



騰龍國際集團

GLOBAL DRAGON LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No.198102945K and SGX: 586

Founded on 25 June 1981, **GLOBAL DRAGON LIMITED** (the “**Company**”, and together with its subsidiaries, the “**Group**”), is a public limited company incorporated in Singapore and was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) since 27 September 1999.

On 14 December 2017, JK Global Assets Pte. Ltd. became the major shareholder of the Group.

On 23 March 2018, the Company adopted the Chinese name “騰龍國際集團” for identification purposes and changed its principal activities to property development and investment.

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*YEAR 2023*  
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*42nd anniversary year for incorporation of the Company since June 1981
24th anniversary year as a public company listed on the SGX-ST since September 1999
Young and dynamic property developer and property investor since March 2018*

UNAUDITED RESULTS ANNOUNCEMENT

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022

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*This announcement has been reviewed by the Company’s sponsor, SAC Capital Private Limited (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 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 Lee Khai Yinn (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (“HY2023”)**

		Group		
	Note	6 months ended 2022	31 December 2021	% Change Increase / (Decrease) %
		S\$'000	S\$'000	
Revenue	4	19,077	59,000	(68%)
Cost of sales		(16,433)	(50,996)	(68%)
Gross profit		2,644	8,004	(67%)
Other income		12	58	(79%)
Sales and marketing expenses		(680)	(1,441)	(53%)
General and administrative expenses		(715)	(689)	4%
Other expense		(1)	–	N.M.
Finance costs		(1,172)	(923)	27%
Profit before tax	6	88	5,009	(98%)
Income tax expense	7	–	–	–
Profit for the financial period		88	5,009	(98%)
Total comprehensive income for the financial period attributable to the owners of the Company		88	5,009	(98%)
Earnings per ordinary share of the Group for the financial period based on net profit attributable to owners of the Company on weighted average number of ordinary shares in issue (basic) (cents) and fully diluted basis (cents)		0.01	0.73	(98%)

Note:

* The Company does not have any dilutive equity instruments in HY2023 and the six months financial period ended 31 December 2021 (“HY2022”).

** N.M. – Not meaningful.

**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	Group		Company	
		31 December 2022	30 June 2022 (Audited)	31 December 2022	30 June 2022 (Audited)
		S\$'000	S\$'000	S\$'000	S\$'000
Assets					
Non-current assets					
Property, plant and equipment	9	130,502	123,742	22	24
Investment properties	10	10,870	10,870	10,870	10,870
Investment in subsidiaries		–	–	6,000	6,000
		141,372	134,612	16,892	16,894
Current assets					
Trade and other receivables		12,714	11,195	47	74
Due from subsidiaries (non-trade)		–	–	35,626	39,359
Due from a related company (trade)		34	34	–	–
Prepayments		443	27	34	25
Contract assets		12,707	27,436	–	–
Development properties	11	23,410	33,072	–	–
Property held for sale		–	628	–	628
Cash and short-term deposits		10,891	36,602	298	1,783
		60,199	108,994	36,005	41,869
Total assets		201,571	243,606	52,897	58,763
Liabilities					
Current liabilities					
Trade and other payables		5,134	6,290	612	613
Due to subsidiaries (non-trade)		–	–	1,966	1,974
Contract liabilities		4,200	3,986	–	–
Provisions		135	135	15	15
Provision for tax		1,050	1,050	–	–
Borrowings	12	91,855	124,615	2,948	998
		102,374	136,076	5,541	3,600
Net current (liabilities)/assets		(42,175)	(27,082)	30,464	38,269
Non-current liabilities					
Deferred tax liabilities	7	10,332	10,332	–	–
Borrowings	12	5,788	7,389	4,720	5,831
		16,120	17,721	4,720	5,831
Total liabilities		118,494	153,797	10,261	9,431
Net assets		83,077	89,809	42,636	49,332
Equity attributable to owners of the Company					
Share capital	13	46,116	46,116	46,116	46,116
Reserves		36,961	43,693	(3,480)	3,216
Total equity		83,077	89,809	42,636	49,332
Total equity and liabilities		201,571	243,606	52,897	58,763

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

Group	Attributable to owners of the Company					Total equity S\$'000
	Share capital S\$'000	Asset revaluation reserve S\$'000	Exchange fluctuation reserve S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	
At 1 July 2022	46,116	45,275	285	498	(2,365)	89,809
Profit for the period	–	–	–	–	88	88
Total comprehensive income for the period	–	–	–	–	88	88
Dividends on ordinary shares	–	–	–	–	(6,820)	(6,820)
Total transactions with owners, recognised directly in equity	–	–	–	–	(6,820)	(6,820)
At 31 December 2022	46,116	45,275	285	498	(9,097)	83,077
At 1 July 2021	46,116	42,050	285	498	(8,822)	80,127
Profit for the period	–	–	–	–	5,009	5,009
Total comprehensive income for the period	–	–	–	–	5,009	5,009
Dividends on ordinary shares	–	–	–	–	(2,046)	(2,046)
Total transactions with owners, recognised directly in equity	–	–	–	–	(2,046)	(2,046)
At 31 December 2021	46,116	42,050	285	498	(5,859)	83,090

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

	Attributable to owners of the Company			Total equity S\$'000
	Share capital S\$'000	Share option reserve S\$'000	Accumulated profits/(losses) S\$'000	
Company				
At 1 July 2022	46,116	498	2,718	49,332
Profit for the period	–	–	124	124
Total comprehensive income for the period	–	–	124	124
Dividends on ordinary shares	–	–	(6,820)	(6,820)
Total transactions with owners, recognised directly in equity	–	–	(6,820)	(6,820)
At 31 December 2022	46,116	498	(3,978)	42,636
At 1 July 2021	46,116	498	(6,075)	40,539
Profit for the period	–	–	3,401	3,401
Total comprehensive income for the period	–	–	3,401	3,401
Dividends on ordinary shares	–	–	(2,046)	(2,046)
Total transactions with owners, recognised directly in equity	–	–	(2,046)	(2,046)
At 31 December 2021	46,116	498	(4,720)	41,894

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

	Note	Group	
		6 months ended 31 December 2022 S\$'000	2021 S\$'000
Operating activities			
Profit before tax		88	5,009
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	6	2	40
Interest expense	6	1,172	918
Interest income	6	(8)	(1)
Operating profit before working capital changes		1,254	5,966
<u>Changes in working capital:</u>			
(Increase)/decrease in trade and other receivables		(1,935)	5,970
Decrease/(increase) in contract assets		14,729	(43,795)
Decrease in development properties and property held for sale		9,810	27,901
(Decrease)/increase in trade and other payables		(1,156)	1,035
Increase in contract liabilities		214	24,005
Cash from operations		22,916	21,082
Interest paid		(875)	(984)
Net cash flows generated from operating activities		22,041	20,098
Investing activities			
Interest received		8	1
Interest paid		(954)	(941)
Additions to property, plant and equipment		(5,807)	(2,851)
Proceeds from disposal of investment properties		628	1,071
Net cash flows used in investing activities		(6,125)	(2,720)
Financing activities			
Interest paid		(446)	(245)
Repayment of lease liabilities		–	(34)
Proceeds from bank loans		13,210	25,577
Proceeds from shareholder's loans		1,970	1,360
Repayment of bank loans		(49,441)	(13,176)
Repayment of shareholder's loans		(100)	(1,600)
Dividends paid		(6,820)	(2,046)
Net cash flows (used in)/generated from financing activities		(41,627)	9,836
Net (decrease)/increase in cash and cash equivalents		(25,711)	27,214
Cash and cash equivalents at beginning of financial period		35,602	7,037
Cash and cash equivalents at end of financial period		9,891	34,251
Note to the Condensed Interim Consolidated Statement of Cash Flows			
Cash and short-term deposits		10,891	35,251
Less: Fixed deposits pledged		(1,000)	(1,000)
Cash and cash equivalents ⁽¹⁾		9,891	34,251

Note:

⁽¹⁾ Included in cash and cash equivalents is an amount of S\$9,263,000 (HY2022: S\$33,225,000) deposited in the project accounts. Withdrawals of these monies for expenditures related to specific property under development are governed by the Housing Developers (Control and Licensing) Act.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022

1. Corporate information

Global Dragon Limited (the "**Company**") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The registered office and principal place of business are located at 456 Alexandra Road #02-09 Fragrance Empire Building Singapore 119962.

The principal activities of the Company and of the Group are property development and investment.

2. Basis of preparation

The condensed interim financial statements for the six months financial period ended 31 December 2022 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 financial statements for the financial year ended 30 June 2022.

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

The condensed interim financial statements are presented in Singapore dollar (SGD or S\$) which is the Company's functional currency and all values in the tables are rounded to the nearest thousand (S\$'000), except when otherwise indicated.

The latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

As at 31 December 2022, the Group's current liabilities exceeded its current assets by S\$42,175,000. This is because S\$71,677,000 of development loans have been classified as current liabilities because they are due for repayment within the next 12 months, in which S\$19,039,000 and S\$52,638,000 are to be redeemed in full upon Temporary Occupation Permits ("**TOP**") and converted into term loan upon TOP respectively. Notwithstanding this, the Group's financial statements have been prepared on a going concern basis based on financial and cash flow projections, the Board and management are reasonably confident that the Group will have sufficient cash to pay its debts as and when they fall due.

2.1. New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

The accounting policies adopted and methods of computation applied are consistent with those previously applied under SFRS(I)s except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 July 2022.

The adoption of these standards did not have any material effect on the financial performance or position of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

2. Basis of preparation (cont'd)

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 30 June 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- (a) Note 7 - Determination of provision for income taxes
- (b) Note 9 - Impairment of non-financial assets

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- (a) Note 9 - Valuation of rights in leasehold land held as property, plant and equipment ("**PPE**")
- (b) Note 10 - Valuation of investment properties
- (c) Notes 9 and 10 - Impairment of non-financial assets
- (d) Note 11 - Estimation of net realisable value ("**NRV**") for development properties

3. Seasonal operations

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

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

4. Segment and revenue information

The Group has several reportable business segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they are targeting different market segments and require different marketing strategies. For each strategic business unit, the Group's Executive Chairman reviews internal management reports at least on a monthly basis.

The following summary describes the operations of each of the Group's reportable business segments:

- (a) Property development segment relates to the development of residential properties;
- (b) Property investment segment relates to the holding of investment properties to earn rental and for capital appreciation; and
- (c) Hospitality segment relates to the leasing of hotels to operators with limited variability in rental income.

The Group operates in a single principal geographical segment in Singapore for the six months financial periods ended 31 December 2022 and 31 December 2021. Therefore, no information on geographical segments is disclosed.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit for the financial period, as included in the internal management reports that are reviewed by the Group's Executive Chairman. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments.

4.1 Segment information

	Property development S\$'000	Property investment S\$'000	Hospitality S\$'000	Adjustments and eliminations S\$'000	Consolidated total S\$'000
Group					
1 July 2022 to 31 December 2022					
External revenue	18,946	904	–	(773)	19,077
Depreciation of property, plant and equipment	–	(2)	–	–	(2)
Interest income	–	8	–	–	8
Interest expense	(759)	(109)	(304)	–	(1,172)
Reportable segment (loss)/profit for the period	(1,099)	122	(313)	1,378	88
Capital expenditure	–	–	6,762	–	6,762
Reportable segment assets	58,759	55,839	132,588	(45,615)	201,571
Reportable segment liabilities	(57,944)	(10,988)	(87,111)	37,549	(118,494)
1 July 2021 to 31 December 2021					
External revenue	58,855	608	–	(463)	59,000
Depreciation of property, plant and equipment	(38)	(2)	–	–	(40)
Interest income	–	1	–	–	1
Interest expense	(709)	(95)	(114)	–	(918)
Reportable segment profit/(loss) for the period	5,392	3,358	(119)	(3,622)	5,009
Capital expenditure	–	2	3,784	–	3,786
Reportable segment assets	179,828	55,674	117,142	(46,986)	305,658
Reportable segment liabilities	(173,665)	(11,586)	(74,424)	37,107	(222,568)

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

4. Segment and revenue information (cont'd)

4.2 Revenue

	Group	
	6 months ended 31 December	
	2022	2021
	S\$'000	S\$'000
Property development revenue recognised over time	8,790	43,795
Property development revenue recognised at a point in time	10,156	15,060
Rental income from investment properties	131	145
	<u>19,077</u>	<u>59,000</u>

(a) Disaggregation of Revenue

	Group					
	6 months ended 31 December					
	Property development		Investment properties		Total revenue	
	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Primary geographical markets						
Singapore	18,946	58,855	131	145	19,077	59,000
Major product or service lines						
Commercial properties	–	–	131	145	131	145
Residential properties	18,946	58,855	–	–	18,946	58,855
Timing of transfer of goods or services						
At a point in time	10,156	15,060	–	–	10,156	15,060
Over time	8,790	43,795	131	145	8,921	43,940

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 30 June 2022:

	Group		Company	
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	S\$'000	S\$'000	S\$'000	S\$'000
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Amortised cost	23,639	47,831	35,971	41,216
Financial liabilities				
Amortised cost	102,777	138,294	10,246	9,416

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

6. Profit before tax

6.1 Significant items

	Group	
	6 months ended 31 December	
	2022	2021
	S\$'000	S\$'000
Interest income	(8)	(1)
Deposits forfeited on aborted property sales	–	(18)
Government grants	(3)	(39)
Depreciation of property, plant and equipment	2	40
Employee benefit expense	487	479
Foreign exchange loss	1	–
Interest expense	1,172	918
Operating lease expenses	43	44

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

7.1 Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

7.2 Deferred tax liabilities

	Group	
	As at 31 December 2022	As at 30 June 2022 (Audited)
	S\$'000	S\$'000
Deferred tax liabilities		
Attributable to profits from the sale of development properties	1,059	1,059
Revaluation gain on rights in leasehold land classified as property, plant and equipment	9,273	9,273
	10,332	10,332

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

8. Net asset value

	Group		Company	
	As at 31 December 2022	As at 30 June 2022	As at 31 December 2022	As at 30 June 2022
Net asset value per ordinary share (cents)	12.18	13.17	6.25	7.23

9. Property, plant and equipment

During the six months financial period ended 31 December 2022, additions to the Group's property, plant and equipment amounted to S\$6,762,000 (six months financial period ended 31 December 2021: S\$3,786,000).

10. Investment properties

The Group's investment properties are commercial properties, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

	Group and Company	
	2022 S\$'000	2021 S\$'000
Balance sheet:		
At 1 July	10,870	11,170
Fair value gain on investment properties	–	–
Transfer to property held for sale	–	–
At 31 December	10,870	11,170
	6 months ended 31 December	2021
	2022	2021
	S\$'000	S\$'000
Statement of comprehensive income:		
Rental income from investment properties:		
- Minimum lease payments	131	145
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	(41)	(28)
- Non-rental generating properties	(4)	(15)
	(45)	(43)

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

10. Investment properties (cont'd)

10.1 Valuation

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every year based on the property's highest and best use. Discussions on the valuation process, key inputs applied in the valuation approach and the reasons for the fair value changes are held between the property manager, management and the independent valuer yearly.

The fair value of the Group's investment properties and leasehold land held as property, plant and equipment is determined based on significant unobservable inputs and are categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using valuation techniques (i.e., direct comparison method and/or residual value method) with unobservable inputs (i.e., price per square feet) by the external valuation experts. An increase/decrease in these unobservable inputs based on management's assumptions would result in a higher/lower fair value measurement.

11. Development properties

The Group accounts for its development properties at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

The Group had reviewed the estimated selling prices of its development properties and is of the view that no allowance for net realisable value is required as at 31 December 2022.

12. Borrowings

	Group		Company	
	31 December 2022 S\$'000	30 June 2022 S\$'000	31 December 2022 S\$'000	30 June 2022 S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	89,985	124,615	1,078	998
Unsecured	1,870	–	1,870	–
	91,855	124,615	2,948	998
<u>Amount repayable after one year</u>				
Secured	5,788	7,389	4,720	5,831
	5,788	7,389	4,720	5,831
	97,643	132,004	7,668	6,829

Details of any collateral:

Secured borrowings

As at 31 December 2022 and 30 June 2022, the secured borrowings of the Group are secured by way of:

- (i) legal mortgages over leasehold land and building of the Group, development properties, investment properties and property held for sale held by the Group and the Company;
- (ii) corporate guarantees by the Company;
- (iii) assignment of developer's rights and benefits in the sale and purchase agreements; and
- (iv) personal guarantees by the Executive Chairman and a substantial shareholder of the Company.

Unsecured borrowings

As at 31 December 2022, the unsecured borrowings of the Company comprise of interest-free borrowings from the Executive Chairman of the Company. As at 30 June 2022, the Company does not have any unsecured borrowings.

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

13. Share capital

	Group and Company Number of shares	Share capital S\$'000
<u>Issued and fully paid:</u>		
As at 31 December 2022 and 30 June 2022	681,975,469	46,116

There has been no change in the Company's share capital since 30 June 2022.

The Company does not hold any treasury shares or convertible instruments as at 31 December 2022, 30 June 2022 and 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2022, 30 June 2022 and 31 December 2021.

**F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

1. Review

The condensed consolidated statement of financial position of Global Dragon Limited and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

2.1 Statement of Comprehensive Income Review

Review for the performance of the Group is based on the six months financial period ended 31 December 2022 (“**HY2023**”) as compared to the six months financial period ended 31 December 2021 (“**HY2022**”).

In HY2023, the Group recorded a net profit and total comprehensive income for the period of S\$88,000 (HY2022: net profit and total comprehensive income for the period of S\$5.01 million), resulting in a basic earnings per share of 0.01 cents (HY2022: basic earnings per share of 0.73 cents).

2.1.1 Revenue, Cost of Sales and Other Income

Revenue

The Group’s revenue decreased by S\$39.92 million (or 68%) to S\$19.08 million in HY2023 (HY2022: S\$59.00 million) due mainly to the recognition of less revenue from the property development projects located at East Coast Road (“**Project Infini At East Coast**”) and Kovan Close (“**Project Kovan Close**”) amounting to S\$18.95 million (HY2022: S\$58.86 million). The Group obtained the Temporary Occupation Permits (“**TOP**”) for Project Infini At East Coast and Project Kovan Close during the financial period under review.

The decrease is also due to a decrease in rental income of S\$14,000 from its investment properties to S\$131,000 (HY2022: S\$145,000) which is in line with the decrease in property investment portfolio of 999-year leasehold prime office units to 12 units in HY2023 (HY2022: 13 units).

Cost of sales

The Group recognised cost of sales of S\$16.43 million in HY2023 (HY2022: S\$51.00 million) for Project Infini At East Coast and Project Kovan Close.

Other income

The Group’s other income decreased by S\$46,000 (or 79%) to S\$12,000 in HY2023 (HY2022: S\$58,000) due mainly to the decrease of S\$35,000 in government grants relating to one-off rental support scheme for office rent and that there were no deposits forfeited on aborted property sales recognised of S\$18,000 during HY2023. The decrease was offset by the increase in interest income of S\$7,000 during HY2023.

2.1.2 Operating Expenses and Other Expenses

Operating expenses

The Group’s operating expenses, which comprised sales and marketing expenses and general and administrative expenses, have decreased by S\$735,000 (or 35%) to S\$1.40 million in HY2023 (HY2022: S\$2.13 million), due mainly to the decrease in sales and marketing expenses relating to the development projects as the Group has sold all of its property development units.

**F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

2.1 Statement of Comprehensive Income Review (cont'd)

2.1.2 Operating Expenses and Other Expenses (cont'd)

Sales and marketing expenses

Sales and marketing expenses decreased significantly by S\$761,000 (or 53%) to S\$680,000 in HY2023 (HY2022: S\$1.44 million), due mainly to the decrease in commissions paid, show flat expenses and advertisement and promotional expenses of S\$580,000, S\$160,000 and S\$21,000 respectively for Project Infini At East Coast, Project Flower Road and Project Lorong Mydin.

General and administrative expenses

General and administrative expenses increased by S\$26,000 (or 4%) to S\$715,000 in HY2023 (HY2022: S\$689,000) due mainly to the increase in the following items:

- (a) professional fees, compliance expenses and listing expenses of S\$15,000;
- (b) employee benefits expense of S\$8,000 for salary adjustment and bonus;
- (c) other administrative expenses of S\$3,000; and
- (d) maintenance expenses recorded on the investment properties and plant and equipment of S\$1,000.

The increase was partly offset by the decrease in operating lease expenses of S\$1,000.

Other expenses

The Group recorded foreign exchange loss of S\$1,000 during HY2023 due to weakening of Australian dollars over Singapore dollars.

2.1.3 Finance Costs

Finance costs increased by S\$250,000 (or 27%) to S\$1.17 million in HY2023 (HY2022: S\$923,000) due to the increase in loan interest expenses of S\$255,000 was in line with the increase in loan interest rate and drawdown of development loans during HY2023. The increase was offset by the decrease in bank facility fees of S\$5,000.

2.2 Balance Sheet Review

The comparative performance for both assets and liabilities are based on the Group's consolidated financial statements as at 31 December 2022 and 30 June 2022.

As at 31 December 2022, the Group recorded net assets of S\$83.08 million (30 June 2022: S\$89.81 million).

2.2.1 Total Equity

Equity attributable to the owners of the Company amounted to S\$83.08 million as at 31 December 2022 (30 June 2022: S\$89.81 million). The decrease was due to the dividends paid of S\$6.82 million during the period under review, partially offset by net profit for the period of S\$88,000.

2.2.2 Non-Current Assets

Non-current assets increased by S\$6.76 million (or 5%) to S\$141.37 million as at 31 December 2022 (30 June 2022: S\$134.61 million) due to the increase in property, plant and equipment relating to hotel under construction by S\$6.76 million. The increase was offset by the depreciation charges of S\$2,000 recognised during the period under review.

**F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

2.2 Balance Sheet Review (cont'd)

2.2.3 Current Assets

The decrease in current assets of S\$48.80 million (or 45%) to S\$60.20 million as at 31 December 2022 (30 June 2022: S\$108.99 million) was due mainly to the decrease in the following items:

- (a) cash and short-term deposits of S\$25.71 million due to the decrease in cash held in project accounts of S\$23.31 million and cash at banks of S\$2.40 million;
- (b) contract assets of S\$14.73 million relating to the development properties;
- (c) development properties of S\$9.66 million due mainly to the recognition of cost of sales of development properties during HY2023 of S\$16.43 million, which was partially offset by the increase in costs capitalised into the development properties of S\$6.77 million; and
- (d) property held for sale of S\$628,000 due to the completion of sale of one (1) office unit at Peninsula Plaza recognised as investment property held for sale.

The decrease in current assets was partially offset by the increase in the following items:

- (a) prepayment of S\$416,000; and
- (b) trade and other receivables of S\$1.52 million due to the increase in trade receivables comprising mainly amounts due from the property purchasers of S\$5.05 million, other receivables of S\$2,000, tax recoverable of S\$154,000 and deposits of S\$29,000. The increase in trade and other receivables was partially offset by the decrease in conveyancing monies held in escrow accounts of S\$3.71 million relating to the payments from the property purchasers.

2.2.4 Current Liabilities

Current liabilities decreased by S\$33.71 million (or 25%) to S\$102.37 million as at 31 December 2022 (30 June 2022: S\$136.08 million) due mainly to the decrease in the following items:

- (a) current borrowings of S\$32.76 million due to the net repayments of development loans of S\$35.91 million, partially offset by the net proceeds from the term loans and interest-free shareholder's loans of S\$1.28 million and S\$1.87 million respectively for the construction of development properties; and
- (b) trade and other payables of S\$1.16 million due to the decrease in accrued development costs of S\$1.91 million, retention sum of S\$188,000 relating to the construction of development properties and deposits received of S\$36,000. The decrease was partially offset by the increase in trade payables of S\$822,000, other payable of S\$83,000 and accrued operating expenses of S\$75,000.

The decrease in current liabilities was partially offset by the increase in contract liabilities of S\$214,000 relating to the property development projects.

Net current liabilities

The Group recorded net current liabilities of S\$42.18 million as at 31 December 2022 (30 June 2022: S\$27.08 million) due to a greater decrease in current assets of S\$48.80 million than the decrease in current liabilities of S\$33.70 million. The Group plans to convert the hotel development loan to term loan upon TOP, consequently, this will change the classification of borrowings amounting to S\$67.63 million from current liabilities to non-current liabilities. For the analysis of current assets and current liabilities, please refer to paragraphs 2.2.3 and 2.2.4 above for details.

The Group's financial statements have been prepared on a going concern basis based on financial and cash flow projections, the Board and management are reasonably confident that the Group will have sufficient cash to pay its debts as and when they fall due.

**F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

2.2 Balance Sheet Review (cont'd)

2.2.5 Non-Current Liabilities

Non-current liabilities decreased by S\$1.60 million (or 9%) to S\$16.12 million as at 31 December 2022 (30 June 2022: S\$17.72 million) due to the net repayments of development loans and term loans.

Total borrowings (current and non-current)

The Group recorded a decrease of S\$34.36 million (or 26%) in total borrowings to S\$97.64 million as at 31 December 2022 (30 June 2022: S\$132.00 million) mainly due to the loan repayments for its development project loans and working capital loans.

2.3 Cash Flow Review

Cash and short-term deposits decreased by S\$25.71 million to S\$10.89 million as at 31 December 2022 (30 June 2022: S\$36.60 million), which comprised cash at banks of S\$628,000, cash held in project accounts of S\$9.26 million and fixed deposits pledged of S\$1.00 million. The Group's cash and cash equivalents decreased by S\$24.36 million to S\$9.89 million as at 31 December 2022 (31 December 2021: S\$34.25 million). The decrease in both cash and short-term deposits, and cash and cash equivalents was mainly due to the decrease in cash held in project accounts for loan repayment purpose.

The Group recorded net cash generated from operating activities of S\$22.04 million in HY2023 due mainly to cash generated from working capital of S\$21.67 million and cash inflows from the operating profit before working capital changes of S\$1.25 million, partially offset by interest expenses paid of S\$875,000.

The net cash used in investing activities amounted to S\$6.13 million in HY2023 due mainly to the additions to property, plant and equipment of S\$5.81 million and interest expenses paid of S\$954,000 for hotel development loan. The cash outflow was offset by the proceeds from disposal of investment properties of S\$628,000 and interest income received of S\$8,000.

The Group used net cash of S\$41.63 million in its financing activities in HY2023 due mainly to the repayments of bank loans of S\$49.44 million, dividends paid of S\$6.82 million, interest expenses paid of S\$446,000 for working capital loan and repayments of interest-free shareholder's loans of S\$100,000. The cash outflow was offset by the proceeds from bank loans of S\$13.21 million and interest-free shareholder's loans of S\$1.97 million to finance the construction of development properties.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

4. 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.

As of the date of this announcement, the Group's reportable business segments comprise the property development segment, property investment segment and hospitality segment.

Property development segment

According to data released by the Urban Redevelopment Authority ("**URA**") on 27 January 2023, for the fourth quarter of 2022, prices of private residential properties increased by 0.4%, compared with the 3.8% increase in the previous quarter, in which prices of landed properties increased by 0.6% while those of non-landed properties increased by 0.3%, compared with the increase of 1.6% and 4.4% respectively in the previous quarter ⁽¹⁾.

For the whole of 2022, prices of private residential properties increased by 8.6%, compared with the 10.6% increase in 2021, in which, prices of landed properties rose by 9.6% while those of non-landed properties rose by 8.1% ⁽¹⁾.

The Group's property development projects are summarised as below:

(a) Completed property development projects

- (i) *Project Infini At East Coast (Residential non-landed property development project)*
The Group has sold all units and obtained the TOP during HY2023; and
- (ii) *Project Kovan Close (Residential landed property development project)*
The Group has sold all units during FY2022 and obtained the TOP during HY2023.

(b) Property development projects under construction

The Group has two (2) property development projects which are currently under construction as set out below:

- (i) *Project Jalan Daud (Residential landed property development project)*
The Group issued options to purchase ("**OTPs**") for all units during FY2022. Barring any unforeseen circumstances, the Group targets to obtain the TOP and complete the sales of all units during the second half of the financial year ending 30 June 2023 ("**FY2023**"); and
- (ii) *Project Woo Mon Chew Road (Residential landed property development project)*
The Group has issued OTPs for all units during HY2023. Barring any unforeseen circumstances, the Group targets to obtain the TOP and complete the sales of all units during the second half of FY2023.

Property investment segment

The Group's property investment portfolio as at 31 December 2022 consisted of 12 units (30 June 2022: 13 units) of 999-leasehold prime office units located in Singapore's Central Business District ("**CBD**") and achieved an average tenant occupancy rate of 87% during HY2023.

As part of the Group's strategy to unlock the value of the CBD office units, the Group has completed the sale of one (1) unit of the CBD office units during HY2023, which was recorded as property held for sale as at 30 June 2022.

**F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

- 4. 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. (cont'd)**

Hospitality segment

The Group's hospitality investment portfolio as at 31 December 2022 consists of a 194-room hotel development project located at Telok Blangah Road ("**Project Telok Blangah Road**") which is currently under construction and construction work is targeted to be completed during the second half of FY2023. In addition, the Group expects to obtain the TOP during the first half of the financial year ending 30 June 2024.

Conclusion

Barring any unforeseen circumstances, the Group's current focus is to complete the construction of all its residential and hotel development projects in the pipelines and strengthen its financial fundamentals thereby ensuring sustainable long-term growth for the Group.

In addition, the Group remains proactive in exploring new business opportunities for both its property development and property investment segments.

Reference:

⁽¹⁾ *Extracted from the URA Website, which was published on 27 January 2023
(<https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr23-02>).*

5. Dividend Information

- 5a. Current Financial Period Reported on
Any dividend declared/recommended for the current financial period reported?**

No dividend was declared for HY2023.

- 5b. Corresponding Period of the Immediate Preceding Financial Year
Any dividend declared/recommended for the corresponding period of the immediately preceding financial year?**

No dividend was declared for HY2022.

- 5c. Date payable**

Not applicable. No dividend was declared for HY2023.

- 5d. Record Date**

Not applicable. No dividend was declared for HY2023.

- 5e. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared/recommended for HY2023. The Group will review any proposed dividends during the financial year ending 30 June 2023.

**F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

6. Interested Person Transactions

The Group has not obtained a general mandate from shareholders of the Company in respect of any interested person transaction.

There were no interested person transactions above S\$100,000 during the financial period under review.

7. Additional information required pursuant to Rule 706A of the Catalist Rules

There were no acquisition or realisation of shares thereby resulting (i) in a change in the shareholding percentage in any subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during financial period under review.

Neither was there any incorporation of new subsidiary or associated company by the Group during the financial period under review.

8. 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) of the Catalist Rules.

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

9. Confirmation pursuant to the Rule 705(5) of the Catalist Rules

On behalf of the Board of Directors of the Company, we, the undersigned, 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 financial statements for the six-month period ended 31 December 2022 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Mr Koh Kian Soo
Executive Chairman

Mr Tan Chee Wee
Executive Director and Chief Operating Officer

10 February 2023