



Hock Lian Seng Holdings Limited

Company Registration Number 200908903E

Unaudited condensed interim financial statements

For the six months ended 30 June 2024 (1H 2024)

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Consolidated statement of profit or loss

	Note	Group		Change
		Half year ended		
		30.6.24	30.6.23	
		\$'000	\$'000	%
Revenue	4	99,808	106,172	-6.0%
Cost of sales		(78,520)	(99,390)	-21.0%
Gross profit		21,288	6,782	213.9%
Other income		6,400	7,384	-13.3%
Distribution and selling costs		(644)	(405)	59.0%
Administrative costs		(2,460)	(1,682)	46.3%
Other operating costs		(534)	(745)	-28.3%
Share of results of joint ventures, net of tax		(2)	(331)	-99.4%
Profit before taxation	6	24,048	11,003	118.6%
Tax expenses	7	(3,638)	(2,081)	74.8%
Profit after taxation		20,410	8,922	128.8%
Attributable to:				
Equity holders of the Company		20,387	8,913	128.7%
Non-controlling interests		23	9	nm
		Cents	Cents	
Basic earnings per share		3.98	1.74	
Dilluted earnings per share		3.98	1.74	

The calculation of basic earnings per share at 30 June was based on profit attributing to owners of the Company and the weighted average number of ordinary shares outstanding.

Consolidated statement of other comprehensive income

	Group	
	Half year ended	
	30.06.2024	30.06.2023
	\$'000	\$'000
Profit after taxation	20,410	8,922
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Financial instruments at FVOCI		
- Net change in fair value	579	(207)
Other comprehensive income	<u>579</u>	<u>(207)</u>
Total comprehensive income	<u>20,989</u>	<u>8,715</u>
Attributable to:		
Equity holders of the Company	20,966	8,706
Non-controlling interests	<u>23</u>	<u>9</u>

Statements of financial position

	Note	Group		Company	
		30.6.2024 \$'000	31.12.2023 \$'000	30.6.2024 \$'000	31.12.2023 \$'000
Non-current assets					
Property, plant and equipment	15	18,493	18,567	-	-
Subsidiary companies		-	-	38,294	38,294
Investment in joint ventures	13	3,689	14,049	-	-
Investment properties	11	3,200	3,200	-	-
Investment securities	10	15,687	12,822	-	-
Deferred tax assets		1,922	2,312	-	-
		42,991	50,950	38,294	38,294
Current assets					
Development properties	12	54,341	70,997	-	-
Contract assets		43,507	49,758	-	-
Trade receivables		23,491	17,258	-	-
Other receivables		1,511	2,307	39,951	64,554
Amounts due from joint ventures		28	27	-	-
Prepayments and deposits		717	711	-	16
Investment securities	10	22,485	16,524	-	-
Cash and short term deposits		156,142	132,464	38,310	15,670
		302,222	290,046	78,261	80,240
Current liabilities					
Trade and other payables		53,235	62,672	245	352
Lease liabilities	16	19	20	-	-
Contract liabilities		990	70	-	-
Progress billings to customers		14	-	-	-
Provisions	14	12,942	15,265	-	-
Provision for taxation		4,573	3,246	72	32
		71,773	81,273	317	384
Net current assets		230,449	208,773	77,944	79,856
Non-current liabilities					
Deferred income		75	89	-	-
Other payables		555	494	-	-
Lease liabilities	16	57	65	-	-
Deferred tax liabilities		371	-	-	-
		1,058	648	-	-
Net assets		272,382	259,075	116,238	118,150
Equity					
Share capital	17	59,954	59,954	59,954	59,954
Capital reserve		1,000	1,000	-	-
Fair value adjustment reserve		354	(225)	-	-
Accumulated profits		226,900	214,195	56,284	58,196
Merger deficit		(16,239)	(16,239)	-	-
Equity attributable to owners of the Company		271,969	258,685	116,238	118,150
Non-Controlling interests		413	390	-	-
Total Equity		272,382	259,075	116,238	118,150

Statements of changes in equity
Group

	Share capital	Capital reserve	Accumulated profits	Fair value adjustment reserve	Merger deficit	Non-controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2024	59,954	1,000	214,195	(225)	(16,239)	390	259,075
Net Profit	-	-	20,387	-	-	23	20,410
Other comprehensive income	-	-	-	579	-	-	579
Total comprehensive income	-	-	20,387	579	-	23	20,989
Dividend on ordinary shares	-	-	(7,682)	-	-	-	(7,682)
At 30 June 2024	59,954	1,000	226,900	354	(16,239)	413	272,382
At 1 January 2023	59,954	1,000	192,752	(157)	(16,239)	(160)	237,150
Net Profit	-	-	8,914	-	-	8	8,922
Other comprehensive income	-	-	-	(207)	-	-	(207)
Total comprehensive income	-	-	8,914	(207)	-	8	8,715
Dividend on ordinary shares	-	-	(5,121)	-	-	-	(5,121)
At 30 June 2023	59,954	1,000	196,545	(364)	(16,239)	(152)	240,744

Company

	Share capital	Accumulated profits	Total Equity
	\$'000	\$'000	\$'000
At 1 January 2024	59,954	58,196	118,150
Profit, representing total comprehensive income	-	5,770	5,770
Dividend on ordinary shares	-	(7,682)	(7,682)
At 30 June 2024	59,954	56,284	116,238
At 1 January 2023	59,954	52,812	112,766
Profit, representing total comprehensive income	-	9,443	9,443
Dividend on ordinary shares	-	(5,121)	(5,121)
At 30 June 2023	59,954	57,134	117,088

Consolidated statement of cash flows

	< -----Group----- >	
	Half year ended	
	30.6.2024	30.6.2023
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation	24,048	11,003
Adjustments :		
Depreciation of property, plant and equipment	1,136	1,163
(Gain)/loss on disposal of property, plant and equipment	(331)	(172)
Fair value changes on investment securities	(128)	(115)
Share of results of joint venture	2	331
Interest income	(2,327)	(1,982)
Interest expense on lease	2	-
Unrealised foreign exchange (gain)/loss	(104)	(215)
Dividend income from investment securities	(92)	(54)
Operating cash flows before working capital changes	22,206	9,959
(Increase)/decrease in:		
Contract assets	6,251	(22,651)
Development properties	16,656	13,253
Trade receivables	(6,233)	5,330
Other receivables	173	750
Prepayments and deposits	(6)	1,649
Increase/(decrease) in:		
Trade and other payables and provisions	(11,699)	4,066
Progress billings to customers	14	-
Contract liabilities	920	(13,060)
Deferred income	(14)	(14)
Cash flows generated from / (used in) operations	28,268	(718)
Interest received	2,272	1,622
Income tax paid	(1,550)	(1,092)
Net cash flows generated from / (used in) operating activities	28,990	(188)
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,130)	(396)
Dividend income received from joint venture	2,227	-
Repayment /(advance) to joint venture	8,144	26,563
Purchases of investment securities	(9,622)	(3,901)
Proceeds from disposal of property, plant and equipment	399	182
Proceeds from maturity/redemption of investment securities	1,503	2,635
Interest received from investment securities	663	622
Dividend income received from investment securities	92	54
Net cash flows (used in) / generated from investing activities	2,276	25,759
Cash flows from financing activities		
Dividend paid	(7,682)	(5,121)
Repayment of lease liabilities	(11)	(6)
Net cash flows used in financing activities	(7,693)	(5,127)
Net increase/(decrease) in cash and cash equivalents	23,573	20,444
Effect of exchange differences on cash and cash equivalents	104	215
Cash and cash equivalents, Beginning balance	132,465	108,839
Cash and cash equivalents, Ending balance	156,142	129,498

Selected Notes to the consolidated financial statements

1. Corporate information

Hock Lian Seng Holdings Limited (the “Company”) is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Group are provision of civil engineering works; and property development and investments.

2. Basis of Preparation

The interim financial statements for the six months ended 30 June 2024 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 annual financial statements for the year ended 31 December 2023.

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

The 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

A number of amendments to standards have become effective for financial year beginning 1 January 2024. The application of these standards did not have a material effect on the interim consolidated financial statements.

2.2 Use of judgements and estimates

The preparation of the Group’s condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period.

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 end of year ended 31 December 2023.

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.

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

The Group is organised into three main business segments – civil engineering, properties development, properties investment. No other operating segment constitutes a separate reportable segment. The segment information for the reportable segments is as follows:

	Civil Engineering \$'000	Properties Development \$'000	Properties Investment \$'000	Adjustments \$'000	Total \$'000
1H 2024					
Sales to external customers	72,060	27,657	91	-	99,808
	<u>72,060</u>	<u>27,657</u>	<u>91</u>	<u>-</u>	<u>99,808</u>
Results					
Depreciation	1,136	-	-	-	1,136
Fair value loss on investment properties	-	-	-	-	-
Dividend income from investment securities	-	-	-	92	92
Interest income	-	-	-	2,327	2,327
Share of results of joint venture	-	(2)	-	-	(2)
Segment profit	<u>10,285</u>	<u>12,656</u>	<u>30</u>	<u>1,077</u>	<u>24,048</u>
Assets					
Investment in joint ventures	-	3,689	-	-	3,689
Additions to non-current assets	1,130	-	-	-	1,130
Segment assets	<u>229,847</u>	<u>71,790</u>	<u>3,482</u>	<u>40,094</u>	<u>345,213</u>
Segment liabilities	<u>63,342</u>	<u>4,334</u>	<u>31</u>	<u>5,124</u>	<u>72,831</u>
1H 2023					
Sales to external customers	89,348	16,751	73	-	106,172
	<u>89,348</u>	<u>16,751</u>	<u>73</u>	<u>-</u>	<u>106,172</u>
Results					
Depreciation	1,163	-	-	-	1,163
Fair value loss on investment properties	-	-	-	-	-
Dividend income from investment securities	-	-	-	54	54
Interest income	-	-	-	1,982	1,982
Share of results of joint venture	-	(331)	-	-	(331)
Segment profit	<u>3,228</u>	<u>5,679</u>	<u>34</u>	<u>2,062</u>	<u>11,003</u>
Assets					
Investment in joint ventures	-	25,171	-	-	25,172
Additions to non-current assets	496	-	-	-	496
Segment assets	<u>198,118</u>	<u>109,233</u>	<u>3,991</u>	<u>29,394</u>	<u>340,736</u>
Segment liabilities	<u>94,454</u>	<u>2,574</u>	<u>24</u>	<u>2,940</u>	<u>99,992</u>

The Group's revenue from external customers was principally generated from Singapore. Accordingly, no geographical segment assets and revenue from customers' information are presented.

4.2 Disaggregation of revenue

	Half year ended	
	30.6.2024	30.6.2023
	\$'000	\$'000
Revenue from contracts with customer		
Contract revenue from construction projects - recognised over time	71,809	89,042
Supply of labour and services provided - recognised over time	102	123
Sales of development properties - recognised at a point of time	27,657	16,751
Other revenue		
Rental Income	240	256
Total revenue	99,808	106,172

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023 :

	Group		Company	
	30.6.24	31.12.2023	30.6.2024	31.12.2023
	\$'000	\$'000	\$'000	\$'000
Financial Assets at fair value				
Financial Assets at fair value through other comprehensive income (FVOCI)	15,687	12,822	-	-
Financial Assets at fair value through Profit or loss (FVTPL)	13,983	11,544	-	-
	<u>29,670</u>	<u>24,366</u>	<u>-</u>	<u>-</u>
Financial Assets at amortised cost				
Cash and bank balances and trade and other receivables	181,856	152,493	38,310	80,224
Credit linked note	8,502	4,980	-	-
	<u>190,358</u>	<u>157,473</u>	<u>38,310</u>	<u>80,224</u>
Financial Liabilities at amortised cost				
Trade and other payables	51,790	62,395	219	352
Lease liabilities	76	85.00	-	-
	<u>51,866</u>	<u>62,480</u>	<u>219</u>	<u>352</u>

Fair value measurement

The Group applied the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value measurement (cont'd)

5. Financial asset and financial liabilities (cont'd)

	Group			
	as at 30 June 2024			
	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial assets at fair value through profit or loss				
- Debt instruments (quoted)	13,813	-	-	13,813
- Equity instruments (quoted)	170	-	-	170
Financial assets at fair value through comprehensive income				
- Equity instruments (quoted)	15,687	-	-	15,687
	<u>29,670</u>	<u>-</u>	<u>-</u>	<u>29,670</u>

	Group			
	as at 31 December 2023			
	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial assets at fair value through profit or loss				
- Debt instruments (quoted)	11,519	-	-	11,519
- Equity instruments (quoted)	25	-	-	25
Financial assets at fair value through comprehensive income				
- Equity instruments (quoted)	12,822	-	-	12,822
	<u>24,366</u>	<u>-</u>	<u>-</u>	<u>24,366</u>

6. Profit before tax

6.1 Following items have been included in arriving at profit before taxation:

	Half year ended	
	30.6.2024	30.6.2023
	\$'000	\$'000
Income		
Dividend income	92	54
Foreign exchange gain	104	215
Interest income	2,327	1,982
Fair value gain on investment securities	128	115
Gain on disposal of property, plant and equipment	331	172
Government grants	554	93
Rental income from property development projects	2,864	3,641
Legal cost reimbursed by an arbitration award	-	1,091
Expenses		
Depreciation of property, plant and equipment	1,136	1,163
Interest expense	2	2

HOCK LIAN SENG HOLDINGS LIMITED
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6.2 *Related parties transactions*

Other than the remuneration paid to the key management personnel, there are no related party transactions apart from those disclosed elsewhere in the interim financial statement

7. Taxation

	Half year ended	
	<u>30.6.2024</u>	<u>30.6.2023</u>
	\$'000	\$'000
Current income tax expense		
- current income taxation	2,877	1,810
Deferred income tax expenses relating to origination and reversal of temporary differences	761	271
	<u>3,638</u>	<u>2,081</u>

8. Dividends

	Group and Company	
	<u>1H 2024</u>	<u>1H2023</u>
	\$'000	\$'000
Ordinary dividends paid		
Final dividend approved for payment in annual general meeting 1.5 cents (2023:1.0 cents) per ordinary share for previous financial year	7,682	5,121

No interim dividend for the half year ended 30 June 2024 (30/6/2023: Nil) is declared. It is the Group's practice to recommend dividend payment annually with its full-year results.

9. Net Asset Value

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	<u>30.6.2024</u>	<u>31.12.2023</u>	<u>30.6.2024</u>	<u>31.12.2023</u>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	53.2	50.6	22.7	23.1

10. Investment securities

	Group	
	30.6.2024	31.12.2023
	\$'000	\$'000
Non-current		
At fair value through other comprehensive income		
- Equity instruments (quoted)	15,687	12,822
	<u>15,687</u>	<u>12,822</u>
Current		
At fair value through profit or loss		
- Debt instruments (quoted)	13,813	11,519
- Equity instruments (quoted)	170	25
At amortised cost		
- Credit linked note	8,502	4,980
	<u>22,485</u>	<u>16,524</u>

Investments in debt instrument at fair value through profit or loss

Debt investment in quoted corporate bonds were made for varying coupon rates ranging from 2.5% to 7.5% per annum (2023: 2.5% to 7.0%), with maturity dates ranging from 2024 to 2039.

Investments in equity instruments designated at fair value through other comprehensive income

The fair value of investments in quoted equity instruments designated at fair value through other comprehensive income at the end of the reporting period is as follows:

	Group	
	30.6.2024	31.12.2023
	\$'000	\$'000
At fair value through other comprehensive income		
- Equity instruments (quoted) breakdown by industry		
Bank and financial institutions	7,171	4,937
Real Estate	7,028	6,758
Telecommunications and infrastructure	1,011	742
Commodities	477	385
	<u>15,687</u>	<u>12,822</u>

No disposal of investment securities held at FVOCI for the half year ended 30 June 2024.

The fair value of the Group's investment securities is based on the quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date and is categorized under Level 1 of the fair value measurement hierarchy.

11. Investment properties

The investment properties held by the Group consist of a leasehold office unit and a leasehold industry workshop.

	Group	
	30.6.2024	31.12.2023
	\$'000	\$'000
Balance as at 1 January	3,000	3,000
Fair value gain	200	200
Balance as at end of period	<u>3,200</u>	<u>3,200</u>

No addition or fair value adjustments for the half year ended 30 June 2024.

Fair value measurement of investment properties

The leasehold office premises and light industry workshop in Singapore are stated at fair value, which has been determined annually by independent valuer at the end of every financial year based on the properties' highest and best use.

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. The fair value has been derived based on the Direct Comparison Method that makes reference to market evidence of transaction prices for similar properties in the open market.

For interim reporting, the management will determine any changes in fair value depending on market conditions.

12. Development properties

	Group	
	30.6.24	31.12.23
	\$'000	\$'000
Completed properties, at cost	<u>70,997</u>	<u>70,997</u>
At 1 January	91,709	91,709
Construction costs written-back	(888)	(428)
Disposals (recognised in cost of sales)	<u>(36,480)</u>	<u>(20,284)</u>
At end of reporting	<u>54,341</u>	<u>70,997</u>

The development properties comprised of two completed industrial property projects at Tuas and Gambas.

13. Investment in joint venture

The Group's investment in joint venture is summarized below:

	Group	
	30.6.24	31.12.23
	\$'000	\$'000
FSKH Development Pte Ltd		
- Equity interest	1,350	1,350
- Amount due from joint venture	-	8,131
- Share of profit	2,340	4,569
- Deferred interest	(1)	(1)
	<u>3,689</u>	<u>14,049</u>

FSKH Development Pte Ltd is 45% owned joint venture.

14. Provisions

	Group	
	30.6.2024	31.12.2023
	\$'000	\$'000
At 1 January	15,265	21,390
Utilised	(2,238)	(4,460)
Current period provision	-	-
Write-back	(85)	(1,665)
At end of reporting	<u>12,942</u>	<u>15,265</u>

15. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to \$1,130,000(30 June 2023: \$496,000) and disposed of assets amounting to \$765,000 (30 June 2023: \$541,000).

16. Lease liabilities

	Group		Company	
	30.6.2024	31.12.2023	30.6.2024	30.12.2023
	\$'000	\$'000	\$'000	\$'000
<u>Amount repayable within one year</u>				
Lease liabilities- secured	19	20	-	-
Unsecured	-	-	-	-
<u>Amount repayable after one year</u>				
Lease liabilities- secured	57	65	-	-
Unsecured	-	-	-	-

17. Share capital

	Group and Company	
	No. of shares	
	'000	\$'000
Issued and fully paid ordinary shares		
At 1 January and 30 June 2024	<u>512,104</u>	<u>59,954</u>

There was no movement in the issued and paid-up capital of the Company since 31 December 2023.

There were no outstanding convertibles as at 30 June 2024 (30/6/2023: Nil).

The Company did not hold any treasury shares as at 30 June 2024 (30/6/2023:Nil). There was no sales, transfer, disposal , cancellation and use of treasury shares during the six months ended 30 June 2024.

Other information Required by Listing Rule Appendix 7.2

I. Aggregate amount of group's borrowings and debt securities.

Refer to note 16 of interim financial statement.

II. Audit or review

The consolidated statement of financial position as at 30 June 2024 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and selected explanatory notes have not been audited or reviewed by the Company's auditors.

III. Review of performance

Revenue

In \$ million	1H 2024	%	1H 2023	%
Civil Engineering	72.0	72.1	89.3	84.1
Property Development	27.7	27.8	16.8	15.8
Investment Properties	0.1	0.1	0.1	0.1
	99.8	100.0	106.2	100.0

Group revenue for the half year ended 30 June 2024 (1H2024) was \$99.8 million, reduced by \$6.4 million(-6%) as compared to the previous corresponding period (1H2023). Revenue for Civil Engineering was \$17.3 million lower, offset by the higher turnover from Property Development segment of \$10.9 million. The substantial completion of CAG JV project end of 2023 was the key factor for lower revenue for Civil engineering segment in 1H2024. Sales of industrial building units at Shine@Tuas south was the contributor for the higher in revenue for Property Development segment.

Gross Profit

In \$ million	1H 2024	1H 2023
Civil Engineering	10.3	3.3
Property Development	11.0	3.5
	21.3	6.8

Gross profit increased by \$14.5 million (+214%) to \$21.3 million, both Civil Engineering and Property development has contributed positively to the gross profit, Civil engineering's higher gross profit was mainly due to the finalisation of account with subcontractors as CAG JV project near completion. Higher revenue and favourable selling price for the units at Shine@Tuas south has resulted in additional \$7.5mil gross profit for Property Development segment.

Other Income

Other income was \$6.4 mil, decrease of \$1.0 million (-13%), mainly due to legal cost award of \$1.1 million recorded for the GS HLS JV arbitration case in 1H2023. For 1H 2024, higher interest income of \$0.6 million and government grant of \$0.5 million, offset the lower rental income from Shine@TuasSouth of \$0.7 million.

\$ in million	1H 2024	1H 2023
Interest income from bank	1.9	1.4
Interest income from investment securities	0.4	0.4
Interest income from joint venture	0.0	0.2
Dividend	0.1	0.1
Rental - Development properties	2.9	3.6
Government grants	0.6	0.1
Arbitration legal fee awarded	0.0	1.1
Gain on disposal of fixed assets	0.3	0.2
Gain on fair value changes of investment securities (FVTPL)	0.1	0.1
Gain on foreign currency exchange	0.1	0.2
Miscellaneous	0.0	0.0
	6.4	7.4

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Distribution and selling costs

Higher distribution cost was related to the commission expenses for sales of development properties.

Administration costs

Higher administration costs recorded for 1H 2024 was due to higher performance bonus and staff cost than 1H 2023.

Share of profits of joint venture

Share of loss of joint venture was insignificant for 1H2024 as shareholders loan was fully paid off in early 2024.

Profit before tax and tax expenses

In summary, the higher 1H2024 profit before tax was contributed by the gross profit due to finalisation of CAG JV project and higher sales for property development segment, offset by higher administrative cost and lower other income.

Financial position and cash flow review

Non-current assets was \$43.0 million, decreased by \$8.0 million as compared to end of 2023, mainly due to the repayment of shareholder loan of \$8.1 million and \$2.2 million dividend payout by the Mattar residential joint venture project, offset by additional acquisition of long term investment securities of \$2.9 million.

Net current asset increased by \$21.7 million, mainly due to the higher cash balance of \$23.6 million, higher trade receivable of \$6.2 million (for the sales of development units recognised in June 2024), lower trade payable of \$9.5 million with CAG joint venture project near completion and net increase in short term investment securities of \$6 million, offset by lower contract assets \$6.5 million (mainly due to partial release of retention of CAG joint venture project of \$17 million), the reduction in development properties of \$16.7 million with cost recognised for the sales of development units.

Higher cash balance of \$23.6 million was mainly due to cash generated from operations of \$29.0 million, loan repayment and dividend of \$10.4 million from joint venture, offset by the net cash outflow for the purchase and redemption of investment securities of \$8.1 million, dividend payment of \$7.7 million and. Net cash generated from operations was mainly contributed from the proceeds from the sales of development properties and release of partial retention of CAG JV project.

Investment securities (current and non-current) amount to \$38.2 million, increased by \$8.9 million. Mainly due to the new addition of bonds and credit linked note of \$9.6 million, gain in market value of \$0.7 mil offset by the redemption of bond \$1.4 million.

Shareholders equity was \$272.4 million, about \$13.3 million higher than 31 December 2023. Mainly due to the current period net profit after tax of \$20.4 million offset by the dividend payment of \$7.7 million and fair value gain for investment securities recognised in comprehensive income of \$0.6 million.

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

The current announced results are in line with the general prospect commentary previously disclosed to shareholders in the results announcement [for the financial year ended 31 December 2023](#).

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

The order book for civil engineering segment stands at approximately \$624 million as at 30 June 2024 which include mainly the Aviation park station project and Serangoon North Station project. The joint venture CAG project is expected to be completed by 3rd quarter 2024.

The Group's industrial building project, Shine@TuasSouth, has sold 50% and leased 46% of the total units to date. The interest for industrial building units has picked up since early 2023.

The outlook of construction industry remains challenging on the back of competitive environment, labour shortage, rising material and labour cost. The management will continue to tender for infrastructure projects competitively and explore other business opportunities to enhance the shareholders' value.

VI. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on ?

Nil.

(b) Any dividend declared for the corresponding period of the immediately preceding financial year ?

Nil.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable

VII. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There is no IPT to be report for the current financial period. There is no general mandate from shareholders for IPTs.

VIII. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Listing Manual.

The Company has procured undertakings in the format set out in Appendix 7.7 from all its directors and the executive officers under Rule 720(1) of the Listing Manual.

IX. Confirmation By The Board Pursuant To Rule 705(5) Of The Listing Manual

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the period ended 30 June 2024 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

CHUA LEONG HAI

Executive Chairman

7 August 2024