



FIGTREE HOLDINGS LIMITED

(Company Registration Number : 201315211G)

A. Condensed Interim Consolidated Income Statement

	Notes	Group		
		Half Year Ended		
		30 June 2021	30 June 2020	Change
		S\$	S\$	%
Revenue ^(a)	4	6,403,397	3,647,576	75.6
Cost of sales		(6,271,773)	(3,114,687)	101.4
Gross profit ^(a)		131,624	532,889	(75.3)
Other income ^(a)		1,142,417	410,745	178.1
General and administrative expenses ^(a)		(4,357,329)	(1,971,522)	121.0
Finance costs ^(a)		(66,699)	(50,648)	31.7
Share of results of associates ^(a)		115,233	518,149	(77.8)
Loss before taxation	5	(3,034,754)	(560,387)	NM
Tax (expense)/credit ^(a)	6	(144,761)	74,652	NM
Loss for the period		(3,179,515)	(485,735)	NM
Attributable to:				
Owners of the Company		(3,129,699)	(420,772)	NM
Non-controlling interests		(49,816)	(64,963)	(23.3)
		(3,179,515)	(485,735)	NM
Loss per share (cents)				
Basic	7	(0.88)	(0.12)	
Diluted	7	(0.88)	(0.12)	

Notes:

(a) Please refer to "Other Information required by Appendix 7C of the Catalist Rules" section for more information

(b) NM – Not Meaningful

B. Condensed Interim Consolidated Statement of Comprehensive Income

	Group		Change
	Half Year Ended		
	30 June 2021	30 June 2020	
	S\$	S\$	%
Loss for the period	(3,179,515)	(485,735)	NM
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
- Exchange differences on translation of foreign operations	799,898	509,297	57.1
Other comprehensive income for the period, net of tax	799,898	509,297	57.1
Total comprehensive income for the period	<u>(2,379,617)</u>	<u>23,562</u>	NM
Attributable to:			
Owners of the Company	(2,329,801)	88,525	NM
Non-controlling interests	(49,816)	(64,963)	(23.3)
	<u>(2,379,617)</u>	<u>23,562</u>	NM

Note:

NM – Not Meaningful

C. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		As at 30 June 2021 S\$	As at 31 December 2020 S\$	As at 30 June 2021 S\$	As at 31 December 2020 S\$
ASSETS					
Non-current assets					
Property, plant and equipment		2,992,276	3,038,720	–	–
Right-of-use assets		38,056	35,921	–	–
Investments in subsidiaries		–	–	9,152,597	9,152,597
Interests in associates ^(a)	9	14,671,948	15,758,985	–	–
Loans to associates	10	12,491,249	12,491,249	–	–
Total non-current assets		30,193,529	31,324,875	9,152,597	9,152,597
Current assets					
Development properties		4,504,703	4,431,682	–	–
Loans to associates	10	9,162,593	9,052,096	–	–
Amounts due from subsidiaries		–	–	23,184,523	23,404,005
Amounts due from an associate		16,050	16,050	16,050	16,050
Prepayments		52,863	62,025	11,263	5,351
Contract assets ^(a)	4.3	2,747,349	4,212,839	–	–
Trade receivables ^(a)	4.3	4,158,767	1,805,258	–	–
Other receivables ^(a)	11	1,853,882	776,484	–	3,516
Cash and short-term deposits ^(a)		9,910,507	13,246,276	926,666	1,030,498
Total current assets		32,406,714	33,602,710	24,138,502	24,459,420
Total assets		62,600,243	64,927,585	33,291,099	33,612,017
LIABILITIES					
Current liabilities					
Contract liabilities ^(a)	4.3	2,214,133	4,747,913	–	–
Trade and other payables ^(a)	12	7,051,493	5,889,178	363,657	499,937
Bank borrowings	13	2,680,417	790,038	–	–
Lease liabilities		32,706	29,301	–	–
Provision for taxation		182,639	70,121	3,869	4,647
Total current liabilities		12,161,388	11,526,551	367,526	504,584
Net current assets		20,245,326	22,076,159	23,770,976	23,954,836
Non-current liabilities					
Deferred tax liabilities		215,539	215,534	39	34
Bank borrowings	13	3,516,631	4,101,256	–	–
Lease liabilities		23,287	21,229	–	–
Total non-current liabilities		3,755,457	4,338,019	39	34
Total liabilities		15,916,845	15,864,570	367,565	504,618
Net assets		46,683,398	49,063,015	32,923,534	33,107,399

Note:

(a) Please refer to "Other Information required by Appendix 7C of the Catalist Rules " section for more information

	Group		Company		
	As at 30 June	As at 31	As at 30 June	As at 31	
	2021	December	2021	December	
	S\$	2020	S\$	S\$	
<u>EQUITY</u>					
Equity attributable to owners of the Company					
Share capital	14	31,663,870	31,663,870	31,663,870	31,663,870
Accumulated profits		22,473,931	25,603,630	960,367	1,144,232
Merger deficit ⁽¹⁾		(8,152,595)	(8,152,595)	-	-
Share option reserve		299,297	299,297	299,297	299,297
Foreign currency translation reserve		181,743	(618,155)	-	-
Other reserves		368,750	368,750	-	-
		46,834,996	49,164,797	32,923,534	33,107,399
Non-controlling interests		(151,598)	(101,782)	-	-
Total equity		46,683,398	49,063,015	32,923,534	33,107,399

Note:

- (1) The difference between the consideration paid / transferred and the issued and paid up share capital of Figtree Projects Pte. Ltd. during the pre-IPO Restructuring Exercise is reflected as a Merger Deficit under the Equity of the Group.

D. Condensed Interim Statements of Changes in Equity

Group	Attributable to equity holders of the Company							Total equity attributable to owners of the Company S\$	Non-controlling interests S\$	Total equity S\$
	Share capital S\$	Accumulated profits S\$	Merger deficit S\$	Share option reserve S\$	Foreign currency translation reserve S\$	Other reserves	Total reserves S\$			
Balance at 1 January 2021	31,663,870	25,603,630	(8,152,595)	299,297	(618,155)	368,750	17,500,927	49,164,797	(101,782)	49,063,015
Loss for the period	-	(3,129,699)	-	-	-	-	(3,129,699)	(3,129,699)	(49,816)	(3,179,515)
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	-	-	799,898	-	799,898	799,898	-	799,898
Total comprehensive income for the period	-	(3,129,699)	-	-	799,898	-	(2,329,801)	(2,329,801)	(49,816)	(2,379,617)
Balance at 30 June 2021	31,663,870	22,473,931	(8,152,595)	299,297	181,743	368,750	15,171,126	46,834,996	(151,598)	46,683,398

Group	Attributable to equity holders of the Company							Total equity attributable to owners of the Company S\$	Non-controlling interests S\$	Total equity S\$
	Share capital S\$	Accumulated profits S\$	Merger deficit S\$	Share option reserve S\$	Foreign currency translation reserve S\$	Other reserves	Total reserves S\$			
Balance at 1 January 2020	31,286,466	27,783,623	(8,152,595)	290,227	(1,700,252)	488,000	18,709,003	49,995,469	(75,241)	49,920,228
Loss for the period	-	(420,772)	-	-	-	-	(420,772)	(420,772)	(64,963)	(485,735)
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	-	-	509,297	-	509,297	509,297	-	509,297
Total comprehensive income for the period	-	(420,772)	-	-	509,297	-	88,525	88,525	(64,963)	23,562
<u>Contributions by and distributions to owners</u>										
Share-based staff costs	-	-	-	14,770	-	-	14,770	14,770	-	14,770
Total contributions by and distributions to owners	-	-	-	14,770	-	-	14,770	14,770	-	14,770
Total transactions with owners in their capacity as owners	-	-	-	14,770	-	-	14,770	14,770	-	14,770
Balance at 30 June 2020	31,286,466	27,362,851	(8,152,595)	304,997	(1,190,955)	488,000	18,812,298	50,098,764	(140,204)	49,958,560

Company	Share capital S\$	Accumulated profits S\$	Share option reserve S\$	Total S\$
Balance as at 1 January 2021	31,663,870	1,144,232	299,297	33,107,399
Loss, representing total comprehensive income, for the period	-	(183,865)	-	(183,865)
Balance as at 30 June 2021	<u>31,663,870</u>	<u>960,367</u>	<u>299,297</u>	<u>32,923,534</u>
Balance as at 1 January 2020	31,286,466	1,627,367	290,227	33,204,060
Loss, representing total comprehensive income, for the period	-	(196,269)	-	(196,269)
<u>Contributions by and distributions to owners</u>				
Share-based staff costs	-	-	14,770	14,770
Total contributions by and distributions to owners	-	-	14,770	14,770
Total transactions with owners in their capacity as owners	-	-	14,770	14,770
Balance as at 30 June 2020	<u>31,286,466</u>	<u>1,431,098</u>	<u>304,997</u>	<u>33,022,561</u>

E. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	Half Year Ended	
	30 June 2021	30 June 2020
	S\$	S\$
Cash flows from operating activities		
Loss before taxation	(3,034,754)	(560,387)
Adjustments for:		
Depreciation of property, plant and equipment	56,614	63,179
Depreciation of right-of-use assets	21,990	43,277
Gain on disposal of a subsidiary	(878,401)	–
Impairment of an associate	2,000,000	–
Share of results of associates	(115,233)	(518,149)
Share-based expense	–	14,770
Interest income	(2,667)	(153,352)
Finance costs	66,699	50,648
Unrealised exchange gain	(458,782)	(326,984)
Operating cash flows before changes in working capital	(2,344,534)	(1,386,998)
(Increase)/decrease in:		
Development properties	(73,021)	(4,138,631)
Trade receivables and contract assets	(888,018)	2,610,809
Other receivables and prepayments	(189,835)	(139,492)
(Decrease)/increase in:		
Contract liabilities	(2,533,780)	2,486,540
Trade and other payables	1,183,552	(1,680,547)
Cash flows used in operations	(4,845,636)	(2,248,319)
Income tax paid	(32,238)	(16,357)
Interest received	2,667	53,674
Net cash flows used in operating activities	(4,875,207)	(2,211,002)
Cash flows from investing activities		
Purchases of property, plant and equipment	(9,393)	(19,876)
Net cash flows used in investing activities	(9,393)	(19,876)

	Group	
	Half Year Ended	
	30 June 2021	30 June 2020
	S\$	S\$
Cash flows from financing activities		
Proceeds from bank borrowings	1,600,000	-
Repayment of bank borrowings	(294,247)	-
Repayment of lease liabilities	(17,996)	(41,813)
Proceeds from other borrowings	416,600	602,950
Repayment of other borrowings	(20,830)	-
Interest paid	(66,699)	(50,648)
Net cash flows generated from financing activities	1,616,828	510,489
Net decrease in cash and cash equivalents	(3,267,772)	(1,720,389)
Cash and cash equivalents at the beginning of period	8,632,315	12,183,720
Effects of exchange rates on cash and cash equivalents	(20,892)	(3,126)
Cash and cash equivalents at the end of period (Note A)	5,343,651	10,460,205

Note A:

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following at the end of the period:

	Group	
	As at 30 June 2021	As at 30 June 2020
	S\$	S\$
Cash and bank balances	9,910,507	14,806,756
Less: Bank deposits pledged	(4,566,856)	(4,346,551)
Cash and cash equivalents in the consolidated cash flow statement	5,343,651	10,460,205

F. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate Information

Figtree Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist board of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively the "Group").

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are:

- (a) general contractors (building construction including major upgrading works) and providers of general building engineering services
- (b) property development
- (c) project management services.

The principal activities of the associates are:

- (a) investment holding
- (b) logistics services
- (c) design, build and operate tier-certified data centres
- (d) development of industrial and storage facilities
- (e) property investment and management
- (f) development, leasing, sale and management of industrial facilities
- (g) corporate and logistic operation management, warehousing service provider and IT development
- (h) freight and logistics management, warehousing service provider and logistics data management
- (i) property management and leasing, machinery repair and facility management services.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited financial statements for the year ended 31 December 2020.

Save as disclosed in Section 2.1 below, the accounting policies adopted are consistent with those of the previous financial year, which were prepared in accordance with SFRS(I)s.

The condensed 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

The Company has adopted certain Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are mandatory for the financial year beginning on or after 1 January 2021. The adoption of these FRS and INT FRS has no significant impact on the financial position or performance of the Group.

2.2 Use of judgements and estimates

The preparation of the Group's condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

2.2.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management makes judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements. Management is of the opinion that the instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

2.2.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to the market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Construction contracts

The Group recognises contract revenue over time by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the total estimated costs. The amount of revenue recognised and the corresponding profit or loss on contracts are affected by a variety of uncertainties that depend on the outcome of future events and precision of the cost estimation during the budgeting process. As such, significant judgement and use of estimates are required to determine the stage of completion, estimated contract costs and budgeted margin for the respective projects. The carrying amount of liabilities recognised from construction contracts at the end of each of the reporting periods are disclosed in Note 4.3 to the condensed interim financial statements.

Expected credit losses ("ECL") on loans to associates

The Group uses the general approach to calculate loss allowance provision on loans to associates. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The determination of expected credit losses requires management to exercise significant judgement and the use of estimates.

The carrying amount of loans to associates as at 30 June 2021 is S\$21,653,842 (31 December 2020: S\$21,543,345).

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

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- (a) Design and build: Design and build commercial and industrial facilities. The scope of services covers the full spectrum of the project development process, including land search and authority liaison, feasibility studies, design and construction.
- (b) Property development: Construct, develop, sell and/or lease out of residential, commercial and industrial properties.
- (c) Corporate: Involved in Group-level corporate services.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit margins of the products and services.

4.1 Reportable segments

	Design and build		Property development		Corporate		Per consolidated financial statements	
	Half Year Ended							
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Revenue :								
Sales to external customers and a related party, representing total revenue	6,403,397	3,647,576	-	-	-	-	6,403,397	3,647,576
Results :								
Interest income	-	-	-	-	(2,667)	(153,352)	(2,667)	(153,352)
Interest expense	-	-	-	-	66,699	50,648	66,699	50,648
Depreciation of property, plant and equipment	56,579	63,179	35	-	-	-	56,614	63,179
Depreciation of right-of-use assets	15,131	27,587	6,859	15,690	-	-	21,990	43,277
Impairment of an associate	-	-	2,000,000	-	-	-	2,000,000	-
Share of results of associates	-	-	(115,233)	(518,149)	-	-	(115,233)	(518,149)
Income tax expense/(credit)	4,000	2,879	138,760	-	2,001	(77,531)	144,761	(74,652)
Segment (loss)/profit, before tax	(1,232,307)	(621,449)	(1,110,376)	814,350	(692,071)	(753,288)	(3,034,754)	(560,387)

	Design and build		Property development		Corporate		Per consolidated financial statements	
	As At							
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
Assets :								
Interests in associates	-	-	14,671,948	15,758,985	-	-	14,671,948	15,758,985
Additions to property, plant and equipment	9,393	23,637	-	352	-	-	9,393	23,989
Segment assets	17,595,446	19,567,276	44,055,566	44,304,894	949,231	1,055,415	62,600,243	64,927,585
Liabilities :								
Segment liabilities	15,128,663	15,095,851	425,365	264,100	362,817	504,619	15,916,845	15,864,570

4.2 Disaggregation of Revenue

	Design and Build Half Year Ended	
	30 June 2021 S\$	30 June 2020 S\$
<i>Primary geographical markets:</i>		
Singapore	5,801,750	3,187,067
People's Republic of China	601,647	460,509
	<u>6,403,397</u>	<u>3,647,576</u>
<i>Major product or service lines:</i>		
Commercial and industrial properties	6,368,864	3,588,586
Project management and consultancy services	34,533	58,990
	<u>6,403,397</u>	<u>3,647,576</u>
<i>Timing of transfer of goods or services:</i>		
Over time	<u>6,403,397</u>	<u>3,647,576</u>

4.3 Contract balances

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group As at	
	30 June 2021 S\$	30 June 2020 S\$
Receivables from contracts with customers	4,158,767	1,805,258
Contract assets	2,747,349	4,212,839
- Accrued receivables	242,463	1,012,404
- Retention receivables	2,504,886	3,200,435
Contract liabilities	<u>2,214,133</u>	<u>4,747,913</u>

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for design and build contracts. Contract assets are transferred to receivables when the right to payment become unconditional.

The changes in contract assets are due to the differences between certified work completed and revenue recognised on the construction contracts.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers from the design and build contracts. Contract liabilities are recognised as revenue as the Group performs under the contract.

5. Loss Before Taxation

5.1 Significant Items

	Group	
	Half Year Ended	
	30 June 2021	30 June 2020
	S\$	S\$
Depreciation of property, plant and equipment	56,614	63,179
Depreciation of right-of-use assets	21,990	43,277
Foreign exchange loss/(gain), net	44,787	(487,933)
Government grants income	(230,742)	(256,189)
Gain on disposal of a subsidiary	(878,401)	–
Impairment of an associate	2,000,000	–
Lease expense	5,941	546
Management fees from an associate	(30,000)	–
Employee benefits expense	2,045,631	2,239,923
<i>Note A: Employee benefits expense</i>		
<i>Presented in the consolidated income statement as:</i>		
- Cost of sales	266,121	435,926
- General and administrative expenses	1,779,510	1,803,997
	2,045,631	2,239,923

5.2 Related party transactions

5.2.1 Sales and purchases of services

The following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	Half Year Ended	
	30 June 2021	30 June 2020
	S\$	S\$
Interest income from loans to an associate	–	(99,678)

5.2.2 Compensation of key management personnel

	Group	
	Half Year Ended	
	30 June 2021	30 June 2020
	S\$	S\$
Salaries and bonuses	687,445	797,989
Defined contributions plans	22,320	32,030
Directors' fees	120,000	120,000
Other short-term benefits	3,852	3,852
Share-based payments	–	9,375
	<hr/>	<hr/>
Total compensation paid to key management personnel	833,617	963,246
	<hr/>	<hr/>
<i>Comprise amounts paid to:</i>		
- Directors of the Company	508,399	512,019
- Other key management personnel	325,218	451,227
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Total compensation paid to key management personnel	833,617	963,246
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The remuneration of key management personnel is determined by the directors having regard to the performance of individuals and market trends.

Directors' interests in the 2013 Employee Share Option Scheme ("ESOS")

During the financial period, there were no share options granted to a Company's Executive Director under the ESOS.

At the end of the reporting period, the total number of outstanding share options granted by the Company to the abovementioned director under the ESOS amounted to 650,000 (31 December 2020: 650,000). No share options have been granted to the Company's Non-Executive Directors.

6. Taxation

The major components of tax credit for the period ended 30 June 2021 and 30 June 2020 are:

	Group	
	Half Year Ended	
	30 June 2021	30 June 2020
	S\$	S\$
<i>Consolidated income statement:</i>		
Current taxation:		
- Current income taxation	142,347	4,463
Withholding tax on foreign sourced interest income	2,409	–
Deferred taxation – origination and reversal of temporary differences	5	(79,115)
	<hr/>	<hr/>
Tax expense/(credit)	144,761	(74,652)
	<hr/>	<hr/>

7. Loss Per Share

	Group Half Year Ended	
	30 June 2021 S\$	30 June 2020 S\$
Loss attributable to owners of the Company	(3,129,699)	(420,772)
Weighted average number of ordinary shares for basic earnings per share computation	354,782,369	351,213,448
Effects of dilution:		
- Share options	-	-
Weighted average number of ordinary shares for diluted earnings per share computation	354,782,369	351,213,448
Basic loss per share (cents)	(0.88)	(0.12)
Diluted loss per share (cents) ⁽¹⁾	(0.88)	(0.12)

Note:

- (1) The basic and diluted loss per share for the half year ended 30 June 2021 and 30 June 2020 are the same as the potential ordinary shares to be exercised from the outstanding share options are anti-dilutive.

8. Net Asset Value

	Group		Company	
	As at 30 June 2021	As at 31 December 2020	As at 30 June 2021	As at 31 December 2020
Net asset value per ordinary share based on issued share capital (cents)	13.16	13.81	9.25	9.30
Number of issued ordinary shares	355,912,100	355,912,100	355,912,100	355,912,100

9. Interests in Associates

	Group	
	30 June 2021	31 December 2020
	S\$	S\$
Unquoted equity shares, at cost	8,810,858	8,839,458
Deemed capital contribution	1,842,397	1,842,397
Accumulated share of profits	5,594,113	5,403,278
Accumulated share of translation and other reserves	424,580	(326,148)
	<u>16,671,948</u>	<u>15,758,985</u>
Less: Impairment loss	(2,000,000)	-
	<u><u>14,671,948</u></u>	<u><u>15,758,985</u></u>
<i>Comprising of:</i>		
DC Alliance Pte Ltd	3,662,586	4,124,474
Vibrant Properties Pte Ltd	8,278,277	7,329,883
Vibrant Pucheng Logistics (Chongqing) Co., Ltd ("Vibrant Pucheng")	2,642,199	4,278,086
Others	88,886	26,542
	<u><u>14,671,948</u></u>	<u><u>15,758,985</u></u>

During the period, Vibrant Pucheng suffered further operating losses. Management estimated the recoverable amount based on the Group's share of the associate's residual net asset value and recognised an impairment loss on this associate of S\$2,000,000 (31 December 2020: S\$Nil).

10. Loans to Associates

	Group	
	30 June 2021	31 December 2020
	S\$	S\$
<i>Loans to associates:</i>		
Interest-free loans	9,162,593	9,052,096
Interest-bearing loans	12,491,249	12,491,249
	<u>21,653,842</u>	<u>21,543,345</u>
<i>Presented as:</i>		
Current	9,162,593	9,052,096
Non-current	12,491,249	12,491,249
	<u>21,653,842</u>	<u>21,543,345</u>

Interest-free loans

Interest-free loans are unsecured and repayable between July 2021 and June 2022 (31 December 2020: between January 2021 and December 2021). The loans are denominated in Singapore dollars, except for an amount equivalent to S\$5,634,116 (31 December 2020: S\$5,535,280) which is denominated in United States dollars.

Interest-bearing loans

The loans are unsecured, bear fixed interest at 6% (31 December 2020: 6%) per annum, repayable in July 2030 (31 December 2020: July 2030) and are to be settled in cash. The loans are denominated in Singapore dollars.

11. Other Receivables

	Group	
	As at	31 December
	30 June 2021	2020
	S\$	S\$
Refundable deposits	852,022	555,787
GST receivables	68,165	98,775
Grant receivables	18,081	105,686
Receivable arising from disposal of a subsidiary	899,366	–
Sundry receivables	16,248	16,236
	<u>1,853,882</u>	<u>776,484</u>

12. Trade and Other Payables

	Group	
	As at	
	30 June 2021	31 December 2020
	S\$	S\$
Trade payables	3,008,837	2,431,243
Accrued subcontractors' costs	1,782,752	1,467,722
Accrued operating expenses	749,021	765,813
Sundry payables	234,213	209,011
Amount due to associate	10,744	10,744
Deferred grant income	120,276	276,005
Other borrowings	1,145,650	728,640
	<u>7,051,493</u>	<u>5,889,178</u>

13. Bank Borrowings

	Group	
	31 December	
	30 June 2021	2020
	S\$	S\$
<i>Amount repayable within one year</i>		
Secured	2,680,417	790,038
Unsecured	<u>-</u>	<u>-</u>
<i>Amount repayable after one year</i>		
Secured	3,516,631	4,101,256
Unsecured	<u>-</u>	<u>-</u>

The bank borrowings of the Group are secured by pledged bank deposits and a corporate guarantee provided by the Company.

14. Share Capital

	Group and Company			
	30 June 2021		31 December 2020	
	Number of shares	Amount S\$	Number of shares	Amount S\$
Beginning of period	355,912,100	31,663,870	351,213,448	31,286,466
Issuance of ordinary shares as scrip dividend	-	-	4,698,652	396,096
Share issuance expense	-	-	-	(18,692)
End of period	<u>355,912,100</u>	<u>31,663,870</u>	<u>355,912,100</u>	<u>31,663,870</u>

The Company did not have any treasury shares as at 30 June 2021 and 31 December 2020.

The Company does not have any subsidiary holdings during and as at the end of the current financial period reported on.

Figtree Employee Share Option Scheme (the "ESOS")

The movement in share options during the period was as follows:

	2021 Number of share options	2020 Number of share options
Outstanding as at 1 January	6,725,000	7,325,000
Outstanding as at 30 June	<u>6,725,000</u>	<u>7,325,000</u>

The outstanding share options of 6,725,000 as at 30 June 2021 (30 June 2020: 7,325,000) are convertible into 6,725,000 (30 June 2020: 7,325,000) ordinary shares of the Company.

Other than the unexercised share options under the ESOS as stated above, the Company had no other outstanding convertibles, subsidiary holdings or treasury shares as at 30 June 2021 and 30 June 2020.

G. Other Information Required by Appendix 7C of the Catalist Rules

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

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

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

Not applicable.

3. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The latest audited financial statements have an unmodified opinion.

4. **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.**

(a) Review of the Condensed Interim Consolidated Income Statement

Financial period from 1 January 2021 to 30 June 2021 ("1H2021") vs 1 January 2020 to 30 June 2020 ("1H2020")

- (i) The Group's revenue increased by S\$2.76 million mainly due to higher revenue recognised from the project with OJJ Foods Pte Ltd ("OJJ") in 1H2021, which was delayed in 1H2020 due to Covid-19 and the subsequent Circuit Breaker in 1H2020.
- (ii) In 1H2021, the gross profit was lower mainly due to additional costs incurred upon finalisation of accounts from projects completed in prior years.
- (iii) Other income increased by S\$0.73 million mainly due to the gain from the disposal of a 100%-owned subsidiary, Fervent III Pte Ltd ("F3PL"), together with its fully-owned subsidiary during 1H2021.
- (iv) General and administrative expenses increased by S\$2.39 million mainly due to the impairment of associate, Vibrant Pucheng, coupled with unrealised foreign exchange losses resulting from the weaker Australian Dollar against the Singapore Dollar in 1H2021, compared to foreign exchange gains incurred in 1H2020.
- (v) Finance costs increased by S\$0.02 million mainly due to higher short term bank borrowings in 1H2021.
- (vi) Share of results of associates decreased by S\$0.40 million mainly due to operational losses incurred by DC Alliance Pte Ltd ("DCA") group of companies, which was acquired in September 2020.
- (vii) The tax expense for 1H2021 arose mainly due to tax provisions made for expected tax payable due to the disposal of F3PL. The tax credit in 1H2020 is due to deferred tax assets arising from unutilised tax losses which have been offset with deferred tax liabilities.

(b) Review of the Condensed Interim Statements of Financial Position

- (i) Interests in associates decreased by S\$1.09 million mainly due to the impairment of Vibrant Pucheng, partially offset by the Group's share of associates' profits for the period and the Group's share of the foreign currency translation reserve of associates.
- (ii) Contract assets decreased by S\$1.47 million mainly due to billings made during the period for the OJJ project.
- (iii) Trade receivables increased by S\$2.35 million mainly due to higher receivables from the OJJ project, in line with the higher revenue.
- (iv) Other receivables increased by S\$1.08 million mainly due to a receivable arising from the disposal of F3PL.
- (v) Cash and short term deposits decreased by S\$3.34 million mainly due to cash flows used in operations, partially offset by proceeds from bank borrowings and other borrowings.
- (vi) Contract liabilities decreased by S\$2.53 million mainly due to the completion of the project with Tiong Lian Food Pte Ltd.

-
- (vii) Trade and other payables increased by S\$1.16 million mainly due to the increase in trade payables arising from the OJJ project and an increase in other borrowings.

(c) **Review of the Cash Flow Statement of the Group**

In 1H2021, the Group recorded a net cash outflow from operating activities of S\$4.88 million, which was a result of operating cash flows before changes in working capital of S\$2.34 million, adjusted for working capital outflows of S\$2.50 million and income tax paid of S\$0.03 million. Working capital outflows were due to an increase in development properties of S\$0.07 million, an increase in trade receivables and contract assets of S\$0.89 million, an increase in other receivables and prepayments of S\$0.19 million, and a decrease in contract liabilities of S\$2.53 million. This was partially offset by an increase in trade and other payables of S\$1.18 million.

Net cash generated from financing activities was mainly due to proceeds from bank borrowings of S\$1.60 million and proceeds from other borrowings of S\$0.42 million, partially offset by repayment of bank borrowings of S\$0.29 million, repayment of lease liabilities of S\$0.02 million and interest paid of S\$0.07 million.

As a result of the above and the effects of exchange rates on cash and cash equivalents, there was a net decrease of S\$3.27 million in the Group's cash and cash equivalents, from S\$8.63 million as at 31 December 2020 to S\$5.34 million as at 30 June 2021.

5. 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 in relation to the financial performance or position of the Group has been previously disclosed to shareholders. The progress of the Group's projects are updated in Section 6 below.

6. 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

Property Investment & Development – China

Both phase 1 and 2 of the Changshu Fervent High Tech Industrial Park continue to generate stable and recurring income for the Group through its 32% interest in the project.

Phase 2 of the industrial park is at 100% occupancy as these are Built-to-Suit facilities that are on long term leases to Faurecia and Ingevity until 2026 and 2028, respectively.

The Group has received strong interest from several potential multi-national companies (MNCs) for the unoccupied space at Phase 1 of the industrial park. The leases are pending approval from the MNCs' respective headquarters.

Development of Vibrant Pucheng Multi-Modal Logistics Distribution Centre is on hold and the necessary impairment has been provided as disclosed in Note 9 of the Condensed Interim Financial Statements. The Group will make the necessary announcements as and when there are further updates.

Property Investment & Development – Australia

The rising cases of the highly transmissible Delta variant of COVID-19 in 2021 has led to challenges in the construction sector as various Australian states reimpose tighter restrictions and lockdowns.

As a result, the construction commencement of the Blackburn Property is delayed to 4Q 2021 and barring unforeseen circumstances, project completion is targeted in 4Q 2022.

Through its strategic stake in DC Alliance Pte Ltd ("DCA"), the Group has an effective interest of 27.5% in a ready-for-service Tier III co-location data centre in Perth, Australia.

Capacity expansion at the data centre continue to be on-going and is expected to complete in 2Q 2022. Upon full ramp up, the data centre will broaden the Group's base of recurring income and allow it to gain fit-for-purpose design capabilities catered to co-location facilities.

Design and Build – Singapore and China

The construction of the OJJ food processing facility, which was delayed in 1H 2020 due to COVID-19, is on-going. The completion of this project, as discussed and agreed with the client, will be in 4Q 2022.

In May 2021, the Group secured a RMB 65.0 million (approximately S\$13.6 million) Design & Build contract for an industrial facility in China for Pano (Changshu) New Energy Technology Co., Ltd, one of the largest manufacturers of wind turbine generators and accessories in China. Located at the Changshu High Tech Park, Changshu City, Jiangsu Province, China, the facility will comprise six storeys of ancillary offices and four storeys of manufacturing space with a gross floor area of approximately 36,500 square metres. The Group expects construction to commence in 4Q 2021 and to complete in 1Q 2023.

Outlook

The global outbreak of the Delta variant of COVID-19 has heightened global economic uncertainty and set back economic recovery in countries even though vaccination programmes are picking up pace.

In July 2021, the IMF reduced its 2021 GDP forecast for China by 0.3 percentage point from its April 2021 report to [8.1%](#) on a scaling back of public investment and overall fiscal support.¹

Australia, which has rebounded rapidly from the 2020 pandemic, is expected to be [impacted by the new Delta variant](#)² and [low national vaccination rates](#)³. Meanwhile, the Australian data centre market will continue to grow driven by [growing cloud computing \(further fuelled due to COVID-19\), increasing cloud computing among SMEs, government regulations for local data security, and growing investment by domestic players](#).⁴

In Singapore, the speed of construction projects continue to be slowed by safe management requirements while labour and material costs have risen due to supply constraints. Notwithstanding this, in 2Q 2021, the Singapore economy grew by [14.3% year-on-year while the construction sector expanded by 98.8% year-on-year](#).⁵ Singapore remains [on track to achieve GDP growth of 4% to 6% in 2021](#) subject to external demand factors.⁶

Given this uncertainty, the Group expects its earnings capacity and ability to secure new projects to continue to be impacted in the next 12 months. The Group will continue to conserve cash and defer its expansion plans across its markets until operating environments stabilise further and will remain prudent in managing its resources and cashflow to ensure that operations remain sustainable.

The Board will continue to monitor the evolving situation and make the necessary announcement(s) as and when there are material developments.

¹ <https://www.imf.org/en/Publications/WEO/Issues/2021/07/27/world-economic-outlook-update-july-2021#Projections>

² [Australia's stunning economic recovery trips on Delta variant, COVID-19 vaccine snags - CNA \(channelnewsasia.com\)](#)

³ [Australia's sluggish vaccine roll-out undermines success of its Covid-19 restrictions, Australia/NZ News & Top Stories - The Straits Times](#)

⁴ [Australia Data Center Market - Growth, Trends, COVID-19 \(globenewswire.com\)](#)

⁵ https://www.mti.gov.sg/-/media/MTI/Newsroom/Press-Releases/2021/07/AdvEst_2Q21.pdf

⁶ <https://www.channelnewsasia.com/news/singapore/singapore-phase-2-heightened-alert-economic-recovery-covid-19-15299120>

7. If a decision regarding dividend has been made:

(a) Whether an interim/final ordinary dividend has been declared/recommended; and

No.

(b)(i) Amount per share (cents)

Not applicable

(b)(ii) Previous corresponding period (cents)

Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined

Not applicable.

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

No dividend has been declared or recommended for the half year ended 30 June 2021. The Company has been declaring and paying final dividends for the full financial year since its Initial Public Offering in 2013.

9. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), 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 Company does not have an existing general mandate pursuant to Rule 920 of the Catalist Listing Manual.

There were no IPTs of S\$100,000 or more for the financial period under review.

10. Disclosures on Incorporation of Entities, Acquisition and Realisation of Shares pursuant to Catalist Rule 706A.

On 17 March 2021, the Company, through its wholly-owned subsidiary Figtree Development Pte. Ltd. ("FDPL"), acquired the remaining shares of its 40%-owned associated company, F3PL and its subsidiary company, for a nominal sum. Through this acquisition, F3PL became a wholly-owned subsidiary of FDPL.

On 13 May 2021, the Company disposed its 100% interest in F3PL and its subsidiary company to a third party for an amount of RMB4.50 million (approximately S\$0.90 million) to be settled in cash and to be received in two installments. As at 30 June 2021, this amount was outstanding and was reflected in Other Receivables on the Balance Sheet. On 23 July 2021, FDPL received US\$0.54 million (approximately S\$0.73 million). The remaining balance will be settled in August 2021.

Except as disclosed above, the Company did not incorporate, acquire or dispose of any other direct and indirect subsidiaries and associates during the half year ended 30 June 2021.

11. Confirmation that the issue has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual

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

By Order of the Board

Siaw Ken Ket @ Danny Siaw
Managing Director
13 August 2021



FIGTREE HOLDINGS LIMITED

(Company Registration Number : 201315211G)

CONFIRMATION BY THE BOARD

The Directors of the Company hereby confirm, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited condensed interim consolidated financial statements to be false or misleading in any material respect.

On behalf of the Board of Directors

SIAW KEN KET @ DANNY SIAW
Managing Director

TAN CHEW JOO
Executive Director

Singapore, 13 August 2021

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Foo Jien Jieng, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorshjp@ppcf.com.sg