



FIGTREE HOLDINGS LIMITED

(Company Registration Number : 201315211G)

**Unaudited Financial Statement and Dividend Announcement
For the Half Year Ended 30 June 2020**

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Income Statement

	Note	Group Half Year Ended		Change %
		30 June 2020 S\$	30 June 2019 S\$	
Revenue	8(a)(i)	3,647,576	4,760,355	(23.4)
Cost of sales	8(a)(ii)	(3,114,687)	(4,618,858)	(32.6)
Gross profit	8(a)(ii)	532,889	141,497	NM
Other income	8(a)(iii)	410,745	6,478,373	(93.7)
General and administrative expenses	8(a)(iv)	(1,971,522)	(2,988,702)	(34.0)
Finance costs	8(a)(v)	(50,648)	(104,997)	(51.8)
Share of results of associates	8(a)(vi)	518,149	(1,585,766)	132.7
(Loss)/profit before taxation		(560,387)	1,940,405	(128.9)
Tax credit	8(a)(vii)	74,652	327,542	(77.2)
(Loss)/profit for the period		(485,735)	2,267,947	(121.4)
Attributable to:				
Owners of the Company		(420,772)	2,296,227	(118.3)
Non-controlling interests		(64,963)	(28,280)	129.7
		(485,735)	2,267,947	(121.4)

NM – Not Meaningful

Consolidated Statement of Comprehensive Income

	Group		
	Half Year Ended		
	30 June 2020	30 June 2019	Change
	S\$	S\$	%
(Loss)/profit for the period	(485,735)	2,267,947	(121.4)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
- Exchange differences on translation of foreign operations	509,297	(872,168)	158.4
Other comprehensive income/(loss) for the period, net of tax	509,297	(872,168)	158.4
Total comprehensive income for the period	<u>23,562</u>	<u>1,395,779</u>	(98.3)
Attributable to:			
Owners of the Company	88,525	1,424,059	(93.8)
Non-controlling interests	(64,963)	(28,280)	129.7
	<u>23,562</u>	<u>1,395,779</u>	(98.3)

NM – Not Meaningful

Notes to the Consolidated Income Statement

The following items have been included in arriving at profit before taxation:

	Note	Group		
		Half Year Ended		
		30 June 2020	30 June 2019	Change
		S\$	S\$	%
Bad debts written off		–	26,727	(100.0)
Depreciation of property, plant and equipment		63,179	90,057	(29.8)
Depreciation of right-of-use assets		43,277	19,154	125.9
Foreign exchange (gain)/loss, net	8(a)(iv)	(487,933)	150,633	NM
Income from government grants		256,189	1,676	NM
Interest income from loans to an associate		(99,678)	(110,356)	(9.7)
Gain on sale of disposal group classified as held for sale, net		–	(6,309,771)	(100.0)
Gain on disposal of property, plant and equipment		–	(750)	(100.0)
Operating lease expense		546	15,194	(96.4)
Employee benefits expense	A	2,239,923	2,241,845	(0.1)
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<i>Note A: Employee benefits expense</i>				
<i>Presented in the consolidated income statement as:</i>				
- Cost of sales		435,926	239,792	81.8
- General and administrative expenses		1,803,997	2,002,023	(9.9)
		<hr/>	<hr/>	
		2,239,923	2,241,815	(0.1)

NM – Not Meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Note	Group		Company	
		As at 30 June 2020 S\$	As at 31 December 2019 S\$	As at 30 June 2020 S\$	As at 31 December 2019 S\$
ASSETS					
Non-current assets					
Property, plant and equipment		3,113,530	3,155,020	-	-
Right-of-use assets		71,951	114,016	-	-
Investments in subsidiaries		-	-	9,152,597	9,152,597
Interests in associates	8(b)(i)	12,063,671	11,035,005	-	-
Total non-current assets		15,249,152	14,304,041	9,152,597	9,152,597
Current assets					
Development properties	8(b)(ii)	4,138,631	-	-	-
Loans to an associate		21,783,427	21,450,581	-	-
Amounts due from subsidiaries		-	-	23,913,889	24,285,512
Prepayments		60,534	81,385	8,010	4,192
Contract assets	8(b)(iii)	3,950,262	4,914,155	-	-
Trade receivables	8(b)(iv)	2,111,222	3,758,138	-	-
Other receivables	8(b)(v)	614,626	454,283	10,350	-
Cash and short-term deposits	8(b)(vi)	14,806,756	16,437,570	335,795	330,756
Total current assets		47,465,458	47,096,112	24,268,044	24,620,460
Total assets		62,714,610	61,400,153	33,420,641	33,773,057
LIABILITIES					
Current liabilities					
Contract liabilities	8(b)(vii)	6,614,531	4,127,991	-	-
Trade and other payables	8(b)(viii)	3,296,253	4,373,847	391,696	485,082
Bank borrowings		2,500,000	2,500,000	-	-
Lease liabilities		44,744	71,591	-	-
Provision for taxation		50,815	62,708	6,363	4,779
Total current liabilities		12,506,343	11,136,137	398,059	489,861
Net current assets		34,959,115	35,959,975	23,869,985	24,130,599
Non-current liabilities					
Deferred tax liabilities		215,521	294,636	21	79,136
Lease liabilities		34,186	49,152	-	-
Total non-current liabilities		249,707	343,788	21	79,136
Total liabilities		12,756,050	11,479,925	398,080	568,997
Net assets		49,958,560	49,920,228	33,022,561	33,204,060

	Group		Company	
	As at 30 June	As at 31 December	As at 30 June	As at 31 December
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
EQUITY				
Equity attributable to owners of the Company				
Share capital	31,286,466	31,286,466	31,286,466	31,286,466
Accumulated profits	27,362,851	27,783,623	1,431,098	1,627,367
Merger deficit ⁽¹⁾	(8,152,595)	(8,152,595)	-	-
Share option reserve	304,997	290,227	304,997	290,227
Foreign currency translation reserve	(1,190,955)	(1,700,252)	-	-
Other reserves	488,000	488,000	-	-
	50,098,764	49,995,469	33,022,561	33,204,060
Non-controlling interests	(140,204)	(75,241)	-	-
Total equity	49,958,560	49,920,228	33,022,561	33,204,060

Note:

- (1) The difference between the consideration paid / transferred and the issued and paid up share capital of Figtree Projects Pte. Ltd. during the pre-IPO Restructuring Exercise is reflected as a Merger Deficit under the Equity of the Group.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 June 2020		As at 31 December 2019	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
2,500,000	-	2,500,000	-

The Group's borrowings of S\$2.5 million are secured by legal mortgage on the Group's leasehold property located at 8 Jalan Kilang Barat, Singapore 159351 and a corporate guarantee provided by the Company.

Amount repayable after one year

As at 30 June 2020		As at 31 December 2019	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
-	-	-	-

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	Half Year Ended	
	30 June 2020	30 June 2019
	S\$	S\$
Cash flows from operating activities		
(Loss)/profit before taxation	(560,387)	1,940,405
Adjustments for:		
Depreciation of property, plant and equipment	63,179	90,057
Depreciation of right-of-use assets	43,277	19,154
Gain on sale of disposal group classified as held for sale, net	–	(6,309,771)
Gain on disposal of property, plant and equipment	–	(750)
Share of results of associates	(518,149)	1,585,766
Share-based expense	14,770	54,801
Bad debts written off	–	26,727
Interest income	(153,352)	(166,176)
Finance costs	50,648	104,997
Unrealised exchange (gain)/loss	(234,283)	27,311
Operating cash flows before changes in working capital	(1,294,297)	(2,627,479)
(Increase)/decrease in:		
Development properties	(4,138,631)	–
Capitalised contract costs	–	(109,705)
Trade receivables and contract assets	2,610,809	(593,579)
Other receivables and prepayments	(139,492)	(50,672)
Increase/(decrease) in:		
Contract liabilities	2,486,540	781,445
Trade and other payables	(1,680,547)	(7,678,949)
Cash flows used in operations	(2,155,618)	(10,278,939)
Income tax paid	(16,357)	(92,857)
Interest received	53,674	55,820
Net cash flows used in operating activities	(2,118,301)	(10,315,976)
Cash flows from investing activities		
Purchases of property, plant and equipment	(19,876)	(13,555)
Proceeds from disposal of property, plant and equipment	–	750
Proceeds from sale of disposal group classified as held for sale, net	–	31,801,456
Net cash flows (used in)/generated from investing activities	(19,876)	31,788,651

	Group	
	Half Year Ended	
	30 June 2020	30 June 2019
	S\$	S\$
Cash flows from financing activities		
Proceeds from bank borrowings	–	850,000
Repayment of bank borrowings	–	(1,450,000)
Repayment of lease liabilities	(41,813)	(33,467)
Proceeds from other borrowings	602,950	–
Interest paid	(50,648)	(104,997)
Net cash flows generated from/(used in) financing activities	510,489	(738,464)
Net (decrease)/increase in cash and cash equivalents	(1,627,688)	20,734,211
Cash and cash equivalents at the beginning of period	16,437,570	468,702
Effects of exchange rates on cash and cash equivalents	(3,126)	–
Cash and cash equivalents at the end of period	14,806,756	21,202,913

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Attributable to equity holders of the Company							Total equity attributable to owners of the Company S\$	Non-controlling interests S\$	Total equity S\$
	Share capital S\$	Accumulated profits S\$	Merger deficit S\$	Share option reserve S\$	Foreign currency translation reserve S\$	Other reserves	Total reserves S\$			
Balance at 1 January 2020	31,286,466	27,783,623	(8,152,595)	290,227	(1,700,252)	488,000	18,709,003	49,995,469	(75,241)	49,920,228
Loss for the period	-	(420,772)	-	-	-	-	(420,772)	(420,772)	(64,963)	(485,735)
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	-	-	509,297	-	509,297	509,297	-	509,297
Total comprehensive income for the period	-	(420,772)	-	-	509,297	-	88,525	88,525	(64,963)	23,562
<u>Contributions by and distributions to owners</u>										
Share-based staff costs	-	-	-	14,770	-	-	14,770	14,770	-	14,770
Total contributions by and distributions to owners	-	-	-	14,770	-	-	14,770	14,770	-	14,770
Total transactions with owners in their capacity as owners	-	-	-	14,770	-	-	14,770	14,770	-	14,770
Balance at 30 June 2020	31,286,466	27,362,851	(8,152,595)	304,997	(1,190,955)	488,000	18,812,298	50,098,764	(140,204)	49,958,560

Group	Attributable to equity holders of the Company							Total equity attributable to owners of the Company S\$	Non-controlling interests S\$	Total equity S\$
	Share capital S\$	Accumulated profits S\$	Merger deficit S\$	Share option reserve S\$	Foreign currency translation reserve S\$	Other reserves	Total reserves S\$			
Balance as at 1 January 2019	30,911,972	28,875,829	(8,152,595)	218,283	(1,436,345)	488,000	19,993,172	50,905,144	(25,551)	50,879,593
Profit for the period	-	2,296,227	-	-	-	-	2,296,227	2,296,227	(28,280)	2,267,947
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	-	-	(872,168)	-	(872,168)	(872,168)	-	(872,168)
Total comprehensive income for the period	-	2,296,227	-	-	(872,168)	-	1,424,059	1,424,059	(28,280)	1,395,779
<u>Contributions by and distributions to owners</u>										
Share-based expense	-	-	-	54,801	-	-	54,801	54,801	-	54,801
Total contributions by and distributions to owners	-	-	-	54,801	-	-	54,801	54,801	-	54,801
Total transactions with owners in their capacity as owners	-	-	-	54,801	-	-	54,801	54,801	-	54,801
Balance as at 30 June 2019	30,911,972	31,172,056	(8,152,595)	273,084	(2,308,513)	488,000	21,472,032	52,384,004	(53,831)	52,330,173

Company	Share capital S\$	Accumulated profits S\$	Share option reserve S\$	Total S\$
Balance as at 1 January 2020	31,286,466	1,627,367	290,227	33,204,060
Loss, representing total comprehensive income, for the period	-	(196,269)	-	(196,269)
<u>Contributions by and distributions to owners</u>				
Share-based staff costs	-	-	14,770	14,770
Total contributions by and distributions to owners	-	-	14,770	14,770
Total transactions with owners in their capacity as owners	-	-	14,770	14,770
Balance as at 30 June 2020	31,286,466	1,431,098	304,997	33,022,561
Balance as at 1 January 2019	30,911,972	1,180,282	245,683	32,337,937
Loss, representing total comprehensive income, for the period	-	(191,439)	-	(191,439)
<u>Contributions by and distributions to owners</u>				
Share-based expense	-	-	54,801	54,801
Total contributions by and distributions to owners	-	-	54,801	54,801
Total transactions with owners in their capacity as owners	-	-	54,801	54,801
Balance as at 30 June 2019	30,911,972	1,065,950	273,084	32,251,006

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Company	
	Number of shares	Issued and paid-up share capital (S\$)
As at 31 December 2019	351,213,448	31,286,466
As at 30 June 2020	351,213,448	31,286,466

Figtree Employee Share Option Scheme (the "ESOS")

The movement in share options during the period was as follows:

	2020 Number of share options	2019 Number of share options
Outstanding as at 1 January	7,325,000	7,755,000
Outstanding as at 30 June	7,325,000	7,755,000

The outstanding share options of 7,325,000 as at 30 June 2020 (30 June 2019: 7,755,000) are convertible into 7,325,000 (30 June 2019: 7,755,000) ordinary shares of the Company. The number of issued shares as at 30 June 2020 was 351,213,448 shares (30 June 2019: 347,980,292 shares).

Other than the unexercised share options under the ESOS as stated above, the Company had no other outstanding convertibles, subsidiary holdings or treasury shares as at 30 June 2020 and 30 June 2019.

1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	Company	
	As at 30 June 2020	As at 31 December 2019
Total number of issued shares excluding treasury shares	351,213,448	351,213,448

The Company did not have any treasury shares as at 30 June 2020 and 31 December 2019.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable. The Company does not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable. The Company does not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

These figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter)

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The latest audited financial statements have an unmodified opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Save as disclosed on Section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements for the financial year ended 31 December 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Company has adopted certain Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are mandatory for the financial year beginning on or after 1 January 2020. The adoption of these FRS and INT FRS has no significant impact on the financial position or performance of the Group.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group Half Year Ended	
	30 June 2020	30 June 2019
	S\$	S\$
(Loss)/profit attributable to owners of the Company	(420,772)	2,296,227
Weighted average number of ordinary shares for basic earnings per share computation	351,213,448	347,980,292
Effects of dilution:		
- Share options	-	-
Weighted average number of ordinary shares for diluted earnings per share computation	351,213,448	347,980,292
Basic (loss)/earnings per share (cents)	(0.12)	0.66
Diluted (loss)/earnings per share (cents) ⁽¹⁾	(0.12)	0.66

Note:

(1) The basic and diluted (loss)/earnings per share for the half year ended 30 June 2020 and 30 June 2019 were the same as the potential ordinary shares to be exercised from the outstanding share options are anti-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	As at 30 June 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2019
Net asset value per ordinary share based on issued share capital (cents)	14.26	14.24	9.40	9.45
Number of issued ordinary shares	351,213,448	351,213,448	351,213,448	351,213,448

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

(a) Review of the Consolidated Income Statement

Financial period from 1 January 2020 to 30 June 2020 ("1H2020") vs 1 January 2019 to 30 June 2019 ("1H2019")

- (i) The Group's revenue decreased mainly due lower revenue earned from the project with Tiong Lian Food Pte Ltd ("TLF"), which has obtained the Temporary Occupation Permit on 28 April 2020, partially offset by revenue earned from the project with OJJ Foods Pte Ltd ("OJJ"), which commenced in the fourth quarter of the financial year ended 31 December 2019 ("FY2019").
- (ii) The decrease in cost of sales is in line with the decrease in revenue. In 1H2020, the gross profit was higher mainly due to the absence of additional costs incurred upon finalisation of accounts from projects completed in prior years.
- (iii) The decrease in other income is mainly due to the completion of the sale of the development project, 303 La Trobe ("303 La Trobe"), in the 1H2019.
- (iv) The decrease in general and administrative expenses is mainly due to unrealised foreign exchange gains resulting from the stronger Australian Dollar against the Singapore Dollar in 1H2020, compared to foreign exchange losses incurred in 1H2019.
- (v) The decrease in finance costs is mainly due to lower short term bank borrowings and other borrowings in 1H2020.
- (vi) In 1H2019 the Group incurred losses from associates mainly due to the loss on disposal of indirect associate, DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd, in February 2019 which did not recur in 1H2020, thus resulting in an increase in share of profits from associate in 1H2020.
- (vii) The lower tax credit in 1H2020 is due to lower deferred tax assets arising from unutilised tax losses which have been offset with the deferred tax liabilities during the period.

(b) **Review of the Financial Position of the Group**

- (i) The increase in interests in associates arose from the Group's share of associates' profits for the period as well as the Group's share of the foreign currency translation reserve of associates.
- (ii) Development properties arose due to the completion of the purchase of a property in February 2020, located at 1-3 Minna Street, Blackburn, Victoria, Australia ("**Blackburn Property**").
- (iii) Contract assets as at 30 June 2020 and 31 December 2019 comprised the following :

	Group	
	As at 30 June 2020 S\$	As at 31 December 2019 S\$
Accrued receivables	1,056,938	1,735,720
Retention receivables	2,893,324	3,178,435
Total contract assets	3,950,262	4,914,155

The decrease in contract assets is mainly due to accrued receivables billed during the period.

- (iv) Trade receivables decreased mainly due to lower receivables from the project with TLF.
- (v) Other receivables as at 30 June 2020 and 31 December 2019 comprised the following :

	Group	
	As at 30 June 2020 S\$	As at 31 December 2019 S\$
Refundable deposits	526,316	27,226
Deposits on purchase of property	–	349,761
Sundry receivables	88,310	77,296
Total other receivables	614,626	454,283

The increase in other receivables is mainly due to the issuance of a performance bond by an insurance company for the OJJ project.

- (vi) Cash and short term deposits decreased mainly due to the completion of the purchase of the Blackburn Property of A\$3.70 million (approximately S\$3.48 million), partially offset by cash flows generated from operations.
- (vii) Contract liabilities increased mainly due to the OJJ project which commenced in the fourth quarter of FY2019.

(viii) Trade and other payables as at 30 June 2020 and 31 December 2019 comprised the following :

	Group	
	As at 30 June 2020 S\$	As at 31 December 2019 S\$
Trade payables	278,080	1,081,693
Accrued subcontractors' costs	863,461	1,615,709
Accrued operating expenses	748,075	921,488
GST payables	214,568	168,523
Sundry payables	95,625	92,940
Amount due to associate	10,744	10,744
Other borrowings	1,085,700	482,750
Total trade and other payables	3,296,253	4,373,847

Total trade and other payables decreased mainly due to the payment of trade payables and accrued subcontractors' costs, partially offset by proceeds from other borrowings.

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

In 1H2020, the Group recorded a net cash outflow from operating activities of S\$2.12 million, which was a result of operating cash flows before changes in working capital of S\$1.29 million, adjusted for working capital outflows of S\$0.86 million, income tax paid of S\$0.02 million and interest received of S\$0.05 million. Working capital outflows were due to an increase in development properties of S\$4.14 million, an increase in other receivables and prepayments of S\$0.14 million, and a decrease in trade and other payables of S\$1.68 million. This was partially offset by a decrease in trade receivables and contract assets of S\$2.61 million and an increase in contract liabilities of S\$2.49 million.

Net cash generated from financing activities was mainly due to proceeds from other borrowings of S\$0.60 million, partially offset by repayment of lease liabilities of S\$0.04 million and interest paid of S\$0.05 million.

As a result of the above and the effects of exchange rates on cash and cash equivalents, there was a net decrease of S\$1.63 million in the Group's cash and cash equivalents, from S\$16.44 million as at 31 December 2019 to S\$14.81 million as at 30 June 2020.

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

No forecast or prospect statement in relation to the financial performance or position of the Group has been previously disclosed to shareholders. The progress of the Group's projects are updated in Section 10 below.

10. 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

Business Updates and Impact of COVID-19:

The COVID-19 pandemic and its knock-on economic impact are expected to impair the Group's earnings capacity and ability to secure new projects in the next 12 months. Given its cash resources of S\$14.8 million as at 1H2020, the Group is of the view that it has sufficient liquidity to meet its near-term debt obligations and operational needs. The Group will also continue to be prudent in managing our resources and cashflow to ensure that its operations remain

sustainable in this uncertain business environment. The Board will monitor the evolving situation and will make any necessary announcement(s) as and when there are material developments on this matter.

Updates to the Group's business operations, including the impact of the pandemic, are as set out below.

Property Investment – China

The Group's 32%-owned Changshu Fervent High Tech Industrial Park continues to generate recurring income for the Group. This is despite overall rental yield in 1H2020 being impacted due to the strict restrictions imposed by the Chinese authorities that halted movement of people and shut down business operations across the country.

Property Development – China

Due to the nationwide shutdown in China in 1Q 2020 from COVID-19, which brought business activities to a standstill, construction of the Multi-Modal Logistics Distribution Centre in Chongqing was put on hold. With the COVID-19 epidemic largely brought under control in China since, work and production have resumed. The Group has restarted construction and expects completion by 1Q2021.

In view of current market conditions, the Group will adopt a more prudent stance when exploring and evaluating suitable industrial park developments in the provinces of Jiangsu and Zhejiang area.

Property Development – Australia

Construction of the freehold property located at 1-3 Minna Street, Blackburn, Victoria 3130 was slated to commence in mid-2020. However, with the escalating number of new COVID-19 infections in the Victoria state, the Australian government has called for the temporary closure of non-essential businesses to stem a second wave of COVID-19. While the construction sector has been allowed to continue operations, it has been forced to scale back on its workforce.

The Group expects construction of the Blackburn property to begin in 4Q2020 and completion to be delayed to 1Q2022.

Design and Build – Singapore

Due to the onset of the COVID-19 pandemic in 1H2020, construction of the OJJ Foods 6-storey food processing facility was put on hold as Singapore entered the 'Circuit Breaker' period which temporarily suspended all construction work.

The Group is gradually resuming its business operations and construction works following the partial lifting of 'Circuit Breaker' measures on 2 June 2020. However, with the restrictions imposed on construction activities by the Authorities, the Group expects its business and the construction industry to continue to feel the strain from ongoing COVID-19 related measures for the remaining half of FY2020.

As a result of the above, completion of the OJJ Foods facility has been delayed to 1Q2022, from 3Q2021.

The Group completed construction of the TLF food processing and distribution factory with the Temporary Occupation Permit handed over on 28 April 2020, two weeks ahead of schedule.

Outlook

With a GDP growth of 3.2% in 2Q2020, China is the first major economy to show a recovery from the damage caused by COVID-19 (Source: The South China Morning Post, "China's economic recovery under threat from fresh coronavirus outbreaks and floods, analysts say", 2 August 2020). Amid signs of an economic rebound in China, the Group will continue to focus its efforts on the development and management of industrial properties in China, particularly in the Jiangsu and Zhejiang provinces. However, despite signs of growth, the Group expects challenges to the economy and its business to remain as overall market sentiment continues to be impacted by the fallout from COVID-19, potential threat of new outbreaks and US-China tensions.

The property market in Australia remained fairly resilient as the national property price index grew a slight 0.3 per cent in April against a backdrop of significantly reduced market activity and consumer confidence (Source: Yahoo Finance:

"Remarkably resilient": Australian property marks surprising result", 1 May 2020). While the market has managed to hold its value, a significant second wave of COVID-19 and continuing economic uncertainties in the global environment is likely to dampen consumer confidence and have a negative impact on Australia's property market.

Meanwhile in Singapore, the Group expects challenges and weakness in the construction and property sectors to persist due to the COVID-19 fallout.

11. If a decision regarding dividend has been made:

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

No.

(b)(i) Amount per share (cents)

Not applicable

(b)(ii) Previous corresponding period (cents)

Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined

Not applicable.

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

No dividend has been declared or recommended for the half year ended 30 June 2020. The Company has been declaring and paying final dividends for the full financial year since its Initial Public Offering in 2013.

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

The Company does not have an existing general mandate pursuant to Rule 920 of the Catalist Listing Manual.

There were no IPTs of S\$100,000 or more for the financial period under review.

14. Disclosures on Incorporation of Entities, Acquisition and Realisation of Shares pursuant to Catalist Rule 706A.

The Company had incorporated the following indirect associates during the half year ended 30 June 2020:

- i. Incorporation of Fervent Industrial Facility Development (Ningbo) Co., Ltd (飞煌工业设施发展(宁波)有限公司)

Fervent Industrial Facility Development (Ningbo) Co., Ltd (“FIFD”) was incorporated in the People’s Republic of China (the “PRC”) as a private company limited by shares. The principal activity of the entity is the development, leasing, sale and management of industrial facility in Ningbo, PRC. The entity has a registered share capital of US\$30,000,000 and it will be paid subsequently in accordance with PRC law requirements. FIFD is wholly owned by Fervent IV Development Pte Ltd through the Group’s 40% owned associate, Vibrant Land Pte Ltd (“VLPL”).

ii. Incorporation of Fervent V Development Pte Ltd

Fervent V Development Pte Ltd (“F5DPL”) was incorporated in Singapore as a private company limited by shares. The principal activity of the entity is that of an investment holding company. The entity has a registered share capital of S\$2. F5DPL is wholly owned by VLPL.

iii. Incorporation of Fervent Logistics Infrastructure Development (Changzhou) Co., Ltd (飞煌物流设施 (常州) 有限公司)

Fervent Logistics Infrastructure Development (Changzhou) Co., Ltd (“FLID”) was incorporated in PRC as a private company limited by shares. The principal activity of the entity is the development, leasing, sale and management of industrial facility in Ningbo, PRC. The entity has a registered share capital of US\$50,000,000 and it will be paid subsequently in accordance with PRC law requirements. FLID is wholly owned by F5DPL through VLPL.

Except as disclosed above, the Company did not incorporate, acquire or dispose of any other direct and indirect subsidiaries and associates during the half year ended 30 June 2020.

15. **Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited**

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors that may render the unaudited financial statements for the half year ended 30 June 2020 to be false or misleading in any material aspect.

16. **Confirmation that the issue has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalyst Listing Manual**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalyst Listing Manual.

By Order of the Board

Siaw Ken Ket @ Danny Siaw
Managing Director
13 August 2020

This announcement has been prepared by Figtree Holdings Limited (the “Company”) and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”) in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, (Mailing Address:16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318,and E-mail: sponsorship@ppcf.com.sg).