



Hock Lian Seng Holdings Limited

Company Registration Number 200908903E

Unaudited Interim Financial Statements for the six months and full year ended 31 December 2022

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Consolidated statement of profit or loss

	Note	Group			Group		
		2H2022	2H2021	Change	31.12.22	31.12.21	Change
		S\$'000	S\$'000	%	\$'000	\$'000	%
Revenue	4	87,100	92,123	-5.5%	142,707	168,615	-15.4%
Cost of sales		(81,178)	(81,288)	-0.1%	(132,308)	(151,566)	-12.7%
Gross profit		5,922	10,835	-45.3%	10,399	17,049	-39.0%
Other income		6,481	4,899	32.3%	11,450	9,999	14.5%
Distribution and selling costs		(19)	(39)	-51.3%	(83)	(72)	15.3%
Administrative costs		(1,716)	(2,699)	-36.4%	(3,496)	(4,232)	-17.4%
Other operating costs		(875)	(739)	18.4%	(1,881)	(1,545)	21.7%
Share of results of joint ventures, net of tax		816	6,656	-87.7%	3,077	7,285	-57.8%
Profit before taxation	6	10,609	18,913	-43.9%	19,466	28,484	-31.7%
Tax expenses	7	(1,860)	(2,132)	-12.8%	(3,070)	(3,513)	-12.6%
Profit after taxation		8,749	16,781	-47.9%	16,396	24,971	-34.3%
Attributable to:							
Equity holders of the Company		8,763	16,870	-48.1%	16,506	25,127	-34.3%
Non-controlling interests		(14)	(89)	-84.3%	(110)	(156)	nm
		Cents	Cents		Cents	Cents	
Earnings per shares for profit attributable to the owners of the Company :							
Basic earnings per share		1.71	3.29		3.22	4.91	
Dilluted earnings per share		1.71	3.29		3.22	4.91	

The calculation of basic earnings per share at 31 December was based on profit attributing to owners of the Company and the weighted average number of ordinary shares outstanding.

Consolidated statement of other comprehensive income

	Group		Group	
	2H2022	2H2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	\$'000	\$'000
Profit after taxation	8,749	16,781	16,396	24,971
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Financial instruments at FVOCI				
- Net change in fair value	(186)	712	(498)	224
Other comprehensive income	(186)	712	(498)	224
Total comprehensive income	8,563	17,493	15,898	25,195
Attributable to:				
Equity holders of the Company	8,577	17,582	16,008	25,351
Non-controlling interests	(14)	(89)	(110)	(156)

Statements of financial position

	Note	Group		Company	
		31.12.2022 \$'000	31.12.2021 \$'000	31.12.2022 \$'000	31.12.2021 \$'000
Non-current assets					
Property, plant and equipment	15	20,139	22,735	-	-
Subsidiary companies		-	-	37,814	37,814
Investment in joint ventures	13	52,065	50,624	-	-
Investment properties	11	3,000	2,900	-	-
Investment securities	10	13,140	10,385	-	-
Deferred tax assets		3,427	4,313	-	-
		91,771	90,957	37,814	37,814
Current assets					
Development properties	12	91,709	95,158	-	-
Contract assets		17,491	41,574	-	-
Trade receivables		16,255	29,711	-	-
Other receivables		3,476	5,882	74,751	70,695
Amounts due from joint ventures		684	591	-	-
Prepayments and deposits		2,900	2,192	-	-
Investment securities	10	11,924	8,984	-	-
Cash and short term deposits		108,839	67,464	556	2,083
		253,278	251,556	75,307	72,778
Current liabilities					
Trade and other payables		61,603	61,090	339	386
Advance payment received for construction		-	3,754	-	-
Contract liabilities		21,187	16,000	-	-
Provisions	14	21,390	28,116	-	-
Provision for taxation		2,216	4,811	16	15
		106,396	113,771	355	401
Net current assets		146,882	137,785	74,952	72,377
Non-current liabilities					
Deferred income		116	144	-	-
Other payables		1,387	945	-	-
		1,503	1,089	-	-
Net assets		237,150	227,653	112,766	110,191
Equity					
Share capital	16	59,954	59,954	59,954	59,954
Capital reserve		1,000	1,000	-	-
Fair value adjustment reserve		(157)	341	-	-
Accumulated profits		192,752	182,647	52,812	50,237
Merger deficit		(16,239)	(16,239)	-	-
Equity attributable to owners of the Company		237,310	227,703	112,766	110,191
Non-Controlling interests		(160)	(50)	-	-
Total Equity		237,150	227,653	112,766	110,191

Statements of changes in equity
Group

	Share capital	Capital reserve	Accumulated profits	Fair value adjustment reserve	Merger deficit	Non-controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2022	59,954	1,000	182,647	341	(16,239)	(50)	227,653
Net Profit	-	-	16,506	-	-	(110)	16,396
Other comprehensive income	-	-	-	(498)	-	-	(498)
Total comprehensive income	-	-	16,506	(498)	-	(110)	15,898
Dividend on ordinary shares	-	-	(6,401)	-	-	-	(6,401)
At 31 December 2022	59,954	1,000	192,752	(157)	(16,239)	(160)	237,150
At 1 January 2021	59,954	1,000	158,790	127	(16,239)	106	203,738
Net Profit	-	-	25,127	-	-	(156)	24,971
Other comprehensive income	-	-	-	224	-	-	224
Total comprehensive income	-	-	25,127	224	-	(156)	25,195
Dividend on ordinary shares	-	-	(1,280)	-	-	-	(1,280)
Transfer upon sales of financial assets at fair value through other comprehensive income			10	(10)			
At 31 December 2021	59,954	1,000	182,647	341	(16,239)	(50)	227,653

Company

	Share capital	Accumulated profits	Total Equity
	\$'000	\$'000	\$'000
At 1 January 2022	59,954	50,237	110,191
Profit, representing total comprehensive income	-	8,976	8,976
Dividend on ordinary shares	-	(6,401)	(6,401)
At 31 December 2022	59,954	52,812	112,766
At 1 January 2021	59,954	44,863	104,817
Profit, representing total comprehensive income	-	6,654	6,654
Dividend on ordinary shares	-	(1,280)	(1,280)
At 31 December 2021	59,954	50,237	110,191

Consolidated statement of cash flows

	< -----Group----- >	
	Financial year ended	
	31.12.2022	31.12.2021
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation	19,466	28,484
Adjustments :		
Depreciation of property, plant and equipment	3,679	4,776
Bad debts written off	1	79
(Gain)/loss on disposal of property, plant and equipment	(325)	(151)
Fair value changes on investment properties	(100)	(50)
Fair value changes on investment securities	277	(98)
(Gain)/Loss on disposal of investment securities	-	(5)
Share of results of joint venture	(3,077)	(7,285)
Interest income	(3,130)	(2,383)
Unrealised foreign exchange (gain)/loss	(90)	(296)
Dividend income from investment securities	(79)	(64)
Operating cash flows before working capital changes	16,622	23,007
(Increase)/decrease in:		
Contract assets	24,083	(22,979)
Development properties	3,449	4,501
Trade receivables	13,455	(18,310)
Other receivables	2,105	(89)
Prepayments and deposits	(708)	(696)
Increase/(decrease) in:		
Trade and other payables and provisions	(5,771)	16,229
Contract liabilities	5,187	9,022
Advance payments received for construction project	(3,754)	(1,959)
Deferred income	(28)	(201)
Cash flows generated from / (used in) operations	54,640	8,525
Interest received	1,197	127
Income tax paid	(4,779)	(1,920)
Net cash flows generated from / (used in) operating activities	51,058	6,732
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,165)	(652)
Repayment /(advance) to joint venture	2,745	(1,350)
Purchases of investment securities	(9,040)	(5,745)
Proceeds from disposal of property, plant and equipment	407	173
Proceeds from maturity/redemption of investment securities	2,570	8,015
Proceeds from disposal of investment securities	-	512
Interest received from investment securities	1,032	969
Dividend income received from investment securities	79	64
Net cash flows (used in) / generated from investing activities	(3,372)	1,986
Cash flows from financing activities		
Dividend paid	(6,401)	(1,280)
Net cash flows used in financing activities	(6,401)	(1,280)
Net increase/(decrease) in cash and cash equivalents	41,285	7,438
Effect of exchange differences on cash and cash equivalents	90	296
Cash and cash equivalents, Beginning balance	67,464	59,730
Cash and cash equivalents, Ending balance	108,839	67,464

Selected Notes to the consolidated financial statements

1. Corporate information

Hock Lian Seng Holdings Limited (the "Company") is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements for the six months and financial year ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Group are provision of civil engineering ; property development and investments.

2. Basis of Preparation

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

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

The interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to standards have become effective for annual period beginning 1 January 2022. The application of these standards did not have a material effect on the interim consolidated financial statements.

2.2 Use of judgements and estimates

The preparation of the Group's condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at end of year ended 31 December 2021.

Estimates and assumptions 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.

3. Seasonal operations

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

4. Segment and revenue information

The Group is organised into three main business segments – civil engineering, properties development, properties investment. No other operating segment constitutes a separate reportable segment. The segment information for the reportable segments is as follows:

	<i>Civil Engineering</i> \$'000	<i>Properties Development</i> \$'000	<i>Properties Investment</i> \$'000	<i>Adjustments</i> \$'000	<i>Total</i> \$'000
2H 2022					
Sales to external customers	86,299	730	71	-	87,100
	<u>86,299</u>	<u>730</u>	<u>71</u>	<u>-</u>	<u>87,100</u>
Results					
Depreciation	1,707	-	-	-	1,707
Fair value gain on investment properties	-	-	100	-	100
Dividend income from investment securities	-	-	-	39	39
Interest income	-	522	-	1,711	2,233
Share of results of joint venture	-	816	-	-	816
Segment profit	<u>5,680</u>	<u>3,776</u>	<u>29</u>	<u>1,124</u>	<u>10,609</u>
2H 2021					
Sales to external customers	90,220	1,894	9	-	92,123
	<u>90,220</u>	<u>1,894</u>	<u>9</u>	<u>-</u>	<u>92,123</u>
Results					
Depreciation	2,350	-	-	-	2,350
Fair value loss on investment properties	-	-	50	-	50
Dividend income from investment securities	-	-	-	40	40
Interest income	-	931	-	728	1,659
Share of results of joint venture	-	6,656	-	-	6,656
Segment profit	<u>10,674</u>	<u>8,140</u>	<u>-</u>	<u>99</u>	<u>18,913</u>

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	Civil Engineering \$'000	Properties Development \$'000	Properties Investment \$'000	Adjustments \$'000	Total \$'000
<u>FY 2022</u>					
Sales to external customers	138,714	3,849	144	-	142,707
	<u>138,714</u>	<u>3,849</u>	<u>144</u>	<u>-</u>	<u>142,707</u>
Results					
Depreciation	3,679	-	-	-	3,679
Fair value gain on investment properties	-	-	100	-	100
Dividend income from investment securities	-	-	-	79	79
Interest income	-	1,108	-	2,022	3,130
Share of results of joint venture	-	3,077	-	-	3,077
Segment profit	<u>9,271</u>	<u>8,931</u>	<u>59</u>	<u>1,205</u>	<u>19,466</u>
Assets					
Investment in joint ventures	-	52,065	-	-	52,065
Additions to non-current assets	1,165	-	-	-	1,165
Segment assets	<u>167,464</u>	<u>145,218</u>	<u>3,876</u>	<u>28,491</u>	<u>345,049</u>
Segment liabilities					
	<u>103,030</u>	<u>2,606</u>	<u>31</u>	<u>2,232</u>	<u>107,899</u>
<u>FY 2021</u>					
Sales to external customers	163,341	5,135	139	-	168,615
	<u>163,341</u>	<u>5,135</u>	<u>139</u>	<u>-</u>	<u>168,615</u>
Results					
Depreciation	4,776	-	-	-	4,776
Fair value loss on investment properties	-	-	50	-	50
Dividend income from investment securities	-	-	-	64	64
Interest income	-	1,362	-	1,021	2,383
Share of results of joint venture	-	7,285	-	-	7,285
Segment profit	<u>16,087</u>	<u>9,504</u>	<u>33</u>	<u>2,860</u>	<u>28,484</u>
Assets					
Investment in joint ventures	-	50,888	-	-	50,888
Additions to non-current assets	652	-	-	-	652
Segment assets	<u>167,554</u>	<u>146,391</u>	<u>3,535</u>	<u>25,033</u>	<u>342,513</u>
Segment liabilities					
	<u>108,029</u>	<u>1,991</u>	<u>29</u>	<u>4,811</u>	<u>114,860</u>

The Group's revenue from external customers was principally generated from Singapore. Accordingly, no geographical segment assets and revenue from customers' information are presented.

4.2 Disaggregation of revenue

	Group		Group	
	2H 2022	2H 2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customer				
Contract revenue from construction projects - recognised over time	85,996	89,994	138,073	162,886
Supply of labour and services provided - recognised over time	160	218	374	447
Sales of development properties - recognised at a point of time	730	1,751	3,850	4,992
Other revenue				
Rental Income	214	160	410	290
Total revenue	<u>87,100</u>	<u>92,123</u>	<u>142,707</u>	<u>168,615</u>

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021 :

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Financial Assets at fair value				
Financial Assets at fair value through other comprehensive income (FVOCI)	13,140	10,385	-	-
Financial Assets at fair value through Profit or loss (FVTPL)	10,927	8,984	-	-
	<u>24,067</u>	<u>19,369</u>	<u>-</u>	<u>-</u>
Financial Assets at amortised cost				
Cash and bank balances and trade and other receivables	129,528	103,749	-	72,778
Credit linked note	997	-	-	-
	<u>178,659</u>	<u>142,487</u>	<u>-</u>	<u>72,778</u>
Financial Liabilities at amortised cost				
Trade and other payables	<u>61,406</u>	<u>64,352</u>	<u>322</u>	<u>366</u>

Fair value measurement

The Group applied the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: inputs for the asset or liability that are not based on observable market data unobservable inputs)

5. Financial asset and financial liabilities (cont'd)

Fair value measurement (cont'd)

	as at 31 December 2022			
	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial assets at fair value through profit or loss				
- Debt instruments (quoted)	10,927	-	-	10,927
Financial assets at fair value through comprehensive income				
- Equity instruments (quoted)	13,140	-	-	13,140
	<u>24,067</u>	<u>-</u>	<u>-</u>	<u>24,067</u>

	Group as at 31 December 2021			
	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial assets at fair value through profit or loss				
- Debt instruments (quoted)	8,984	-	-	8,984
Financial assets at fair value through comprehensive income				
- Equity instruments (quoted)	10,385	-	-	10,385
	<u>19,369</u>	<u>-</u>	<u>-</u>	<u>19,369</u>

6. Profit before tax

6.1 Following items have been included in arriving at profit before taxation:

	Group		Group	
	2H 2022	2H 2021	FY2022	FY2021
	S\$'000	S\$'000	\$'000	\$'000
Income				
Dividend income	39	40	79	64
Foreign exchange gain	-	63	90	296
Interest income	2,233	1,659	3,130	2,383
Fair value gain on investment securities	-	-	-	98
Fair value gain on investment properties	100	50	100	50
Gain on disposal of property, plant and equipment	44	-	325	151
Government grants	764	1,128	1,164	2,496
Rental income from property development projects	3,542	2,358	6,476	4,422
Expenses				
Depreciation of property, plant and equipment	1,707	2,350	3,679	4,776
Foreign exchange loss	264	-	-	-
Bad debts written off	-	79	1	79
Fair value loss on investment securities	103	173	277	-

6.2 Related parties transactions

Apart from the remuneration paid to key personnel, the significant related parties transaction was as follow:

	Group		Group	
	2H 2022	2H 2021	FY2022	FY2021
	S\$'000	S\$'000	\$'000	\$'000
Office lease expenses paid/payable to a related party	54	-	108	-

7. Taxation

	Group		Group	
	2H 2022	2H 2021	FY2022	FY2021
	\$'000	\$'000	\$'000	\$'000
Current income tax expense				
- current income taxation	875	3,031	2,184	4,766
- over provision in respect of previous year	-	(1)	-	(1)
Deferred income tax expenses relating to origination and reversal of temporary differences	985	(898)	886	(1,252)
	<u>1,860</u>	<u>2,132</u>	<u>3,070</u>	<u>3,513</u>

8. Dividends

	Group and Company	
	<u>FY2022</u>	<u>FY2021</u>
	\$'000	\$'000
Ordinary dividends paid		
Final dividend approved for payment in annual general meeting 1.25 cents (2021:0.25 cents) per ordinary share for previous financial year	6,401	1,280

The directors have proposed a final dividend for financial year 2022 of 1.00 cents per shares, amounting to approximately \$5,121,000. These financial statements do not reflect these proposed dividends, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2023.

9. Net Asset Value

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	<u>31.12.2022</u>	<u>31.12.2021</u>	<u>31.12.2022</u>	<u>31.12.2021</u>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	46.3	44.5	22.1	21.5

10. Investment securities

	Group	
	<u>31.12.2022</u>	<u>31.12.2021</u>
	\$'000	\$'000
Non-current		
At fair value through other comprehensive income		
- Equity instruments (quoted)	13,140	10,385
	<u>13,140</u>	<u>10,385</u>
Current		
At fair value through profit or loss		
- Debt instruments (quoted)	10,927	8,984
At amortised cost		
- Credit linked note	997	-
	<u>11,924</u>	<u>8,984</u>

Investments in debt instrument at fair value through profit or loss

Debt investment in quoted corporate bonds were made for varying coupon rates ranging from 3.0% to 6.9% (2021: 3.0% to 6.9%) per annum, with maturity dates ranging from 2023 to 2033.

10. Investment securities (cont'd)

Investments in equity instruments designated at fair value through other comprehensive income

The fair value of investments in quoted equity instruments designated at fair value through other comprehensive income at the end of the reporting period is as follows:

	Group	
	31.12.2022	31.12.2021
	\$'000	\$'000
At fair value through other comprehensive income		
- Equity instruments (quoted) breakdown by industry		
Bank and financial institutions	5,656	4,635
Real Estate	6,567	4,484
Telecommunications and infrastructure	471	513
Commodities	446	753
	13,140	10,385

There was no disposal of investment securities in the current financial year.

The fair value of the Group's investment securities is based on the quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date and is categorized under Level 1 of the fair value measurement hierarchy.

11. Investment properties

The investment properties held by the Group consist of a leasehold office unit and a leasehold industry workshop.

	Group	
	31.12.2022	31.12.2021
	\$'000	\$'000
Balance as at 1 January	2,900	2,850
Fair value gain	100	50
Balance as at end of period	3,000	2,900

No addition for the financial year ended 31 December 2022.

Fair value measurement of investment properties

The leasehold office premises and light industry workshop in Singapore are stated at fair value, which has been determined annually by independent valuer at the end of every financial year based on the properties' highest and best use.

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. The fair value has been derived based on the Direct Comparison Method that makes reference to market evidence of transaction prices for similar properties in the open market.

12. Development properties

	Group	
	31.12.2022	31.12.2021
	\$'000	\$'000
Completed properties, at cost	92,863	95,158
At 1 January	95,158	99,659
Construction costs written -back	(560)	(581)
Disposals (recognised in cost of sales)	(2,889)	(3,920)
At end of reporting	91,709	95,158

The development properties comprised of unsold units of two completed industrial property projects at Tuas and Gambas.

The development properties are expected to be recovered more than twelve months after the reporting period.

13. Investment in joint venture

The Group's investment in joint venture is summarized below:

	Group	
	31.12.2022	31.12.2021
	\$'000	\$'000
FSKH Development Pte Ltd		
- Equity interest	1,350	1,350
- Amount due from joint venture	45,707	47,606
- Share of profit	5,009	1,932
- Deferred interest	(1)	(264)
	52,065	50,624

FSKH Development Pte Ltd is 45% owned joint venture.

14. Provisions

	Group	
	31.12.2022	31.12.2021
	\$'000	\$'000
At 1 January	28,116	20,741
Utilised	(3,486)	(3,291)
Current period provision	-	13,748
Write-back	(3,240)	(3,082)
At end of reporting	21,390	28,116

15. Property, plant and equipment

During the current financial year, the Group acquired assets amounting to \$1,165,000(31 December 2021: \$ 652,000) and disposed of assets amounting to \$1,464,000 (31 December 2021: \$812,000).

16. Share capital

	Group and Company	
	No. of shares '000	\$'000
Issued and fully paid ordinary shares		
At 1 January 2022 and 31 Decemeber 2022	<u>512,104</u>	<u>59,954</u>

There was no movement in the issued and paid-up capital of the Company since 31 December 2021.

There were no outstanding convertibles as at 31 December 2022 (31/12/2022: Nil).

The Company did not hold any treasury shares as at 31 December 2022(31/12/2021:Nil). There was no sales, transfer, disposal , cancellation and use of treasury shares during the financial year ended 31 December 2022.

Other information Required by Listing Rule Appendix 7.2

I. Aggregate amount of group's borrowings and debt securities.

The Group has no borrowing as at 31 December 2022 and 31 December 2021.

II. Audit or review

The interim consolidated financial statement for the six month and full year ended 31 December 2022 and selected explanatory notes have not been audited or reviewed by the Company's auditors.

III. Review of performance

Revenue

In \$' million	FY 2022	%	FY 2021	%
Civil Engineering	138.8	97.2	163.5	96.9
Properties Development	3.8	2.7	5.0	3.0
Properties Investment	0.1	0.1	0.1	0.1
	142.7	100.0	168.6	100.0

Group revenue for the financial year ended 31 December 2022 (FY 2022) was \$142.7 million, reduce by \$25.9 million(-15.4%) from \$168.6 million for the corresponding previous financial year(FY2021). Lower revenue was mainly due to the completion of the Maxwell station project in FY2021 and the new projects is still at design and site preparation stage, also the construction activities for Changi joint venture project has peaked in FY2021. FY2022 has recorded revenue of \$3.8 million from the Properties Development segment for sales of units at Shine@TuasSouth and Ark@Gambas, \$1.2 million lower than FY2021. Revenue from Properties Investment was insignificant for both FY2022 and FY2021.

Gross Profit

In \$' million	FY 2022	FY 2021
Civil Engineering	9.4	15.7
Properties Development	0.9	1.2
Properties Investment	0.1	0.1
	10.4	17.0

Gross profit decreased by \$6.6 million (-39.0%) to \$10.4 million mainly due to lower revenue and lower gross margin for the on- going projects.

Other Income

Other income has increased by \$1.5 million to \$11.5 million, mainly due to the much higher rental income from Shine@TuasSouth offset by the lower government grant.

	FY 2022	FY 2021
Interest income from bank	0.9	0.1
Interest income from investment securities	1.1	0.9
Interest income from joint venture	1.1	1.4
Dividend	0.1	0.1
Rental - Development properties	6.5	4.4
Government grants-COVID19 related	-	2.3
-others	1.2	0.2
Other Covid 19 related support	-	-
Gain on disposal of fixed assets	0.3	0.2
Gain on fair value changes of investment securities (FVTPL)	-	0.1
Gain on foreign currency exchange	0.1	0.3
Miscellaneous	0.1	0.0
	11.4	10.0

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Administration cost

Lower administration cost of \$0.7 million (-17.4%) for FY2022 mainly due to the lower performance bonus and tender preparation cost in FY2022.

Other operating costs

Other operating cost for FY2022 was \$0.3 million higher mainly due to loss on fair value for investment securities FVTPL of \$0.3 million.

Share of profits of joint venture

The Mattar Road residential joint venture project has contributed to the share of profit of \$3.0 million (FY2021: 7.2 million), significantly lower than FY2021 as the sales was mostly recognised in FY2021 and higher bank interest expenses.

Profit before tax and tax expenses

Lower sales, gross profit and share of profit of joint venture, offset by higher other income and lower administration cost was the key factors for the decrease in profit before tax of \$9.0 million for FY2021.

Financial position and cash flow review

Total assets of the group as at 31 December 2022 was \$345.1 million, increased by \$2.6 million from \$342.5 million as at 31 December 2021. Mainly due to higher cash balance offset by the decrease in contract assets, trade and other receivable.

Increase in cash and short term deposits of \$41.3 million for FY2022 was mainly due to the \$51.1 million cash generated from operating activities and repayment of loan of \$2.7 million from joint venture, offset by the net cash outflow for the purchase and redemption of investment securities of \$7.8 million and dividend payment of \$6.4 million.

Decrease in trade receivables of \$17.9 million end of FY2022 mainly due to a one off mobilisation advance billing to customer in December 2021. Contract assets was \$24.1 million lower with higher progress payment received from customers and release of retention of a completed project. Other receivable has reduced by \$2.4 million mainly due to the lower advance to subcontractors.

Total liabilities of the group as at 31 December 2022 were \$107.9 million, decreased by \$7.0 million from \$114.9 million as at 31 December 2021, mainly due to the decrease in provisions with the utilisation of maintenance cost for completed projects.

Shareholders equity was \$237.2 million, about \$9.6 million higher than 31 December 2021. Mainly due to the current year net profit after tax of \$16.5 million offset by the dividend payment of \$6.4 million and fair value loss for investment securities recognised in comprehensive income of \$0.5 million.

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

The current announced results are in line with the general prospect commentary previously disclosed to shareholders in the results announcement [for the six months ended 30 June 2022](#).

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

The Group was awarded two new civil contracts for the cross island line phase 1 from Land Transport Authority of \$320 million (CR103 -Aviation Park Station) and \$454 million (CR113-Serangoon North Station) in December 2021 and Jan 2022 respectively. With the addition of the two new contracts and the remaining contract value of Changi Airport joint venture project , the order book for civil engineering segment stands at approximately \$875 million as at 31 December 2022.

The Group's industrial building project, Shine@TuasSouth, has sold 12% and leased 86% of the total units to date. With the commencement of Tuas mega port operation, the occupancy rate for the Shine@TuasSouth has improve significantly, however the high interest rate environment has dampen the buying interest. The fully sold residential joint venture project, The Antares, has obtained TOP in December 2022.

The outlook of construction industry remains challenging on the back of competitive environment, labour shortage and rising material cost. The management will continue to tender for infrastructure projects competitively and explore other business opportunities in property related segment to enhance the shareholders' value.

VI. Dividend

**(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on ?**

Yes.

Name of dividend	First and final
Dividend type	Cash
Dividend amount per share (in cents)	1.00
Tax rate	Tax exempt (one tier)

(b) Any dividend declared for the corresponding period of the immediately preceding financial year ?

Yes.

Name of dividend	First and final
Dividend type	Cash
Dividend amount per share (in cents)	1.25
Tax rate	Tax exempt (one tier)

(c) Date payable

The proposed dividend, if approved at the next Annual General Meeting to be held on 25 April 2023, will be paid on 19 May 2023.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on 9 May 2023 at 5.00 p.m. for the preparation of dividend warrants

VII. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There is no general mandate from shareholders for IPTs.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Lian Seng Investment Pte Ltd - Office lease expenses received /receivable from the Group	\$'000 108	\$'000 -
	108	-

VIII. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Listing Manual.

The Company has procured undertakings in the format set out in Appendix 7.7 from all its directors and the executive officers under Rule 720(1) of the Listing Manual.

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

IX. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Refer to note 4 of the interim financial statement.

In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to section III – review of performance.

X. A breakdown of sales as follows:-

	< ----- Group ----- >		Increase/ (Decrease) (%)
	Financial Year ended 31 Dec		
	2022	2021	
	\$'000	\$'000	
(a) Sales reported for first half year	55,607	76,492	-27.3%
(b) Operating profit after tax before deduction non-controlling interests reported for first half year	7,647	8,190	-6.6%
(c) Sales reported for second half year	87,100	92,123	-5.5%
(d) Operating profit after tax before deduction non-controlling interests reported for second half year	8,749	16,781	-47.9%

XI. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Year	Full	Previous Year	Full
	FY2022*		FY2021	
	\$'000		\$'000	
Proposed first and final dividend (Tax exempt 1-tier)	5,121		6,401	

*subject to shareholders' approval at the forthcoming Annual General Meeting

XII. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held , if any, during the year
Chua Chee Yong	55	Nephew of Mr Chua Leong Hai, substantial shareholder, Executive director and CEO of the Company and cousin of Ms Chua Siok Peng, Executive Director of the Company.	Joined the Group since 1986. Mr Chua Chee Yong is the Senior Manager-, Logistic , responsible for fleet management, deployment and maintenance of plant and equipments.	In charge of the Logistic Department with effect from 2017.

BY ORDER OF THE BOARD

CHUA LEONG HAI

Executive Director and CEO

23 February 2023