> \$'000	Contract assets <sup>(a)</sup> \$'000	Total \$'000
Group			
Balance at 1 July 2022	139	-	139
Loss allowance recognised in profit or loss during the year on:			
<ul> <li>Assets acquired/originated</li> </ul>	31	-	31
Balance at 30 June 2023	170	-	170
Balance at 1 July 2021	152	-	152
Loss allowance written back	(13)	-	(13)
Balance at 30 June 2022	139	-	139

<sup>(</sup>a) Loss allowance measured at lifetime expected credit losses ("ECL")



# 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 2023 and 30 June 2022 by segment, net of credit loss allowance are set out as follows:

	Group		
	2023	2022	
	\$'000	\$'000	
Trade receivables			
Construction	25,566	25,840	
Property development and investment	2,767	8,614	
	28,333	34,454	
Contract assets			
Construction	60,661	46,171	
Property development and investment	1,666	17,965	
	62,327	64,136	
Retention sum receivables			
Construction	46,916	35,691	

The trade receivables, contract assets and retention sum receivables are subject to immaterial expected credit loss.

for the Financial Year Ended 30 June 2023

# 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 \$91,035,000 and \$50,825,000 respectively (2022: \$79,264,000 and \$28,087,000) 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 (2022: \$76,350,000) 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 \$171,680,000 (2022: \$192,946,000) as at 30 June 2023. The advances to subsidiaries amounting to \$161,094,000 (2022: \$182,360,000) 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 (2022: \$10,586,000), 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 and joint venture 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 is measured based on 12-month expected credit losses and subject to immaterial credit loss.

# (viii) Advances to subcontractors

The Group has advances to subcontractors amounting to \$5,578,000 (2022: \$12,865,000) as at 30 June 2023. These advances are measured on a 12-month expected credit losses and subject to immaterial credit losses as these contractors are actively performing work on site and the Group has obtained performance bonds from certain subcontractors.



# 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 2023				
Trade and other payables	80,272	25,355	-	105,627
Lease liabilities	1,875	2,341	-	4,216
Borrowings (excluding lease liabilities)	29,804	39,987	-	69,791
Financial guarantee contracts	127,500	-	-	127,500
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
Company				
At 30 June 2023				
Trade and other payables	97,182	-	-	97,182
Lease liabilities	503	336	-	839
Borrowings (excluding lease liabilities)	25,178	-	-	25,178
Financial guarantee contracts	174,061	<u>-</u>	-	174,061
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

for the Financial Year Ended 30 June 2023

# 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% (2022: 150%). The Group's and the Company's strategies, which were unchanged from 2022, 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 add financial liability at FVPL less cash and cash equivalents (excludes pledged cash).

	Group		Com	oany
	2023	2022	2023	2022
_	\$'000	\$'000	\$'000	\$'000
Net (cash)/debt	(4,855)	12,659	(4,997)	13,799
Total equity (excluding non-controlling interest)	166,813	207,517	107,515	108,854
Net (cash)/debt ratio	(3%)	6%	(5%)	13%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 June 2023 and 30 June 2022.



Level 3

# 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (e) Fair value measurements

The following table presents financial assets, at FVOCI 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 approximate to their carrying amounts.

The fair value of financial assets, at FVOCI and financial liability, at FVPL are as disclosed:

	LC.	vei 2
	Group	Company
	\$'000	\$'000
30 June 2023		
Financial assets, at FVOCI	19,827	_
Financial liability, at FVPL	20,000	20,000
30 June 2022		
Financial assets, at FVOCI	21,241	-
Financial liability, at FVPL	20,547	20,547
The following table presents the changes in Level 3 instruments:	Unlisted equity investments \$'000	Unlisted debt instruments \$'000
30 June 2023		
Beginning of financial year	21,241	(20,547)
Fair value losses recognised in other comprehensive income	(1,414)	· -
Fair value gains recognised in profit or loss	-	547
End of financial year	19,827	(20,000)
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)

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# 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 2023 \$'000	Fair value at 30 June 2022 \$'000	Valuation technique(s)	Significant unobservable input	Range of unobservable input	Relationship of unobservable input to fair value
Unlisted equity investments	16,963	18,116	Adjusted net asset value	Adjustments for lack of control and marketability	Lack of control 20% (2022: 20%) Lack of marketability 20% (2022: 20%)	The higher the adjustments for lack of control and marketability, the lower the fair value.
Unlisted equity investments	2,864	3,125	Market approach	Adjustment for lack of marketability (where applicable), EV/Revenue multiples, EV/EBITDA multiples	Lack of marketability 25% (2022: 25%) EV/Revenue multiples 5.80x (2022: 7.30x) EV/EBITDA multiples 12.50x (2022: 12.50x)	The higher the adjustment for lack of marketability, the lower the fair value. The higher the adjustment for EV/Revenue and EV/EBITDA multiples, the higher the fair value.

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).

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# 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 and Note 25(c) to the financial statements, except for the following:

	Group	Company
	\$'000	\$'000
30 June 2023		
Financial assets, at amortised cost	249,441	212,435
Financial liabilities, at amortised cost	171,252	123,010
30 June 2022		
Financial assets, at amortised cost	233,742	210,617
Financial liabilities, at amortised cost	188,634	119,768

## 35. RELATED PARTY TRANSACTIONS

The following transactions between the Group and related parties took place during the financial year:

## (a) Sales and purchases of goods and services

	Gro	up
	2023	2022
	\$'000	\$'000
Joint ventures		
Management services fees	180	180
Project management fees		18
Directors and their associates		
Revenue from construction contracts	88	-
Sale of properties	8,388	780
Rental income	29	-
Consultancy fee paid	(58)	(160)
Interests on medium term notes paid	<u> </u>	(119)
Non-controlling interest		
Revenue from construction contracts	50	-
Lease payments	(38)	-

Outstanding balances at 30 June 2023, arising from sale/purchase of goods and services, are set out in Notes 12 and 25.

for the Financial Year Ended 30 June 2023

# 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:

	Gro	oup
	2023 \$′000	2022 \$'000
Salaries and other short-term employee benefits Post-employment benefits - contribution to CPF	3,793 114	5,378 121
	3,907	5,499

Included in above is total remuneration to directors of the Company amounting to \$2,341,000 (2022: \$2,583,000).

#### (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 2023, the Group invested additional \$26,000 (2022: \$343,000) in cash to subscribe for additional 2,750 (2022: 36,000) ordinary shares in PT Super to provide PT Super with funds for working capital purposes (2022: 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. Revenue from property development is derived mainly from Malaysia and Singapore.

The segment information provided to the EXCO for the reportable segments for the financial years ended 30 June 2023 and 30 June 2022 are as follows:

	Construction	Property development and investment	Investment holding and others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial year ended 30 June 2023					
Revenue from external customers Inter-segment revenue	365,855 298	26,322 1,319	1,244 16,519	- (18,136)	393,421 <u>-</u>
Segment results Finance expense Loss before income tax	(21,473) (102) (21,575)	5,135 (1,855) 3,280	(3,904) (1,199) (5,103)	- - -	(20,242) (3,156) (23,398)
Income tax expense  Net loss					(4,212)
Segment results include: Interest income Fair value gain on	131	370	1,056	-	1,557
investment properties Fair value gain on financial liability, at FVPL	50 -	27 -	- 547	-	77 547
Depreciation of property, plant and equipment Share of losses of	(4,808)	(754)	(554)	-	(6,116)
associated companies and joint ventures	-	(2,480)	-	-	(2,480)

for the Financial Year Ended 30 June 2023

# 36. SEGMENT INFORMATION (CONTINUED)

	Construction \$'000	Property development and investment \$'000	Investment holding and others \$'000	Elimination \$'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)	
Segment results	(12,697)	8,409	(3,839)	-	(8,127)
Finance expense	(72)	(1,913)	(1,764)	-	(3,749)
Loss before income tax	(12,769)	6,496	(5,603)	-	(11,876)
Income tax credit					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,	/= a	(=0.1)	(545)		(5.450)
plant and equipment	(5,014)	(791)	(615)	-	(6,420)
Share of losses of					
associated companies and joint ventures	(10)	(3,039)			(3,049)
and joint ventures	(10)	(3,033)	-	-	(3,043)

36. SEGMENT INFORMATION (CONTINUED)

	Construction \$'000	Property development and investment \$'000	Investment holding and others \$'000	Elimination \$'000	Total \$'000
As at 30 June 2023					
Segment assets Tax recoverable Deferred income tax assets	176,121	190,000	73,912	(1,679)	438,354 1,593 1,817
Consolidated total assets				_	441,764
Segment assets include: Investment in associates and joint ventures Capital expenditure on property, plant and equipment Capital expenditure on investment properties	- 4,211 	23,466 110 701	- 265 -		23,466 4,586 701
Segment liabilities Borrowings Deferred income tax liabilities and current income tax liabilities	(178,824)	(4,853)	(21,191)	334	(204,534) (65,625) (1,058)
Consolidated total liabilities				<u>-</u>	(271,217)

for the Financial Year Ended 30 June 2023

# 36. SEGMENT INFORMATION (CONTINUED)

	Construction \$'000	Property development and investment \$'000	Investment holding and others \$'000	Elimination \$'000	Total \$'000
	<b>3</b> 000	<b>4</b> 000	<b>3 000</b>	<b>4 000</b>	<b>3 000</b>
As at 30 June 2022					
Segment assets	168,308	229,902	58,284	(2,881)	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 Borrowings Deferred income tax liabilities and	(147,359)	(9,397)	(21,621)	321	(178,056) (70,787)
current income tax liabilities				-	(1,651)
Consolidated total liabilities				_	(250,494)



# 36. SEGMENT INFORMATION (CONTINUED)

The Group is organised into three main business segments:

- (a) Construction construction of buil
  - uction 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 67% (2022: 69%) are derived from three (2022: four) major customers. These revenues are attributable to the Construction segment.

#### **Geographical information**

The Group's three business segments operate in two 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.

for the Financial Year Ended 30 June 2023

# 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-currer	nt assets*
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Singapore	384,808	393,734	52,787	54,740
Malaysia	8,613	23,056	706	2,154
Thailand		-	728	
	393,421	416,790	54,221	56,894
Investment in associated companies	•			
and joint ventures			23,466	27,539
			77,687	84,433

<sup>\*</sup> Non-current assets exclude financial instruments, financial assets at FVOCI, and deferred tax assets.

# 37. 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 2023 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.



## 37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

**Amendments to SFRS(I) 1-12 Income Taxes:** Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)

The amendments to SFRS(I) 1-12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. SFRS(I) 1-12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments. The Group does not expect any significant impact arising from applying these amendments.

for the Financial Year Ended 30 June 2023

# 38. COMPANIES IN THE GROUP

(a) The subsidiaries are as follows:

	Name	Principal activities	Place of incorporation and business	Effective interes by G	
		•		2023	2022
	Held by the Company			%	%
1	<b>Unquoted equity shares</b> 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	Project management	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



# 38. COMPANIES IN THE GROUP (CONTINUED)

(a) The subsidiaries are as follows: (continued)

	Name	Principal activities	Place of incorporation and business	intere	e equity st held iroup
				2023	2022
	Held by subsidiaries			%	%
1	<b>Unquoted equity shares</b> 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
3,8	Lum Chang Brandsbridge (M) Sdn Bhd (formerly known as Lum Chang Interior (M) Sdn Bhd)	Retrofitting and interior finishing	Malaysia	40.8	80
2	Lum Chang Sdn Bhd	Dormant	Malaysia	100	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	Investment holding	Malaysia	100	100
	Lum Chang Development Services Limited	Liquidated	England and Wales	-	100
1,8	Lum Chang Brandsbridge Pte Ltd	Retrofitting and interior finishing	Singapore	40.8	-
7	Lum Chang Builders Pte Ltd	General contractors	Singapore	100	_

for the Financial Year Ended 30 June 2023

# 38. COMPANIES IN THE GROUP (CONTINUED)

(b) The associated companies are as follows:

Name	Principal activities		Effective equity interest held by Group	
			<b>2023</b> %	<b>2022</b> %
Held by subsidiaries				
<b>Unquoted equity shares</b> <sup>5</sup> FCL Compassvale Pte Ltd	Dormant	Singapore	20	20
<sup>5</sup> FCL Admiralty Pte Ltd	Dormant	Singapore	30	30
<sup>1</sup> Pavo Holdings Pte Ltd	Investment holding	Singapore	40	40
<sup>4</sup> PT Super Makmur Sejahtera	Property development	Indonesia	25	25

(c) The joint ventures are as follows:

			Place of incorporation	intere	
	Name	Principal activities	and business	by G	roup
				2023	2022
				%	%
1	<b>Held by subsidiaries</b> Dorado Holdings Pte Ltd	Investment holding	Singapore	50	50
6	Lum Chang Tien Wah Property Sdn Bhd	Property development	Malaysia	50	50
	Nishimatsu – Lum Chang JV	Liquidated	Singapore	-	50
5	CLI CP (Netherlands) Pte Ltd	Dormant	Singapore	50	50
1	Subsidiaries held by joint venture Dorado Holdings Pte Ltd		<u>.</u> .		50
ı	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	Dormant	Singapore	50	50
1	Dorado Retail Pte Ltd	Dormant	Singapore	50	50
	Xin Tekka Pte Ltd	Liquidated	Singapore	-	50
7	Subsidiaries held by joint venture CLI CP (Netherlands) Pte Ltd CLI CP (Netherlands) B.V.	Dormant	Netherlands	50	50

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# 38. COMPANIES IN THE GROUP (CONTINUED)

- Audited by PricewaterhouseCoopers LLP, Singapore.
- 2 Audited by LT Lim & Associates, Malaysia.
- 3 Audited by PricewaterhouseCoopers, Malaysia.
- 4 Audited by Arif & Glorius, Indonesia.
- 5 Audited by KPMG LLP, Singapore.
- 6 Audited by Ernst & Young PLT, Malaysia.
- 7 Not required to be audited.
- 8 Deemed to be a subsidiary as the Group has the ability to nominate a majority of the directors of the subsidiary.

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.

#### 39. 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 15 September 2023.

# STATISTICS OF SHAREHOLDINGS

As at 7 September 2023

Issued and Fully Paid-Up Capital

Class of Shares

Voting Rights

Total no. of Issued Ordinary Shares (excluding treasury shares) Total no. of Treasury Shares

- \$86,572,309

- Ordinary Shares

- One vote per ordinary share

- 376,688,104

- 8,341,500

DISTRIBUTION OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	% (1)
1 - 99	203	4.47	8,680	0.00
100 - 1,000	818	18.02	422,452	0.11
1,001 - 10,000	2,474	54.49	11,332,040	3.01
10,001 - 1,000,000	1,030	22.69	44,012,447	11.69
000,001 and above	15	0.33	320,912,485	85.19
TOTAL	4,540	100.00	376,688,104	100.00

TWENTY LARGEST SHAREHOLDERS	NO. OF SHARES	% (1)
UNITED OVERSEAS BANK NOMINEES PTE LTD	242,998,906	64.51
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	7,106,554	1.89
RMDV INVESTMENTS PTE LTD	3,459,159	0.92
LUM CHANG INVESTMENTS PTE LTD	2,963,674	0.79
OCBC NOMINEES SINGAPORE PTE LTD	2,835,357	0.75
CHIAM HOCK POH	1,960,300	0.52
TAN THIAN HWEE	1,723,000	0.46
LEH BEE HOE	1,295,300	0.34
RAFFLES NOMINEES (PTE) LIMITED	1,178,740	0.31
CITIBANK NOMINEES SINGAPORE PTE LTD	1,090,329	0.29
NG POH MUI	1,069,200	0.28
UOB KAY HIAN PTE LTD	790,598	0.21
NG POH CHENG	675,760	0.18
OCBC SECURITIES PRIVATE LTD	567,428	0.15
PHILLIP SECURITIES PTE LTD	552,653	0.15
ONG KIM GUAN OR NEO AH THIN	505,800	0.13

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 7 September 2023, 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.

324,004,724

86.01

- (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

Please note that there will be no distribution of vouchers at the upcoming AGM, as well as at future AGMs.

NOTICE IS HEREBY GIVEN that the **41<sup>st</sup> 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 **27 October 2023**, **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	<b>Resolution 1</b>
	of the Company for the financial year ended 30 June 2023 and the Auditor's Report	
	thereon.	

- 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 2023.
- 3. To approve the amount of S\$356,800 proposed as Directors' fees for the financial year ended 30 June 2023 (2022: S\$397,366).
- 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 David Lum Kok Seng
  - (b) Mr Tony Fong
  - (c) Mr Kenneth Ho Siew Keong
  - Note: (a) Mr David Lum Kok Seng, an Executive Director, if re-elected, will remain as the Managing Director of the Company.
    - (b) Mr Tony Fong, if re-elected, will remain as an Executive Director of the Company.
    - (c) Mr Kenneth Ho Siew Keong, an Independent Director, if re-elected, will remain as a member of the Audit and Risk Committee and Remuneration 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 4** 

**Resolution 5** 

Resolution 6

#### 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:
  - 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 2023** 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 2023 (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 2023 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 2023 will be entitled to the Proposed Final Dividend.

The Proposed Final Dividend, if approved by Shareholders at the 41st AGM, will be paid on 22 November 2023.

#### BY ORDER OF THE BOARD

#### **TONY FONG**

Company Secretary Singapore 5 October 2023

#### **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 2023.
- 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 2023 (for illustrative purposes only) are set out in greater detail in the Appendix to the Notice of AGM dated 5 October 2023 in relation to the proposed renewal of the Share Purchase Mandate.

**ANNUAL REPORT 2023** 

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#### Notes:

- 1) A booklet containing printed copies of the Notice of AGM, the proxy form and request form (for a printed copy of the Company's Annual Report 2023) will be sent to members by post. These documents are also available on the Company's Corporate website at the URL <a href="https://investor.lumchang.com.sg/agm.html">https://investor.lumchang.com.sg/agm.html</a> and SGXNet at the URL <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a>.
- 2) 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.
- 3) 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.
- 4) A proxy need not be a member of the Company.
- 5) 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 LCHAGM2023@boardroomlimited.com,
  - in either case, not less than seventy-two (72) hours before the time appointed for holding the AGM.
- 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) Shareholders, including CPFIS/SRS investors, can raise questions at the AGM, or pre-submit questions relating to the business of the AGM **by 10.30 a.m. on 13 October 2023** in the following manner:
  - (a) Via email. Shareholders may submit their questions via email to agm@lumchang.com.sg.
  - (b) **By post.** Shareholders may submit their questions by post to the registered office of the Company at 14 Kung Chong Road, #08-01 Lum Chang Building, Singapore 159150.

When sending in your questions via email or by post, please also provide us with the following details:

- your full name;
- your address;
- the number of the Company's shares held; and
- the manner in which the Company's shares are held (e.g., via CDP, CPFIS/SRS and/or scrip).

All questions must be submitted **by 10.30 a.m. on 13 October 2023**. After the cut-off time for the submission of questions, if there are subsequent clarifications sought, or follow-up questions, the Company will address them during the AGM.

Where there are substantially similar questions submitted, the Company will consolidate these questions. As such, not all questions may be individually addressed. The Company will publish its responses to the substantial and relevant questions which were submitted by **10.30 a.m. on 13 October 2023** on the Company's corporate website at the URL <a href="https://investor.lumchang.com.sg/agm.html">https://investor.lumchang.com.sg/agm.html</a>, and on SGXNet at the URL <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a>.

The Company will publish the minutes of the AGM, including the responses to the substantial and relevant questions from Shareholders which are addressed during the AGM, on the Company's corporate website at the URL <a href="https://investor.lumchang.com.sg/agm.html">https://investor.lumchang.com.sg/agm.html</a>, and on SGXNet at the URL <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a>, within one month after the conclusion of the AGM.

#### **Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM 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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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.

#### **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 5 October 2023 will be sent to members by electronic means via publication on Lum Chang Holdings Limited's corporate website at the URL https://investor.lumchang.com.sg/agm.html 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 5 October 2023.				t out in the				
I/We _			_ (Name)			(1	NRIC/Pa	asspo	rt Number	
		of um Chang Holdings Limited			nint:				. (Address)	
Dellig	Name	Address		NRIC/Passport		Proportion	of Shar	rehol	dinas	
				Number		mber of Sh			%	
and/or	(delete as appropriate)									
	Name	Address		RIC/Passport Proportion of Shareh			rehol	dings		
			Number		Nu	Number of Shares			%	
I/We d	lirect my/our proxy/proxic	ber 2023, Friday at 10:30 a.m es to vote for or against the cons, the proxy/proxies will vot	ordinary reso	olutions to be prop	osed at		ie/they v	will or		
NO.						For <sup>^</sup>	Again	St^	Abstain*	
1.		the Directors' Statement and 0 June 2023 and the Auditor's			for the					
2.	To declare a final tax e for the financial year e	xempt (one-tier) dividend of 1 nded 30 June 2023	.0 Singapore	e cents per ordinar	y share					
3.	To approve Directors'	fees of S\$356,800 for the fina	ancial year e	ended 30 June 202	23					
4.	To re-elect Mr David Company's Constitutio	Lum Kok Seng as a Directo n	r retiring un	nder Article 107(2)	of the					
5.	To re-elect Mr Tony F Constitution	ong as a Director retiring un	nder Article	107(2) of the Con	npany's					
6.	To re-elect Mr Kenneth Company's Constitutio	h Ho Siew Keong as a Direct n	or retiring u	nder Article 107(2	) of the					
7.	To re-appoint Pricewat Directors to fix their re-	erhouseCoopers LLP as inde muneration	pendent aud	ditors and to autho	rise the					
	Special Business									
8.	To authorise Directors	to issue shares pursuant to Se	ection 161 of	f the Companies A	ct 1967					
9.	To approve the renewa	al of Share Purchase Mandat	е							
pı pl	rovided. Otherwise, pleas	your votes "For" or "Against" se indicate the number of vote "in the "Abstain" box in respect of that resolution.	s in the boxe	es provided. If you	wish to a	abstain from	voting o	n the	resolution	
Dated	this day of _	2023								
					Total N	No. of Share	es in	No. o	of Shares	
					CDP R	egister				
					Registe	er of Membe	ers			

#### **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 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 LCHAGM2023@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 the AGM Notice Booklet or download, complete and sign the proxy form from the Company's corporate 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 authorise 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.

