

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE
FINANCIAL YEAR ENDED 31 MAY 2020**

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Ms Tay Sim Yee, at 1 Robinson Road #21-00, AIA Tower, Singapore 048542, telephone (65) 6232-3210.

UNAUDITED FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MAY 2020

PART 1 - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	Full year ended		
	31.5.2020	31.5.2019	Increase / (Decrease)
	S\$'000	S\$'000	%
Revenue	46,166	47,645	(3.1)
Cost of sales	(27,488)	(34,427)	(20.2)
Gross profit	18,678	13,218	41.3
Other operating income	5,607	2,261	148.0
Sales and marketing expenses	(2,141)	(3,457)	(38.1)
Administrative expenses	(3,337)	(3,340)	(0.1)
Other operating expenses	(524)	(747)	(29.9)
Finance costs	(3,859)	(2,798)	37.9
Share of results of joint ventures and associates	(2,524)	(7,303)	(65.4)
Profit/(loss) before tax	11,900	(2,166)	n.m
Taxation	(1,974)	(1,455)	35.7
Profit/(loss) for the year, net of tax	9,926	(3,621)	n.m
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation loss	(64)	(545)	(88.3)
Fair value loss on financial assets at fair value through other comprehensive income	(361)	-	n.m.
Other comprehensive income for the year, net of tax	(425)	(545)	(22.0)
Total comprehensive income for the year	9,501	(4,166)	n.m
Profit/(loss) attributable to:			
Owners of the Company	10,819	(5,033)	n.m
Non-controlling interests	(893)	1,412	n.m
	9,926	(3,621)	n.m
Total comprehensive income attributable to:			
Owners of the Company	10,394	(5,578)	n.m
Non-controlling interests	(893)	1,412	n.m
	9,501	(4,166)	n.m

n.m. means not meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

	Group Full year ended		
	31.5.2020	31.5.2019	Increase / (Decrease)
	S\$'000	S\$'000	%
Interest income	3,621	1,976	83.2
Gain on disposal of a subsidiary	640	-	n.m.
Gain on disposal of plant and equipment	-	38	n.m.
Gain from loan waiver from an associate	390	-	n.m.
Forfeiture income	614	-	n.m.
Fair value gain on derivative financial liability	-	91	n.m.
Amortisation of capitalised contract costs	(1,971)	(2,251)	(12.4)
Depreciation of plant and equipment	(322)	(125)	157.6
Interest expense	(3,859)	(2,798)	37.9
Foreign exchange gain/(loss)	62	(223)	n.m.

n.m. means not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at	As at	As at	As at
	31.5.2020	31.05.2019	31.5.2020	31.05.2019
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Non-current assets</u>				
Plant and equipment	583	529	572	523
Other investments	10,225	4,088	-	-
Deferred tax assets	657	-	-	-
Investment in subsidiaries	-	-	8,835	12,139
Investment in joint ventures and associates	2,443	3,176	1,829	3,258
	13,908	7,793	11,236	15,920
<u>Current assets</u>				
Development properties	79,351	105,464	-	-
Contract assets	35,349	43,105	-	-
Trade receivables	52	4,315	-	-
Other receivables and deposits	164	178	84	-
Prepayments	198	193	13	3
Capitalised contract costs	1,668	1,462	-	-
Amounts due from a related company	1	-	-	-
Amounts due from joint ventures and associates	130,142	121,915	53,332	51,909
Amounts due from subsidiaries	-	-	108,636	96,781
Amounts due from non-controlling interests	262	262	-	-
Cash and cash equivalents	39,412	36,294	15,995	20,979
	286,599	313,188	178,060	169,672
<u>Current liabilities</u>				
Trade and other payables	1,424	2,289	56	-
Accruals	2,955	2,954	875	809
Amounts due to related companies	2,943	4,092	14	8
Amounts due to joint ventures and associates	774	2,524	700	2,150
Amounts due to subsidiaries	-	-	487	487
Amounts due to holding company	217	276	217	276
Amounts due to non-controlling interests	14,387	13,770	-	-
Loans and borrowings	6,107	9,487	49	47
Provision for taxation	3,172	1,995	-	-
	31,979	37,387	2,398	3,777
Net current assets	254,620	275,801	175,662	165,895
<u>Non-current liabilities</u>				
Investment in associates	12,332	9,373	-	-
Amounts due to holding company	33,783	33,783	33,783	33,783
Loans and borrowings	58,522	78,358	122	171
Deferred tax liabilities	3,241	3,746	-	-
	107,878	125,260	33,905	33,954
Net assets	160,650	158,334	152,993	147,861

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

<i>Cont'd</i>	Group		Company	
	As at 31.5.2020	As at 31.05.2019	As at 31.5.2020	As at 31.05.2019
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Equity attributable to owners of the Company</u>				
Share capital	146,216	146,216	146,216	146,216
Merger reserve	(30,288)	(30,288)	-	-
Foreign currency translation reserve	(491)	(427)	-	-
Fair value reserve	(361)	-	-	-
Retained earnings	43,142	33,236	6,777	1,645
	158,218	148,737	152,993	147,861
Non-controlling interests	2,432	9,597	-	-
Total equity	160,650	158,334	152,993	147,861

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31.5.2020		As at 31.05.2019	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
6,049	58	9,487	-

Amount repayable after one year

As at 31.5.2020		As at 31.05.2019	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
58,516	6	78,358	-

Details of any collateral

As at 31 May 2020,

- (i) the Group's bank borrowings of S\$64.4 million (31 May 2019: S\$87.6 million) are secured by (i) the Group's development properties; (ii) corporate guarantees from the Company and the holding company in the ratio of the shareholdings held by the Group in the respective subsidiaries, associates and joint ventures; and (iii) the assignment of rights, titles and benefits with respect to the development properties;
- (ii) the Company's and the Group's finance lease obligations of S\$0.2 million (31 May 2019: S\$0.2 million) are secured by the Company's motor vehicle.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Full year ended	
	31.5.2020 S\$'000	31.5.2019 S\$'000
<u>Cash flows from operating activities</u>		
Profit/(loss) before taxation	11,900	(2,166)
<u>Adjustments for:-</u>		
Amortisation of capitalised contract cost	1,971	2,251
Depreciation of plant and equipment	322	125
Fair value gain on derivative financial liability	-	(91)
Foreign exchange (gain)/loss	(62)	223
Gain on disposal of plant and equipment	-	(38)
Gain on disposal of a subsidiary	(640)	-
Gain from loan waiver from an associate	(390)	-
Interest income	(3,621)	(1,976)
Interest expense	3,859	2,798
Share of results of joint ventures and associates	2,524	7,303
Operating cash flows before changes in working capital	15,863	8,429
<u>Changes in working capital:-</u>		
Development properties	13,361	(22,873)
Contract assets	7,756	41,950
Trade receivables	4,263	9,026
Other receivables and deposits	14	(47)
Prepayments	(5)	(177)
Capitalised contract costs	(2,177)	(3,495)
Trade payables, other payables and accruals	(564)	(5,281)
Balances with related companies	(1,150)	(6,623)
	21,498	12,480
Cash flows from operations	37,361	20,909
Income tax paid	(1,959)	(28)
Interest paid and capitalised in development properties	(112)	(731)
Net cash flows from operating activities	35,290	20,150
<u>Cash flows from investing activities</u>		
Interest received	318	273
Dividend income from associates	654	8,815
Dividend income from joint ventures	1,450	6,500
Purchase of plant and equipment	(216)	(243)
Sale proceed from disposal of a subsidiary	13,500	-
Sale proceed from disposal of plant and equipment	-	168
Loan from an associate	390	-
Loan to associates	(5,234)	(527)
Investment in joint venture	(1,000)	-
Other investments	(6,498)	(4,088)
Net cash flows from investing activities	3,364	10,898

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

	Group	
	Full year ended	
	31.5.2020 S\$'000	31.5.2019 S\$'000
<u>Cash flows from financing activities</u>		
Interest paid	(3,932)	(2,705)
Proceeds from bank loans	1,207	57,187
Repayment of bank loans	(24,440)	(87,188)
Repayment of lease liabilities	(143)	-
Repayment of finance lease obligations	-	(36)
Dividend paid on ordinary shares	(913)	-
Dividend paid to non-controlling interests of subsidiaries	(6,272)	(3,500)
Repayment of loans due to non-controlling interests of a subsidiary	-	(9,776)
Loans from non-controlling interests of a subsidiary	617	10,784
Loans to non-controlling interests of a subsidiary	-	(262)
Repayment of loans due to associates	(300)	(7,976)
Repayment of loans due to joint ventures	(1,450)	(2,350)
Net cash flows used in financing activities	(35,626)	(45,822)
Net increase/(decrease) in cash and cash equivalents	3,028	(14,774)
Cash and cash equivalents at beginning of the year	36,294	51,102
Effect of exchange rate changes on cash and cash equivalents	90	(34)
Cash and cash equivalents at end of the year	39,412	36,294
Breakdown of cash and cash equivalents at end of the year:		
Cash at bank and on hand	31,385	36,294
Fixed deposits	8,027	-
Total	39,412	36,294

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Merger reserve	Foreign currency translation reserves	Fair value reserve	Retained earnings		
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
GROUP							
Balance at 1 June 2019	146,216	(30,288)	(427)	-	33,236	9,597	158,334
Profit/(loss) for the year, net of tax	-	-	-	-	10,819	(893)	9,926
<u>Other comprehensive income</u>							
Foreign currency translation loss	-	-	(64)	-	-	-	(64)
Fair value loss on debt instruments at fair value through other comprehensive income	-	-	-	(249)	-	-	(249)
Net fair value loss on equity security at fair value through other comprehensive income	-	-	-	(112)	-	-	(112)
Other comprehensive income for the year, net of tax	-	-	(64)	(361)	-	-	(425)
Total comprehensive income for the year	-	-	(64)	(361)	10,819	(893)	9,501
<u>Contribution by and distribution to owners</u>							
Dividend paid on ordinary shares	-	-	-	-	(913)	-	(913)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	(6,272)	(6,272)
Total transactions with owners in their capacity as owners	-	-	-	-	(913)	(6,272)	(7,185)
Balance at 31 May 2020	146,216	(30,288)	(491)	(361)	43,142	2,432	160,650

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Merger reserve	Foreign currency translation reserves	Fair value reserve	Retained earnings		
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
GROUP							
Balance at 1 June 2018	146,216	(30,288)	118	-	38,269	11,685	166,000
(Loss)/profit for the year, net of tax	-	-	-	-	(5,033)	1,412	(3,621)
<u>Other comprehensive income</u>							
Foreign currency translation loss	-	-	(545)	-	-	-	(545)
Other comprehensive income for the year, net of tax	-	-	(545)	-	-	-	(545)
Total comprehensive income for the year	-	-	(545)	-	(5,033)	1,412	(4,166)
<u>Contribution by and distribution to owners</u>							
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	(3,500)	(3,500)
Total transactions with owners in their capacity as owners	-	-	-	-	-	(3,500)	(3,500)
Balance at 31 May 2019	146,216	(30,288)	(427)	-	33,236	9,597	158,334

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year (cont'd)

	Share capital	Retained earnings	Total equity
Company	S\$ '000	S\$ '000	S\$ '000
Balance at 1 June 2019	146,216	1,645	147,861
Profit for the year, net of tax	-	6,045	6,045
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	6,045	6,045
Contribution by and distribution to owners			
Dividend paid on ordinary shares	-	(913)	(913)
Total transactions with owners in their capacity as owners	-	(913)	(913)
Balance at 31 May 2020	146,216	6,777	152,993

	Share capital	Accumulated losses	Total equity
Company	S\$ '000	S\$ '000	S\$ '000
Balance at 1 June 2018	146,216	(2,209)	144,007
Profit for the year, net of tax	-	3,854	3,854
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	3,854	3,854
Balance at 31 May 2019	146,216	1,645	147,861

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	S\$'000
Issued and fully paid ordinary shares as at 31 May 2020 and 31 May 2019	913,000,000	146,216

There are no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 31 May 2020 and 31 May 2019.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31.5.2020	As at 31.5.2019
Total number of issued shares	913,000,000	913,000,000

There are no treasury shares held by the Company as at 31 May 2020 and 31 May 2019.

1(d)(iv) A statement showing all sales, transfer, disposals, cancellations and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as there are no treasury shares held by the Company as at 31 May 2020.

1(d)(v) A statement showing all sales, transfer, disposals, cancellations and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as there are no subsidiary holdings held by the Company as at 31 May 2020.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

The figures have not been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted in the most recently audited financial statements for the financial year ended 31 May 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted SFRS(I) 16 *Leases* with effect from 1 June 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption and has not restated comparatives for the FY2019 reporting period as permitted under the specific transition provisions in the standard. On adoption of SFRS(I) 16 *Leases*, the Group has recognised right-of-use assets of S\$0.2 million presented within plant and equipment and lease liabilities of S\$0.2 million (included in loans and borrowings) on 1 June 2019.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	Full year ended	
	31.5.2020	31.5.2019
Earnings/(Loss) per ordinary share ("EPS") attributable to equity holders of the Group		
(a) Based on the weighted average number of ordinary shares in issue (cents)	1.18	(0.55)
(b) On a fully diluted basis (cents)	1.18	(0.55)
	S\$'000	S\$'000
Group's profit/(loss) for the period attributable to Owners of the Company used in the computation of basic and diluted EPS	10,819	(5,033)
	('000)	('000)
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	913,000	913,000

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	Group		Company	
	31.5.2020	31.5.2019	31.5.2020	31.5.2019
Net asset value per ordinary share (cents)	17.33	16.29	16.76	16.20
Number of issued shares excluding treasury shares ('000)	913,000	913,000	913,000	913,000

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

A. Comprehensive Income Statements

FY2020 vs FY2019

The Group reported S\$46.2 million revenue for the full year ended 31 May 2020 ("FY2020"), a decrease of S\$1.4 million or 3.1% as compared to S\$47.6 million registered in the corresponding year ended 31 May 2019 ("FY2019"). The decrease in revenue was mainly due to the absence of revenue recognised from T-Space @ Tampines in FY2020 as the project was substantially completed in June 2018 with revenue on sold units fully recognised in FY2019; offset by an increase in revenue recognised from Mactaggart Foodlink and INSPACE.

The Group's cost of sales decreased by S\$6.9 million or 20.2% from S\$34.4 million in FY2019 to S\$27.5 million in FY2020. The decrease in cost of sales was mainly due to the absence of cost incurred from T-Space @ Tampines in FY2020; offset by an increase in cost of sales recognised from Mactaggart Foodlink and INSPACE.

The Group's gross profit increased by S\$5.5 million or 41.3% from S\$13.2 million in FY2019 to S\$18.7 million in FY2020 mainly due to higher profits from the contributing projects.

Other operating income increased by S\$3.3 million or 148.0% from S\$2.3 million in FY2019 to S\$5.6 million in FY2020 mainly due to a S\$0.6 million gain on disposal of a subsidiary, Wellprime Pte Ltd that owns the development site at 50 Lorong 21 Geylang, forfeiture income from aborted sales of S\$0.6 million and an increase in interest income from loans to associates of S\$1.6 million.

Sales and marketing expenses decreased by S\$1.4 million or 38.1% from S\$3.5 million in FY2019 to S\$2.1 million in FY2020 mainly due to the absence of sales commission amortised relating to T-Space @ Tampines in FY2020; offset by the sales commission amortised relating to Mactaggart Foodlink and INSPACE.

Other operating expenses decreased by approximately S\$0.2 million or 29.9% from S\$0.7 million in FY2019 to S\$0.5 million in FY2020 mainly due to a decrease in foreign exchange loss.

Finance costs increased by S\$1.1 million or 37.9% from S\$2.8 million in FY2019 to S\$3.9 million in FY2020 due to an increase in interest expenses on bank loans and loans from non-controlling interest of a subsidiary in FY2020.

Share of losses of joint ventures and associates decreased by S\$4.8 million or 65.4% from S\$7.3 million in FY2019 to S\$2.5 million in FY2020 mainly due to an increase in development profits recognised from Riverfront Residences and Affinity @ Serangoon as the projects progressed.

The Group's tax expense increased by S\$0.5 million or 35.7% from S\$1.5 million in FY2019 to S\$2.0 million in FY2020. The increase in income tax expense was mainly due to an increase in development profits recognised in FY2020 from Mactaggart Foodlink; offset by deferred tax credit recognised from INSPACE.

As a result of the above, the Group registered a net profit attributable to owners of the Company of S\$10.8 million in FY2020 compared to a net loss of S\$5.0 million in FY2019.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

B. Financial Position Statements

Non-current assets

Plant and equipment increased by S\$0.1 million or 10.2% from S\$0.5 million as at 31 May 2019 to S\$0.6 million as at 31 May 2020 mainly due to additions to plant and equipment in FY2020 and recognition of right-of-use assets on the Group's lease contracts on adoption of SFRS(I) 16 Leases in FY2020.

Other investments increased by S\$6.1 million or 150.1% from S\$4.1 million as at 31 May 2019 to S\$10.2 million as at 31 May 2020 mainly due to the Group's investment in a UK Residential Fund of S\$3.5 million and bonds investment of S\$3.0 million in FY2020; offset by fair value losses of S\$0.4 million in FY2020.

Investment in joint ventures and associates decreased by S\$3.7 million or 59.6% from net liabilities of S\$6.2 million as at 31 May 2019 (resulting from S\$3.2 million as presented under non-current assets less S\$9.4 million as presented under non-current liabilities) to net liabilities of S\$9.9 million as at 31 May 2020 (resulting from S\$2.4 million as presented under non-current assets less S\$12.3 million as presented under non-current liabilities) mainly due to investment in a new joint venture of S\$1.0 million; offset by dividend income received from the joint venture and associates of S\$2.1 million and share of losses of joint ventures and associates of S\$2.5 million in FY2020.

Deferred tax assets of S\$0.7 million as at 31 May 2020 was recognised from INSPACE.

Current assets

Development properties decreased by S\$26.1 million or 24.8% from S\$105.5 million as at 31 May 2019 to S\$79.4 million as at 31 May 2020 mainly due to disposal of the development site at 50 Lorong 21 Geylang via disposal of the subsidiary that owns the said development site and sale of development units of the Group's on-going projects, Mactaggart Foodlink and INSPACE.

Contract assets decreased by S\$7.8 million or 18.0% from S\$43.1 million as at 31 May 2019 to S\$35.3 million as at 31 May 2020 mainly due to decrease in contract assets from T-Space @ Tampines of S\$18.5 million, offset by an increase in contract assets from Mactaggart Foodlink and INSPACE.

Trade receivables decreased by S\$4.2 million or 98.8% from S\$4.3 million as at 31 May 2019 to S\$0.1 million as at 31 May 2020 mainly due to the receipt of GST input tax of S\$4.0 million.

Capitalised contract costs increased by S\$0.2 million or 14.1% from S\$1.5 million as at 31 May 2019 to S\$1.7 million as at 31 May 2020 mainly due to increase in sales commission paid and capitalised for the sale of development units at Mactaggart Foodlink and INSPACE, offset by amortisation of sale commission recognised to profit or loss in FY2020.

Amounts due from joint ventures and associates increased by S\$8.2 million or 6.7% from S\$121.9 million as at 31 May 2019 to S\$130.1 million as at 31 May 2020 mainly due to additional loans to associates of S\$5.2 million in FY2020 and accumulation of interest receivables from loans to associates of S\$3.0 million.

Current liabilities

Trade and other payables decreased by S\$0.9 million or 37.8% from S\$2.3 million as at 31 May 2019 to S\$1.4 million as at 31 May 2020 mainly due to the transfer of maintenance fund to the MCST of T-Space @ Tampines after its constitution in FY2020 following the project completion.

Amounts due to related companies decreased by S\$1.2 million or 28.1% from S\$4.1 million as at 31 May 2019 to S\$2.9 million as at 31 May 2020 mainly due to payment of retention money to a related company upon final account for Mandai Foodlink in FY2020.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

B. Financial Position Statements (Cont'd)

Current liabilities (cont'd)

Amounts due to joint ventures and associates decreased by S\$1.7 million or 69.3% from S\$2.5 million as at 31 May 2019 to S\$0.8 million as at 31 May 2020 mainly due to repayment of loans due to joint ventures and associates in FY2020.

Amounts due to non-controlling interests increased by S\$0.6 million or 4.5% from S\$13.8 million as at 31 May 2019 to S\$14.4 million as at 31 May 2020 mainly due to accumulation of loan interest from non-controlling interests of S\$0.6 million in FY2020.

Current loans and borrowings decreased by S\$3.4 million or 35.6% from S\$9.5 million as at 31 May 2019 to S\$6.1 million as at 31 May 2020 mainly due to full repayment of bank loan of S\$9.4 million upon disposal of a subsidiary that owns the development site at 50 Lorong 21 Geylang in FY2020; offset by a bank loan of S\$6.0 million relating to Mactaggart Foodlink reclassified from non-current bank loans.

Provision for taxation increased by S\$1.2 million or 59.0% from S\$2.0 million as at 31 May 2019 to S\$3.2 million as at 31 May 2020 mainly due to reclassification of deferred tax liabilities of S\$3.1 million to current income tax payable on development profits from T-Space @ Tampines; offset by income tax paid of S\$2.0 million.

Non-current liabilities

Non-current loans and borrowings decreased by S\$19.8 million or 25.3% from S\$78.3 million as at 31 May 2019 to S\$58.5 million as at 31 May 2020 mainly due to partial repayment of bank loan amounting to S\$15.0 million for Mactaggart Foodlink in FY2020 and reclassification of S\$6.0 million non-current bank loan to current liabilities.

Deferred tax liabilities decreased by S\$0.5 million or 13.5% from S\$3.7 million as at 31 May 2019 to S\$3.2 million as at 31 May 2020 mainly due to reclassification of deferred tax liabilities of S\$3.1 million for T-Space @ Tampines to current income tax liabilities; offset by increase in deferred tax liabilities of S\$2.6 million on development profits recognised from Mactaggart Foodlink in FY2020.

C. Cash Flow Statements

Overall, cash and cash equivalents increased by S\$3.1 million from S\$36.3 million as at 31 May 2019 to S\$39.4 million as at 31 May 2020, due to net cash flows from operating activities of S\$35.3 million and investing activities of S\$3.4 million; offset by net cash flows used in financing activities of S\$35.6 million.

Net cash flows from operating activities of S\$35.3 million in FY2020 was mainly due to operating cash flows before changes in working capital of S\$15.9 million, net working capital inflows of S\$21.5 million and income tax and interest paid of S\$2.1 million.

Net cash flows from investing activities of S\$3.4 million in FY2020 was mainly due to sales proceeds of S\$13.5 million received from the disposal of a subsidiary that owns the development site at 50 Lorong 21 Geylang and dividend received from joint ventures and associates of S\$2.1 million in FY2020; partially offset by net loans to associates of S\$4.8 million, investment in a joint venture of S\$1.0 million and other investments in fund and bonds of S\$6.5 million.

Net cash flows used in financing activities of S\$35.6 million in FY2020 was mainly due to (i) partial repayment of bank loan of S\$15.0 million for Mactaggart Foodlink and full repayment of bank loan of S\$9.4 million for the development site at 50 Lorong 21 Geylang via the disposal of the subsidiary that owns the said development site; (ii) repayment of loans due to joint ventures and associates of S\$1.8 million; (iii) interest paid of S\$3.9 million and (iv) dividend paid on ordinary shares of S\$0.9 million and non-controlling interests of S\$6.3 million.

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

No forecast or prospect statement has previously been disclosed.

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

The Covid-19 pandemic had adversely affected the global business economy. The Circuit Breaker implemented by the Singapore Government to curb the spread of virus have dampened domestic economic activities. According to forecasts published by the Ministry of Trade and Industry Singapore (“MTI”) on 26 May 2020, MTI revised Singapore’s GDP growth forecast for 2020 downwards to “-7.0 to -4.0 per cent”.

The Group’s properties development progress was affected as the construction operations have been halted due to the Covid-19 containment measures introduced by the Singapore Government. While the Group expects possible delay in the completion for some of our development projects, the Group will continue to actively monitor the progress to ensure smooth development of our projects and focus on taking the necessary initiatives to moderate any financial impact arising thereon.

Alongside its partners, the Group will continue to monitor the property market closely and take appropriate action when necessary. The Group is cautious when seeking opportunities to replenish its land bank and will continue to explore business opportunities in the region through acquisition, joint ventures and/or strategic alliances that will complement its property development business. It will also prudently seek suitable opportunities to diversify its income streams further for sustainable future growth.

11. Dividend

a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

b. Corresponding Period of the Immediately Preceding Financial Year.

Name of dividend	Final
Dividend type	Cash
Dividend amount per share	0.1 cents
Tax rate	Tax-exempt (1-Tier)

c. Date payable.

Not Applicable.

d. Books closure date.

Not Applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the financial year ended 31 May 2020 as to retain funds for working capital requirements of the Group and to allow the Group to capitalise on potential investments opportunities.

13. 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.

The Group had sought renewal of the general mandate from shareholders for the Interested Person Transactions ("IPTs") in the Annual General Meeting held on 26 September 2019.

The aggregate value of all interested person transactions during the FY2020 were as follows:

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)	
	Total value of the transaction	Based on issuer's effective interest pursuant to Catalist Rule 909(1)	Total value of the transaction	Based on issuer's effective interest pursuant to Catalist Rule 909(1)
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Construction services by related companies</i>				
L.S. Construction Pte Ltd ⁽¹⁾	-	-	29,283	5,857
<i>Interest expenses to holding company</i>				
Lian Beng Group Ltd	1,059	1,059	-	-

Note (1): L.S. Construction Pte Ltd is a wholly-owned subsidiary of the Company's controlling shareholder, Lian Beng Group Ltd.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

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

15. Use of Proceeds

The Company raised gross proceeds from the Invitation of approximately S\$54.7 million (the "**Gross Proceeds**"). As at the date of this announcement, the Gross Proceeds have been utilised as follows:

Purpose of the IPO Proceeds	Revised allocation of IPO Net Proceeds ⁽²⁾ S\$'000	Amount utilised as at the date of this announcement S\$'000	Balance as at the date of this announcement S\$'000
Acquisition of new land sites and buildings for development, redevelopment and overseas expansion of its business	13,125	13,125 ⁽¹⁾	-
Funding of existing property development projects in the pipeline and other general working capital	23,252	22,149	1,103
Repayment of bridging loan	15,000	15,000	-
Payment of listing expenses	3,363	3,363	-
Total	54,740	53,637	1,103

Notes:

(1) The amount utilised is to fund the acquisition of the Pei-Fu Industrial Building which was announced by the Company on 24 April 2018

(2) Refer to Company's announcement dated 6 August 2019

The above utilisation of Gross Proceeds is in line with the intended use of proceeds as set out in the Offer Document dated 11 April 2018.

16. Disclosure pursuant to Rule 706A of the Catalyst Rules

As at the date of this announcement, the Company's 33.33%-owned associated company, 32 Real Estate Pte. Ltd. incorporated the following wholly-owned subsidiary:

Name of company	:	32RE Investments Pte Ltd
Incorporation date	:	8 May 2020
Issued and paid-up shares capital	:	S\$1.00 comprising of 1 ordinary share
Percentage of issued and paid-up share capital held by the Group	:	33.33%
Principal activity	:	Investment holding

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

17. Segmented revenue and results for business or geographical 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.

a. By Business Segments

FY2020	Property development	Funds management and investment	Corporate	Adjustments and eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	45,846	320	-	-	46,166
Results:					
Interest income	1,916	-	4,020	(2,315)	3,621
Interest expenses	(5,105)	-	(1,069)	2,315	(3,859)
Depreciation and amortisation	(6)	-	(316)	-	(322)
Gain on disposal of a subsidiary	-	-	640	-	640
Forfeiture income	614	-	-	-	614
Share of results of joint ventures and associates	(2,184)	(340)	-	-	(2,524)
Segment profit/(loss) before tax	11,506	(78)	6,095	(5,623)	11,900
Fair value loss on financial assets at fair value through other comprehensive income	-	(361)	-	-	(361)
Assets:					
Investment in joint ventures and associates	(10,549)	660	-	-	(9,889)
Additions to non-current assets	11	-	365	-	376
Segment assets	219,741	11,258	178,632	(109,124)	300,507
Segment liabilities	(200,957)	(11,721)	(36,303)	109,124	(139,857)

a. By Business Segments (cont'd)

Pursuant to the Extraordinary General Meeting held on 26 September 2019, the Group has obtained shareholders' approval for the diversification of the Group's business into the fund management business ("**EGM**"). Prior to the EGM, the Group's operations are pre-dominantly focused on Singapore and its turnover and contribution to profit from operations are substantively derived from the sale of development properties. The Group's development properties have similar characteristics and exhibit similar long-term financial performance. Therefore, no comparative figures prepared for FY2019 as the Group comprises only one business segment in FY2019.

b. By Geographical Segments

	Revenue		Non-current assets	
	FY2020	FY2019	FY2020	FY2019
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	45,897	47,645	3,026	3,705
Australia	269	-	-	-
	46,166	47,645	3,026	3,705

Non-current assets information presented above consists of plant and equipment and investments in joint ventures and associates as presented in the consolidated statement of financial position.

18. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to item 8.

19. **A breakdown of sales.**

	Group		Increase / (Decrease) %
	31.5.2020 \$'000	31.5.2019 \$'000	
Sales reported for first half year	19,838	31,914	(37.8)
Operating profit/(loss) after tax and before deducting NCI reported for first half year	4,675	(2,567)	n.m.
Sales reported for second half year	26,328	15,731	(67.4)
Operating profit/(loss) after tax and before deducting NCI reported for second half year	5,251	(1,054)	n.m.

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

Total annual dividend	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary Shares	-	913
Preference Shares	-	-
Total	-	913

21. **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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Save for Mr Ong Eng Keong, there is no person occupying a managerial position in the Company and its subsidiaries who is a relative of the director, chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules.

BY ORDER OF THE BOARD

Ong Eng Keong
Executive Director and Chief Executive Officer
29 July 2020