

**UNAUDITED HALF-YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE  
FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").

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**UNAUDITED HALF-YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2020**

**PART 1 - INFORMATION REQUIRED FOR HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

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.

	Group		
	Half year ended		
	30.11.2020	30.11.2019	Increase / (Decrease)
	S\$'000	S\$'000	%
<b>Revenue</b>	19,034	20,011	(4.9)
Cost of sales	(12,653)	(11,659)	8.5
<b>Gross profit</b>	6,381	8,352	(23.6)
Other operating income	2,237	3,394	(34.1)
Sales and marketing expenses	(1,063)	(947)	12.3
Administrative expenses	(1,694)	(1,819)	(6.9)
Other operating expenses	(295)	(357)	(17.4)
Finance costs	(1,083)	(2,094)	(48.3)
Share of results of joint ventures and associates	1,538	(592)	n.m.
<b>Profit before taxation</b>	6,021	5,937	1.4
Taxation	(812)	(1,262)	(35.7)
<b>Profit for the period, net of taxation</b>	5,209	4,675	11.4
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation gain / (loss)	297	(259)	n.m.
Fair value loss on financial assets at fair value through other comprehensive income	(472)	(113)	317.7
<b>Other comprehensive income for the period, net of tax</b>	(175)	(372)	(53.0)
<b>Total comprehensive income for the period</b>	5,034	4,303	17.0
<b>Profit/(loss) attributable to:</b>			
Owners of the Company	5,543	5,495	0.9
Non-controlling interests	(334)	(820)	(59.3)
	5,209	4,675	11.4
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	5,368	5,123	4.8
Non-controlling interests	(334)	(820)	(59.3)
	5,034	4,303	17.0

n.m. means not meaningful

**1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.**

	Group Half year ended		
	30.11.2020	30.11.2019	Increase / (Decrease)
	S\$'000	S\$'000	%
Interest income	1,637	1,964	(16.7)
Gain on disposal of a subsidiary	-	640	(100.0)
Gain on dilution of investment in a joint venture	113	-	100.0
Grant income	92	-	100.0
Forfeiture income	-	614	(100.0)
Amortisation of capitalised contract costs	(987)	(823)	19.9
Depreciation of plant and equipment	(190)	(134)	41.8
Interest expense	(1,083)	(2,094)	(48.3)
Foreign exchange gain/(loss)	248	(60)	n.m.

n.m. means 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.

	Group		Company	
	As at 30.11.2020 S\$'000	As at 31.05.2020 S\$'000	As at 30.11.2020 S\$'000	As at 31.05.2020 S\$'000
<b><u>Non-current assets</u></b>				
Plant and equipment	397	583	388	572
Investment in subsidiaries	-	-	9,335	8,835
Investment in joint ventures and associates	2,254	2,443	1,829	1,829
Other investments	12,759	10,225	-	-
Deferred tax assets	657	657	-	-
	<b>16,067</b>	<b>13,908</b>	<b>11,552</b>	<b>11,236</b>
<b><u>Current assets</u></b>				
Development properties	76,148	79,351	-	-
Contract assets	37,678	35,349	-	-
Capitalised contract costs	1,471	1,668	-	-
Trade receivables	1,416	52	-	-
Other receivables and deposits	5,689	164	7	84
Prepayments	4,952	198	16	13
Amounts due from a related company	-	1	-	-
Amounts due from joint ventures and associates	137,925	130,142	57,301	53,332
Amounts due from subsidiaries	-	-	124,357	108,636
Amounts due from non-controlling interests	262	262	-	-
Cash and cash equivalents	29,554	39,412	6,118	15,995
	<b>295,095</b>	<b>286,599</b>	<b>187,799</b>	<b>178,060</b>
<b><u>Current liabilities</u></b>				
Trade and other payables	692	1,424	-	-
Accruals	4,572	2,955	676	875
Amounts due to related companies	2,921	2,943	-	14
Amounts due to joint ventures and associates	774	774	700	700
Amounts due to subsidiaries	-	-	10,521	487
Amounts due to holding company	126	217	126	217
Amounts due to non-controlling interests	14,696	14,387	-	-
Loans and borrowings	69,978	6,107	58	105
Provision for taxation	2,038	3,172	63	-
	<b>95,797</b>	<b>31,979</b>	<b>12,144</b>	<b>2,398</b>
<b>Net current assets</b>	<b>199,298</b>	<b>254,620</b>	<b>175,655</b>	<b>175,662</b>
<b><u>Non-current liabilities</u></b>				
Investment in associates	10,038	12,332	-	-
Amounts due to holding company	33,783	33,783	33,783	33,783
Loans and borrowings	1,897	58,522	97	122
Deferred tax liabilities	3,963	3,241	-	-
	<b>49,681</b>	<b>107,878</b>	<b>33,880</b>	<b>33,905</b>
<b>Net assets</b>	<b>165,684</b>	<b>160,650</b>	<b>153,327</b>	<b>152,993</b>

**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.**

<i>Cont'd</i>	Group		Company	
	As at 30.11.2020	As at 31.05.2020	As at 30.11.2020	As at 31.05.2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Equity attributable to owners of the Company</u></b>				
Share capital	146,216	146,216	146,216	146,216
Merger reserve	(30,288)	(30,288)	-	-
Foreign currency translation reserve	(194)	(491)	-	-
Fair value reserve	(833)	(361)	-	-
Retained earnings	48,685	43,142	7,111	6,777
	<b>163,586</b>	<b>158,218</b>	<b>153,327</b>	<b>152,993</b>
Non-controlling interests	2,098	2,432	-	-
<b>Total equity</b>	<b>165,684</b>	<b>160,650</b>	<b>153,327</b>	<b>152,993</b>

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

Amount repayable in one year or less, or on demand

As at 30.11.2020		As at 31.05.2020	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
69,978	-	6,107	-

Amount repayable after one year

As at 30.11.2020		As at 31.05.2020	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
1,897	-	58,522	-

Details of any collateral

As at 30 November 2020,

- (i) the Group's bank borrowings of S\$71.7 million (31 May 2020: S\$64.4 million) are secured by (i) the Group's development properties; (ii) corporate guarantees from the Company and the holding company in the ratio of the shareholdings held by the Group in the respective subsidiaries; and (iii) the assignment of rights, titles and benefits with respect to the development properties;
- (ii) the Company's and the Group's lease liabilities of S\$163,000 (31 May 2020: S\$235,000) are secured by the Company's leased assets.

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	
	30.11.2020 S\$'000	30.11.2019 S\$'000
<b><u>Cash flows from operating activities</u></b>		
Profit before taxation	6,021	5,937
<u>Adjustments for:-</u>		
Depreciation of plant and equipment	190	134
Amortisation of capitalised contract cost	987	823
Foreign exchange (gain)/loss	(164)	60
Gain on disposal of a subsidiary	-	(640)
Gain on dilution of investment in a joint venture	(113)	-
Interest income	(1,637)	(1,964)
Interest expense	1,083	2,094
Share of results of joint ventures and associates	(1,538)	592
<b>Operating cash flows before changes in working capital</b>	<b>4,829</b>	<b>7,036</b>
<b><u>Changes in working capital:-</u></b>		
Development properties	3,203	7,761
Contract assets	(2,329)	11,119
Trade receivables	(1,360)	3,078
Other receivables and deposits	(5,525)	(163)
Prepayments	(4,754)	94
Capitalised contract costs	(790)	(1,362)
Trade payables, other payables and accruals	973	(217)
Balances with related companies	(21)	122
	<b>(10,603)</b>	<b>20,432</b>
Cash flows (used in)/from operations	<b>(5,774)</b>	<b>27,468</b>
Income tax paid	(1,224)	(1,006)
Interest paid and capitalised in development properties	-	(112)
<b>Net cash flows (used in)/from operating activities</b>	<b>(6,998)</b>	<b>26,350</b>
<b><u>Cash flows from investing activities</u></b>		
Interest received	15	186
Dividend income from associates	-	654
Dividend income from joint ventures	-	1,450
Purchase of plant and equipment	(4)	(257)
Net proceeds from disposal of a subsidiary	-	4,046
Investment in an associate	(157)	-
Investments in a joint venture	-*	-
Loans to associates	(2,875)	(4,533)
Loans to joint ventures	(3,256)	-
Other investments	(3,006)	(3,451)
<b>Net cash flows from investing activities</b>	<b>(9,283)</b>	<b>(1,905)</b>

\* Denotes amounts less than S\$1,000

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. (Cont'd)

	<b>Group</b>	
	<b>Half year ended</b>	
	<b>30.11.2020</b>	<b>30.11.2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(872)	(2,077)
Proceeds from bank loans	13,317	-
Repayment of bank loans	(6,000)	(3,500)
Repayment of lease liabilities	(71)	(23)
Dividend paid on ordinary shares	-	(913)
Dividend paid to non-controlling interests of subsidiaries	-	(6,272)
Loans from non-controlling interests of subsidiaries	-	309
Repayment of loans due to associates	-	(300)
Repayment of loans due to joint ventures	-	(1,450)
<b>Net cash flows from/(used in) financing activities</b>	<b>6,374</b>	<b>(14,226)</b>
Net (decrease)/increase in cash and cash equivalents	<b>(9,907)</b>	<b>10,219</b>
Cash and cash equivalents at beginning of the period	<b>39,412</b>	<b>36,294</b>
Effect of exchange rate changes on cash and cash equivalents	<b>49</b>	<b>39</b>
<b>Cash and cash equivalents at end of the period</b>	<b>29,554</b>	<b>46,552</b>
<b>Breakdown of cash and cash equivalents at end of the period:</b>		
Cash at bank and on hand	29,554	38,552
Fixed deposits	-	8,000
<b>Total</b>	<b>29,554</b>	<b>46,552</b>

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 immediate preceding financial year.

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Merger reserve	Foreign currency translation reserves	Fair value reserve	Retained earnings		
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
<b>GROUP</b>							
<b>Balance at 31 May 2020</b>	<b>146,216</b>	<b>(30,288)</b>	<b>(491)</b>	<b>(361)</b>	<b>43,142</b>	<b>2,432</b>	<b>160,650</b>
Profit/(loss) for the period, net of taxation	-	-	-	-	5,543	(334)	5,209
<u>Other comprehensive income</u>							
Foreign currency translation gain	-	-	297	-	-	-	297
Fair value loss on debts instruments at fair value through other comprehensive income	-	-	-	(486)	-	-	(486)
Fair value gain on equity instruments at fair value through other comprehensive income	-	-	-	14	-	-	14
Other comprehensive income for the period, net of taxation	-	-	297	(472)	-	-	(175)
Total comprehensive income for the period	-	-	297	(472)	5,543	(334)	5,034
<b>Balance at 30 November 2020</b>	<b>146,216</b>	<b>(30,288)</b>	<b>(194)</b>	<b>(833)</b>	<b>48,685</b>	<b>2,098</b>	<b>165,684</b>



	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Merger reserve	Foreign currency translation reserves	Fair value reserve	Retained earnings		
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
<b>GROUP</b>							
<b>Balance at 31 May 2019</b>	<b>146,216</b>	<b>(30,288)</b>	<b>(427)</b>	<b>-</b>	<b>33,236</b>	<b>9,597</b>	<b>158,334</b>
Profit/(loss) for the period, net of taxation	-	-	-	-	5,495	(820)	4,675
<u>Other comprehensive income</u>							
Foreign currency translation loss	-	-	(259)	-	-	-	(259)
Fair value loss on equity instruments at fair value through other comprehensive	-	-	-	(113)	-	-	(113)
Other comprehensive income for the period, net of taxation	-	-	(259)	(113)	-	-	(372)
Total comprehensive income for the period	-	-	(259)	(113)	5,495	(820)	4,303
<u>Contribution by and distribution to owners</u>							
Dividend paid on ordinary shares	-	-	-	-	(913)	-	(913)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	(6,272)	(6,272)
Total transactions with owners in their capacity as owners	-	-	-	-	(913)	(6,272)	(7,185)
<b>Balance at 30 November 2019</b>	<b>146,216</b>	<b>(30,288)</b>	<b>(686)</b>	<b>(113)</b>	<b>37,818</b>	<b>2,505</b>	<b>155,452</b>

**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 immediate preceding financial year (cont'd)**

	Share capital	Retained earnings	Total equity
<b>Company</b>	<b>S\$ '000</b>	<b>S\$ '000</b>	<b>S\$ '000</b>
<b>Balance at 31 May 2020</b>	<b>146,216</b>	<b>6,777</b>	<b>152,993</b>
Profit for the period, net of taxation	-	334	334
Other comprehensive income for the period, net of taxation	-	-	-
Total comprehensive income for the period	-	334	334
<b>Balance at 30 November 2020</b>	<b>146,216</b>	<b>7,111</b>	<b>153,327</b>

	Share capital	Accumulated losses	Total equity
<b>Company</b>	<b>S\$ '000</b>	<b>S\$ '000</b>	<b>S\$ '000</b>
<b>Balance at 31 May 2019</b>	<b>146,216</b>	<b>1,645</b>	<b>147,861</b>
Profit for the period, net of taxation	-	6,367	6,367
Other comprehensive income for the period, net of taxation	-	-	-
Total comprehensive income for the period	-	6,367	6,367
<b>Contribution by and distribution to owners</b>			
Dividend paid on ordinary shares	-	(913)	(913)
Total transactions with owners in their capacity as owners	-	(913)	(913)
<b>Balance at 30 November 2019</b>	<b>146,216</b>	<b>7,099</b>	<b>153,315</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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.**

	Number of Shares	S\$'000
Issued and fully paid ordinary shares as at 30 November 2020 and 31 May 2020	913,000,000	146,216

There are no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 30 November 2020 and 30 November 2019.

**1(d)(iii) To show the total 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.**

	As at 30.11.2020	As at 31.05.2020
Total number of issued shares	913,000,000	913,000,000

There are no treasury shares held by the Company as at 30 November 2020 and 31 May 2020.

**1(d)(iv) A statement showing all sales, transfer, disposals, cancellations and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable as there are no treasury shares held by the Company as at 30 November 2020.

**1(d)(v) A statement showing all sales, transfer, disposals, cancellations and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as there are no subsidiary holdings held by the Company as at 30 November 2020.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).**

The figures have not been audited nor reviewed by the Company's auditors.

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

Not applicable.

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

The accounting policies have been consistently applied by the Company and the Group, and are consistent with those used in the previous financial year except for the adoption of revised SFRS(I) that are mandatory for financial years beginning on or after 1 June 2020. The adoption of the revised SFRS(I) do not have an impact on the Company's and Group's financial statements.

**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.**

Not applicable.

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	
	30.11.2020	30.11.2019
Earnings per ordinary share ("EPS") attributable to equity holders of the Group		
(a) Based on the weighted average number of ordinary shares in issue (cents)	0.61	0.60
(b) On a fully diluted basis (cents)	0.61	0.60
Group's profit for the period attributable to Owners of the Company used in the computation of basic and diluted EPS	S\$'000 5,543	S\$'000 5,495
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	('000) 913,000	('000) 913,000

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 period reported on and (b) immediately preceding financial year.

	Group		Company	
	30.11.2020	31.05.2020	30.11.2020	31.05.2020
Net asset value per ordinary share (cents)	17.92	17.33	16.79	16.76
Number of issued shares excluding treasury shares ('000)	913,000	913,000	913,000	913,000

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**A. Comprehensive Income Statements**

**1H2021 vs 1H2020**

The Group reported S\$19.0 million in revenue for the half year ended 30 November 2020 ("1H2021"), a decrease of S\$1.0 million or 4.9% compared to S\$20.0 million registered in the corresponding period ended 30 November 2019 ("1H2020"). The decrease in revenue was mainly due to the implementation of safe management measures at work sites which have caused a slowdown in the construction progress of the Group's development projects.

The Group's gross profit decreased by S\$2.0 million or 23.6% from S\$8.4 million in 1H2020 to S\$6.4 million in 1H2021 mainly due to lower revenue recognised in 1H2021 and increase in prolongation costs for the development projects and the implementation of safe management measures to contain the spread of Covid-19.

Other operating income decreased by S\$1.2 million or 34.1% from S\$3.4 million in 1H2020 to S\$2.2 million in 1H2021, mainly due to the absence of forfeiture income of S\$0.6 million and the absence of S\$0.6 million gain on disposal of a subsidiary.

Sales and marketing expenses increased by S\$0.2 million or 12.3% from S\$0.9 million in 1H2020 to S\$1.1 million in 1H2021, mainly due to the higher sales commission amortised to profit or loss in 1H2021 as the Group's development projects progressed.

Finance costs decreased by S\$1.0 million or 48.3% from S\$2.1 million in 1H2020 to S\$1.1 million in 1H2021 due to a decrease in interest expenses on bank loans and amounts due to holding company as a result of lower interest rates and average bank loan balances during 1H2021 as compared to 1H2020.

Share of results of joint ventures and associates increased by S\$2.1 million from share of losses of S\$0.6 million in 1H2020 to share of profits of S\$1.5 million in 1H2021. The increase in share of results of associates was mainly due to increases in development profits recognised from Affinity @ Serangoon, Riverfront Residences and Rezi24 as additional units were sold and the respective projects' construction progressed.

The Group's tax expense decreased by S\$0.5 million or 35.7% from S\$1.3 million in 1H2020 to S\$0.8 million in 1H2021. The decrease in income tax expense was mainly due to a decrease in profits recognised in 1H2021 from the development projects.

As a result of the above, the Group registered a net profit attributable to owners of the Company of S\$5.5 million in 1H2021, a marginal increase by 0.9% from 1H2020.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**B. Financial Position Statements**

Non-current assets

Other investments increased by S\$2.6 million or 24.8% from S\$10.2 million as at 31 May 2020 to S\$12.8 million as at 30 November 2020 mainly due to the investment in bonds of S\$3.0 million in 1H2021, which was offset by fair value losses of S\$0.5 million on these investments.

Investment in joint ventures and associates decreased by S\$2.2 million or 21.3% from net liabilities of S\$9.9 million as at 31 May 2020 (resulting from S\$2.4 million as presented under non-current assets less S\$12.3 million as presented under non-current liabilities) to net liabilities of S\$7.7 million as at 30 November 2020 (resulting from S\$2.3 million as presented under non-current assets less S\$10.0 million as presented under non-current liabilities) mainly due to share of profits of joint ventures and associates of S\$1.5 million in 1H2021 and the Group's subscription of 20% equity stake for S\$0.2 million in Pinnacle Investment Management Limited ("PIML") in June 2020.

Current assets

Development properties decreased by S\$3.3 million or 4.0% from S\$79.4 million as at 31 May 2020 to S\$76.1 million as at 30 November 2020 mainly due to sale of development units of the Group's on-going projects, Mactaggart Foodlink and INSPACE.

Contract assets increased by S\$2.4 million or 6.6% from S\$35.3 million as at 31 May 2020 to S\$37.7 million as at 30 November 2020 mainly due to increase in contract assets from Mactaggart Foodlink and INSPACE.

Capitalised contract costs decreased by S\$0.2 million or 11.8% from S\$1.7 million as at 31 May 2020 to S\$1.45 million as at 30 November 2020 mainly due to amortisation of sale commission recognised to profit or loss in 1H2021, which was offset by increase in sales commission paid and capitalised from the sale of development units at Mactaggart Foodlink and INSPACE during the financial period.

Trade receivables increased by S\$1.3 million from S\$0.1 million as at 31 May 2020 to S\$1.4 million as at 30 November 2020 mainly due to progress billings for development stages completed during November 2020 on the development units sold for Mactaggart Foodlink and INSPACE.

Other receivables, deposits and prepayments increased by S\$10.2 million from S\$0.4 million as at 31 May 2020 to S\$10.6 million as at 30 November 2020 mainly due to payment of deposit, stamp duty and other incidental expenses for the acquisition of a development site, Thye Hong Centre at 2 Leng Kee Road, Singapore 159086.

Amounts due from joint ventures and associates increased by S\$7.8 million or 6.0% from S\$130.1 million as at 31 May 2020 to S\$137.9 million as at 30 November 2020 mainly due to additional loans to joint ventures and associates of S\$6.2 million in 1H2021 and accumulation of interest receivables from loans to associates of S\$1.5 million.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**B. Financial Position Statements (Cont'd)**

Current liabilities

Trade and other payables and accruals increased by S\$0.9 million or 20.2% from S\$4.4 million as at 31 May 2020 to S\$5.3 million as at 30 November 2020 mainly due to increase in accrued development costs for Mactaggart Foodlink and INSPACE as the projects progressed.

Amounts due to non-controlling interests increased by S\$0.3 million or 2.2% from S\$14.4 million as at 31 May 2020 to S\$14.7 million as at 30 November 2020 mainly due to accumulation of loan interest from non-controlling interests of S\$0.3 million in 1H2021.

Current portion of loans and borrowings increased by S\$63.9 million from S\$6.1 million as at 31 May 2020 to S\$70.0 million as at 30 November 2020 mainly due to reclassification of S\$59.9 million of loan for INSPACE from non-current to current and drawdown of the Group's working capital loan of S\$10.0 million; offset by repayment of bank loan of S\$6.0 million for Mactaggart Foodlink.

Provision for taxation decreased by S\$1.2 million or 35.8% from S\$3.2 million as at 31 May 2020 to S\$2.0 million as at 30 November 2020 mainly due to payment of income tax in 1H2021.

Non-current liabilities

Non-current loans and borrowings decreased by S\$56.6 million or 96.8% from S\$58.5 million as at 31 May 2020 to S\$1.9 million as at 30 November 2020 mainly due to drawdown of loans to part finance the Group's investment in bonds; offset by a reclassification of loan for INSPACE from non-current to current.

Deferred tax liabilities increased by S\$0.8 million or 22.2% from S\$3.2 million as at 31 May 2020 to S\$4.0 million as at 30 November 2020 mainly due to increase in deferred tax liabilities on development profits recognised from Mactaggart Foodlink in 1H2021.

**C. Cash Flow Statements**

Overall, cash and cash equivalents decreased by S\$9.8 million from S\$39.4 million as at 31 May 2020 to S\$29.6 million as at 30 November 2020, due to net cash used in operating activities of S\$7.0 million and investing activities of S\$9.3 million; offset by net cash flow from financing activities of S\$6.4 million.

Net cash used in operating activities of S\$7.0 million in 1H2021 was mainly due to operating cash flows before changes in working capital of S\$4.8 million, net working capital outflows of S\$10.6 million and income tax paid of S\$1.2 million.

Net cash used in investing activities of S\$9.3 million in 1H2021 was mainly due to loans to joint ventures and associates of S\$6.1 million; investment in associates of S\$0.2 million and other investments of S\$3.0 million.

Net cash flows from financing activities of S\$6.4 million in 1H2021 was mainly due to drawdown of bank loans of S\$13.3 million, offset by repayment of bank loan of S\$6.0 million for Mactaggart Foodlink and interest paid of S\$0.9 million.

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 has previously been disclosed.

**10. A commentary at the date of the announcement of the 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.**

According to the Ministry of Trade and Industry Singapore ("MTI") advanced estimates released on 4 January 2021, Singapore's GDP contracted by 5.8 per cent for the whole 2020 amid the disruption to economic activities caused by the Covid-19 pandemic.

Although business activities have gradually resumed after Circuit Breaker, the Group's properties development progress has been affected as the construction activities continue to be dampened by the implementation of safe management measures. While the Group expects possible delay in the completion for some of our development projects, the Group will continue to actively monitor the progress to ensure smooth development and completion of our projects and focus on taking the necessary initiatives to moderate any financial impact arising thereon.

Alongside its partners, the Group will continue to monitor the property market closely and take appropriate actions when necessary. The Group is cautious when seeking opportunities to replenish its land bank and will continue to explore business opportunities in the region through acquisition, joint ventures and/or strategic alliances that will complement its property development business. It will also prudently seek suitable opportunities to diversify its income streams further for sustainable future growth.

**11. Dividend**

**a. Current Financial Period Reported On**

**Any dividend recommended for the current financial period reported on?**

No.

**b. Corresponding Period of the Immediately Preceding Financial Year.**

No.

**c. Date payable.**

Not Applicable.

**d. Books closure date.**

Not Applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared or recommended for the financial period ended 30 November 2020 as to retain funds for working capital requirements of the Group and to allow the Group to capitalise on potential investments opportunities.



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

The Group had sought renewal of the general mandate from shareholders for the Interested Person Transactions ("IPTs") in the Annual General Meeting held on 28 September 2020.

The aggregate value of all interested person transactions during the 1H2021 were as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	Total value of the transaction	Based on issuer's effective interest pursuant to Catalist Rule 909(1)	Total value of the transaction	Based on issuer's effective interest pursuant to Catalist Rule 909(1)
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Construction services by related companies</i>				
L.S. Construction Pte Ltd <sup>(1)</sup>	-	-	8,346	1,669
<i>Interest expenses to holding company</i>				
Lian Beng Group Ltd	254	254	-	-

Notes: L.S. Construction Pte Ltd is a wholly-owned subsidiary of the Company's controlling shareholder, Lian Beng Group Ltd.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

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

15. Use of Proceeds

The Company raised gross proceeds from the Invitation of approximately S\$54.7 million (the "Gross Proceeds"). As at the date of this announcement, the Gross Proceeds have been utilised as follows:

Purpose of the IPO Proceeds	Revised allocation of IPO Net Proceeds <sup>(1)</sup> S\$'000	Amount utilised as at the date of this announcement S\$'000	Balance as at the date of this announcement S\$'000
Acquisition of new land sites and buildings for development, redevelopment and overseas expansion of its business	13,125	13,125	-
Funding of existing property development projects in the pipeline and other general working capital	23,252	23,252	-
Repayment of bridging loan	15,000	15,000	-
Payment of listing expenses	3,363	3,363	-
<b>Total</b>	<b>54,740</b>	<b>54,740</b>	<b>-</b>

Notes:

(1) Refer to Company's announcement dated 6 August 2019

The above utilisation of Gross Proceeds is in line with the intended use of proceeds as set out in the Offer Document dated 11 April 2018.

**16. Disclosure pursuant to Rule 706A of the Catalist Rules**

During the 1H2021 and as at the date of this announcement, the Group has incorporated the following joint ventures:

<b>Company Name</b>	<b>Place of Incorporation</b>	<b>Date of incorporation</b>	<b>Issued and Paid-up Capital</b>	<b>Principal Activities</b>	<b>Equity Interest Held by the Group</b>
SLB (MB) Pte Ltd	Singapore	25/9/2020	\$20.00	Investment holding	50%

**17. Confirmation pursuant to Rule 705(5) of the Catalist Listing Manual**

On behalf of the Board of Directors of the Company, we, the undersigned, do hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited consolidated financial statements of the Group and the Company for the half year ended 30 November 2020 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Ong Eng Keong  
Executive Director and Chief Executive Officer  
14 January 2021