



PROGEN HOLDINGS LTD

Unaudited Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2021

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			
	6 months ended 31 Dec 2021 (Unaudited) \$'000	6 months ended 31 Dec 2020 (Unaudited) \$'000	12 months ended 31 Dec 2021 (Unaudited) \$'000	12 months ended 31 Dec 2020 (Audited) \$'000
Revenue				
Products and installation	1,554	1,298	2,743	2,094
Servicing and maintenance	226	244	462	437
Rental income	375	237	741	483
Total revenue	2,155	1,779	3,946	3,014
Other items of income				
Dividend income	–	–	–	2
Other income	203	470	438	706
Total other items of income	203	470	438	708
Cost and expenses				
Cost of products and installation	(1,081)	(960)	(2,002)	(1,630)
Property operating expenses	(110)	(88)	(208)	(175)
Salaries and employee benefits	(1,000)	(1,229)	(1,975)	(2,041)
Depreciation and amortisation expense	(69)	(85)	(135)	(149)
Other expenses	(2,354)	(2,341)	(2,648)	(2,593)
Share of results of an associated company	–	–	–	–
Finance cost	(46)	(36)	(91)	(68)
Total cost and expenses	(4,660)	(4,739)	(7,059)	(6,656)
Loss before income tax	(2,302)	(2,490)	(2,675)	(2,934)
Loss, net of tax, attributable to equity holders of the parent	(2,302)	(2,490)	(2,675)	(2,934)
Other comprehensive income				
Foreign currency translation	–	5	(9)	–
Total comprehensive income attributable to equity holders of the parent	(2,302)	(2,485)	(2,684)	(2,934)
Loss per share (cents per share)				
Basic	0.590	0.638	0.685	0.752
Diluted	0.590	0.638	0.685	0.752

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at	As at	As at	As at
	31 Dec 2021 (Unaudited) \$'000	31 Dec 2020 (Audited) \$'000	31 Dec 2021 (Unaudited) \$'000	31 Dec 2020 (Audited) \$'000
Non-current assets				
Property, plant and equipment	427	463	58	–
Investment property	18,000	20,000	–	–
Right-of-use asset	1,670	1,700	83	224
Intangible asset	29	73	–	–
Fixed deposits	2,000	2,000	–	–
Investment in subsidiaries	–	–	8,987	8,987
Investment in an associated company	–	–	–	–
Amount due from subsidiaries	–	–	24,822	23,744
Loan to an associated company	8,630	8,630	–	–
Other receivables	637	523	–	–
Deferred tax asset	54	54	–	–
	31,447	33,443	33,950	32,955
Current assets				
Cash and bank balances	583	494	65	11
Trade receivables	660	1,062	–	–
Contract assets	43	155	–	–
Prepayments	52	85	6	14
Deposits	37	37	5	6
Other receivables	17	9	3	2
Investment securities	71	64	–	–
Grant receivable	–	115	–	8
Amounts due from subsidiaries	–	–	1,264	1,117
Inventories	143	331	–	–
	1,606	2,352	1,343	1,158
Current liabilities				
Trade payables	(581)	(1,092)	(38)	(34)
Deferred revenue	(89)	(75)	–	–
Other payables	(2,522)	(2,540)	(862)	(843)
Contract liabilities	(910)	(348)	–	–
Income tax payable	(6)	(6)	(5)	(5)
Deferred grant income	–	(175)	–	(31)
Borrowings	(1,400)	(1,300)	–	–
Amounts due to subsidiaries	–	–	(2,023)	(671)
Lease liabilities	(32)	(31)	(87)	(145)
	(5,540)	(5,567)	(3,015)	(1,729)
Net current liabilities	(3,934)	(3,215)	(1,672)	(571)
Non-current liabilities				
Lease liabilities	(1,638)	(1,669)	–	(87)
Net assets	25,875	28,559	32,278	32,297
Equity attributable to equity holders of the parent				
Share capital	32,390	32,390	32,390	32,390
Foreign currency translation	12	21	–	–
Accumulated loss	(6,527)	(3,852)	(112)	(93)
Total equity	25,875	28,559	32,278	32,297

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended 31 December 2021 (Unaudited) \$'000	12 months ended 31 December 2020 (Audited) \$'000
Operating activities		
Loss before income tax	(2,675)	(2,934)
Adjustments for:		
Interest income	(117)	(147)
Finance costs	91	68
Gain on disposal of property, plant and equipment	–	(2)
Dividend income from investment securities	–	(2)
Depreciation of property, plant and equipment	82	84
Amortisation of intangible asset	53	65
(Write-back)/allowance for expected credit loss	(64)	65
Allowance for stock obsolescence	34	–
Write-off for property, plant and equipment	40	–
Fair value loss on investment property	2,000	2,000
Fair value loss on right-of-use asset	30	30
Fair value gain on investment securities	(7)	(10)
Currency realignment	(9)	–
Operating cash flows before changes in working capital	(542)	(783)
Decrease in trade and other receivables	458	1,500
Decrease in contract asset	113	229
Decrease/(increase) in grant receivables	115	(115)
Decrease/(increase in prepayments and deposits)	34	(27)
Decrease/(increase) in inventories	153	(138)
Decrease in trade payables	(511)	(492)
Increase/(decrease) in deferred revenue	14	(16)
Decrease in other payables	(18)	(468)
Increase in contract liabilities	562	166
(Decrease)/increase in deferred grant income	(175)	175
Cash flows generated from operations	203	31
Interest paid	(31)	(7)
Interest received	3	20
Net cash flows generated from operating activities	175	44
Investing activities		
Purchase of property, plant and equipment	(86)	(36)
Proceeds from sale of property, plant and equipment	–	9
Additions to intangible asset	(9)	(4)
Dividends received from investment securities	–	2
Loan to an associated company	–	(900)
Net cash flows used in investing activities	(95)	(929)
Financing activities		
Payment of lease liabilities	(91)	(91)
Proceeds from loans and borrowings	100	1,300
Net cash flows generated from/(used in) financing activities	9	1,209
Net (decrease)/increase in cash and cash equivalents	89	324
Cash and cash equivalents at 1 January	494	170
Cash and cash equivalents at 31 December	583	494

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			
	Share capital \$'000	Foreign currency translation reserve \$'000	Accumulated (loss) \$'000	Total equity \$'000
Group				
2021				
As at 1 January	32,390	21	(3,852)	28,559
Loss net of tax	–	–	(2,675)	(2,675)
Other comprehensive income for the year	–	(9)	–	(9)
Total comprehensive income for the year	–	(9)	(2,675)	(2,684)
At 31 December	32,390	12	(6,527)	25,875
2020				
As at 1 January	32,390	21	(918)	31,493
Loss net of tax	–	–	(2,934)	(2,934)
Total comprehensive income for the year	–	–	(2,934)	(2,934)
At 31 December	32,390	21	(3,852)	28,559

	Attributable to equity holders of the Company		
	Share capital \$'000	Accumulated (loss) \$'000	Total equity \$'000
Company			
2021			
At 1 January	32,390	(93)	32,297
Loss net of tax	–	(19)	(19)
Total comprehensive income for the year	–	(19)	(19)
At 31 December	32,390	(112)	32,278
2020			
At 1 January	32,390	(21)	32,369
Loss net of tax	–	(72)	(72)
Total comprehensive income for the year	–	(72)	(72)
At 31 December	32,390	(93)	32,297

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

E.1 Corporate information

Progen Holdings Ltd (the "Company") is a public company limited by shares incorporated and domiciled in Singapore and is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The registered office and principal place of business of the Company is located at 28 Riverside Road, Singapore 739085.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are trading, contracting, servicing and maintenance of air-conditioning and mechanical ventilation systems and rental of building space. The principal activities of the associated company is property development.

E.2.1 Basis of preparation

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

The accounting policies and method of computation adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency and all values are rounded to the nearest thousand, except when otherwise indicated.

As at 31 December 2021, the Group's and the Company's current liabilities exceeded its current assets by S\$3,934,000 (2020: S\$3,215,000) and S\$1,672,000 (2020: S\$571,000) respectively. The financial statements have been prepared on a going concern basis as the management is reasonably confident that the Group will have sufficient resources including revenue from products and installation and unutilised committed banking facilities for it to pay its debts as and when they fall due.

E.2.2 New and amended standards adopted by the Group

A number of amendments to Standards 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.

E.2.3 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 31 December 2021. 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.

E.3 Seasonal operations

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

E.4 Segment 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:

- I. The products and installation segment relates to contracting of engineering works, cooling towers, airconditioning and mechanical ventilation systems.
- II. The servicing and maintenance segment relates to servicing and repairing of air-conditioners, cooling towers and other cooling equipment.
- III. The rental segment relates to the leasing of factory and office space.
- IV. The property development segment relates to the business of developing and selling of residential properties undertaken by the associated company.

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 operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

As the Group operates substantially in Singapore, no segment information by geographical segment is presented.

The following table presents revenue and results information regarding the Group's business segments for the six months and full years ended 31 December 2021 and 31 December 2020:

Business segments	Products and installation	Servicing and maintenance	Rental	Property development	Others	Adjustment	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1 Jul to 31 Dec 2021							
<u>Segment revenue</u>							
Sales to external customers	1,554	226	375	–	–	–	2,155
Intersegment sales	65	–	75	–	–	(140)	–
Total revenue							<u>2,155</u>
<u>Segment results</u>							
Interest income	1	–	1	57	–	–	59
Other income	52	6	12	–	13	–	83
Depreciation and amortisation	(51)	(3)	(155)	–	(1)	141	(69)
Loss, net of tax	(508)	–	(1,876)	(41)	240	(117)	(2,302)
1 Jul to 31 Dec 2020							
<u>Segment revenue</u>							
Sales to external customers	1,298	244	237	–	–	–	1,779
Intersegment sales	33	–	75	–	–	(108z0)	–
Total revenue							<u>1,779</u>
<u>Segment results</u>							
Interest income	3	–	1	51	–	–	55
Other income	269	54	73	–	15	–	411
Depreciation and amortisation	(63)	(6)	(158)	–	–	142	(85)
Loss, net of tax	(506)	30	(1,890)	51	(62)	(113)	(2,490)

Business segments	Products and installation \$'000	Servicing and maintenance \$'000	Rental \$'000	Property development \$'000	Others \$'000	Adjustment \$'000	Group \$'000
1 Jan to 31 Dec 2021							
<u>Segment revenue</u>							
Sales to external customers	2,743	462	741	–	–	–	3,946
Intersegment sales	101	–	151	–	–	(252)	–
Total revenue							<u>3,946</u>
<u>Segment results</u>							
Interest income	2	–	1	114	–	–	117
Other income	123	33	38	–	44	–	238
Depreciation and amortisation	(96)	(8)	(171)	–	(1)	141	(135)
Loss, net of tax	(875)	45	(1,810)	(130)	240	(145)	(2,675)
<u>Segment assets and liabilities</u>							
Segment assets	1,420	329	21,883	9,267	154	–	33,053
Segment liabilities	2,539	161	2,113	9,476	2,365	(9,476)	7,178
1 Jan to 31 Dec 2020							
<u>Segment revenue</u>							
Sales to external customers	2,094	437	483	–	–	–	3,014
Intersegment sales	50	–	151	–	–	(201)	–
Total revenue							<u>3,014</u>
<u>Segment results</u>							
Interest income	14	1	5	127	–	–	147
Other income	339	70	101	–	38	–	548
Depreciation and amortisation	(107)	(11)	(173)	–	–	142	(149)
Loss, net of tax	(968)	32	(1,923)	127	(62)	(140)	(2,934)
<u>Segment assets and liabilities</u>							
Segment assets	3,664	405	22,541	9,154	56	(25)	35,795
Segment liabilities	2,404	192	2,239	9,230	2,401	(9,230)	7,236

E.5 Disaggregation of revenue

	Products and installation \$'000	Servicing and maintenance \$'000	Rental \$'000	Group \$'000
1 Jul to 31 Dec 2021				
Transferred over time	1,444	160	375	1,979
Transferred at a point in time	110	66	–	176
Total revenue	1,554	226	375	2,155

1 Jul to 31 Dec 2020				
Transferred over time	1,244	221	237	1,702
Transferred at point in time	54	23	–	77
Total revenue	1,298	244	237	1,779

	Products and installation \$'000	Servicing and maintenance \$'000	Rental \$'000	Group \$'000
1 Jan to 31 Dec 2021				
Transferred over time	2,601	376	741	3,718
Transferred at a point in time	142	86	–	228
Total revenue	2,743	462	741	3,946

1 Jan to 31 Dec 2020				
Transferred over time	2,014	406	483	2,903
Transferred at point in time	80	31	–	111
Total revenue	2,094	437	483	3,014

Breakdown of sales

	FY2021 \$'000	FY2020 \$'000	Change
(a) Sales reported for first half year	1,791	1,235	45.0%
(b) Operating losses after tax before deducting non-controlling interests reported for first half of year	(373)	(444)	(16.0%)
(c) Sales reported for second half year	2,155	1,779	21.1%
(d) Operating losses after tax before deducting non-controlling interests reported for second half of year	(2,302)	(2,490)	(7.6%)

E.6 Financial assets and financial liabilities

The undiscounted financial assets and liabilities of the Group and Company are as follows:

	Group		Company	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Financial assets				
-Cash and bank balances	583	494	65	11
-Trade receivables	660	1,059	-	-
-Contract assets	43	155	-	-
-Fixed deposits	2,000	2,000	-	-
-Deposits	37	37	5	6
-Other receivables	654	532	3	2
-Investment securities	71	64	-	-
-Grant receivable	-	115	-	8
-Loan to an associated company	8,630	8,630	-	-
-Amount due from subsidiaries	-	-	1,264	1,117
	12,678	13,086	1,337	1,144
Financial liabilities				
-Trade payables	(581)	(1,092)	(38)	(34)
-Other payables	(2,522)	(2,540)	(862)	(843)
-Contract liabilities	(910)	(348)	-	-
- Revolving credit facilities	(1,400)	(1,300)	-	-
-Lease liabilities	(2,719)	(2,809)	(88)	(239)
-Amount due to subsidiaries	-	-	(2,023)	(671)
	(8,132)	(8,089)	(3,011)	(1,787)

E.7 Fair value of assets and liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The financial instruments of the Group and Company as at 31 December 2021 and 31 December 2020 by classes are as follows:

	Group		Company	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Financial assets at amortised cost				
Fixed deposits (non-current)	2,000	2,000	–	–
Loan to an associated company	8,630	8,630	–	–
Cash and bank balances	583	494	65	11
Trade receivables	660	1,062	–	–
Deposits	37	37	5	6
Other receivables	654	532	3	2
Contract assets	43	155	–	–
Amounts due from subsidiaries (current)	–	–	1,264	1,117
	<u>12,607</u>	<u>12,910</u>	<u>1,337</u>	<u>1,136</u>
Financial assets at fair value through profit or loss				
Investment securities	71	64	–	–
	<u>71</u>	<u>64</u>	<u>–</u>	<u>–</u>
Financial liabilities at amortised cost				
Trade payables	(581)	(1,092)	(38)	(34)
Other payables	(2,522)	(2,540)	(862)	(843)
Contract liabilities	(910)	(348)	–	–
Borrowings	(1,400)	(1,300)	–	–
Amounts due to subsidiaries	–	–	(2,023)	(671)
Lease liabilities	(1,670)	(1,700)	(87)	(232)
	<u>(7,083)</u>	<u>(6,980)</u>	<u>(3,010)</u>	<u>(1,780)</u>

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 - Unobservable inputs for the asset or liability.

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

(b) **Assets and liabilities measured at fair value**

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group (\$000)	Fair value measurements at the end of the reporting period using:			Total
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
31 December 2021				
Assets measures at fair value				
Financial assets:				
Equity securities at fair value through profit or loss	71	–	–	71
Financial assets as at 31 December 2021	71	–	–	71
Non-financial assets:				
Investment property – Factory	–	–	18,000	18,000
Non-financial assets as at 31 December 2021	–	–	18,000	18,000
31 December 2020				
Assets measures at fair value				
Financial assets:				
Equity securities at fair value through profit or loss	64	–	–	64
Financial assets as at 31 December 2020	64	–	–	64
Non-financial assets:				
Investment property – Factory	–	–	20,000	20,000
Non-financial assets as at 31 December 2020	–	–	20,000	20,000

There have been no transfers between Level 1, Level 2 and Level 3 for the 12 months ended 31 December 2021 and 31 December 2020 respectively.

(c) **Level 3 fair value measurements**

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable input level 3.

Description	Fair value (\$'000)	Valuation techniques	Unobservable inputs	Range \$
Recurring fair value measurement				
31 December 2021				
<i>Investment property - Factory</i>	18,000	Direct comparison method	Price per square feet	120 - 230

Description	Fair value (\$'000)	Valuation techniques	Unobservable inputs	Range \$
Recurring fair value measurement				
31 December 2020				
<i>Investment property - Factory</i>	20,000	Direct comparison method	Price per square feet	120 - 230

Observable inputs are quoted prices for assets in a market. Where the market price for an asset is not available, unobservable inputs are used and they are developed using assumptions that market participants would use when pricing the asset.

Where necessary, these inputs have been adjusted to reflect specific circumstances of the investment property and developed using the best information available about the assumptions that market participants would use when pricing the assets.

A significant increase/(decrease) in price per square feet based on management's assumptions would result in a significantly higher/(lower) fair value measurement.

(ii) Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs:

At 1 January 2020	22,000
Total losses for the period	
Included in profit or loss in 2020	(2,000)
	<hr/>
At 31 December 2020	20,000
Total losses for the period	
Included in profit or loss in 2021	(2,000)
	<hr/>
At 31 December 2021	18,000
	<hr/> <hr/>

(iii) Valuation policies and procedures

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation appraisers who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and FRS 113 fair value measurement guidance to perform the valuation.

For valuations performed by the independent external appraiser, the appropriateness of the valuation methodologies and assumptions adopted are reviewed by management along with the appropriateness and reliability of the inputs used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(d) **Assets and liabilities not carried at fair value but for which fair value is disclosed**

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short term nature: cash and bank balances, fixed deposits, trade receivables deposits and other receivables, related party balances, trade payables, other payables and loan and borrowings.

E.8 Related party disclosures

Loan to an associated company

The loan is interest bearing, unsecured, repayable upon the completion of the associated company's development project and is to be settled in cash. The interest rate is pegged to the interest rate of the land loan obtained by the associated company from external banks.

This amount relates to shareholder's' loan provided to the associated company for the property development project at 17 Balmoral Road.

The Group considers default when there is adverse internal or external information relating to the progress of the planned development, information on the progress of the associated company's property development and sales plans, outlook of the relevant property market prices, potential impact of the COVID-19 pandemic on expected sale prices and development completion date and costs, the credentials, track record and credit default information of the main developer and major shareholder of the associated company, external information on the industry default rate and rate of return for similar investments. As at 31 December 2021 and 31 December 2020, the Group has not recorded any expected credit loss on the loan to an associated company.

Compensation of key management personnel

Group (\$'000)	2021	2020
Salaries and other emoluments	1,421	1,169
Central Provident Fund contributions	60	57
Other short-term benefits	6	–
	<hr/>	<hr/>
	1,487	1,226
	<hr/> <hr/>	<hr/> <hr/>
<i>Comprise amounts paid to :</i>		
- Directors of the Company	931	751
- Other key management personnel	556	475
	<hr/>	<hr/>
	1,487	1,226
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E.9 Taxation

Deferred tax asset arising from temporary differences during the periods under review are not recognised due to uncertainty of its recoverability.

E.10 Dividends

There is no dividend declared/recommended for the financial year ended 31 December 2021 (31 December 2020: NIL).

E.11 Net asset value

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Net asset value per ordinary share (in cents)	6.627	7.313	8.267	8.270
Number of ordinary shares in issue	390,511,778	390,511,778	390,511,778	390,511,778

E.12 Intangible asset

Group (\$'000)	2021	2020
Cost		
At 30 June	274	266
Additions	5	4
	<hr/>	<hr/>
At 31 December	279	270
	<hr/>	<hr/>
Accumulated amortisation		
At 30 June	222	132
Charge for the year	28	65
	<hr/>	<hr/>
At 31 December	250	197
	<hr/>	<hr/>
Net carrying amount		
At 31 December	29	73
	<hr/> <hr/>	<hr/> <hr/>

E.13 Property, plant and equipment

During the six months ended 31 December 2021, additions to property, plant and equipment amounted to S\$86,000 (31 December 2020: S\$12,000). There were no disposals of property, plant and equipment (31 December 2020: S\$35,000). Write-off of property, plant and equipment amounted to S\$40,000 (31 December 2020: S\$NIL).

E.14 Investment property

The investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property is included in profit or loss in the period in which it arises. During the financial year ended 31 December 2021, there was no acquisition or disposal of investment properties.

E.15 Valuation

Investment property is stated at fair value, which has been determined based on a valuation performed by an external appraiser with a recognised and relevant professional qualification and with recent experience in the location and category of the property being valued. The fair value loss recorded for the financial year ended 31 December 2021 was S\$2,000,000 (31 December 2020: S\$2,000,000). The fair value of the investment property is determined using the Direct Comparison Method which takes into account the price per square feet applicable to the property, and the assumption that the option to renew for another 30 years will be successfully exercised. In arriving at its estimate of market value, the valuer has used his market knowledge and professional judgement.

E.16 Borrowings

The Group's bank borrowings as at 31 December 2021 was S\$1,400,000 (31 December 2020: S\$1,300,000), which are all secured and repayable in one year or less, or on demand. The effective interest rate is 2.30% (2020: 2.25%) per annum. The bank borrowings were secured on the investment property.

E.17 Share capital

The Company's share capital as at 30 June 2021, 31 December 2021 and 31 December 2020 was S\$32,390,000 comprising 390,511,778 shares. There were no outstanding convertibles as at 31 December 2021 and 31 December 2020.

E.18 Changes in treasury shares

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on. As such, there was no sale, transfer, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

E.19 Changes in subsidiary holdings

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on. As such, there was no sale, transfer, cancellation and/or use of subsidiary holdings during and as at the end of the current financial period reported on.

E.20 Subsequent events

There were no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

F.1 Review

The condensed consolidated statement of financial position of Progen Holdings Ltd and its subsidiaries as at 31 December 2021 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 months and financial year then ended and certain explanatory notes have not been audited or reviewed by the Company's auditor.

F.2 Audit Opinion (Applicable to Companies That Have Received Modified Audit Opinions)

Not applicable. The Group's latest financial statements for the financial year ended 31 December 2020 was not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

F.3 Variance from forecast or prospect statements

Not applicable as no forecast or prospect statements was previously provided.

F.4 Earnings per share

The basic and diluted loss per share for the financial year ended 31 December 2021 were 0.685 cents per share (31 December 2020: 0.752 cents per share). The loss per ordinary share for the financial period under review is calculated based on the weighted average of 390,511,778 ordinary shares (financial year ended 31 December 2020: 390,511,778 ordinary shares) in issue. The basic and fully diluted loss per ordinary share are the same as there were no potentially dilutive shares in issue during and as at the end of the financial period ended 31 December 2021 and 31 December 2020.

F.5 Review of Group performance

Financial year ended 31 December 2021 ("FY2021") vs. Financial year ended 31 December 2020 ("FY2020")

Income Statement

The Group's revenue increased by S\$932k (30.9%) from S\$3,014k (FY2020) to S\$3,946k (FY2021) mainly due to the recovery of the economy.

With the easing of government restrictions, activities under Products and installation was partially restored and revenue increased by S\$649k (31.0%) from S\$2,094k (FY2020) to S\$2,743k (FY2021); while revenue from Servicing and maintenance increased by S\$25k (5.7%) from S\$437k (FY2020) to S\$462k (FY2021). Rental income increased by S\$258k (53.4%) from S\$483k (FY2020) to S\$741k (FY2021) due to higher occupancy rate.

Other income reduced by S\$268k (38.0%) from S\$706k (FY2020) to S\$438k (FY2021) mainly due to the lower government grant recognised for FY2021.

Costs of Products and installation increased by S\$372k (22.8%) from S\$1,630k (FY2020) to S\$2,002k (FY2021), in line with the higher revenue generated in FY2021.

Property operating expenses increased by S\$33k (18.9%) from S\$175k (FY2020) to S\$208k (FY2021), mainly due to the higher cost incurred due to the higher occupancy rate in FY2021.

Other expenses of S\$2,648k (FY2021) included fair value loss on investment property of S\$2,000k (FY2020: S\$2,000k); allowance of stock obsolescences of S\$34k (FY2020: S\$NIL); write-off of property, plant and equipment of S\$40k (FY2020: S\$NIL).

Finance cost increased by S\$23k (33.8%) from S\$68k (FY2020) to S\$91k (FY2021) mainly due to higher borrowings and higher interest rate in FY2021 compared to FY2020.

As a result of the above, the Group's loss net of tax amounted to S\$2,675k in FY2021 as compared to S\$2,934k in FY2020.

Balance Sheet

Property, plant and equipment decreased by S\$36k from S\$463k to S\$427k as at 31 December 2021 due to depreciation and write-off during the year which is partially offset by purchase of property, plant and equipment.

Investment property decreased by S\$2,000k to S\$18,000k due to the revaluation of investment property conducted by an independent valuer as at 31 December 2021.

Intangible asset decreased by S\$44k from S\$73k to S\$29k as at 31 December 2021 due to the amortisation recognised during the period.

Other receivables increased by S\$114k from S\$523k to S\$637k as at 31 December 2021 due to the recognition of interest receivable on the loan to the associated company for FY2021.

The Group's current assets decreased by S\$746k from S\$2,352k to S\$1,606k as at 31 December 2021 mainly due to the reduction in trade receivables upon the receipt of a retention receivable for a project completed prior to 2021, the reduction in grant receivable, reduction of contract assets due to timing difference of billings made and the utilisation of inventories for projects and the recognition of allowance for stock obsolescences.

The Group's trade payables decreased by S\$511k from S\$1,092k to S\$581k as at 31 December 2021 mainly due to the payment to suppliers for goods received in 2020. Deferred grant income decreased by S\$175k from S\$175k to S\$NIL as at 31 December 2021 with the monthly recognition of income.

Contract liabilities increased by S\$562k from S\$348k to S\$910k as at 31 December 2021 due to the timing difference of billings made.

The Group had net current liabilities position of S\$3,934k as at 31 December 2021. The Group will have sufficient financial resources to meet its obligations as and when they fall due as it has a revolving credit facility which is sufficient to fulfill its working capital requirements for the next 12 months.

Cashflow Statement

The Group generated cash of S\$89k in FY2021. Operating activities contributed S\$175k during in FY2021. Financing activities contributed S\$9k mainly due to drawing down of banking facilities partially offset by the payment of lease liabilities. Investing activities used cash of S\$95k which consisted S\$86k for purchase of property, plant and equipment; and S\$9k for additions to intangible asset.

F.6 Business outlook

The outlook for the next 12 months remains challenging amidst vast uncertainties in domestic and global market conditions and the escalation of costs of raw materials and transportation.

The Group will continue to explore new business opportunities, transform and consolidate its existing businesses to improve effectiveness and efficiency, and synergise and optimise resources across its businesses.

F.7 Dividend information

If a decision regarding dividend has been made:

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

Not applicable.

(b)(i) Amount per share cents

Nil

(b) (ii) Previous corresponding period cents

Nil

(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 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 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended for the financial year ended 31 December 2021 as the Company and the Group are loss making.

F.8 Interested person transactions

The Group does not have a shareholders' mandate for interested person transactions. There was no interested person transaction for the financial year ended 31 December 2021.

F.9 Disclosure of acquisition (including incorporations) and sale of shares under Rule 706A

The Company did not carry out any acquisition or sale of shares for the current financial period reported on.

F.10 Confirmation of Undertakings from Directors and Executive Officers under Rule 720(1) of Section B: Rules of Catalist of the Listing Manual of the SGX-ST ("Catalist Rules")

The Company 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.

Additional information required for full year announcement**F.11 Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Refer to E.4 of the Notes to the Condensed Interim Financial Statements.

F.12 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Refer to Section F.5.

F.13 A breakdown of sales

Refer to E.5 of the Notes to the Condensed Interim Financial Statements.

F.14 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable. No dividend has been declared or recommended for FY2021 and FY2020.

F.15 Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with any director and / or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lee Pui Hoon	44	Daughter of Mr Lee Ee @ Lee Eng	Admin and Corporate Affair Director Assist the Group in administrative matters and corporate affairs and oversees the finance department. Position was first held in 2014.	NIL
Lee Yung Li	42	Son of Mr Lee Ee @ Lee Eng	Senior Manager (in a wholly-owned subsidiary, Progen Pte Ltd) Responsible for Product Innovation and Development. Position was first held in 2014	NIL

**BY ORDER OF THE BOARD
PROGEN HOLDINGS LTD**

**Lee Ee @ Lee Eng
Managing Director
28 February 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.

The contact person for the Sponsor is Ms Jennifer Tan, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.