

KSH Holdings Limited

(Company Registration Number: 200603337G)
(Incorporated in the Republic of Singapore on 9 March 2006)

UNAUDITED HALF YEAR FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

UNAUDITED HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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.

INCOME STATEMENT	**GROUP**		
	HALF YEAR ENDED		
	30.09.2020	**30.09.2019**	increase/ (decrease)
	S$'000	**S$'000**	%
REVENUE			
Project revenue	32,622	123,891	(73.7)
Rental income from investment properties	1,897	2,689	(29.5)
	34,519	**126,580**	(72.7)
Other income	9,186	5,984	53.5
Cost of construction	(37,639)	(114,662)	(67.2)
Personnel expenses	(5,880)	(5,878)	0.0
Depreciation of property, plant and equipment	(1,105)	(1,238)	(10.7)
Finance costs	(1,233)	(2,553)	(51.7)
Other operating expenses	(2,012)	(3,611)	(44.3)
	(47,869)	(127,942)	(62.6)
(Loss)/profit from operations before share of results of associates and joint ventures	**(4,164)**	**4,622**	*nm*
Share of results of associates and joint ventures	(327)	7,850	*nm*
(Loss)/profit before taxation	**(4,491)**	**12,472**	*nm*
Income tax credit/(expense)	553	(1,223)	*nm*
(Loss)/profit for the period	**(3,938)**	**11,249**	*nm*
Attributable to:			
- Owners of the Company	(4,063)	11,112	*nm*
- Non-controlling interests	125	137	(8.8)
	(3,938)	**11,249**	*nm*

nm: not meaningful

UNAUDITED HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	HALF YEAR ENDED		
	30.09.2020	**30.09.2019**	increase/ (decrease)
	S$'000	**S$'000**	%
(Loss)/profit for the period	**(3,938)**	**11,249**	*nm*
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
- Fair value gain on equity instruments at fair value through other comprehensive income	-	58	(100.0)
Items that may be reclassified subsequently to profit or loss			
- Foreign currency translation	786	(5,087)	*nm*
Other comprehensive income/(loss) for the period, net of tax	786	(5,029)	*nm*
Total comprehensive (loss)/income for the period	**(3,152)**	**6,220**	*nm*
Total comprehensive (loss)/income attributable to:			
- Owners of the Company	(3,438)	7,031	*nm*
- Non-controlling interests	286	(811)	*nm*
Total comprehensive (loss)/income for the period	**(3,152)**	**6,220**	*nm*

nm: not meaningful

1 (a) (ii) NOTES TO THE INCOME STATEMENT

	GROUP		
	HALF YEAR ENDED		
	30.09.2020	**30.09.2019**	increase/ (decrease)
	S$'000	**S$'000**	%
The Group's (loss)/profit before taxation is arrived at after crediting/(charging) the following:			
Interest income	2,964	4,505	(34.2)
Write back of doubtful debts	676	-	nm
(Allowance)/write back of provision for onerous contract	(686)	916	nm
Amortisation of club membership	(1)	(1)	-
Fair value loss on quoted debt instruments (investment securities)	(612)	-	nm
Fair value gain on structured deposits	5	13	(61.5)
Loss on disposal of plant and equipment, net	-	(2)	(100.0)
Foreign exchange gain/(loss), net	349	(1,136)	nm
Interest expense	(1,224)	(2,533)	(51.7)
(Loss)/profit after taxation before non-controlling interests as a percentage of turnover	-11.41%	8.89%	nm
(Loss)/profit after taxation attributable to Owners of the Company as a percentage of the Group's Issued Capital and Reserves before non-controlling interests at 30 September 2020 and 30 September 2019	-1.25%	3.39%	nm

nm: 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.

STATEMENT OF FINANCIAL POSITION	GROUP		COMPANY	
	30.09.2020	31.03.2020	30.09.2020	31.03.2020
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	20,540	21,128	-	-
Investments in subsidiaries	-	-	16,791	16,791
Interests in associates	202,439	198,820	-	-
Interests in joint ventures	72,480	76,538	-	-
Investment securities	2,298	2,910	2,298	2,910
Investment properties	117,679	117,604	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,222	2,221	-	-
Amounts due from subsidiaries (non-trade)	-	-	210,740	189,313
Deferred tax assets	1,489	599	61	110
Club membership	28	29	-	-
	419,175	419,849	229,890	209,124
Current assets				
Trade receivables	9,983	16,897	-	-
Other receivables and deposits	4,037	13,785	207	230
Prepayments	1,313	485	33	19
Amounts due from associates (non-trade)	10	10	-	-
Contract assets	30,176	32,659	-	-
Structured deposits	3,083	3,078	-	-
Fixed deposits	49,885	92,872	28,482	61,543
Cash and bank balances	65,086	37,468	17,581	5,401
	163,573	197,254	46,303	67,193
Total assets	**582,748**	**617,103**	**276,193**	**276,317**
LIABILITIES				
Current liabilities				
Trade payables	13,971	16,281	-	-
Other payables and accruals	42,583	45,125	811	1,212
Lease liabilities	794	823	-	-
Deferred income	40	745	16	33
Provision for income tax	2,740	2,948	505	430
Contract liabilities	30,261	23,266	-	-
Provision for onerous contract	686	-	-	-
Bank term loans, secured	33,147	27,857	29,947	24,657
Bills payable to banks, secured	2,638	10,720	-	-
	126,860	127,765	31,279	26,332

STATEMENT OF FINANCIAL POSITION	GROUP		COMPANY	
	30.09.2020	31.03.2020	30.09.2020	31.03.2020
	S$'000	S$'000	S$'000	S$'000
Non-current liabilities				
Other payables and accruals	209	209	-	-
Lease liabilities	4,816	5,158	-	-
Amounts due to subsidiaries (non-trade)	-	-	72,196	73,097
Bank term loans, secured	85,150	114,643	80,150	114,643
Deferred tax liabilities	17,580	17,709	-	-
	107,755	137,719	152,346	187,740
Total liabilities	**234,615**	**265,484**	**183,625**	**214,072**
NET ASSETS	**348,133**	**351,619**	**92,568**	**62,245**
EQUITY				
Equity attributable to Owners of the Company				
Share capital	50,915	50,915	50,915	50,915
Treasury shares	(1,979)	(1,645)	(1,979)	(1,645)
Translation reserve	(577)	(1,202)	-	-
Accumulated profits	270,826	274,889	41,003	10,346
Asset revaluation reserve	219	219	-	-
Other reserves	5,466	5,466	2,629	2,629
	324,870	**328,642**	**92,568**	**62,245**
Non-controlling interests	23,263	22,977	-	-
TOTAL EQUITY	**348,133**	**351,619**	**92,568**	**62,245**

1(b)(ii) GROUP'S BORROWINGS AND DEBT SECURITIES

The amount repayable in one year or less, or on demand			
At 30.09.2020		At 31.03.2020	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
35,785	-	38,577	-

The amount repayable after one year			
At 30.09.2020		At 31.03.2020	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
85,150	-	114,643	-

Details of any collaterals:

The Group's borrowings are secured by way of:

1) Assignment of progress payments from the developer for certain on-going construction projects;
2) Letters of assignment of certain progress payments and retention monies due to the Group;
3) First legal mortgage on the Group's investment properties and leasehold factory building;
4) Charge on fixed deposits and structured deposits;
5) First charge over the contract proceeds/project account arising from the construction project financed;
6) A first legal mortgage over the development property of a joint venture;
7) Legal assignment of sales proceeds from the development property of a joint venture;
8) Legal assignment of tenancy, rental, lease and licence agreements from the development property of a joint venture;
9) Legal assignment of the construction contract(s) and performance bonds from the development property of a joint venture;
10) Legal assignment of fire insurance policy from the development property of a joint venture;
11) Corporate guarantees from all the shareholders of a joint venture in equal share ratio; and
12) Debenture over all present and future assets of a joint venture.

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

STATEMENT OF CASH FLOWS	GROUP HALF YEAR ENDED 30.09.2020 S$'000	GROUP HALF YEAR ENDED 30.09.2019 S$'000
Operating activities		
(Loss)/profit before taxation	(4,491)	12,472
Adjustments:		
Depreciation of property, plant and equipment	1,105	1,238
Amortisation of club membership	1	1
Loss on disposal of plant and equipment, net	-	2
Fair value loss on quoted debt instruments (investment securities)	612	-
Fair value gain on structured deposits	(5)	(13)
Write back of doubtful debts	(676)	-
Allowance/(write back) of provision for onerous contract	686	(916)
Interest expense	1,224	2,533
Interest income	(2,964)	(4,505)
Share of results of associates and joint ventures	327	(7,850)
Operating cash flows before changes in working capital	(4,181)	2,962
Changes in working capital:		
Decrease/(increase) in:		
Trade and other receivables, deposits and prepayments	15,834	11,217
Contract assets	2,483	(6,850)
(Decrease)/increase in:		
Trade and other payables and accruals	(4,852)	6,092
Deferred income	(705)	132
Contract liabilities	6,995	12,363
Cash flows from operations	15,574	25,916
Income taxes paid	(670)	(1,829)
Interest income received	2,964	4,505
Exchange differences	491	(496)
Net cash flows from operating activities	18,359	28,096
Investing activities		
Purchase of plant and equipment	(545)	(5,236)
Proceeds from disposal of plant and equipment	1	13
Increase in loans due from associates and joint ventures, net	(2,686)	(21,727)
Dividends received from associates and joint ventures	3,240	11,333
Payment for cancellation of shares in associates on capital reduction	450	-
Net cash flows from/(used in) investing activities	460	(15,617)
Financing activities		
Dividends paid	-	(6,818)
Purchase of treasury shares	(334)	(685)
Proceeds from bank term loans	5,000	13,100
Repayment of bank term loans	(29,203)	(26,340)
Repayment of bills payable to banks	(8,082)	(26,355)
Interest paid	(1,224)	(2,533)
Proceeds from finance lease obligations	-	94
Repayment of finance lease obligations	-	(424)
Payment of principal portion of lease liabilities	(344)	-
Decrease/(increase) in pledged fixed deposits	19,563	(10,265)
Net cash flows used in financing activities	(14,624)	(60,226)
Net increase/(decrease) in cash and cash equivalents	4,195	(47,747)
Effect of exchange rate changes on cash and cash equivalents	-	(136)
Cash and cash equivalents at beginning of year	66,098	73,748
Cash and cash equivalents at end of period (Note A)	70,293	25,865

Note A: Cash and cash equivalents at end of period comprise:

	30.09.2020 S$'000	30.09.2019 S$'000
Cash and bank balances**	65,086	20,598
Fixed deposits	49,885	52,998
	114,971	73,596
Less: Pledged fixed deposits	(44,678)	(47,731)
Cash and cash equivalents	70,293	25,865

** The Group's cash and bank balances earn interest at floating rates based on daily bank deposit rates.

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 immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company									
GROUP	**Share capital S$'000**	**Treasury shares S$'000**	**Translation reserve S$'000**	**Accumulated profits/(losses) S$'000**	**Asset revaluation reserve S$'000**	**Fair value adjustment reserve S$'000**	**Other reserves S$'000**	**Equity attributable to Owners of the Company, total S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
At 1 April 2019	**50,915**	**-**	**(344)**	**271,622**	**219**	**1,248**	**4,119**	**327,779**	**23,481**	**351,260**
Profit for the period	-	-	-	11,112	-	-	-	11,112	137	11,249
Other comprehensive income										
Fair value gain on equity instruments at FVOCI	-	-	-	-	-	58	-	58	-	58
Foreign currency translation	-	-	(4,139)	-	-	-	-	(4,139)	(948)	(5,087)
Other comprehensive income for the period	-	-	(4,139)	-	-	58	-	(4,081)	(948)	(5,029)
Total comprehensive income for the period	-	-	(4,139)	11,112	-	58	-	7,031	(811)	6,220
Contributions by and distributions to owners										
Purchase of treasury shares	-	(685)	-	-	-	-	-	(685)	-	(685)
Final tax-exempt dividends on ordinary shares	-	-	-	(6,818)	-	-	-	(6,818)	-	(6,818)
Transfer to other reserves	-	-	-	(42)	-	-	42	-	-	-
Total contributions by and distributions to owners	-	(685)	-	(6,860)	-	-	42	(7,503)	-	(7,503)
At 30 September 2019	**50,915**	**(685)**	**(4,483)**	**275,874**	**219**	**1,306**	**4,161**	**327,307**	**22,670**	**349,977**
At 1 April 2020	**50,915**	**(1,645)**	**(1,202)**	**274,889**	**219**	**-**	**5,466**	**328,642**	**22,977**	**351,619**
(Loss)/profit for the period	-	-	-	(4,063)	-	-	-	(4,063)	125	(3,938)
Other comprehensive income										
Foreign currency translation	-	-	625	-	-	-	-	625	161	786
Other comprehensive income for the period	-	-	625	-	-	-	-	625	161	786
Total comprehensive income for the period	-	-	625	(4,063)	-	-	-	(3,438)	286	(3,152)
Contributions by and distributions to owners										
Purchase of treasury shares	-	(334)	-	-	-	-	-	(334)	-	(334)
Total contributions by and distributions to owners	-	(334)	-	-	-	-	-	(334)	-	(334)
At 30 September 2020	**50,915**	**(1,979)**	**(577)**	**270,826**	**219**	**-**	**5,466**	**324,870**	**23,263**	**348,133**

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 immediately preceding financial period.

STATEMENT OF CHANGES IN EQUITY

COMPANY	Share capital S$'000	Treasury shares S$'000	Accumulated profits S$'000	Other reserves S$'000	Total equity S$'000
At 1 April 2019	**50,915**	**-**	**22,098**	**2,629**	**75,642**
Profit for the period	-	-	1,453	-	1,453
Total comprehensive income for the period	-	-	1,453	-	1,453
Contributions by and distributions to owners					
Purchase of treasury shares	-	(685)	-	-	(685)
Final tax-exempt dividends on ordinary shares	-	-	(6,818)	-	(6,818)
At 30 September 2019	**50,915**	**(685)**	**16,733**	**2,629**	**69,592**
At 1 April 2020	**50,915**	**(1,645)**	**10,346**	**2,629**	**62,245**
Profit for the period	-	-	30,657	-	30,657
Total comprehensive income for the period	-	-	30,657	-	30,657
Contributions by and distributions to owners					
Purchase of treasury shares	-	(334)	-	-	(334)
At 30 September 2020	**50,915**	**(1,979)**	**41,003**	**2,629**	**92,568**

SHARE CAPITAL

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

The Company acquired 1,036,000 (HYFY2020: 1,600,000 shares) ordinary shares by way of market purchases on the Singapore Exchange and there were held as treasury shares during HYFY2021.

As at 30 September 2020, 5,909,400 treasury shares (30 September 2019: 1,600,000 treasury shares) were held by the Company.

The total number of issued shares as at 30 September 2020 was 563,826,245 shares (30 September 2019: 568,135,645 shares) excluding treasury shares.

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.

Total number of issued shares excluding treasury shares:		Number of shares
Balance as at 31 March 2020 and 1 April 2020		
- Ordinary Shares		**564,862,245**
Purchase of treasury shares during HYFY2021		
- Ordinary Shares	(1,036,000)	
Balance as at 30 September 2020		**563,826,245**

The total number of treasury shares held by the Company as at 30 September 2020 was 5,909,400 shares (30 September 2019: 1,600,000 shares).

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

There were no sales, transfers, disposals, cancellation and/or use of treasury shares during the year.

AUDIT

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

ACCOUNTING POLICIES

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 preparation of the financial information for the current reporting period compared with the audited financial statements for the year ended 31 March 2020.

ACCOUNTING POLICIES

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.

Not applicable.

EARNINGS PER SHARE

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

	GROUP HALF YEAR ENDED	
	30.09.2020	**30.09.2019**
	(cents)	(cents)
a) On a basic basis	(0.72)	1.96
b) On a fully diluted basis	(0.72)	1.96
	S$'000	**S$'000**
Group's (loss)/profit for the period attributable to Owners of the Company used in the computation of basic and diluted EPS	(4,063)	11,112
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	564,157,769	568,135,645

NET ASSET VALUE PER SHARE

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 financial period reported on; and
(b) immediately preceding financial year.

	GROUP		COMPANY	
	as at 30.09.2020	**as at 31.03.2020**	**as at 30.09.2020**	**as at 31.03.2020**
Net asset value per ordinary share (cents)	57.62	58.18	16.42	11.02
Issue share capital excluding treasury shares at the end of the period/year	563,826,245	564,862,245	563,826,245	564,862,245

REVIEW OF THE PERFORMANCE OF THE GROUP

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

a) 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; and

b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INCOME STATEMENT

HYFY2021 vs HYFY2020

Revenue

The Group had a total revenue of S$34.5 million for the half year ended 30 September 2020 ("HYFY2021"), a decrease of S$92.1 million or 72.7% compared to S$126.6 million registered in the corresponding half year period ended 30 September 2019 ("HYFY2020"). The decrease was mainly due to the decrease in revenue from construction business of S$91.3 million or 73.7% from S$123.9 million in HYFY2020 to S$32.6 million in HYFY2021, affected by the circuit breaker measures to control the COVID-19 pandemic. Similarly, rental income from investment properties decreased as affected by the COVID-19 pandemic in the People's Republic of China ("PRC").

Other income

Other income increased by S$3.2 million or 53.5% from S$6.0 million in HYFY2020 to S$9.2 million in HYFY2021, mainly due to the grants and aids received from Government offset by the decrease in interest income received due to the decrease in interest bearing loans made to associated companies and joint venture companies.

Operating expenses

Cost of construction decreased by S$77.1 million or 67.2% from S$114.7 million in HYFY2020 to S$37.6 million in HYFY2021 as construction works done decreases significantly due to the circuit breaker measures to control the COVID-19 pandemic. The cost of construction in HYFY2021 has included unproductive prolongation costs for various projects, site overheads, staffs and labour costs, and others due to the implementation of circuit breaker measures. As a result, the construction cost was more than the construction revenue recognised in HYFY2021.

There were no significant changes in personnel costs and depreciation of property, plant and equipment in HYFY2021 as compared to HYFY2020.

Finance costs decreased by S$1.4 million or 51.7% from S$2.6 million in HYFY2020 to S$1.2 million in HYFY2021, mainly due to the decrease in interest rates.

Other operating expenses decreased by S$1.6 million or 44.3% from S$3.6 million in HYFY2020 to S$2.0 million in HYFY2021, mainly due to the decrease in foreign exchange losses.

Share of results of associates and joint ventures suffered a loss of S$0.3 million in HYFY2021, as compared to a profit of S$7.9 million in HYFY2020. The loss was mainly from the Group’s share of approximately S$1.0 million loss from associates with hotel operations and ongoing hotel developments as affected by movement and travel restrictions due to the global COVID-19 pandemic. Profit from the Group’s four ongoing residential development projects in Singapore namely Affinity@Serangoon; Riverfront Residences; Park Colonial and Rezi 24, has decreased substantially in HYFY2021 as compared to HYFY2020 as construction works cannot be carried out for most of the months in HYFY2021 due to circuit breaker measures implemented to control COVID-19 pandemic. Although there were additional sales with positive margin based on the average selling prices achieved from these residential development projects in Singapore, no revenue has been recognised by the associates and joint venture companies carrying these projects when construction stopped. Nevertheless, expenses such as sale commission on new units sold has to be recognised based on percentage of construction works completed and interests have to be expensed off in full as per the accounting standards applied. This timing mismatch in recognition of revenue and expenses have led to the substantial decrease in the profit of associates and joint ventures in HYFY2021 as compared to HYFY2020.

The Group has a tax credit of S$0.6 million in HYFY2021 as compared to a tax expense of S$1.2 million in HYFY2020, mainly due to the loss from operations before share of results of associates and joint ventures.

As a result of the above, the Group has a net loss of S$4.1 million attributable to Owners of the Company excluding non-controlling interests as compared to a profit of S$11.1 million in HYFY2020.

REVIEW OF THE PERFORMANCE OF THE GROUP

8 (continued)

STATEMENT OF FINANCIAL POSITION

Non-current assets

Interests in associates increased by S$3.6 million from S$198.8 million as at FY2020 to S$202.4 million as at HYFY2021, mainly due to an increase in loans to associates to finance development property and investment property projects, offset by share of losses of associates.

Interests in joint ventures decreased by S$4.0 million from S$76.5 million as at FY2020 to S$72.5 million as at HYFY2021, mainly due to the decrease in loans to joint ventures and the share of results of joint ventures.

Current assets

Trade receivables decreased by S$6.9 million from S$16.9 million as at FY2020 to S$10.0 million as at HFY2021 based on amount of progress claims certified for construction projects in progress.

Other receivables and deposits decreased by S$9.8 million from S$13.8 million as at FY2020 to S$4.0 million as at HYFY2021, mainly due to the decrease in dividend receivables from associates and joint ventures.

Based on the progress of construction projects in HYFY2021 as compared to FY2020, contract assets decreased by S$2.5 million from S$32.7 million in FY2020 to S$30.2 million in HYFY2021.

Current liabilities

Trade payables under current liabilities decreased by S$2.3 million from S$16.3 million as at FY2020 to S$14.0 million as at HYFY2021. The decrease was mainly due to the decrease in billings from suppliers and subcontractors which will be due for release of payments in the next 12 months for construction projects in progress.

Other payables and accruals under current liabilities decreased by S$2.5 million from S$45.1 million as at FY2020 to S$42.6 million as at HYFY2021. The decrease was mainly due to the decrease in accruals made for on-going and completed construction projects.

Based on the progress of construction projects as at HYFY2021 as compared to FY2020, contract liabilities increased by S$7.0 million from S$23.3 million in FY2020 to S$30.3 million as at HYFY2021.

Term loans from banks and bills payable to banks

Term loans from banks and bills payable to banks decreased by S$32.3 million from S$153.2 million as at FY2020 to S$120.9 million as at HYFY2021, mainly due to the decrease in new bank borrowings and repayment of existing bank borrowings.

STATEMENT OF CASH FLOWS

Net cash flows from operating activities of S$18.4 million during HYFY2021 mainly arose from decrease in working capital of S$19.8 million and interest income received of S$3.0 million, offset by operating cash outflows before changes in working capital of S$4.2 million.

Net cash flows from investing activities of S$0.5 million during HYFY2021 mainly arose from dividends received from associates and joint ventures of S$3.2 million and payment for cancellation of shares in associates on capital reduction of S$0.5 million, offset by increase in loans due from associates and joint ventures of S$2.7 million and purchase of plant and equipment of S$0.5 million.

Net cash flows used in financing activities of S$14.6 million during HYFY2021 mainly arose from net decrease in bank term loans and bills payable to banks of S$32.3 million and interest paid of S$1.2 million, offset by the decrease in pledged fixed deposits of S$19.6 million.

With the abovementioned, net increase in cash and cash equivalents during HYFY2021 was S$4.2 million.

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

There was no forecast or any prospect statement previously disclosed to shareholders. The actual results in HYFY2021 is in line with the commentary made on 30 July 2020 in paragraph 10 of the full year results announcement for FY2020.

10 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 global pandemic has ravaged economies worldwide and severely affected businesses in many countries, including Singapore.

The economic fallout resulting from the ongoing COVID-19 pandemic has plunged Singapore into its worst recession since its independence. According to Ministry of Trade and Industry ("MTI"), Singapore's economy expanded by 7.9%, rebounding from the 13.2% contraction in the preceding quarter. On a year-on-year basis, the economy contracted by 7.0%, an improvement from the 13.3% contraction in the second quarter. The improved performance of the Singapore economy in the third quarter came on the back of the phased re-opening of the economy following the Circuit Breaker that was implemented between 7 April and 1 June 2020.

Construction output in the third quarter remained weak on account of the slow resumption of construction activities due to the need for construction firms to implement safe management measures for a safe restart. The construction sector contracted 44.7% in the third quarter compared with the same period a year ago, extending the 59.9% decline in the previous quarter.

The Building and Construction Authority ("BCA") has revised its projected construction demand to between S$18 billion and S$23 billion for the year, down from its January forecast of S$28 billion to S$33 billion.

According to Urban Redevelopment Authority ("URA"), private residential property price index increased to 153.8 points in the third quarter, up from 152.6 points in the first quarter. Private home prices in Singapore in the third quarter rose 0.8% from the previous quarter, while demand surged for both new developer units and resale properties. This may be a sign that consumer confidence is "steadily returning" amid the COVID-19 pandemic.

The Group's construction order book remains healthy at more than S$537.0 million at the end of September 2020 after taking in a public project awarded in the same month.

10 (continued)

Four ("4") ongoing development property projects under the Group in Singapore are as set out below:-

No.	Project Name	Group Stake	Type of Development	Revenue Recognition Method	% Units Sold* as at 30 September 2020
Singapore					
1	Affinity @ Serangoon	7.50%	Residential with shop units	Percentage of Completion	78.4%
2	Riverfront Residences	35.00%	Residential with shop units	Percentage of Completion	91.7%
3	Park Colonial	20.00%	Residential	Percentage of Completion	88.2%
4	Rezi 24	48.00%	Residential	Percentage of Completion	78.2%

** % of Units Sold - Based on Options issued and subject to completion of sale and purchase agreement*

The 4 ongoing property developments, namely Affinity@Serangoon; Riverfront Residences; Park Colonial and Rezi 24 have sold more than 2,900 units by the end of 30 Sepember 2020 with positive margins despite the challenging market sentiments.

As at the end of HYFY2021, the Group has attributable share of progress billings to be recognised as sales revenue of more than S$480.0 million from the property development projects held by associates and joint ventures under the Group, which will be progressively recognised by the associates and joint ventures and contribute to the Group's results after FY2021.

Gaobeidian City KAP Real Estate Development Co., Ltd (高碑店阿尔伯特园房地产开发有限公司), 22.5%-owned associated company under the Group, has sold approximately 436 units of the residential development project, Sino-Singapore Health City (中新健康城) in Gaobeidian, PRC to-date with an average selling price expected to earn a positive profit margin. Construction is currently ongoing progressively. The Group expects the units sold from Gaobeidian project to contribute positively to the results in the upcoming financial year FY2022 when construction is completed.

Although affected by the COVID-19 pandemic, the investment properties held by the Group in Singapore and overseas have maintained good occupancy rates and shall continue to generate recurring income.

In view of the on-going pandemic and challenging economy outlook, the Group remains cautious on the outlook of its performance in FY2021.

DIVIDENDS

11 (a) Current financial period reported on

Any dividend declared for the current financial period reported on? **No**

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **Yes**

	(Tax Exempt 1-Tier)	
Name of Dividend	Interim Ordinary	Total
Dividend Type	Cash	Cash
Dividend Rate	1.00 cent per ordinary share	1.00 cent per ordinary share

DIVIDENDS (continued)

(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 half year period ended 30 September 2020 as to retain funds for working capital.

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 has not obtained a general mandate from shareholders for Interested Person Transactions (IPTs).

14 Confirmation by the Company Pursuant to Rule 720(1) of the Listing Manual of SGX-ST.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual of the SGX-ST.

NEGATIVE ASSURANCE

15 Negative assurance confirmation on the half year period financial results pursuant to Rule 705(5) of the Listing Manual of SGX-ST.

On behalf of the Board of Directors of the Company, we, the undersigned, do hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the half year period ended 30 September 2020 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors,
By Order of the Board

Choo Chee Onn	Lim Kee Seng
Executive Chairman and Managing Director	Executive Director

13 November 2020