



**FIGTREE HOLDINGS LIMITED**  
*Listed on the SGX Catalist*

**FOR IMMEDIATE RELEASE**

## **Figtree achieves revenue of S\$3.6 million in 1H2020 amid challenging market conditions**

Summary of results (\$m)	6 months ended 30 June		
	1H 2020	1H 2019	Change (%)
Revenue	3.6	4.8	(23.4)
Gross profit	0.5	0.1	NM
Share of results of associates	0.5	(1.6)	132.7
(Loss)/profit before tax	(0.6)	2.0	(128.9)
Net attributable (loss)/profit	(0.4)	2.3	(118.3)
Net asset value per share (cents)	As at 30 June 2020	As at 31 Dec 2019	Change (%)
	14.26	14.24	0.1

*NM denotes not meaningful*

**SINGAPORE, 13 August 2020** – SGX Catalist-listed Figtree Holdings Limited (“**Figtree**” or “the “**Company**” and together with its subsidiaries, the “**Group**”), a provider of commercial and industrial real estate solutions, registered S\$3.6 million in revenue for the six months ended 30 June 2020 (“**1H2020**”), compared to S\$4.8 million in the corresponding period the year before (“**1H2019**”).

The year-on-year (“**YOY**”) decline in revenue was mainly attributed to lower earnings from its Design and Build (“**D&B**”) project with Tiong Lian Food Pte Ltd, which obtained Temporary Occupation Permit on 28 April 2020. This was partially offset by revenue earned from the project with OJJ Foods Pte Ltd, which commenced construction in the fourth quarter of FY2019. In line with the decrease in revenue, the Group posted a net attributable loss of S\$0.4 million, compared to a profit of S\$2.3 million from the same period last year.

During the period under review, the Group recorded a 132.7% YOY increase in share of results of associates to S\$0.5 million, compared to a loss of S\$1.6 million the year before. 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. General and administrative expense declined by 34.0% YOY to S\$2.0 million from unrealised foreign exchange gains resulting from the stronger Australian Dollar against the Singapore Dollar in 1H2020. At the same time, the Group’s other income declined by 93.7% YOY to S\$0.4 million, due to the sale of 303 La Trobe, its mixed development project in Australia, in 1H2019.

### **Business Updates and Impact of COVID-19:**

#### **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 to stem the spread of COVID-19, which halted the movement of people and shut down business operations across the country.

### **Property Development – China**

Due to the nationwide shutdown in China in 1Q2020 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 of the distribution centre and expects completion by 1Q2021.

### **Property Development – Australia**

In Australia, commencement of the construction of the freehold property located at 1-3 Minna Street, Blackburn, Victoria 3130 has been delayed to 4Q2020 as the Victoria state battles a second wave of COVID-19. To stem the spread of the virus, the Australian government has called for the temporary closure of non-essential businesses. While the construction sector has been allowed to continue operations, it has been forced to scale back on its workforce. As a result, the Group expects the completion date 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, 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**

Even though China recorded a GDP growth of 3.2% in 2Q2020<sup>1</sup>, the Group expects a challenging operating climate ahead as overall market sentiment continues to be impacted by the fallout from COVID-19, potential threat of new outbreaks and rising US-China tensions. In Australia, 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 the property market. Meanwhile, the construction and property sector in Singapore is expected to face a protracted slowdown due to the pandemic.

**Mr Danny Siaw, Managing Director of Figtree** said, “We expect a drag on Figtree’s earnings capacity and ability to secure new projects in the next 12 months due to the pandemic and its knock-on economic effects. Despite the adverse operating environment, Figtree remains financially stable with cash resources of S\$14.8 million as at 1H2020, giving us sufficient liquidity to meet our near-term debt obligations and operational needs.”

He continued, “We will continue to actively monitor the macro-environment and be ready to tackle immediate challenges brought about by the pandemic. We will also remain prudent in managing our resources and cashflow to preserve capital and ensure that our operations remain sustainable to tide over the uncertain business environment. This caution also applies as we explore opportunities in the development and management of industrial properties China’s Jiangsu and Zhejiang provinces”.

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<sup>1</sup> The South China Morning Post, “China’s economic recovery under threat from fresh coronavirus outbreaks and floods, analysts say”, 2 August 2020”

*This press release should be read in conjunction with the announcement released by Figtree Holdings Limited on [13 August 2020]. A copy of the announcement is available on [www.sgx.com](http://www.sgx.com).*

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**About Figtree Holdings Limited**

Founded in 2009, Figtree Holdings Limited (“**Figtree**” or the “**Company**”, and together with its subsidiaries and associates, the “**Group**”), is a provider of commercial and industrial real estate solutions. The Group typically acts as the main contractor for its projects in Singapore, covering new construction, A&A works on existing buildings as well as refurbishment and upgrading of existing buildings. In China and Malaysia, the Group provides design, project and construction management consulting services.

The Group has established a strong presence in China in the property development sector with a diverse portfolio of residential, commercial and industrial properties. The Group continues to explore suitable property development and investment opportunities in Australia.

Figtree was listed on SGX Catalist on 11 November 2013.

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**Issued for and on behalf of Figtree Holdings Limited by**

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*This press release has been prepared the Company and its contents have been reviewed by the Company’s sponsor, 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.*

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