



**Lum Chang Holdings Limited and its subsidiaries**

Company Registration Number: 198203949N

**Unaudited Condensed Interim Consolidated Financial Statements**

For the six months ended 31 December 2021

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## Condensed Interim Consolidated Income Statement and Statement of Comprehensive Income

	Note	Group		
		6 months ended	6 months ended	Increase/ (decrease)
		31 December 2021	31 December 2020	(decrease)
		("1H2022") \$'000	("1H2021") \$'000	%
Revenue	4.2	204,939	130,910	57%
Cost of sales		(183,974)	(117,266)	57%
Gross profit		<u>20,965</u>	<u>13,644</u>	54%
Other income		1,823	5,291	(66%)
Other gains/(losses) – net		1,686	(430)	NM *
Expenses				
- Distribution and marketing		(1,345)	(244)	451%
- Administrative and general		(13,745)	(11,971)	15%
- Finance		(2,459)	(2,378)	3%
Share of profits/(losses) of:				
- associated companies		414	(20)	NM *
- joint ventures		(2,061)	(3,148)	(35%)
Profit before income tax	5	5,278	744	609%
Income tax expense	6	(1,247)	(405)	208%
Net profit		<u>4,031</u>	<u>339</u>	1089%
<b>Net profit/(loss) attributable to:</b>				
Equity holders of the Company		4,577	159	2779%
Non-controlling interests		(546)	180	NM *
		<u>4,031</u>	<u>339</u>	1089%
<b>Earnings per ordinary share attributable to the equity holders of the Company (cents per share)</b>	8			
- Basic		1.22	0.04	2950%
- Diluted		<u>1.19</u>	<u>0.04</u>	2875%

Note \* : "NM" denotes not meaningful

## Condensed Interim Consolidated Income Statement and Statement of Comprehensive Income (continued)

	Group		
	6 months ended 31 December 2021 \$'000 ("1H2022")	6 months ended 31 December 2020 \$'000 ("1H2021")	Increase/ (decrease) %
<b>Net profit</b>	4,031	339	1089%
<b>Other comprehensive (loss)/income:</b>			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
– (Losses)/gains	(601)	2,122	NM *
– Reclassification	(146)	8	NM *
	<u>(747)</u>	<u>2,130</u>	NM *
Items that will not be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
– (Losses)/gains	(425)	634	NM *
Financial assets, at fair value through other comprehensive income ("FVOCI")			
– Fair value losses	<u>(993)</u>	<u>(1,970)</u>	(50%)
	<u>(1,418)</u>	<u>(1,336)</u>	6%
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<u>(2,165)</u>	<u>794</u>	NM *
<b>Total comprehensive income for the period</b>	<u>1,866</u>	<u>1,133</u>	65%
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	2,837	319	789%
Non-controlling interests	<u>(971)</u>	<u>814</u>	NM *
	<u>1,866</u>	<u>1,133</u>	65%

Note \* : "NM" denotes not meaningful

## Condensed Interim Balance Sheets

	Note	Group		Company	
		31 December 2021 \$'000	30 June 2021 \$'000	31 December 2021 \$'000	30 June 2021 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		112,094	100,078	42,952	15,418
Trade and other receivables		45,061	49,487	87,195	54,425
Contract assets		62,556	56,777	-	-
Tax recoverable		246	244	-	-
Properties held for sale		827	1,352	-	-
Development properties		56,631	94,648	-	-
Other current assets		5,304	6,046	121	124
		<u>282,719</u>	<u>308,632</u>	<u>130,268</u>	<u>69,967</u>
<b>Non-current assets</b>					
Trade and other receivables		96,938	86,594	133,335	130,012
Club memberships		297	309	317	325
Other financial assets		22,960	23,953	-	-
Investments in subsidiaries		-	-	38,480	72,311
Investments in joint ventures		22,852	24,932	-	-
Investments in associated companies		6,524	5,622	-	-
Investment properties	10	21,695	119,833	-	-
Property, plant and equipment	11	33,779	36,447	1,429	1,518
Deferred income tax assets		3,867	4,598	-	-
Other non-current assets		2,715	4,154	-	-
		<u>211,627</u>	<u>306,442</u>	<u>173,561</u>	<u>204,166</u>
<b>Total assets</b>		<u>494,346</u>	<u>615,074</u>	<u>303,829</u>	<u>274,133</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		99,063	97,628	136,618	139,726
Contract liabilities		-	1,125	-	-
Provision for other liabilities		11,136	12,274	-	-
Current income tax liabilities		1,111	1,051	198	198
Borrowings	12	5,916	52,606	106	40,319
		<u>117,226</u>	<u>164,684</u>	<u>136,922</u>	<u>180,243</u>
<b>Non-current liabilities</b>					
Trade and other payables		21,202	17,565	-	-
Borrowings	12	115,737	174,640	40,024	41
Deferred income tax liabilities		139	139	-	-
		<u>137,078</u>	<u>192,344</u>	<u>40,024</u>	<u>41</u>
<b>Total liabilities</b>		<u>254,304</u>	<u>357,028</u>	<u>176,946</u>	<u>180,284</u>
<b>NET ASSETS</b>		<u>240,042</u>	<u>258,046</u>	<u>126,883</u>	<u>93,849</u>
<b>EQUITY</b>					
<b>Capital and reserves attributable to the equity holders of the Company</b>					
Share capital	13	86,572	86,572	86,572	86,572
Treasury shares	13	(2,845)	(2,845)	(2,845)	(2,845)
Capital and other reserves		39,788	41,528	3,182	3,182
Retained profits		114,241	113,431	39,974	6,940
<b>Shareholders' equity</b>		<u>237,756</u>	<u>238,686</u>	<u>126,883</u>	<u>93,849</u>
Non-controlling interests		2,286	19,360	-	-
<b>Total equity</b>		<u>240,042</u>	<u>258,046</u>	<u>126,883</u>	<u>93,849</u>

## Condensed Interim Statement of Changes in Equity - Group

	Note	← Attributable to equity holders of the Company →					Non-controlling interests	Total equity
		Share capital	Treasury shares	Capital and other reserves	Retained profits	Total		
		\$'000	\$'000	\$'000	\$'000	\$'000		
<b>1H2022</b>								
<b>Balance as at 1 July 2021</b>		<b>86,572</b>	<b>(2,845)</b>	<b>41,528</b>	<b>113,431</b>	<b>238,686</b>	<b>19,360</b>	<b>258,046</b>
Net profit/(loss)		-	-	-	4,577	4,577	(546)	4,031
Other comprehensive loss		-	-	(1,740)	-	(1,740)	(425)	(2,165)
<b>Total comprehensive (loss)/income</b>		<b>-</b>	<b>-</b>	<b>(1,740)</b>	<b>4,577</b>	<b>2,837</b>	<b>(971)</b>	<b>1,866</b>
Final dividend for FY2021	7	-	-	-	(3,767)	(3,767)	-	(3,767)
Capital contribution by a non-controlling interest		-	-	-	-	-	300	300
Interim dividend paid to non-controlling interests of subsidiaries		-	-	-	-	-	(1,629)	(1,629)
Transaction with non-controlling interests		-	-	-	-	-	(14,774)	(14,774)
<b>Total transactions with owners, recognised directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,767)</b>	<b>(3,767)</b>	<b>(16,103)</b>	<b>(19,870)</b>
<b>Balance as at 31 December 2021</b>		<b>86,572</b>	<b>(2,845)</b>	<b>39,788</b>	<b>114,241</b>	<b>237,756</b>	<b>2,286</b>	<b>240,042</b>
<b>1H2021</b>								
<b>Balance as at 1 July 2020</b>		<b>86,572</b>	<b>(2,845)</b>	<b>40,027</b>	<b>133,059</b>	<b>256,813</b>	<b>13,609</b>	<b>270,422</b>
Net profit		-	-	-	159	159	180	339
Other comprehensive income		-	-	160	-	160	634	794
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>160</b>	<b>159</b>	<b>319</b>	<b>814</b>	<b>1,133</b>
Final dividend for FY2020	7	-	-	-	(3,767)	(3,767)	-	(3,767)
Interim dividend paid to non-controlling interest of a subsidiary		-	-	-	-	-	(200)	(200)
<b>Total transactions with owners, recognised directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,767)</b>	<b>(3,767)</b>	<b>(200)</b>	<b>(3,967)</b>
<b>Balance as at 31 December 2020</b>		<b>86,572</b>	<b>(2,845)</b>	<b>40,187</b>	<b>129,451</b>	<b>253,365</b>	<b>14,223</b>	<b>267,588</b>

## Condensed Interim Statement of Changes in Equity - Company

Note	← Attributable to equity holders of the Company →				
	Share	Treasury	Capital	Retained	Total
	capital	shares	and other	profits	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>1H2022</b>					
<b>Balance as at 1 July 2021</b>	<b>86,572</b>	<b>(2,845)</b>	<b>3,182</b>	<b>6,940</b>	<b>93,849</b>
Net profit	-	-	-	36,801	36,801
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,801</b>	<b>36,801</b>
Final dividend for FY2021	-	-	-	(3,767)	(3,767)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,767)</b>	<b>(3,767)</b>
<b>Balance as at 31 December 2021</b>	<b>86,572</b>	<b>(2,845)</b>	<b>3,182</b>	<b>39,974</b>	<b>126,883</b>
<b>1H2021</b>					
<b>Balance as at 1 July 2020</b>	<b>86,572</b>	<b>(2,845)</b>	<b>3,182</b>	<b>20,470</b>	<b>107,379</b>
Net profit	-	-	-	13,767	13,767
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,767</b>	<b>13,767</b>
Final dividend for FY2020	-	-	-	(3,767)	(3,767)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,767)</b>	<b>(3,767)</b>
<b>Balance as at 31 December 2020</b>	<b>86,572</b>	<b>(2,845)</b>	<b>3,182</b>	<b>30,470</b>	<b>117,379</b>

## Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		1H2022 \$'000	1H2021 \$'000
<b>Cash flows from operating activities</b>			
Net profit		4,031	339
Adjustments for:			
Income tax expense	6	1,247	405
Share of losses of associated companies and joint ventures		1,647	3,168
Amortisation of club memberships	5.1	12	17
Depreciation of property, plant and equipment	5.1	3,180	2,323
Dividend income from financial assets, at FVOCI		(880)	(832)
Gain on disposal of subsidiaries	5.1	(857)	-
Gain on disposal of property, plant and equipment – net	5.1	(8)	(18)
Impairment loss on trade receivables	5.1	27	-
Interest income	5.1	(88)	(222)
Finance expense	5.1	2,459	2,378
Property, plant and equipment written off	5.1	15	22
Operating cash flow before working capital changes		10,785	7,580
Change in working capital, net of effects from disposal of a subsidiary:			
- Trade and other receivables		(3,720)	(15,937)
- Contract assets		(5,779)	(34,609)
- Contract liabilities		(1,125)	(11,097)
- Other current assets		(223)	(366)
- Development properties/properties held for sale		38,530	(782)
- Trade and other payables		7,439	24,611
- Unrealised currency translation differences		(464)	259
Cash generated/(used in) from operations		45,443	(30,341)
Income tax paid		(450)	(2,595)
<b>Net cash provided by/(used in) operating activities</b>		<b>44,993</b>	<b>(32,936)</b>



## Condensed Interim Consolidated Statement of Cash Flows (continued)

	Group	
	1H2022 \$'000	1H2021 \$'000
<b>Cash flows from investing activities</b>		
Investment in an associated company	(343)	-
Dividends received from a joint venture	-	1,958
Dividends received from financial assets, at FVOCI	-	832
Expenditure on investment property	-	(31,444)
Increase in other current assets in relation to investment properties	984	-
Interest income received	61	191
Proceeds from disposal of subsidiaries, net of cash disposed	14 50,462	-
Proceeds from disposal of property, plant and equipment	163	232
Purchase of property, plant and equipment	11 (682)	(1,555)
Advances to joint ventures	(2,950)	(16)
Repayment from a joint venture	49	-
<b>Net cash provided by/(used in) investing activities</b>	<b>47,744</b>	<b>(29,802)</b>
<b>Cash flows from financing activities</b>		
Cash and cash equivalents pledged	(4)	(10)
Dividends paid	7 (3,767)	(3,767)
Dividends paid to non-controlling shareholders of subsidiaries	(1,722)	(200)
Distributions to non-controlling interest of a subsidiary	(14,774)	-
Bank facility fees	(10)	(16)
Interest paid	(3,075)	(2,247)
Proceeds from bank loans	43,218	34,227
Repayment of bank loans	(97,817)	(3,251)
Repayment of lease liabilities	(1,165)	(609)
(Repayment to)/advances from a non-controlling shareholder of a subsidiary	(1,107)	1,081
<b>Net cash (used in)/provided by financing activities</b>	<b>(80,223)</b>	<b>25,208</b>
<b>Net change in cash and cash equivalents</b>	<b>12,514</b>	<b>(37,530)</b>
Cash and cash equivalents at beginning of financial period	99,480	150,433
Effect of changes in currency translation rates on cash and cash equivalents	(502)	824
<b>Cash and cash equivalents at end of financial period</b>	<b>111,492</b>	<b>113,727</b>

Cash and cash equivalents comprised the following:

	Group	
	1H2022 \$'000	1H2021 \$'000
Cash at bank and on hand	107,697	89,322
Short-term bank deposits	4,397	25,008
Less: Cash and cash equivalents pledged	(602)	(603)
<b>Cash and cash equivalents at end of financial period</b>	<b>111,492</b>	<b>113,727</b>

## Notes to the Condensed Interim Consolidated Financial Statements

### 1. General information

Lum Chang Holdings Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company are the holding of investments and provision of management services to the Group.

The principal activities of its subsidiaries during the financial year consist of construction, project management, property development for sale and property investment.

### 2. Basis of preparation

The condensed interim consolidated financial statements for the six months ended 31 December 2021 have been prepared in accordance with *Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated 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 30 June 2021.

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 condensed interim consolidated 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 annual period beginning 1 July 2021. The application of these standards did not have a material effect on the condensed interim consolidated financial statements.

## **2.2. Use of judgements and estimates**

In preparing the condensed interim consolidated 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 year ended 30 June 2021.

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## **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**

Management has determined the operating segment based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Executive Chairman, the Managing Director, and the Executive Director of the Company.

The Group is organised into three main business segments:

- (a) Construction - construction of buildings and building extensions, additions and alterations, refurbishment and restoration of buildings.
- (b) Property development and investment - develops property for sale and/or holds properties for its own investment purposes and for hotel operations.
- (c) Investment holding and others - holding of investments and provision of management services to the companies within the Group.

The segment information for the reportable segments for the six months ended 31 December 2021 and 31 December 2020 are as follows:

## 4.1 Segment Information

	Construction \$'000	Property development and investment \$'000	Investment holding and others \$'000	Total \$'000
<b>1H2022</b>				
Revenue from external customers	150,460	53,454	1,025	204,939
Inter-segment revenue	-	673	39,923	40,596
	<u>150,460</u>	<u>54,127</u>	<u>40,948</u>	<u>245,535</u>
Elimination				(40,596)
Revenue				<u>204,939</u>
<b>Segment results</b>	2,980	(4,138)	37,402	36,244
Elimination				(28,507)
				7,737
Finance expense				(2,459)
Profit before income tax				5,278
Income tax expense				(1,247)
<b>Net profit</b>				<u>4,031</u>
<b>Segment results include:</b>				
Interest income	11	9	68	88
Depreciation of property, plant and equipment	(2,517)	(360)	(303)	(3,180)
Share of losses of associated companies and joint ventures	(5)	(1,642)	-	(1,647)
<b>1H2021</b>				
Revenue from external customers	118,764	11,210	936	130,910
Inter-segment revenue	-	638	17,736	18,374
	<u>118,764</u>	<u>11,848</u>	<u>18,672</u>	<u>149,284</u>
Elimination				(18,374)
Revenue				<u>130,910</u>
<b>Segment results</b>	6,658	(2,091)	14,373	18,940
Elimination				(15,818)
				3,122
Finance expense				(2,378)
Profit before income tax				744
Income tax expense				(405)
<b>Net profit</b>				<u>339</u>
<b>Segment results include:</b>				
Interest income	137	29	56	222
Depreciation of property, plant and equipment	(1,718)	(368)	(237)	(2,323)
Share of losses of associated companies and joint ventures	(5)	(3,163)	-	(3,168)

#### 4.1 Segment Information (continued)

	<u>Construction</u>	Property development and <u>investment</u>	Investment holding and others	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
<b>As at 31 December 2021</b>				
Segment assets	153,348	270,273	70,884	494,505
Elimination				(4,272)
Tax recoverable				246
Deferred income tax assets				3,867
Consolidated total assets				<u>494,346</u>
<b>Segment assets include:</b>				
Investment in associates and joint ventures	240	29,103	33	29,376
Capital expenditure on property, plant and equipment	376	-	306	682
				<u>          </u>
Segment liabilities	(118,391)	(12,344)	(978)	(131,713)
Elimination				312
Borrowings				(121,653)
Deferred income tax liabilities and current income tax liabilities				(1,250)
				<u>          </u>
Consolidated total liabilities				<u>(254,304)</u>
<b>As at 30 June 2021</b>				
Segment assets	148,113	423,299	43,696	615,108
Elimination				(4,876)
Tax recoverable				244
Deferred income tax assets				4,598
Consolidated total assets				<u>615,074</u>
<b>Segment assets include:</b>				
Investment in associates and joint ventures	245	30,276	33	30,554
Capital expenditure on property, plant and equipment	10,011	23	528	10,562
Capital expenditure on investment properties	-	46,075	-	46,075
				<u>          </u>
Segment liabilities	(110,495)	(16,682)	(1,727)	(128,904)
Elimination				312
Borrowings				(227,246)
Deferred income tax liabilities and current income tax liabilities				(1,190)
				<u>          </u>
Consolidated total liabilities				<u>(357,028)</u>

## 4.2 Disaggregation of Revenue

	<b>Group 1H2022</b>		
	At a point in time	Over time	Total
	\$'000	\$'000	\$'000
Revenue from construction contracts			
- Non-related parties	-	150,120	150,120
Revenue from sale of properties			
- Related party *	-	780	780
- Non-related parties	18,355	33,680	52,035
Management and technical assistance fees from			
- Non-related parties	-	143	143
- Joint ventures	-	99	99
Total revenue from contracts with customer	<u>18,355</u>	<u>184,822</u>	<u>203,177</u>
Rental income			882
Dividend income from financial assets, at FVOCI			880
Total revenue			<u><u>204,939</u></u>

	<b>Group 1H2021</b>		
	At a point in time	Over time	Total
	\$'000	\$'000	\$'000
Revenue from construction contracts			
- Non-related parties	-	117,179	117,179
- Joint venture	-	1,316	1,316
Revenue from sale of properties			
- Non-related parties	1,244	9,388	10,632
Management and technical assistance fees from			
- Related party *	-	14	14
- Non-related parties	-	145	145
- Joint ventures	-	99	99
Total revenue from contracts with customer	<u>1,244</u>	<u>128,141</u>	<u>129,385</u>
Rental income			693
Dividend income from financial assets, at FVOCI			832
Total revenue			<u><u>130,910</u></u>

\* Related party refers to an associate of a director and a company with a common director.

## 5 Profit before taxation

### 5.1 Profit before tax is arrived at after crediting/(charging) the following:

	Group	
	1H2022	1H2021
	\$'000	\$'000
<b>Other income</b>		
Interest income	88	222
Government grants	1,345	4,709
<b>Other gains/(losses) – net</b>		
Impairment loss of trade receivables	(27)	-
Gain on disposal of property, plant and equipment – net	8	18
Gain on disposal of subsidiaries	857	-
Currency translation gain/(loss) – net	848	(448)
<b>Expenses</b>		
Interest expense and bank facility fees	(2,459)	(2,378)
Depreciation of property, plant and equipment	(3,180)	(2,323)
Amortisation of club memberships	(12)	(17)
Property, plant and equipment written off	(15)	(22)

### 5.2 Related party transactions

In addition to the related party information shown elsewhere in the financial statements, the following transactions between the Group and a related party took place during the financial period:

	Group	
	1H2022	1H2021
	\$'000	\$'000
Consultancy fee paid to a director of the Company	64	90

During the financial period ended 31 December 2021, the Group invested additional \$343,000 in cash, representing 25% of its shareholding interests, for additional 36,000 ordinary shares in PT Super Makmur Sejahtera ("PT Super"). This additional investment was mainly used for acquisition of additional land parcels in Bintan, Indonesia for investment purposes. With these new acquisitions, PT Super now own total vacant land of approximately 860,000 square meters in Bintan, Indonesia.

The other 75% shareholding interest in PT Super is held by Cyan Bay Pte. Ltd., a wholly owned subsidiary of Ellipsiz Limited ("Ellipsiz"). Ellipsiz is considered a related party to the Company by virtue of common controlling shareholder and directors in the two companies.

## 6 Income tax expense

Tax expense attributable to profit is made up of:

	Group	
	1H2022 \$'000	1H2021 \$'000
Current income tax		
- Singapore	580	545
Deferred income tax	740	-
	<u>1,320</u>	<u>545</u>
Over provision in prior financial years		
- Current income tax	(73)	(140)
	<u>1,247</u>	<u>405</u>

## 7 Dividends

	Group and Company	
	1H2022 \$'000	1H2021 \$'000
<u>Ordinary dividends paid:</u>		
Final dividend of 1.0 cent for financial year 2021 (2020: 1.0 cent) per ordinary share	<u>3,767</u>	<u>3,767</u>

## 8 Earnings per share – basic and diluted

	Group	
	1H2022 \$'000	1H2021 \$'000
Net profit attributable to equity holders of the Company	4,577	159
Profit impact of conversion of the potential dilutive shares	373	-
Adjusted net profit attributable to equity holders of the Company	<u>4,950</u>	<u>159</u>
	'000	'000
Weighted average number of ordinary shares in issue for basic earnings per share	376,688	376,688
Adjustments for convertible loan	40,514	-
Weighted average number of ordinary shares for diluted earnings per share	<u>417,202</u>	<u>376,688</u>
Earnings per share (in cents per share)		
- Basic	1.22	0.04
- Diluted	<u>1.19</u>	<u>0.04</u>

## 9 Net Asset Value

	Group		Company	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
Net asset* value per ordinary share based on issued share capital (excluding treasury shares which have no voting rights) as at the end of the financial period/year	<u>63.12 cents</u>	<u>63.36 cents</u>	<u>33.68 cents</u>	<u>24.91 cents</u>

\* Net asset is defined as shareholders' equity



## 10 Investment properties

Investment properties of the Group include commercial and industrial properties that are held for long-term rental yields and/or for capital appreciation. A portion of an investment property which is designated to house the Group's corporate offices is classified as property, plant and equipment. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value. Changes in fair values are recognised in profit or loss.

	Group	
	31 December 2021 \$'000	30 June 2021 \$'000
Beginning of financial period/year	119,833	58,316
(Reversal)/capitalisation of expenditure for re-development of investment property	(67)	46,075
Reclassification to property, plant and equipment	-	(5,512)
Disposal	(97,483)	-
Fair value gains recognised in profit or loss	-	16,393
Currency translation differences	(588)	4,561
End of financial period/year	<u>21,695</u>	<u>119,833</u>

### 10.1 Valuation

The Group engaged external, independent and qualified valuers to determine the fair value of the Group's investment properties as at 30 June 2021 based on the properties' highest and best use.

Changes in Level 3 fair values as assessed by the external valuers are reviewed by the directors.

#### Valuation techniques and inputs used in Level 3 fair value measurements

- (i) the Direct Market Comparison Method where properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with necessary adjustments made for differences in location, tenure, size, design, layout, age and condition of the buildings, availability of car parking facilities, dates of transactions and the prevailing market conditions. The most significant inputs to the valuation approach would be the adopted value per square meter.
- (ii) the Discounted Cash Flow Method where the net operating income over a period is discounted to arrive at a present value of expected future cash flows. The most significant inputs to the valuation approach would be the discount rate and the capitalisation rate.
- (iii) the Residual Valuation Method where the property is valued in its existing partially completed state of construction taking into account the cost of work done by deducting estimated cost to complete and other relevant costs from gross development value of the proposed development, assuming satisfactory completion.

As at 31 December 2021, the management reviewed the valuation prepared by professional valuers as at 30 June 2021 to determine whether the facts and assumptions used has materially changed. The management assessed that there is no material change in the estimates and assumptions used to determine the fair value of the investment properties at 31 December 2021 and no fair value change was recorded for the six months ended 31 December 2021.

## 10.1 Valuation (continued)

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy at 31 December 2021:

Fair value at 31 December 2021 ('000)	Valuation technique (s)	Unobservable inputs*	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
<b>Commercial properties in Singapore</b>				
\$21,695 (30 June 2021: \$21,695)	Direct Market Comparison Method	Adopted value per square meter of net lettable area	\$6,620 to \$28,000 per sq.m.	The higher the adopted value, the higher the fair value
<b>Commercial property in United Kingdom</b>				
\$Nil (30 June 2021: \$98,138)	Discounted Cash Flow Method	Discount rate	7.75%	The lower the discount rate, the higher the fair value.
		Capitalisation rate	5.75%	The lower the capitalisation rate, the higher the fair value.

\* There were no significant inter-relationships between unobservable inputs.

## 11 Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to \$682,000 (31 December 2020: \$1,555,000) and disposed of assets amounting to \$169,000 (31 December 2020: \$236,000).

## 12 Borrowings

Borrowings excluding lease liabilities:

	Group		Company	
	31 December 2021 \$'000	30 June 2021 \$'000	31 December 2021 \$'000	30 June 2021 \$'000
<u>Amount repayable within one year or on demand (net of transaction costs)</u>				
Secured	232	458	-	-
Unsecured	4,000	49,983	-	39,983
<u>Amount repayable after one year (net of transaction costs)</u>				
Secured	74,059	172,279	-	-
Unsecured	40,000	-	40,000	-

The secured borrowings of the Group are secured by two of the Group's development properties and a leasehold property.

### 13 Share capital and treasury shares

	← No. of ordinary shares →		← Amount →	
	Issued share capital '000	Treasury shares '000	Issued share capital \$'000	Treasury shares \$'000
<u>Group and Company</u>				
31 December 2021				
Beginning and end of financial period	385,030	(8,342)	86,572	(2,845)
30 June 2021				
Beginning and end of financial year	385,030	(8,342)	86,572	(2,845)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares (except treasury shares) carry one vote per share and carry a right to dividends as and when declared by the Company.

The Company's issued and fully paid up shares as at 31 December 2021 comprised 376,688,104 (31 December 2020: 376,688,104) ordinary shares with voting rights and 8,341,500 (31 December 2020: 8,341,500) treasury shares with no voting rights. There were no sales, transfers, disposals, cancellation and/or use of treasury shares during the financial period/year ended 31 December 2021 and 30 June 2021.

The Company did not issue any ordinary shares during the financial period/year ended 31 December 2021 and 30 June 2021.

The Company did not purchase any of its ordinary shares during the financial period/year ended 31 December 2021 and 30 June 2021.

#### Convertible Loan

The number of Shares that may be issued on the convertible loan outstanding as at period/year ended is as follows:

	Group and Company	
	31 December 2021	31 December 2020
Number of shares that may be issued on conversion of all outstanding convertible loan <sup>(1)</sup>	45,454,546	-
Total number of issued shares (excluding treasury shares and subsidiary holdings)	376,688,104	376,688,104

<sup>(1)</sup> On 25 June 2021, the Company had entered into a convertible loan agreement ("CLA") with an unrelated company, Risa Partners, Inc (the "Lender"), pursuant to which the Lender agreed to extend an interest bearing convertible loan of S\$20 million. The Company had drawn down the full loan on 21 July 2021. The convertible loan is convertible into 45,454,546 ordinary shares of the Company within two years of the draw down date, or extended by the Lender to three years of the draw down date, at a conversion price of S\$0.44 per share subject to adjustments in accordance with the provisions of the CLA. As at the date of this announcement, no conversion of the convertible loan has taken place.

## 14 Disposal of subsidiaries

On 21 October 2021, the Group disposed of its subsidiaries that owned a freehold property in the United Kingdom to a third party. The effect of the disposal on the cash flows of the Group were:

	Group
	31 December
	2021
	\$'000
Carrying amounts of assets and liabilities as at the date of disposal:	
Cash and cash equivalents	301
Investment property	97,483
Trade and other receivables	3,070
Total assets	<u>100,854</u>
Trade and other payables	1,378
Borrowings	49,570
	<u>50,948</u>
Net assets disposed of	<u>49,906</u>
Cash inflows arising from disposal:	
Net assets disposed of (as above)	49,906
Gain on disposal (Note 5.1)	857
Cash proceeds on disposal	50,763
Less: Cash and cash equivalents in subsidiary disposed of	(301)
Net cash inflow on disposal as reflected in the consolidated statement of cash flow	<u>50,462</u>

## 15 Update on use of convertible loan proceeds

Further to the announcement made on 28 September 2021 on the change in and update on the use of proceeds from the convertible loan proceeds, the remaining proceeds had been fully utilised as of 31 December 2021.

Use of Net Proceeds	Reallocated amount (\$'000)	Amount utilised (\$'000)	Amount unutilised (\$'000)
Repay existing borrowings	36,000 (90%)	36,000	-
General corporate purposes <sup>(1)</sup>	3,900 (10%)	3,900	-
Total	39,900	39,900	-

Note:

(1) Mainly utilised for expenses relating to employee benefits, bank interests, office overheads, legal and other professional fees.

## Other Information Required by Listing Rule Appendix 7.2

### 1. Review

The condensed financial statements of the Group comprise:

- the condensed consolidated income statement of the Group for six-month period ended 31 December 2021;
- the condensed consolidated statement of comprehensive income of the Group for six-month period ended 31 December 2021;
- the condensed balance sheets of the Group and of the Company as at 31 December 2021;
- the condensed consolidated statements of changes in equity of the Group and of the Company for the financial period then ended;
- the condensed consolidated statement of cash flows of the Group for the financial period then ended;
- explanatory notes to the condensed financial statements.

The above condensed financial statements have not been audited or reviewed by the Company's auditor.

### 2. Review of performance of the Group

- (a) Group performance review for the financial period ended 31 December 2021 ("1H2022") compared to the financial period ended 31 December 2020 ("1H2021")

#### *Condensed Consolidated Income Statement*

##### **Revenue**

The Group recorded revenue of \$204.9 million in 1H2022, an increase of 56.5% or \$74.0 million from \$130.9 million in 1H2021. This was mainly attributable to higher revenue generated from the construction segment and the property segment.

The increase in revenue from construction segment by \$31.7 million reflects improvement in level of construction activities and progress made in the various on-going projects after the lifting of Circuit Breaker in 2020.

The increase in revenue from property segment arose mainly from more units sold from the Group's residential developments in Singapore and Malaysia, which resulted in an increase in revenue recognition of \$42.2 million in 1H2022.

##### **Cost of sales**

The increase in cost of sales for the half year under review was in line with the increase in revenue.

##### **Other income**

Other income mainly comprised interest from bank deposits and government grant. The Group's other income decreased by \$3.5 million to \$1.8 million in 1HFY2022 (1H2021: \$5.3 million) mainly due to lower COVID-19 related financial supports received from the Singapore government amounting to \$3.4 million.

**Other gains/(losses) – net**

Other gains - net was \$1.7 million in 1H2022 compared to other losses - net of \$0.4 million in 1H2021.

On 21 October 2021, the Group completed the disposal of its subsidiaries that owned a freehold property in the United Kingdom. The net gain on disposal after deducting related transaction costs was approximately \$0.9 million. Following the disposal, the Group recognised currency translation gain of \$0.7 million for the return of distribution from the immediate holding company of these subsidiaries.

**Expenses**

Distribution and marketing expenses increased by \$1.1 million to \$1.3 million in 1H2022 (1H2021: \$0.2 million) mainly due to increased sales commission paid as more units were sold from the Group's residential developments in Singapore and Malaysia in 1H2022.

Depreciation on property, plant and equipment increased by \$0.9 million to \$3.2 million in 1H2022 (1H2021: \$2.3 million). The increase was mainly due to depreciation charge on new assets acquired in 2H2021.

**Share of profits/(losses) of associated companies**

The share of profits of associated companies in 1H2022 was \$414,000 compared to loss of \$20,000 in 1H2021. The share of profits for 1H2022 was mainly due to fair value gain on an investment property owned by an associated company in Bintan, Indonesia.

**Share of losses of joint ventures**

The share of losses of joint ventures in 1H2022 was \$2.1 million compared to \$3.1 million in 1H2021. These losses mainly arose from a joint venture company which owns an integrated development in Singapore.

*Condensed Consolidated Statement of Comprehensive Income***Currency translation differences arising from consolidation**

Foreign currency translation differences are recognised on the translation of the Group's share of net assets of various foreign operations in Malaysia, the United Kingdom, and Indonesia. Net foreign currency translation loss of \$1.0 million for 1H2022 was mainly due to loss recognised as a result of the depreciation of the Sterling Pound.

**Fair value losses on financial assets, at FVOCI**

Fair value losses on financial assets, at FVOCI for 1H2022 and 1H2021 were in respect of the Group's unquoted investments.

(b) Cash flow, working capital, assets or liabilities of the Group

**Cash and cash equivalents**

Cash and cash equivalents as at 31 December 2021 was \$112.1 million compared to \$100.1 million as at 30 June 2021.

The increase of \$12.0 million was mainly due to \$45.0 million generated from operations, proceeds from disposal of subsidiaries (UK property disposal) of \$50.5 million, offset by \$54.6 million net repayment of bank loans, \$16.1 million distributions to non-controlling interest from the disposal proceeds, \$3.8 million dividends paid to shareholders, \$3.1 million interest paid and \$3.0 million advances paid to a joint venture.

Please refer to the cashflow statements for the Group for further details.

**Trade and other receivables (Current + Non-current)**

Total trade and other receivables of \$142.0 million as at 31 December 2021 increased by \$5.9 million compared to \$136.1 million as at 30 June 2021 mainly due to higher billings for on-going construction projects totaling \$20.8 million, \$3.0 million increase in advances receivable from joint venture and \$0.9 million dividend receivable from unlisted equity instrument. These increases were partially offset by net collections from construction projects of \$5.7 million and \$12.6 million collected from the sold units of the Group's residential development in Singapore.

**Contract assets**

Contract assets as at 31 December 2021 was \$62.6 million compared to \$56.8 million as at 30 June 2021. The increase of \$5.8 million was mainly due to the increase in work carried out but not yet billed to customers for several construction projects.

**Development properties**

Development properties of \$56.6 million as at 31 December 2021 decreased by \$38.0 million compared to \$94.6 million as at 30 June 2021 mainly due to units sold from the Group's residential developments in Malaysia and Singapore. The cost of the sold units was \$42.9 million. The decrease was partially offset by development costs of \$4.5 million incurred on the residential developments.

**Investment properties**

Investment properties decreased by \$98.1 million to \$21.7 million as at 31 December 2021 (FY21: \$119.8 million). The decrease was mainly due to disposal of subsidiaries which owned a freehold commercial property in the United Kingdom.

**Property, plant and equipment**

Property, plant and equipment decreased by \$2.6 million to \$33.8 million as at 30 June 2021 (FY21: \$36.4 million). The decrease was mainly due to depreciation charge of \$3.2 million during the six months ended 31 December 2021.

**Trade and other payables (Current + Non-current)**

Total trade and other payables of \$120.3 million as at 31 December 2021 increased by \$5.1 million compared to \$115.2 million as at 30 June 2021. The increase was mainly due to net increase in payables to subcontractors of construction projects of \$9.3 million and \$2.2 million for subcontractors of residential development in Singapore. The increase was partially offset by decrease in payables of \$4.9 million from the disposal of subsidiaries relating to the sale of a property in the United Kingdom, and repayment of advances amounting to \$1.1 million made to non-controlling interest of a subsidiary.

**Borrowings (Current + Non-current)**

Total borrowings decreased by \$105.6 million since 30 June 2021 to \$121.7 million as at 31 December 2021 mainly due to repayment of \$107.4 million bank loans and \$40.0 million medium term note, partly offset by drawdown of term loan and convertible loan amounting to \$43.2 million to repay Group's existing borrowings and for general corporate purposes.

**3. 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 broadly in line with the comments previously disclosed in part 4 of the other information required by Listing Rule Appendix 7.2 in the results announcement for the financial year ended 30 June 2021.

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

Based on flash estimates released by the Ministry of Trade and Industry (MTI) on 3 January 2022, Singapore's economy grew by 5.9% in the fourth quarter of 2021 on a year-on-year basis, moderating from the 7.1% growth in the previous quarter. For the whole of 2021, Singapore's economy grew by 7.2%, higher than earlier estimates and rebounding from the 5.4% contraction in 2020.

The construction sector recorded a 2% year on year growth in the fourth quarter of 2021, significantly lower than the 66.3% growth in the previous quarter. MTI attributes the strong growth in the third quarter of 2021 mainly to low base effects of the slow resumption of construction activities after Circuit Breaker in 2020.

Meanwhile, the Building and Construction Authority (BCA) in a statement released on 26 January 2022, projects the total construction demand in 2022 to be between \$27 billion and \$32 billion, around the same level recorded in pre-Covid 2019.

More than half (60%) of the projected demand, is expected to come from public sector projects, with between \$16 billion and \$19 billion worth of infrastructure and public housing projects in the pipeline. Private sector demand is expected to reach between \$11 billion and \$13 billion in 2022, supported by commercial, industrial, refurbishment and redevelopment projects.

The Group's construction arm continues to remain focused on reducing disruptions and completing projects expeditiously. While there appears to be some easing in the labour shortage and with construction demand expected to increase, the Group will continue to monitor the situation vigilantly and continue to be selective in its tender choice. The Group's outstanding order book as at 31 December 2021 was \$1.69 billion.

Three new units of the Group's landed development, One Tree Hill Collection were sold during the first half of this financial year leaving only two units remaining unsold to date.

In Malaysia, Covid-19 movement restrictions have eased since October 2021 and the Group sold twelve more landed homes from Twin Palms Sungai Long during the first half of FY2022.



## 5. Dividend Information

### (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes

<b>Name of Dividend</b>	Interim Dividend	Special Dividend
<b>Dividend Type</b>	Cash	Cash
<b>Dividend per share</b>	0.75 cents per ordinary share	2.25 cents per ordinary share
<b>Tax Rate</b>	Tax exempt (1-Tier)	Tax exempt (1-Tier)

### (b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes

<b>Name of Dividend</b>	Interim Dividend	Special Dividend
<b>Dividend Type</b>	Cash	Cash
<b>Dividend per share</b>	0.75 cents per ordinary share	4.25 cents per ordinary share
<b>Tax Rate</b>	Tax exempt (1-Tier)	Tax exempt (1-Tier)

(c) **Date payable** - The interim and special dividends will be paid on 16 March 2022.

### (d) Record date -

The Transfer Books and the Register of Members of the Company will be closed on 28 February 2022 5.00 p.m. (the "Record Date") for the purpose of determining shareholders' entitlements to the interim and special dividends (the "Dividend"). Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #02-00 Singapore 068898, up to 5.00 p.m. on the Record Date will be registered to determine shareholders' entitlements to the Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the ordinary shares of the Company as at 5.00 p.m. on the Record Date will be entitled to the Dividend.

## 6. Interested Party Transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Party Transactions.

## 7. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

The Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors which may render the unaudited condensed interim consolidated financial statements for the six months ended 31 December 2021 to be false or misleading in any material aspect.

## 8. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

## 9. Disclosure of acquisition and realisation of shares pursuant to Rule 706A of the Listing Manual

During the six months ended 31 December 2021:

(A) The following subsidiaries were liquidated and wound up:

Date	Details	Announcement Reference No.
26 July 2021	<p>1 Name : 130 WS Holdings Limited Principal Activities : Investment Holdings Issued &amp; Paid-up Share Capital : GBP1,000</p> <p>2 Name : 130 WS Investments Limited Principal Activities : Investment Holdings Issued &amp; Paid-up Share Capital : GBP1,000</p>	-
30 December 2021	<p>Name : Uptown Viewpoint Sdn Bhd Principal Activities : Property Development Issued &amp; Paid-up Share Capital : MYR250,000</p>	-

(B) There were sale of shares resulting in the following companies to cease as subsidiaries of the Company:

Date	Details	Announcement Reference No.
25 September 2021 and 21 October 2021	<p>1 Kelaty Holdings Limited ("KHL") 2 Kelaty Propco Limited ("KPL") 3 Kelaty Leaseco Limited ("KLL") (collectively "Kelaty Group")</p> <p>The sale of the entire share capital in KHL, together with its wholly owned subsidiaries, KPL and KLL. The Kelaty Group owns a serviced residence in the United Kingdom. Pursuant to the sale, the Kelaty Group ceased to be subsidiaries of the Company.</p>	<p>SG210925OTHRGKUS dated 25 September 2021, and SG211022OTHR5I0Y dated 22 October 2022</p>

### BY ORDER OF THE BOARD

TONY FONG  
TAN ENG CHAN GERALD  
COMPANY SECRETARIES

11 February 2022