FIGTREE HOLDINGS LIMITED

(Company Registration Number : 201315211G)

A. Condensed Interim Consolidated Income Statement

	Note	Group Half Year Ended 30 June 2022 S$	Group Half Year Ended 30 June 2021 S$	Change %
Revenue [a]	4	13,882,085	6,403,397	116.8
Cost of sales		(13,147,448)	(6,271,773)	109.6
Gross profit [a]		734,637	131,624	NM
Other income [a]		371,171	1,142,417	(67.5)
General and administrative expenses [a]		(2,594,072)	(4,357,329)	(40.5)
Finance costs [a]		(190,837)	(66,699)	186.1
Share of results of associates [a]		(299,703)	115,233	NM
Loss before taxation	5	(1,978,804)	(3,034,754)	(34.8)
Tax expense [a]	6	(55,684)	(144,761)	(61.5)
Loss for the period		(2,034,488)	(3,179,515)	(36.0)
Attributable to:				
Owners of the Company		(1,999,721)	(3,129,699)	(36.1)
Non-controlling interests		(34,767)	(49,816)	(30.2)
		(2,034,488)	(3,179,515)	(36.0)
Loss per share (cents)				
Basic	7	(0.55)	(0.88)	
Diluted	7	(0.55)	(0.88)	

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		
	Half Year Ended		
	30 June 2022	30 June 2021	Change
	S$	S$	%
Loss for the period	(2,034,488)	(3,179,515)	(36.0)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
- Exchange differences on translation of foreign operations	(305,700)	799,898	(138.2)
Other comprehensive income for the period, net of tax	(305,700)	799,898	(138.2)
Total comprehensive income for the period	(2,340,188)	(2,379,617)	(1.7)
Attributable to:			
Owners of the Company	(2,305,421)	(2,329,801)	(1.0)
Non-controlling interests	(34,767)	(49,816)	(30.2)
	(2,340,188)	(2,379,617)	(1.7)

Note:
NM – Not Meaningful

C. Condensed Interim Statements of Financial Position

ASSETS	Note	Group: As at 30 June 2022 S$	Group: As at 31 December 2021 S$	Company: As at 30 June 2022 S$	Company: As at 31 December 2021 S$
Non-current assets					
Property, plant and equipment		2,606,283	2,649,359	–	–
Right-of-use assets		151,167	158,121	–	–
Investments in subsidiaries		–	–	9,152,597	9,152,597
Interests in associates [(a)]	9	16,356,516	16,563,969	–	–
Loans to associates	10	10,794,632	10,499,908	–	–
Total non-current assets		29,908,598	29,871,357	9,152,597	9,152,597
Current assets					
Development properties		4,662,383	4,388,026	–	–
Loans to associates	10	11,960,367	11,763,720	–	–
Amounts due from subsidiaries		–	–	23,302,246	23,374,219
Amounts due from an associate		16,050	16,050	16,050	16,050
Prepayments		50,294	19,296	16,322	7,501
Contract assets [(a)]	4.3	2,149,180	1,852,715	–	–
Trade receivables [(a)]	11	5,313,276	2,616,822	–	–
Other receivables [(a)]	12	1,838,730	879,780	–	–
Cash and short-term deposits [(a)]		7,508,374	9,352,117	97,800	135,405
Total current assets		33,498,654	30,888,526	23,432,418	23,533,175
Total assets		63,407,252	60,759,883	32,585,015	32,685,772
LIABILITIES					
Current liabilities					
Contract liabilities [(a)]	4.3	–	161,638	–	–
Trade and other payables [(a)]	13	12,492,818	7,640,138	635,481	499,326
Bank borrowings	14	6,101,726	5,293,071	–	–
Lease liabilities		44,568	50,564	–	–
Provision for taxation		8,449	10,972	7,466	9,437
Total current liabilities		18,647,561	13,156,383	642,947	508,763
Net current assets		14,851,093	17,732,143	22,789,471	23,024,412
Non-current liabilities					
Deferred tax liabilities		561,281	511,176	43	41
Bank borrowings	14	2,450,548	3,007,574	–	–
Lease liabilities		106,862	103,562	–	–
Total non-current liabilities		3,118,691	3,622,312	43	41
Total liabilities		21,766,252	16,778,695	642,990	508,804
Net assets		41,641,000	43,981,188	31,942,025	32,176,968

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

	Note	Group		Company	
		As at 30 June 2022 S$	As at 31 December 2021 S$	As at 30 June 2022 S$	As at 31 December 2021 S$
<u>EQUITY</u>					
Equity attributable to owners of the Company					
Share capital	15	31,841,572	31,841,572	31,841,572	31,841,572
Accumulated profits		17,299,134	19,298,855	(198,844)	36,099
Merger deficit[1]		(8,152,595)	(8,152,595)	–	–
Share option reserve		299,297	299,297	299,297	299,297
Foreign currency translation reserve		215,674	521,374	–	–
Other reserves		368,750	368,750	–	–
		41,871,832	44,177,253	31,942,025	32,176,968
Non-controlling interests		(230,832)	(196,065)	–	–
Total equity		41,641,000	43,981,188	31,942,025	32,176,968

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	Share capital S$	Accumulated profits S$	Merger deficit S$	Share option reserve S$	Foreign currency translation reserve S$	Other reserves	Total reserves S$	Total equity attributable to owners of the Company S$	Non-controlling interests S$	Total equity S$
	Attributable to equity holders of the Company									
Balance at 1 January 2022	31,841,572	19,298,855	(8,152,595)	299,297	521,374	368,750	12,335,681	44,177,253	(196,065)	43,981,188
Loss for the period	–	(1,999,721)	–	–	–	–	(1,999,721)	(1,999,721)	(34,767)	(2,034,488)
Other comprehensive income										
Foreign currency translation	–	–	–	–	(305,700)	–	(305,700)	(305,700)	–	(305,700)
Total comprehensive income for the period	–	(1,999,721)	–	–	(305,700)	–	(2,305,421)	(2,305,421)	(34,767)	(2,340,188)
Balance at 30 June 2022	31,841,572	17,299,134	(8,152,595)	299,297	215,674	368,750	10,030,260	41,871,832	(230,832)	41,641,000

Group	Share capital S$	Accumulated profits S$	Merger deficit S$	Share option reserve S$	Foreign currency translation reserve S$	Other reserves	Total reserves S$	Total equity attributable to owners of the Company S$	Non-controlling interests S$	Total equity S$
	Attributable to equity holders of the Company									
Balance at 1 January 2021	31,663,870	25,153,630	(8,152,595)	299,297	(618,155)	368,750	17,050,927	48,714,797	(101,782)	48,613,015
Loss for the period	–	(3,129,699)	–	–	–	–	(3,129,699)	(3,129,699)	(49,816)	(3,179,515)
Other comprehensive income										
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	22,023,931	(8,152,595)	299,297	181,743	368,750	14,721,126	46,384,996	(151,598)	46,233,398

Company	Share capital S$	Accumulated profits S$	Share option reserve S$	Total S$
Balance as at 1 January 2022	31,841,572	36,099	299,297	32,176,968
Loss, representing total comprehensive income, for the period	–	(234,943)	–	(234,943)
Balance as at 30 June 2022	31,841,572	(198,844)	299,297	31,942,025
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	31,663,870	960,367	299,297	32,923,534

E. Condensed Interim Consolidated Statement of Cash Flows

	Group Half Year Ended	
	30 June 2022 S$	30 June 2021 S$
Cash flows from operating activities		
Loss before taxation	(1,978,804)	(3,034,754)
Adjustments for:		
Depreciation of property, plant and equipment	46,493	56,614
Depreciation of right-of-use assets	35,648	21,990
Gain on disposal of a subsidiary	–	(878,401)
Impairment of an associate	–	2,000,000
Share of results of associates	299,703	(115,233)
Interest income	(306,132)	(2,667)
Finance costs	190,837	66,699
Unrealised exchange gain	(265,541)	(458,782)
Operating cash flows before changes in working capital	(1,977,796)	(2,344,534)
(Increase)/decrease in:		
Development properties	(363,900)	(73,021)
Trade receivables and contract assets	(2,992,919)	(888,018)
Other receivables and prepayments	(989,948)	(189,835)
(Decrease)/increase in:		
Contract liabilities	(161,638)	(2,533,780)
Trade and other payables	4,198,738	1,183,552
Cash flows used in operations	(2,287,463)	(4,845,636)
Income tax paid	(8,101)	(32,238)
Interest received	11,407	2,667
Net cash flows used in operating activities	(2,284,157)	(4,875,207)
Cash flows from investing activities		
Purchases of property, plant and equipment	(3,603)	(9,393)
Net cash flows used in investing activities	(3,603)	(9,393)

	Group	
	Half Year Ended	
	30 June 2022	30 June 2021
	S$	S$
Cash flows from financing activities		
Proceeds from bank borrowings	795,019	1,600,000
Repayment of bank borrowings	(543,390)	(294,247)
Repayment of lease liabilities	(34,375)	(17,996)
Proceeds from other borrowings	1,557,000	416,600
Repayment of other borrowings	(903,060)	(20,830)
Interest paid	(190,837)	(66,699)
Net cash flows generated from financing activities	680,357	1,616,828
Net decrease in cash and cash equivalents	(1,607,403)	(3,267,772)
Cash and cash equivalents at the beginning of period	4,491,543	8,632,315
Effects of exchange rates on cash and cash equivalents	(137,155)	(20,892)
Cash and cash equivalents at the end of period (Note A)	2,746,985	5,343,651

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 2022	As at 30 June 2021
	S$	S$
Cash and bank balances	7,508,374	9,910,507
Less: Bank deposits pledged	(4,761,389)	(4,566,856)
Cash and cash equivalents in the consolidated cash flow statement	2,746,985	5,343,651

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 2022 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
(j) produce and supply energy
(k) computer system design and related services.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 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 audited financial statements for the year ended 31 December 2021.

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 2022. 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 contract balances 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 2022 is S$22,754,999 (31 December 2021: S$22,263,628).

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 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	S$	S$	S$	S$	S$	S$	S$	S$
Revenue :								
Sales to external customers and a related party, representing total revenue	13,882,085	6,403,397	–	–	–	–	13,882,085	6,403,397
Results :								
Interest income	–	–	–	–	(306,132)	(2,667)	(306,132)	(2,667)
Interest expense	–	–	–	–	190,837	66,699	190,837	66,699
Depreciation of property, plant and equipment	46,459	56,579	34	35	–	–	46,493	56,614
Depreciation of right-of-use assets	30,903	15,131	4,745	6,859	–	–	35,648	21,990
Impairment of an associate	–	–	–	2,000,000	–	–	–	2,000,000
Share of results of associates	–	–	299,703	(115,233)	–	–	299,703	(115,233)
Income tax expense	2,644	4,000	50,103	138,760	2,937	2,001	55,684	144,761
Segment loss, before tax	(1,055,937)	(1,232,307)	(181,675)	(1,110,376)	(741,192)	(692,071)	(1,978,804)	(3,034,754)

	Design and build		Property development		Corporate		Per consolidated financial statements	
	As At							
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	S$	S$	S$	S$	S$	S$	S$	S$
Assets :								
Interests in associates	–	–	16,356,516	16,563,969	–	–	16,356,516	16,563,969
Additions to property, plant and equipment	3,603	19,383	–	–	–	–	3,603	19,383
Segment assets	18,470,561	15,078,821	44,808,359	45,522,106	128,332	158,956	63,407,252	60,759,883
Liabilities :								
Segment liabilities	20,510,523	15,699,139	614,580	570,752	641,149	508,804	21,766,252	16,778,695

4.2 Disaggregation of Revenue

	Design and Build Half Year Ended	
	30 June 2022 S$	30 June 2021 S$
Primary geographical markets:		
Singapore	11,135,546	5,801,750
People's Republic of China	2,746,539	601,647
	13,882,085	6,403,397
Major product or service lines:		
Commercial and industrial properties	13,860,964	6,368,864
Project management and consultancy services	21,121	34,533
	13,882,085	6,403,397
Timing of transfer of goods or services:		
Over time	13,882,085	6,403,397

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 2022 S$	31 December 2021 S$
Receivables from contracts with customers	11	5,313,276	2,616,822
Contract assets			
Accrued receivables		–	780,136
Retention receivables		2,753,621	2,427,020
Less:			
- Provision for foreseeable losses		(604,441)	(604,441)
- Allowance for expected credit losses	11	–	(750,000)
Total contract assets		2,149,180	1,852,715
Contract liabilities		–	161,638

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.

The significant changes in provision for foreseeable losses are explained as below:

	Group As at	
	30 June 2022 S$	31 December 2021 S$
Beginning of period	604,441	–
Charge for the period	–	604,441
End of period	604,441	604,441

5. Loss Before Taxation

5.1 Significant Items

	Group Half Year Ended	
	30 June 2022 S$	30 June 2021 S$
Depreciation of property, plant and equipment	46,493	56,614
Depreciation of right-of-use assets	35,648	21,990
Foreign exchange loss, net	136,643	44,787
Government grants income	(30,930)	(230,742)
Gain on disposal of a subsidiary	–	(878,401)
Impairment of an associate	–	2,000,000
Lease expense	–	5,941
Management fees from an associate	(30,000)	(30,000)
Employee benefits expense	2,129,510	2,045,631

Note A: Employee benefits expense		
Presented in the consolidated income statement as:		
- Cost of sales	230,837	266,121
- General and administrative expenses	1,898,673	1,779,510
	2,129,510	2,045,631

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 period:

	Group	
	Half Year Ended	
	30 June 2022	30 June 2021
	S$	S$
Interest income from loans to an associate	294,725	–

5.2.2 Compensation of key management personnel

	Group	
	Half Year Ended	
	30 June 2022	30 June 2021
	S$	S$
Salaries and bonuses	687,965	687,445
Defined contributions plans	22,680	22,320
Directors' fees	120,000	120,000
Other short-term benefits	3,852	3,852
Total compensation paid to key management personnel	834,497	833,617
Comprise amounts paid to:		
- Directors of the Company	508,759	508,399
- Other key management personnel	325,738	325,218
Total compensation paid to key management personnel	834,497	833,617

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 by the Company to an Executive Director under the ESOS.

At the end of the reporting period, the total number of outstanding share options granted by the Company to an Executive Director under the ESOS amounted to 650,000 (31 December 2021: 650,000). No share options have been granted to the Company's Non-Executive Directors.

6. Taxation

The major components of tax expense for the period ended 30 June 2022 and 30 June 2021 are:

	Group Half Year Ended	
	30 June 2022 S$	30 June 2021 S$
Consolidated income statement:		
Current taxation:		
- Current income taxation	2,750	142,347
- Underprovision in respect of prior years	260	–
Withholding tax on foreign sourced interest income	2,569	2,409
Deferred taxation – origination of temporary differences	50,105	5
Tax expense	55,684	144,761

7. Loss Per Share

	Group Half Year Ended	
	30 June 2022 S$	30 June 2021 S$
Loss attributable to owners of the Company	(1,999,721)	(3,129,699)
Weighted average number of ordinary shares for basic earnings per share computation	360,381,029	354,782,369
Effects of dilution:		
- Share options	–	–
Weighted average number of ordinary shares for diluted earnings per share computation	360,381,029	354,782,369
Basic loss per share (cents)	(0.55)	(0.88)
Diluted loss per share (cents)(1)	(0.55)	(0.88)

Note:

(1) The basic and diluted loss per share for the half year ended 30 June 2022 and 30 June 2021 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 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
Net asset value per ordinary share based on issued share capital (cents)	11.65	12.29	8.89	8.95
Number of issued ordinary shares	359,387,934	359,387,934	359,387,934	359,387,934

9. Interests in Associates

	Group 30 June 2022 S$	31 December 2021 S$
Unquoted equity shares, at cost	9,380,154	8,839,458
Deemed capital contribution	1,842,397	1,842,397
Accumulated share of profits	5,121,451	5,421,154
Accumulated share of translation and other reserves	212,514	660,960
	16,556,516	16,763,969
Less: Impairment loss	(200,000)	(200,000)
	16,356,516	16,563,969
Comprising:		
DC Alliance Pte Ltd	2,993,319	2,913,424
Vibrant Properties Pte Ltd	8,804,377	9,295,658
Vibrant Pucheng Logistics (Chongqing) Co., Ltd ("Vibrant Pucheng")	4,357,109	4,176,471
Others	201,711	178,416
	16,356,516	16,563,969

During the financial year ended 31 December 2021, Vibrant Pucheng suffered 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$200,000.

10. Loans to Associates

	Group	
	30 June 2022	31 December 2021
	S$	S$
Loans to associates:		
Interest-free loans	11,960,367	11,763,720
Interest-bearing loans	10,794,632	10,499,908
	22,754,999	22,263,628
Presented as:		
Current	11,960,367	11,763,720
Non-current	10,794,632	10,499,908
	22,754,999	22,263,628

Interest-free loans

Interest-free loans are unsecured and repayable between July 2022 and June 2023 (31 December 2021: between January 2022 and December 2022). The loans are denominated in Singapore dollars, except for an amount equivalent to S$5,823,833 (31 December 2021: S$5,647,937) which is denominated in United States dollars.

Interest-bearing loans

The loans are unsecured, bear fixed interest at 6% (31 December 2021: 6%) per annum, repayable in July 2030 (31 December 2021: July 2030) and are to be settled in cash. The loans are denominated in Singapore dollars.

11. Trade Receivables

	Group As at 30 June 2022 S$	31 December 2021 S$
Trade receivables	6,354,512	2,908,058
Less: Allowance for expected credit losses	(1,041,236)	(291,236)
	5,313,276	2,616,822

The movement in allowance for expected credit losses of trade receivables and contract assets computed based on lifetime expected credit losses are as follows:

	Group			
	Trade receivables		Contract assets	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
Beginning of period	291,236	–	750,000	–
Reclass for the period	750,000	–	(750,000)	–
Charge for the period	–	291,236	–	750,000
End of period	1,041,236	291,236	–	750,000

12. Other Receivables

	Group As at 30 June 2022 S$	31 December 2021 S$
GST receivables	161,357	–
Interest receivables	8,697	–
Refundable deposits	1,596,063	536,660
Receivable arising from disposal of a subsidiary	–	210,526
Sundry receivables	72,613	132,594
	1,838,730	879,780

13. Trade and Other Payables

	Group As at 30 June 2022 S$	31 December 2021 S$
Trade payables	6,629,137	3,501,638
Accrued subcontractors' costs	3,028,953	1,827,090
Accrued operating expenses	875,036	901,631
GST payables	–	47,369
Sundry payables	129,263	173,956
Amount due to associate	10,744	10,744
Other borrowings	1,819,685	1,177,710
	12,492,818	7,640,138

14. Bank Borrowings

	Group 30 June 2022 S$	31 December 2021 S$
Amount repayable within one year		
Secured	6,101,726	5,293,071
Unsecured	–	–
Amount repayable after one year		
Secured	2,450,548	3,007,574
Unsecured	–	–

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

15. Share Capital

	Group and Company			
	30 June 2022		31 December 2021	
	Number of shares	Amount S$	Number of shares	Amount S$
Beginning of period	359,387,934	31,841,572	355,912,100	31,663,870
Issuance of ordinary shares as scrip dividend	–	–	3,475,834	212,721
Share issuance expense	–	–	–	(35,019)
End of period	359,387,934	31,841,572	359,387,934	31,841,572

The Company did not have any treasury shares as at 30 June 2022 and 31 December 2021.

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:

	2022 Number of share options	2021 Number of share options
Outstanding as at 1 January	6,210,000	6,725,000
Outstanding as at 30 June	6,210,000	6,725,000

The outstanding share options of 6,210,000 as at 30 June 2022 (30 June 2021: 6,725,000) are convertible into 6,210,000 (30 June 2021: 6,725,000) 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 2022 and 30 June 2021.

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 2022 to 30 June 2022 ("1H2022") vs 1 January 2021 to 30 June 2021 ("1H2021")

(i) The Group's revenue increased by S$7.48 million mainly due to higher revenue recognised from the project with OJJ Foods Pte Ltd ("OJJ") in 1H2022 as compared to 1H2021 when Covid-19 restrictions in the construction industry were still in place, coupled with revenue recognised from the project with Pano (Changshu) New Energy Technology Co., Ltd ("Pano") which commenced construction in the fourth quarter of 2021.

(ii) The higher gross profit in 1H2022 was mainly due to adjustments in the budgeted costs for OJJ project.

(iii) Other income decreased by S$0.77 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 in 1H2021. There was no such gain recognised in 1H2022.

(iv) General and administrative expenses decreased by S$1.76 million mainly due to the impairment of associate, Vibrant Pucheng in 1H2021 that did not recur in 1H2022.

(v) Finance costs increased by S$0.12 million mainly due to higher short term bank borrowings in 1H2022.

(vi) Share of results of associates changed from a profit to a loss mainly due to operational losses incurred by associates during the period.

(vii) Tax expenses decreased by $0.09 million mainly due to lower provisions for current year taxation which is in line with the losses incurred during the period, partially offset by higher deferred tax provisions arising from interest income receivable for loans to an associate.

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

(i) Interests in associates decreased by S$0.21 million mainly due to the Group's share of associates' losses for the period coupled with the Group's share of the foreign currency translation reserves of associates.

(ii) Contract assets increased by S$0.30 million mainly due to work completed for OJJ and Pano projects but have not been billed.

(iii) Trade receivables increased by S$2.70 million mainly due to higher receivables from the OJJ project, in line with the higher revenue.

(iv) Other receivables increased by S$0.96 million mainly due to a deposit of a cash collateral as a performance bond for the development located at 1-3 Minna Street, Blackburn, Victoria, Australia.

(v) Cash and short term deposits decreased by S$1.84 million mainly due to cash flows used in operations, partially offset by proceeds from bank borrowings and other borrowings.

(vi) Trade and other payables increased by S$4.85 million mainly due to the increase in trade payables and accrued subcontractors' costs arising from the OJJ and Pano projects and an increase in other borrowings for working capital.

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

Net cash flows used in operating activities amounted to S$2.28 million. This comprised mainly net changes in working capital of S$1.98 million, coupled with operating cash flows before changes in working capital of S$0.31 million.

The net increase in working capital of S$0.31 million was mainly due to the following:
- Increase in development properties of S$0.36 million;
- Increase in trade receivables and contract assets of S$2.99 million;
- Increase in other receivables and prepayments of S$0.99 million; and
- Decrease in contract liabilities of S$0.16 million.

Partially offset by:
- Increase in trade and other payables of S$4.20 million.

Net cash flows generated from financing activities of S$0.68 million was mainly due to proceeds from bank borrowings of S$0.80 million and proceeds from other borrowings of S$1.56 million. This was partially offset by the repayment of bank borrowings of S$0.54 million, the repayment of other borrowings of S$0.90 million, and interest paid of S$0.19 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$1.61 million in the Group's cash and cash equivalents, from S$4.49 million as at 31 December 2021 to S$2.75 million as at 30 June 2022.

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

Changshu Fervent High Tech Industrial Park continues to generate stable and recurring income through the Group's 32% interest in the project. Both Phase 1 and Phase 2 of the industrial park remain at 100% occupancy.

In relation to the development of Vibrant Pucheng Multi-Modal Logistics Distribution Centre, the Group's associate, Vibrant Pucheng Logistics (Chongqing) Co., Ltd ("Vibrant Pucheng") was served with a judgment from the People's Republic of China Court dated 14 April 2022. The Group has been notified that Vibrant Pucheng intends to submit an appeal against the Court's decision, and is currently seeking legal advice from its Chinese legal advisers. The Group will make further announcements when there are material updates as may be necessary or appropriate. Please refer to the announcement issued by the Group dated 4 May 2022 on the SGX website.

Property Investment & Development – Australia

Construction of the Blackburn Property commenced in 1H 2022 and the soft launch for sale is scheduled to be in 3Q 2022 (Spring). Barring unforeseen circumstances, project completion is targeted in 3rd quarter 2023.

The Group has an effective interest of 27.75% in a ready-for-service Tier III co-location data centre in Perth, Australia ("DCA | PIER") through DC Alliance Pte Ltd ("DCA"). The take-up rate at DCA | PIER has continued to improve with support from enhanced marketing efforts and brand visibility, partially resulting from the alliance between DCA and ASX-listed DXN Limited. Capacity expansion at the facility was completed in 2Q 2022. Furthermore in June 2022, DCA | PIER launched Western Australia's first-ever Private Cloud pod, commissioned by TPG Telecom. Current and future customers of DCA stand to benefit as DCA | PIER will officially be a core network location within the national TPG Telecom network. DCA is TPG Telecom's customer, secure data facility provider and delivery partner for critical services within the Perth metropolitan region and Western Australian digital services. Together, the two parties will fill a gap in the market to offer a high performance and resilient cloud solution within the Perth region. This investment of network and capacity assets will allow future growth and scalability of both private cloud and bandwidth. These developments are expected to better position DCA | PIER to pursue new business opportunities.

Meanwhile in February 2022, DCA entered into a non-binding Memorandum of Understanding with Pacific Blockchain Corporation ("PBC"), to explore the development of a Tier III rated Data Centre in the Republic of Palau, the first and only data centre in Palau to-date. The proposed 1MW Uptime-Certified Tier III Data Centre will be able to accommodate up to 200 racks initially, with the development potential to increase capacity to 5MW with up to 1,000 racks. Bandwidth usage in Palau has increased by around seven times in just three years[1] and this growth is set to continue with its recently announced digital residency programme and its aspirations to be a FinTech hub.

Design and Build (D&B) – Singapore and China

In Singapore, the construction of the OJJ food processing facility is on schedule to be completed in 4Q 2022. The construction for the RMB 65.0 million (approximately S$13.6 million) D&B project for Pano (Changshu) New Energy Technology Co., Ltd at the Changshu High Tech Park commenced in 4Q 2021 and is expected to be completed in 1Q 2023, barring unforeseen circumstances.

In June 2022, Figtree won a second D&B project in the renewable energy space. The RMB 95.0 million (approximately S$20.0 million) contract is for an industrial facility in China for Leapton New Energy (Changshu) Co., Ltd ("Leapton"), a wholly-owned subsidiary of Japan-based Leapton Energy Co., Ltd, one of the largest integrated photovoltaic company in China focusing on the production and sales of solar cells, modules, mounting and power system R&D. Located at Changfu Street, Changshu City in China's Jiangsu Province, this facility will be Leapton's main manufacturing and distribution centre with a gross floor area of approximately 73,000 square metres across 4-storeys of manufacturing space. Construction of the Leapton facility is expected to commence in 3Q 2022 and complete in 3Q 2023.

Outlook

Several shocks have impacted a world economy already weakened by the pandemic. In July 2022, the IMF revised global GDP growth rate to 3.2% in 2022 and to 2.9% in 2023, a downgrade of 0.4 and 0.7 percentage points ("pp") respectively, from its April projections. Key factors behind the revision included higher-than-expected inflation worldwide that has triggered tighter financial conditions; a worse-than-anticipated slowdown in China; and ongoing fallout from the war in Ukraine.[2]

Following extended Covid-19 lockdowns and a deepening real estate crisis, IMF expects China's growth to slow to 3.3% in 2022 (-1.1 pp) and 4.6% in 2023 (-0.5 pp).[2] Prospects in the renewable energy sector, however, is supported by China's latest "Five-Year Plan" where it has pledged to almost double its total wind and solar capacity to 1,200 gigawatts by 2030 and to build large-scale renewable energy bases in north-western desert regions. By 2025, the PRC government aims to harness 33% of its power from renewable sources, up from 28.8% in 2020.[3] On the trade front, China exported 78.6 gigawatts (GW) of solar equipment and components in 1H 2022, up 74% year on year, with earnings more than doubling from a year earlier to reach $25.9 billion.[4] Such developments bode well for the Group which is building a track record in D&B projects catered to industrial facilities in the renewable energy space.

Meanwhile, Australia's growth is projected to slow to 3.8% in 2022 (-0.4 pp) and 2.2% in 2023 (-0.3 pp).[2] Aggressive rate hikes by the Australian central bank to curb inflation have led to a rapid softening of the housing market.[5] However Australia's appeal as a data centre hub has increased substantially as a result of the intensive international undersea cable development in recent years that improved Australia's connection with the rest of the world. Its draw is further supported by favourable local conditions for data centre developments, including relatively cheaper land, a stable political system, cooler climate and access to renewable energy sources to run air conditioning.[6]

Based on advance estimates, Singapore's GDP grew 4.8% year on year in 2Q 2022.[7] MAS cautioned that Singapore's GDP growth may moderate further in 2023 in tandem with a weaker global economic environment.[8] Construction

[1] https://www.aiffp.gov.au/investments/investment-list/palau-submarinecable-branch-system-project-pc2
[2] https://www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022
[3] https://www.reuters.com/business/sustainable-business/china-says-third-electricity-will-come-renewables-by-2025-2022-06-01/
[4] https://www.reuters.com/business/sustainable-business/china-vows-steady-green-energy-growth-europe-returns-coal-2022-07-27/
[5] https://www.reuters.com/world/asia-pacific/boom-gloom-australias-red-hot-property-market-hits-reverse-2022-08-01/
[6] CBRE Research, Capturing the Cloud, January 2022

[7] https://www.mti.gov.sg/Newsroom/Press-Releases/2022/07/Singapore-GDP-Grew-by-4_8-Per-Cent-in-the-Second-Quarter-of-2022

activity had picked up in 2Q with the relaxation of border restrictions on migrant workers but remained 23.7% below its pre-pandemic level as labour supply would take time to recover.[7]

Against this landscape, the Group expects to face inflationary pressures in relation to labour and material costs; while earnings capacity and ability to secure new projects will 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.

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 2022. The Company usually declares and pays final dividends, if any, for the full financial year since its Initial Public Offering in 2013.

[8] https://www.straitstimes.com/business/economy/singapore-economy-grew-48-in-second-quarter-flash-estimates

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.

DC Alliance Pte Ltd ("DCAPL")

On 4 January 2022, DCAPL, a 27.5%-owned associate of Figtree Real Estate Pty Ltd ("FREPL"), converted outstanding directors' fees to A$94,500 ordinary shares in DCAPL as part of its renewable shareholders' agreement. As a result of the conversion, the share capital of DCAPL increased from A$10,189,000 to A$10,283,500. As such, the ownership that FRE has in DCAPL has changed from 26.99% to 26.74%.

Subsequently, on 24 January 2022, DCAPL increased its share capital by A$1,500,000, from A$10,283,500 to A$11,783,500. FREPL subscribed for A$520,000 new ordinary shares in DCAPL, increasing its investment in DCAPL from A$2,750,000 to A$3,270,000. As such, the ownership that FRE has in DCAPL increased from 26.74% to 27.75%.

Figtree La Trobe Pty Ltd ("FLTPL")

On 21 April 2022, FLTPL, a wholly-owned subsidiary of FREPL, was dissolved and hence ceased to be a subsidiary of the Group.

DCA Networks Pty Ltd ("DCANPL")

DCANPL was incorporated on 2 June 2022 in Australia as a proprietary company limited by shares. The principal activities of the entity are computer system design and related services. The entity has a registered share capital of A$100 and has been fully paid up. DCANPL is wholly owned by DCAPL, a 27.75%-owned associate of FREPL, through its wholly-owned subsidiary, Pier DC Pty Ltd.

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 2022.

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
12 August 2022

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 for the period ended 30 June 2022 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, 12 August 2022

*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.*

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