



Lum Chang Holdings Limited and its subsidiaries

Company Registration Number: 198203949N

Unaudited Condensed Interim Consolidated Financial Statements

For the six months and full year ended 30 June 2023

Table of Contents

Description	Page
Condensed Interim Consolidated Income Statement and Statement of Comprehensive Income	3
Condensed Interim Balance Sheets	5
Condensed Interim Statement of Changes in Equity - Group	6
Condensed Interim Statement of Changes in Equity - Company	7
Condensed Interim Consolidated Statement of Cash Flows	8
Notes to the Condensed Interim Consolidated Financial Statements	10
Other Information Required by Listing Rule Appendix 7.2	30

Lum Chang Holdings Limited and its subsidiaries

Condensed Interim Consolidated Income Statement and Statement of Comprehensive Income

Group							
	Note	6 months ended 30 June 2023 ("2H2023") \$'000	6 months ended 30 June 2022 ("2H2022") \$'000	Inc/(Dec) %	12 months ended 30 June 2023 ("FY2023") \$'000	12 months ended 30 June 2022 ("FY2022") \$'000	Inc/(Dec) %
Revenue	4.2	196,703	211,851	(7%)	393,421	416,790	(6%)
Cost of sales		<u>(207,106)</u>	<u>(216,166)</u>	(4%)	<u>(389,694)</u>	<u>(400,140)</u>	(3%)
Gross profit		(10,403)	(4,315)	141%	3,727	16,650	(78%)
Other income	5.1	2,205	2,492	(12%)	4,083	4,315	(5%)
Other gains – net	5.1	199	(421)	NM *	73	1,265	(94%)
Expenses							
- Distribution and marketing		(28)	(617)	(95%)	(392)	(1,962)	(80%)
- Administrative and general		(12,836)	(11,601)	11%	(25,253)	(25,346)	0%
- Finance		(1,691)	(1,290)	31%	(3,156)	(3,749)	(16%)
Share of profits/(losses) of:							
- associated companies		175	1	17400%	214	415	(48%)
- joint ventures		<u>(1,362)</u>	<u>(1,403)</u>	(3%)	<u>(2,694)</u>	<u>(3,464)</u>	(22%)
Loss before income tax	5.1	(23,741)	(17,154)	38%	(23,398)	(11,876)	97%
Income tax (expense)/credit	6	<u>(4,804)</u>	1,741	NM *	<u>(4,212)</u>	494	NM *
Net loss		<u>(28,545)</u>	<u>(15,413)</u>	85%	<u>(27,610)</u>	<u>(11,382)</u>	143%
Net loss attributable to:							
Equity holders of the Company		(29,346)	(15,405)	90%	(28,662)	(10,828)	165%
Non-controlling interests		<u>801</u>	<u>(8)</u>	NM *	<u>1,052</u>	<u>(554)</u>	NM *
		<u>(28,545)</u>	<u>(15,413)</u>	85%	<u>(27,610)</u>	<u>(11,382)</u>	143%
Loss per ordinary share attributable to the equity holders of the Company (cents per share)	8						
- Basic		(7.79)	(4.09)	90%	(7.61)	(2.87)	165%
- Diluted		<u>(7.79)</u>	<u>(4.09)</u>	90%	<u>(7.61)</u>	<u>(2.87)</u>	165%

Note * : "NM" denotes not meaningful

Lum Chang Holdings Limited and its subsidiaries

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

	Group					
	6 months ended 30 June 2023 ("2H2023")	6 months ended 30 June 2022 ("2H2022")	Inc/(Dec)	12 months ended 30 June 2023 ("FY2023")	12 months ended 30 June 2022 ("FY2022")	Inc/(Dec)
	\$'000	\$'000	%	\$'000	\$'000	%
Net loss	(28,545)	(15,413)	85%	(27,610)	(11,382)	143%
Other comprehensive loss:						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
– Losses	(1,987)	(1,160)	71%	(3,885)	(1,761)	121%
– Reclassification	6	(652)	NM *	(107)	(798)	(87%)
Share of other comprehensive loss of associated companies	(44)	-	NM *	(44)	-	NM *
	(2,025)	(1,812)	12%	(4,036)	(2,559)	58%
Items that will not be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
– Gains/(Losses)	60	(120)	NM *	4	(545)	NM *
Financial assets, at fair value through other comprehensive income ("FVOCI")						
– Fair value losses	1,166	(1,721)	NM *	(1,414)	(2,714)	(48%)
	1,226	(1,841)	NM *	(1,410)	(3,259)	(57%)
Other comprehensive loss for the period/year, net of tax	(799)	(3,653)	(78%)	(5,446)	(5,818)	(6%)
Total comprehensive loss for the period/year	(29,344)	(19,066)	54%	(33,056)	(17,200)	92%
Total comprehensive loss attributable to:						
Equity holders of the Company	(30,205)	(18,938)	59%	(34,112)	(16,101)	112%
Non-controlling interests	861	(128)	NM *	1,056	(1,099)	NM *
	(29,344)	(19,066)	54%	(33,056)	(17,200)	92%

Note *: "NM" denotes not meaningful

Lum Chang Holdings Limited and its subsidiaries

Condensed Interim Balance Sheet

	Note	Group		Company	
		FY2023 \$'000	FY2022 \$'000	FY2023 \$'000	FY2022 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		91,035	79,264	50,825	28,087
Trade and other receivables		43,830	45,021	32,004	49,944
Contract assets		62,327	64,136	-	-
Other financial assets		-	4,000	-	-
Tax recoverable		1,593	195	-	-
Properties held for sale		325	15,918	-	-
Development properties		22,797	21,463	-	-
Other current assets		7,567	14,198	69	3
		<u>229,474</u>	<u>244,195</u>	<u>82,898</u>	<u>78,034</u>
Non-current assets					
Trade and other receivables		112,959	103,939	129,442	132,457
Club memberships		267	288	297	311
Other financial assets		19,827	21,241	-	-
Investments in subsidiaries		-	-	35,828	35,828
Investments in joint ventures		17,069	21,069	-	-
Investments in associated companies		6,397	6,470	-	-
Investment properties	11	20,591	19,286	-	-
Property, plant and equipment	12	32,703	36,480	1,977	2,626
Deferred income tax assets		1,817	6,391	-	-
Other non-current assets		660	840	126	126
		<u>212,290</u>	<u>216,004</u>	<u>167,670</u>	<u>171,348</u>
Total assets		<u>441,764</u>	<u>460,199</u>	<u>250,568</u>	<u>249,382</u>
LIABILITIES					
Current liabilities					
Trade and other payables		80,616	93,441	97,225	98,482
Contract liabilities		30,550	6,330	-	-
Provision for other liabilities		48,013	33,007	-	-
Current income tax liabilities		972	1,428	-	160
Other financial liabilities, at FVPL	13.1	20,000	-	20,000	-
Borrowings	13	29,464	48,442	25,495	512
		<u>209,615</u>	<u>182,648</u>	<u>142,720</u>	<u>99,154</u>
Non-current liabilities					
Trade and other payables		25,355	24,731	-	-
Other financial liabilities, at FVPL	13.1	-	20,547	-	20,547
Borrowings	13	36,161	22,345	333	20,827
Deferred income tax liabilities		86	223	-	-
		<u>61,602</u>	<u>67,846</u>	<u>333</u>	<u>41,374</u>
Total liabilities		<u>271,217</u>	<u>250,494</u>	<u>143,053</u>	<u>140,528</u>
NET ASSETS		<u>170,547</u>	<u>209,705</u>	<u>107,515</u>	<u>108,854</u>
EQUITY					
Capital and reserves attributable to the equity holders of the Company					
Share capital	14	86,572	86,572	86,572	86,572
Treasury shares	14	(2,845)	(2,845)	(2,845)	(2,845)
Capital and other reserves		30,805	36,255	3,182	3,182
Retained profits		52,281	87,535	20,606	21,945
Shareholders' equity		<u>166,813</u>	<u>207,517</u>	<u>107,515</u>	<u>108,854</u>
Non-controlling interests		3,734	2,188	-	-
Total equity		<u>170,547</u>	<u>209,705</u>	<u>107,515</u>	<u>108,854</u>

Lum Chang Holdings Limited and its subsidiaries

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		
2023								
Balance as at 1 July 2022		86,572	(2,845)	36,255	87,535	207,517	2,188	209,705
Net (loss)/profit		-	-	-	(28,662)	(28,662)	1,052	(27,610)
Other comprehensive loss		-	-	(5,450)	-	(5,450)	4	(5,446)
Total comprehensive loss		-	-	(5,450)	(28,662)	(34,112)	1,056	(33,056)
Interim dividend for FY2023	7	-	-	-	(2,825)	(2,825)	-	(2,825)
Final dividend for FY2022	7	-	-	-	(3,767)	(3,767)	-	(3,767)
Capital contribution by a non-controlling interest		-	-	-	-	-	490	490
Total transactions with owners, recognised directly in equity		-	-	-	(6,592)	(6,592)	490	(6,102)
Balance as at 30 June 2023		86,572	(2,845)	30,805	52,281	166,813	3,734	170,547
2022								
Balance as at 1 July 2021		86,572	(2,845)	41,528	113,431	238,686	19,360	258,046
Net loss		-	-	-	(10,828)	(10,828)	(554)	(11,382)
Other comprehensive loss		-	-	(5,273)	-	(5,273)	(545)	(5,818)
Total comprehensive loss		-	-	(5,273)	(10,828)	(16,101)	(1,099)	(17,200)
Interim dividend for FY2022	7	-	-	-	(2,825)	(2,825)	-	(2,825)
Special dividend for FY2022	7	-	-	-	(8,476)	(8,476)	-	(8,476)
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 interest of a subsidiary		-	-	-	-	-	(1,599)	(1,599)
Transaction with non-controlling interests		-	-	-	-	-	(14,774)	(14,774)
Total transactions with owners, recognised directly in equity		-	-	-	(15,068)	(15,068)	(16,073)	(31,141)
Balance as at 30 June 2022		86,572	(2,845)	36,255	87,535	207,517	2,188	209,705

Lum Chang Holdings Limited and its subsidiaries

Condensed Interim Statement of Changes in Equity – Company

	Note	← Attributable to equity holders of the Company →				
		Share capital	Treasury shares	Capital and other reserves	Retained profits	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
2023						
Balance as at 1 July 2022		86,572	(2,845)	3,182	21,945	108,854
Net profit		-	-	-	5,253	5,253
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-	-	-	5,253	5,253
Interim dividend for FY2023	7	-	-	-	(2,825)	(2,825)
Final dividend for FY2022	7	-	-	-	(3,767)	(3,767)
Total transactions with owners, recognised directly in equity		-	-	-	(6,592)	(6,592)
Balance as at 30 June 2023		86,572	(2,845)	3,182	20,606	107,515
2022						
Balance as at 1 July 2021		86,572	(2,845)	3,182	6,940	93,849
Net profit		-	-	-	30,073	30,073
Other comprehensive income		-	-	-	-	-
Total comprehensive loss		-	-	-	30,073	30,073
Interim dividend for FY2022	7	-	-	-	(2,825)	(2,825)
Special dividend for FY2022	7	-	-	-	(8,476)	(8,476)
Final dividend for FY2021	7	-	-	-	(3,767)	(3,767)
Total transactions with owners, recognised directly in equity		-	-	-	(15,068)	(15,068)
Balance as at 30 June 2022		86,572	(2,845)	3,182	21,945	108,854

Lum Chang Holdings Limited and its subsidiaries

Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		FY2023 \$'000	FY2022 \$'000
Cash flows from operating activities			
Net loss		(27,610)	(11,382)
Adjustments for:			
Income tax expense/(credit)	6	4,212	(494)
Share of losses of associated companies and joint ventures		2,480	3,049
Allowance for impairment of non trade receivables	5.1	55	55
Amortisation of club memberships	5.1	23	24
Depreciation of property, plant and equipment	5.1	6,116	6,420
Dividend income from financial assets, at FVOCI		(903)	(880)
Fair value gain on investment properties	5.1	(77)	(100)
Fair value (gain)/loss on financial liabilities, at FVPL	5.1	(547)	547
Gain on disposal of subsidiaries	5.1	-	(827)
Write back on club memberships		(2)	(3)
Gain on disposal of property, plant and equipment – net	5.1	(172)	(62)
Interest income	5.1	(1,557)	(224)
Finance expense	5.1	3,156	3,749
Impairment of property, plant and equipment	5.1	986	-
Property, plant and equipment written off	5.1	46	26
Operating cash flow before working capital changes		(13,794)	(102)
Change in working capital, net of effects from disposal of a subsidiary:			
- Trade and other receivables		(7,292)	(11,142)
- Contract assets		1,810	(7,359)
- Contract liabilities		24,221	5,204
- Other current assets		6,811	(6,325)
- Development properties/properties held for sale		12,528	57,549
- Trade and other payables and provision for other liabilities		2,480	26,536
Cash generated from operations		26,764	64,361
Income tax paid		(1,739)	(837)
Net cash provided by operating activities		25,025	63,524

Lum Chang Holdings Limited and its subsidiaries

Condensed Interim Consolidated Statement of Cash Flows (continued)

		Group	
		FY2023	FY2022
		\$'000	\$'000
Cash flows from investing activities			
		(26)	(343)
		-	(4,000)
		97	-
		903	880
		1,317	184
	15	-	51,279
		415	499
		235	-
		4,000	-
		(2,672)	(2,472)
		-	(2)
		(701)	-
		-	(3,350)
		-	49
		3,568	42,724
Cash flows from financing activities			
		34	9
	7	(6,592)	(15,068)
		-	(1,692)
		-	(14,774)
		458	-
		(32)	(38)
		(3,127)	(4,331)
		38,893	31,218
		-	20,000
		(43,339)	(97,067)
		-	(40,000)
		(1,545)	(2,261)
		-	(1,107)
		(15,250)	(125,111)
		13,343	(18,863)
		78,675	99,480
		(1,538)	(1,942)
		90,480	78,675

Cash and cash equivalents comprised the following:

		Group	
		FY2023	FY2022
		\$'000	\$'000
		32,572	66,858
		58,463	12,406
		(555)	(589)
		90,480	78,675

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim 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 and full year ended 30 June 2023 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 and full year ended 30 June 2023 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 2022.

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 the financial year beginning 1 July 2022. 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.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

2. Basis of preparation (continued)

2.2. Use of judgements and estimates (continued)

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 described in the Group's financial statements as at and for the year ended 30 June 2022.

3. Seasonal operations

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

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 organized 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

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

4. Segment and revenue information (continued)

4.1 Segment Information

	Construction \$'000	Property development and investment \$'000	Investment holding and others \$'000	Elimination \$'000	Total \$'000
1 January 2023 to 30 June 2023					
Revenue from external customers	182,233	14,311	159	-	196,703
Inter-segment revenue	298	642	15,054	(15,994)	-
Segment results	(24,867)	5,054	(2,237)	-	(22,050)
Finance expense	(55)	(1,046)	(590)	-	(1,691)
(Loss)/profit before income tax	(24,922)	4,008	(2,827)	-	(23,741)
Income tax expense					(4,804)
Net loss					(28,545)
Segment results include:					
Interest income	86	255	716	-	1,057
Fair value gain on investment properties	50	27	-	-	77
Fair value gain on financial liabilities, at FVPL	-	-	547	-	547
Depreciation of property, plant and equipment	(2,431)	(625)	(32)	-	(3,088)
Share of losses of associated companies and joint ventures	-	(1,187)	-	-	(1,187)
1 January 2022 to 30 June 2022					
Revenue from external customers	184,877	26,777	197	-	211,851
Inter-segment revenue	433	686	(706)	(413)	-
Segment results	(16,069)	3,067	(2,862)	-	(15,864)
Finance expense	(27)	(574)	(689)	-	(1,290)
(Loss)/profit before income tax	(16,096)	2,493	(3,551)	-	(17,154)
Income tax credit					1,741
Net loss					(15,413)
Segment results include:					
Interest income	13	(12)	135	-	136
Fair value gain on investment properties	100	-	-	-	100
Fair value loss on financial assets, at FVPL	-	-	(547)	-	(547)
Depreciation of property, plant and equipment	(2,497)	(431)	(312)	-	(3,240)
Share of losses of associated companies and joint ventures	(5)	(1,397)	-	-	(1,402)

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

4. Segment and revenue information (continued)

4.1 Segment Information (continued)

	<u>Construction</u>	<u>Property development and investment</u>	<u>Investment holding and others</u>	<u>Elimination</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
1 July 2022 to 30 June 2023					
Revenue from external customers	365,855	26,322	1,244	-	393,421
Inter-segment revenue	298	1,319	16,519	(18,136)	-
Segment results	(21,473)	5,135	(3,904)	-	(20,242)
Finance expense	(102)	(1,855)	(1,199)	-	(3,156)
(Loss)/profit before income tax	(21,575)	3,280	(5,103)	-	(23,398)
Income tax expense					(4,212)
Net loss					(27,610)
Segment results include:					
Interest income	131	370	1,056	-	1,557
Fair value gain on investment properties	50	27	-	-	77
Fair value gain on financial liabilities, at FVPL	-	-	547	-	547
Depreciation of property, plant and equipment	(4,808)	(754)	(554)	-	(6,116)
Share of losses of associated companies and joint ventures	-	(2,480)	-	-	(2,480)
1 July 2021 to 30 June 2022					
Revenue from external customers	335,337	80,231	1,222	-	416,790
Inter-segment revenue	433	1,359	39,217	(41,009)	-
Segment results	(12,697)	8,409	(3,839)	-	(8,127)
Finance expense	(72)	(1,913)	(1,764)	-	(3,749)
(Loss)/profit before income tax	(12,769)	6,496	(5,603)	-	(11,876)
Income tax credit					494
Net loss					(11,382)
Segment results include:					
Interest income	24	(3)	203	-	224
Fair value gain on investment properties	100	-	-	-	100
Fair value loss on financial assets, at FVPL	-	-	(547)	-	(547)
Depreciation of property, plant and equipment	(5,014)	(791)	(615)	-	(6,420)
Share of losses of associated companies and joint ventures	(10)	(3,039)	-	-	(3,049)

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

4. Segment and revenue information (continued)

4.1 Segment Information (continued)

	<u>Construction</u> \$'000	Property development <u>and investment</u> \$'000	Investment holding <u>and others</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
<u>As at 30 June 2023</u>					
Segment assets	176,121	190,000	73,912	(1,679)	438,354
Tax recoverable					1,593
Deferred income tax assets					1,817
Consolidated total assets					<u>441,764</u>

Segment assets include:

Investment in associates and joint ventures	-	23,466	-	-	23,466
Capital expenditure on property, plant and equipment	4,211	110	265	-	4,586
Capital expenditure on investment properties	-	701	-	-	701

Segment liabilities	(178,824)	(4,853)	(21,191)	334	(204,534)
Borrowings					(65,625)
Deferred income tax liabilities and current income tax liabilities					(1,058)
Consolidated total liabilities					<u>(271,217)</u>

	<u>Construction</u> \$'000	Property development <u>and investment</u> \$'000	Investment holding <u>and others</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
<u>As at 30 June 2022</u>					
Segment assets	168,308	229,902	58,284	(2,881)	453,613
Tax recoverable					195
Deferred income tax assets					6,391
Consolidated total assets					<u>460,199</u>

Segment assets include:

Investment in associates and joint ventures	235	27,304	-	-	27,539
Capital expenditure on property, plant and equipment	3,411	435	605	-	4,451

Segment liabilities	(147,359)	(9,397)	(21,621)	321	(178,056)
Borrowings					(70,787)
Deferred income tax liabilities and current income tax liabilities					(1,651)
Consolidated total liabilities					<u>(250,494)</u>

Lum Chang Holdings Limited and its subsidiaries
Notes to the Condensed Interim Financial Statements (continued)

4. Segment and revenue information (continued)

4.2 Disaggregation of Revenue

	Group		
	6 months ended 30 June 2023		
	At a point in time	Over time	Total
	\$'000	\$'000	\$'000
Revenue from construction contracts	-	181,933	181,933
Revenue from sale of properties	9,177	4,555	13,732
Management and technical assistance fees	-	187	187
Project management fees	-	69	69
Total revenue from contracts with customer	9,177	186,744	195,921
Rental income			782
Total revenue			196,703

	Group		
	6 months ended 30 June 2022		
	At a point in time	Over time	Total
	\$'000	\$'000	\$'000
Revenue from construction contracts	-	184,538	184,538
Revenue from sale of properties	24,887	1,246	26,133
Management and technical assistance fees	-	236	236
Project management fees	-	9	9
Total revenue from contracts with customer	24,887	186,029	210,916
Rental income			935
Total revenue			211,851

Lum Chang Holdings Limited and its subsidiaries
Notes to the Condensed Interim Financial Statements (continued)

4. Segment and revenue information (continued)

4.2 Disaggregation of Revenue (continued)

	Group		
	12 months ended 30 June 2023		
	At a point in time	Over time	Total
	\$'000	\$'000	\$'000
Revenue from construction contracts	-	365,243	365,243
Revenue from sale of properties	19,562	5,565	25,127
Management and technical assistance fees	-	397	397
Project advisory and management fees	-	161	161
Total revenue from contracts with customer	19,562	371,366	390,928
Rental income			1,590
Dividend income from financial assets, at FVOCI			903
Total revenue			393,421

	Group		
	12 months ended 30 June 2022		
	At a point in time	Over time	Total
	\$'000	\$'000	\$'000
Revenue from construction contracts	-	334,658	334,658
Revenue from sale of properties	43,242	35,706	78,948
Management and technical assistance fees	-	469	469
Project management fees	-	18	18
Total revenue from contracts with customer	43,242	370,851	414,093
Rental income			1,817
Dividend income from financial assets, at FVOCI			880
Total revenue			416,790

Lum Chang Holdings Limited and its subsidiaries
Notes to the Condensed Interim Financial Statements (continued)

5. Loss before taxation

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

	Group			
	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000	12 months ended 30 June 2023 \$'000	12 months ended 30 June 2022 \$'000
Other income				
Interest income	1,057	136	1,557	224
Government grants	631	1,297	1,509	2,642
Sundry income	517	1,059	1,017	1,449
	<u>2,205</u>	<u>2,492</u>	<u>4,083</u>	<u>4,315</u>
Other gains – net				
Fair value gains on investment properties – net	77	100	77	100
Fair value gain/(loss) on financial liabilities, at FVPL	547	(547)	547	(547)
Allowance for impairment of non trade receivables	(27)	(28)	(55)	(55)
Gain on disposal of property, plant and equipment – net	42	54	172	62
(Loss)/gain on disposal of subsidiaries	-	(30)	-	827
Currency translation (loss)/gain – net	(440)	30	(668)	878
	<u>199</u>	<u>(421)</u>	<u>73</u>	<u>1,265</u>
Expenses				
Interest expense and bank facility fees	(1,691)	(1,290)	(3,156)	(3,749)
Depreciation of property, plant and equipment	(3,088)	(3,240)	(6,116)	(6,420)
Amortisation of club memberships	(11)	(12)	(23)	(24)
Impairment of property, plant and equipment	(986)	-	(986)	-
Property, plant and equipment written off	(37)	(11)	(46)	(26)

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

5.2 Significant related party transactions

The following transactions between the Group and a related parties took place during the financial year:

	Group			
	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000	12 months ended 30 June 2023 \$'000	12 months ended 30 June 2022 \$'000
Joint ventures				
Management services fees	90	90	180	180
Project management fees	-	9	-	18
Directors or their associates				
Revenue from construction contracts	88	-	88	-
Sale of properties	8,388	-	8,388	780
Rental income	29	-	29	-
Project advisory fees	-	-	92	-
Project management fees	69	-	69	-
Consultancy fees paid	-	(96)	(58)	(160)
Interest on medium term notes paid	-	-	-	(119)
Non-controlling interest				
Revenue from construction contracts	-	-	50	-
Lease payments	(38)	-	(38)	-

During the financial year ended 30 June 2023, the Group invested additional \$26,000 in cash, representing 25% of its shareholding interests, for additional 2,750 ordinary shares in PT Super Makmur Sejahtera ("PT Super"). This additional investment was mainly for working capital purposes.

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.

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

6. Income tax expense/(credit)

Tax expense/(credit) attributable to profit is made up of:

	Group			
	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000	12 months ended 30 June 2023 \$'000	12 months ended 30 June 2022 \$'000
Current income tax				
- Singapore	714	848	983	1,428
- Foreign	189	50	219	50
	903	898	1,202	1,478
Deferred income tax *	4,032	(2,495)	4,467	(1,755)
	4,935	(1,597)	5,669	(277)
Over provision in prior financial years				
- Current income tax	4	(144)	(1,322)	(217)
- Deferred income tax	(135)	-	(135)	-
	(131)	(144)	(1,457)	(217)
	4,804	(1,741)	4,212	(494)

* The deferred income tax of S\$4.5 million for FY2023 relates mainly to reversal of prior year recognition of deferred tax assets, due to uncertainties in utilization of the deferred tax benefits.

7. Dividends

	Group and Company	
	12 months ended 30 June 2023 \$'000	12 months ended 30 June 2022 \$'000
<u>Ordinary dividends paid:</u>		
Interim dividend of 0.75 cents (2022: 0.75 cents) per ordinary share	2,825	2,825
Special dividend of NIL (2022: 2.25 cents) per ordinary share	-	8,476
Final dividend of 1.0 cents (2021: 1.0 cents) per ordinary share	3,767	3,767
Total dividends paid	6,592	15,068

The directors have proposed a final dividend for financial year 2023 of 1.0 cents per share, amounting to approximately \$3,767,000 subject to shareholders' approval in the upcoming Annual General Meeting. These financial statements do not reflect these proposed dividends, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2024.

Lum Chang Holdings Limited and its subsidiaries
Notes to the Condensed Interim Financial Statements (continued)

8. Loss per share – basic and diluted

	Group	
	12 months ended 30 June 2023	12 months ended 30 June 2022
	\$'000	\$'000
Net loss attributable to equity holders of the Company	(28,662)	(10,828)
Weighted average number of ordinary shares in issue for basic earnings per share	376,688	376,688
Loss per share (in cents per share)		
- Basic	(7.61)	(2.87)
- Diluted	(7.61)	(2.87)

The computation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

9. Net Asset Value

	Group		Company	
	As at 30 June 2023	As at 30 June 2022	As at 30 June 2023	As at 30 June 2022
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	44.28 cents	55.09 cents	28.54 cents	28.90 cents

* Net asset is defined as shareholders' equity

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

10. Financial assets and financial liabilities

	Group		Company	
	As at 30 June 2023 \$'000	As at 30 June 2022 \$'000	As at 30 June 2023 \$'000	As at 30 June 2022 \$'000
Financial assets at fair value				
Financial assets at fair value through other comprehensive income(FVOCI)	19,827	21,241	-	-
Financial assets at amortised cost				
Financial Assets at amortised cost	-	4,000	-	-
Cash and bank balances and trade and other receivables	249,441	229,742	212,435	210,617
Financial liabilities at fair value				
Financial Liabilities at fair value through profit or loss(FVPL)	20,000	20,547	20,000	20,547
Financial liabilities at amortised cost				
Trade and other payables and borrowings	171,252	188,634	123,010	119,768

Fair value measurement

The following table presents financial assets, at FVOCI measured at fair value and classified by level of the following fair value measurement hierarchy.

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair values of borrowings, trade and other receivables and trade and other payables approximate to their carrying amounts.

The fair value of financial assets, at FVOCI and financial liability, at FVPL are as disclosed:

	Level 3	
	Group \$'000	Company \$'000
<u>As at 30 June 2023</u>		
Financial assets, at FVOCI	19,827	-
Financial liability, at FVPL	20,000	20,000
<u>As at 30 June 2022</u>		
Financial assets, at FVOCI	21,241	-
Financial liability, at FVPL	20,547	20,547

Lum Chang Holdings Limited and its subsidiaries
Notes to the Condensed Interim Financial Statements (continued)

10. Financial assets and financial liabilities (continued)

Fair value measurement (continued)

The following table presents the changes in Level 3 instruments:

	Unlisted equity <u>investments</u> \$'000	Unlisted debt <u>instruments</u> \$'000
<u>As at 30 June 2023</u>		
Beginning of financial year	21,241	(20,547)
Fair value losses recognised in other comprehensive income	(1,414)	-
Fair value gains recognised in profit or loss (Note 5.1)	-	547
End of financial year	<u>19,827</u>	<u>(20,000)</u>
<u>As at 30 June 2022</u>		
Beginning of financial year	23,953	-
Addition	2	(20,000)
Fair value losses recognised in other comprehensive income	(2,714)	-
Fair value losses recognised in profit or loss (Note 5.1)	-	(547)
End of financial year	<u>21,241</u>	<u>(20,547)</u>

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

10. Financial assets and financial liabilities (continued)

Fair value measurement (continued)

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

Financial assets, at FVOCI

Description	Fair value at 30 June 2023 ('000)	Fair value at 30 June 2022 ('000)	Valuation technique(s)	Significant unobservable input	Range of unobservable input	Relationship of unobservable input to fair value
Unlisted equity investment	\$16,963	\$18,116	Adjusted net asset value	Adjustments for lack of control and marketability	Lack of control - 20% (2022: - 20%) Lack of marketability - 20% (2022: - 20%)	The higher the adjustments for lack of controls and marketability, the lower the fair value.
Unlisted equity investments	\$2,864	\$3,125	Net asset value/Market approach	Net asset value	Not applicable	Not applicable

Financial assets, at FVOCI comprise of investments in unlisted equity instruments and the fair values of these instruments are based on the adjusted net assets value or net assets value of the investee companies. This method is appropriate as the assets and liabilities of investee companies are primarily held at their respective fair values at the balance sheet date.

To arrive at the fair value of an unlisted equity instrument accounted for as FVOCI financial asset, downward adjustments are made to the net assets value of the investee company to account for the lack of control and marketability of the unlisted equity instrument. These adjustments incorporate assumptions based on market conditions existing at the balance sheet date and are based on studies of discounts for lack of control and marketability for similar typed instruments.

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

11. Investment properties

Investment properties of the Group include residential, commercial and industrial properties that are held for long-term rental yields and/or for capital appreciation. They are mainly leased to third parties under operating leases. 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 are initially recognised at cost and subsequently carried at fair value. Changes in fair values are recognised in profit or loss.

	Group	
	FY2023 \$'000	FY2022 \$'000
Beginning of financial year	19,286	119,833
Reversal of expenditure for re-development of investment property	-	(67)
Reclassification from/(to) property, plant and equipment	527	(2,509)
Addition	701	-
Disposal	-	(97,483)
Fair value gains recognised in profit or loss	77	100
Currency translation differences	-	(588)
End of financial year	<u>20,591</u>	<u>19,286</u>

The addition during the current financial period relates to a residential property bought in Bangkok, Thailand.

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

11. Investment properties (continued)

11.1 Valuation

The Group engaged external, independent and qualified valuers to determine the fair value of the Group's investment properties as at 30 June 2023 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

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.

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 30 June 2023:

Fair value at 30 June 2023 ('000)	Valuation technique (s)	Unobservable inputs*	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Commercial properties in Singapore				
\$19,863 (2022: \$19,286)	Direct Market Comparison Method	Adopted value per square meter of gross floor area	\$5,727 to \$29,200 per sq.m. (2022: \$5,727 to \$28,800 per sq.m.)	The higher the adopted value, the higher the fair value
Residential property in Thailand				
\$728 (2022: \$NIL)	Direct Market Comparison Method	Adopted value per square meter of gross floor area	\$11,675 per sq.m. (2022: \$NIL)	The higher the adopted value, the higher the fair value

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

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

12. Property, plant and equipment

During the financial year ended 30 June 2023, the Group acquired assets amounting to \$4,586,000 (2022: \$4,451,000) and disposed of assets amounting to \$377,000 (2022: \$463,000).

13. Borrowings

Borrowings excluding lease liabilities and finance leases:

	Group		Company	
	As at 30 June 2023 \$'000	As at 30 June 2022 \$'000	As at 30 June 2023 \$'000	As at 30 June 2022 \$'000
<u>Amount repayable within one year</u> <u>(net of transaction costs)</u>				
Secured	2,536	42,602	-	-
Unsecured	25,000	4,000	25,000	-
<u>Amount repayable after one year</u> <u>(net of transaction costs)</u>				
Secured	33,730	-	-	-
Unsecured	-	20,000	-	20,000

The secured borrowings of the Group as at 30 June 2023 are secured by the Group's development properties and a leasehold property.

13.1 Other financial liabilities, at fair value through profit or loss ("FVPL")

	Group and Company	
	FY2023 \$'000	FY2022 \$'000
Beginning of financial year	20,547	-
Addition	-	20,000
Fair value (gain)/loss (Note 5.1)	(547)	547
End of financial year	20,000	20,547
Unlisted debt instruments		
<i>At fair value - Singapore*</i>		
Current	20,000	-
Non-current	-	20,547

* Relates to a interest bearing (at 2% p.a.) convertible loan from Risa Partners Inc., pursuant to a convertible loan agreement undertaken on 25 June 2021 (Note 14.1).

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

14. 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>				
30 June 2023				
Beginning and end of financial year	385,030	(8,342)	86,572	(2,845)
30 June 2022				
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 30 June 2023 comprised 376,688,104 (30 June 2022: 376,688,104) ordinary shares with voting rights and 8,341,500 (30 June 2022: 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 year ended 30 June 2023 and 30 June 2022.

The Company did not issue and/or purchase any ordinary shares during the financial year ended 30 June 2023 and 30 June 2022.

Lum Chang Holdings Limited and its subsidiaries
Notes to the Condensed Interim Financial Statements (continued)

14. Share capital and treasury shares (continued)

14.1 Convertible Loan (Other financial liabilities, at FVPL)

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

	Group and Company	
	As at 30 June 2023	As at 30 June 2022
Number of shares that may be issued on conversion of all outstanding loan (Note 13.1)	45,454,546	45,454,546
Total number of issued shares (excluding treasury shares and subsidiary holdings)	376,688,104	376,688,104

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 (at 2% p.a.) 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.

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

15. 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
	As at
	30 June 2022
	\$'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
Reclassification of currency translation reserve	847
Total assets	<u>50,753</u>
Gain on disposal (Note 5.1)	827
Cash proceeds on disposal	51,580
Less: Cash and cash equivalents in subsidiary	<u>(301)</u>
Net cash inflow on disposal as reflected in the consolidated statement of cash flow	<u>51,279</u>

16. Subsequent events

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

Lum Chang Holdings Limited and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2023 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period and full year then ended and certain explanatory notes have not been audited or reviewed by the Company auditors.

2. Review of performance of the Group

- (a) Group performance review for the financial year ended 30 June 2023 ("FY23") compared to the financial year ended 30 June 2022 ("FY22")

Condensed Consolidated Income Statement

Revenue

The Group reported revenue of \$393.4 million in FY23, a decrease of 6% or \$23.4 million from \$416.8 million in FY22. The decrease was mainly attributable to lower revenue generated from the Property segment. The Construction segment reported higher revenue in FY23 compared to FY22.

The revenue from Property segment decreased by 67% or \$53.9 million from \$80.2 million in FY22 to \$26.3 million in FY23 due mainly to less units sold for the Group's residential developments in Singapore. The units in the Singapore development were fully sold in FY23.

The increase in revenue from the Construction segment was 9% or \$30.6 million from \$335.3 million in FY22 to \$365.9 million in FY23. The increase reflected the improvement in level of construction activities from the various on-going projects. New projects awarded during the year to the Group's renovation and interior design totaling \$16.2 million also contributed to the increase.

Gross Profit

The Group's gross profit decreased by 78% from \$16.7 million in FY22 to \$3.7 million in FY23. The lower gross profit was mainly attributable to increased construction costs arising from prolonged construction period and higher materials, labour and subcontractor costs.

Other income

Other income mainly comprised government grants, interests from bank deposits and other sundry income. The Group's other income decreased by 5% from \$4.3 million to \$4.1 million in FY23 mainly due to lower Covid-19 related financial supports and incentives received from the Singapore government and service income, the effect was partially offset by higher interest income from fixed deposit.

Lum Chang Holdings Limited and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2

2. Review of performance of the Group (continued)

- (a) Group performance review for the financial year ended 30 June 2023 ("FY23") compared to the financial year ended 30 June 2022 ("FY22") (continued)

Condensed Consolidated Income Statement (continued)

Other gains – net

Other gains - net decreased by 94% from \$1.3 million in FY22 to \$0.07 million. The Other gains-net in FY22 included net currency gains (\$0.9 million) arising from distribution of capital from the net sales proceeds from disposal of subsidiary in Sterling. For FY23, the Other gains - net includes net currency losses (\$0.7 million) arising from deposits kept in Malaysian Ringgit and deposits in local currency kept by a Sterling denominated subsidiary.

Expenses

Distribution and marketing expenses decreased by 80% from \$2.0 million to \$0.4 million in FY23 mainly due to decreased sales commission paid as less units were sold from the Group's residential developments in Singapore in FY23.

The Group's finance expenses have decreased by 16% from \$3.7 million to \$3.2 million. Despite the continued increase in interest rates in FY23, the Group's interest expenses had decreased slightly in FY23 mainly due to full repayment of the development loan for One Tree Hill Collection during FY22 and partial repayments of the Group's property loans on its investment and development property portfolio during the current year under review.

Share of profits of associated companies

The share of profits of associated companies for FY23 was \$214,000 compared to \$415,000 in FY22. The lower share of profits for FY23 was mainly due to lower fair value gain on parcels of land owned by an associated company in Bintan, Indonesia.

Share of losses of joint ventures

The share of losses of joint ventures for FY23 has narrowed by 22% from \$3.5 million in FY22 to \$2.7 million for FY23. These losses mainly arose from a joint venture company which owns the integrated development, Tekka Place in Singapore. The lower loss in FY23 was mainly due to improved results from the hotel segment despite the continued increase in interest rates.

Loss before income tax

The Group reported a loss before income tax of \$23.4 million for FY23. The Group's Construction segment reported a loss before tax of \$21.6 million for FY23 due to increased construction costs arising from prolonged construction period and higher materials, labour and subcontractor costs.

Lum Chang Holdings Limited and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2

2. Review of performance of the Group (continued)

(b) Group Financial Position

Trade and other receivables (Current + Non-current)

Total trade and other receivables of \$156.8 million as at 30 June 2023 increased by \$7.8 million compared to \$149.0 million as at 30 June 2022 mainly due to higher billings for on-going construction projects totaling \$23.5 million and final billings for the Group's last two units from One Tree Hill Collection sold in FY23 totaling \$3.8 million; partially offset by collections from construction projects of \$13.5 million and \$8.0 million collected from billings outstanding in preceding financial year for the Group's residential development in Malaysia.

Contract assets

Contract assets as at 30 June 2023 was \$62.3 million compared to \$64.1 million as at 30 June 2022. The decrease of \$1.8 million was mainly due to final billings to buyers of One Tree Hill Collection (fully collected during year) during FY23 of \$18.0 million; partially offset by increase in work carried out but not yet billed to customers for several construction projects totaling \$14.5 million.

Properties held for sale

Properties held for sale as at 30 June 2023 was \$0.3 million compared to \$15.9 million as at 30 June 2022. The decreased of S\$15.6 million was mainly due to sale of the last two units for One Tree Hill Collection during FY23.

Development properties

Development properties of \$22.8 million as at 30 June 2023 increased by \$1.3 million compared to \$21.5 million as at 30 June 2022 mainly due to development costs of \$5.1 million incurred for the development project in Malaysia; partially offset by costs of \$2.3 million recognized in FY23 for units sold during the year for the same development.

Lum Chang Holdings Limited and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2

2. Review of performance of the Group (continued)

(b) Group Financial Position (continued)

Other current assets (Current + Non-current)

Total other current assets as at 30 June 2023 was \$8.2 million compared to \$15.0 million as at 30 June 2022. The decrease of \$6.8 million was mainly due to application of advances extended to subcontractors against their claims for progress works for the on-going construction projects during the year.

Investment properties

Investment properties of \$20.6 million as at 30 June 2023 increased by \$1.3 million compared to \$19.3 million as at 30 June 2022. The increase was mainly due to acquisition of a freehold residential property in Bangkok, Thailand.

In FY22, Investment properties decreased by \$97.5 million mainly due to disposal of subsidiaries which owned a freehold commercial property in the United Kingdom (Note 15).

Trade and other payables (Current + Non-current)

Total trade and other payables of \$106.0 million as at 30 June 2023 decreased by \$12.2 million compared to \$118.2 million as at 30 June 2022. The decrease was mainly due to net payments to subcontractors for construction projects of \$11.6 million.

Contract liabilities

Contract liabilities increased from \$6.3 million as at 30 June 2022 to \$30.6 million as at 30 June 2023, mainly due to higher billings received of \$22.5 million for two construction projects which obligations are yet to be fulfilled.

Provision for other liabilities

Provision for other liabilities increased from \$33.0 million as at 30 June 2022 to \$48.0 million as at 30 June 2023, due mainly to additional provision for foreseeable losses from the construction segment.

Borrowings (Current + Non-current)

Total borrowings decreased by \$5.2 million since 30 June 2022 to \$65.6 million as at 30 June 2023 mainly due to repayment of \$43.3 million bank loans partly offset by drawdown of loans totaling \$38.9 million to repay Group's existing borrowings and for general corporate purposes.

Other financial liabilities, at FVPL

Fair value gains/(losses) on Other financial liabilities, at FVPL for FY23 and FY22 were in respect of the Group's unlisted debt instruments. The decrease of \$0.5 million was due to the reversal of the fair value loss recognized in prior year.

Lum Chang Holdings Limited and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2

2. Review of performance of the Group (continued)

(c) Review of Consolidated Statement of Cash Flows

Cash and cash equivalents as at 30 June 2023 were \$90.5 million compared to \$78.7 million as at 30 June 2022. The increase of \$11.8 million takes into account net cash from operations of \$25.0 million and net cash generated from investing activities of \$3.6 million, offset by net cash outflow for financing activities of \$15.3 million.

Net cash used for financing activities of \$15.3 million was mainly attributable to (i) net repayment of borrowings of \$4.4 million (ii) dividends paid to shareholders of \$6.6 million; and (iii) interest paid of \$3.1 million.

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

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 for the financial year ended 30 June 2023 are in line with the Company's profit guidance announcement on 14 August 2023.

Lum Chang Holdings Limited and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2

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.

In its August 2023 report, the Ministry of Trade and Industry (MTI) narrowed its full-year growth forecast for 2023 to between 0.5% and 1.5%, from the earlier estimate of 0.5% to 2.5%. In tandem with a weak growth outlook for the US and the Eurozone, MTI expects Singapore's external demand outlook for the rest of the year to remain subdued, with a gradual recovery expected towards the end of the year at the earliest.

In the second quarter of 2023, the Singapore economy grew by 0.5% on a year-on-year basis, continuing the 0.4% growth experienced in the previous quarter. The construction sector benefited from increased output from both the public and private sector during the quarter and expanded by 6.8% year-on-year, close to the 6.9% growth experienced in the previous quarter.

In view of the reported growth in the construction industry, the Group is cautiously optimistic and will tap on the opportunities as they arise.

Sectoral challenges for the construction sector continued with ongoing labour shortages, high cost of materials and global supply-chain challenges. The Group's construction arm continues to remain focused on shortening delays and completing existing construction projects, while managing overheads and manpower requirements. In tandem, the Group will continue to pursue new projects selectively. As at 30 June 2023, the Group's outstanding value of construction projects in progress is S\$1.3 billion.

Separately, the Group's specialist interior contracting subsidiary, LC Interior, was awarded a S\$44.9 million contract for the construction of a hotel at 2 Cavan Road. The scope of the project includes the erection of an eight-story hotel and the conversion of an existing three-story conserved warehouse to hotel ancillary facilities.

Take up rate for the retail mall at Tekka Place, the Group's joint venture integrated development project, is currently at about 80%. Leasing activities continue for the remaining vacant units. Occupancy rate for the citadines hotel had been encouraging with the estimated occupancy rate for August 2023 at 86%.

In Malaysia, the Group launched a new phase of 24 bungalows in May 2023 and have since sold seven units as at 21 August 2023, with ten bookings on hand awaiting end financing clearance. In addition, eleven semi-detached units were sold from the phase launched in Dec 2022, and all nine shop units have also been taken up.

Lum Chang Holdings Limited and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2

5. Dividend Information

(a) Current Financial Year Reported On

Any dividend declared for the current financial year reported on?

Yes

Name of dividend	Interim Dividend	Final (proposed)
Dividend type	Cash	Cash
Dividend per share	0.75 cents per ordinary share	1.00 cents per ordinary share
Tax Rate	Tax exempt (1-Tier)	Tax exempt (1-Tier)

(b) Immediately Preceding Financial Year

Any dividend declared for the immediately preceding financial year?

Yes

Name of dividend	Interim Dividend	Special Dividend	Final
Dividend type	Cash	Cash	Cash
Dividend per share	0.75 cents per ordinary share	2.25 cents per ordinary share	1.00 cents per ordinary share
Tax Rate	Tax exempt (1-Tier)	Tax exempt (1-Tier)	Tax exempt (1-Tier)

(c) Date payable

To be announced later.

(d) Record date

The Company will give notice of its record date later.

Lum Chang Holdings Limited and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2

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

Not applicable for the full year announcement.

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 as set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

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

Below are acquisition and realization of shares pursuant to Rule 706A during the second half of the financial year ended 30 June 2023:

(A) Incorporation of subsidiaries:

Name	:	Lum Chang Builders Pte Ltd
Country of Incorporation	:	Singapore
Date of Incorporation	:	12 June 2023
Paid-up Registered Capital	:	S\$2
Principal Activities	:	General contractors
Interest held	:	100%

(B) Dissolution of dormant subsidiaries or joint venture

The following subsidiaries and joint venture, which were dormant, have been dissolved voluntarily:

- i. Lum Chang Development Services Limited (Subsidiary)
- ii. Xin Tekka Pte. Ltd. (Joint Venture)

The above transactions do not have a material impact on the consolidated net tangible assets or earnings per share of the Company for the financial year ended 30 June 2023.

None of the Directors nor controlling shareholders of the Company has any interest, direct or indirect, in the above transactions save for their respective interests, through their shareholdings and/or directorships, as the case may be, in the Group.

Lum Chang Holdings Limited and its subsidiaries
Other Information Required by Listing Rule Appendix 7.2

10. Breakdown of sales

	Group			
	Financial year ended 30 June 2023	Financial year ended 30 June 2022	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
Sales reported for the first half year	196,718	204,939	(8,221)	(4%)
Operating profit after taxation before deducting non-controlling interest reported for the first half year	935	4,031	(3,096)	(77%)
Sales reported for the second half year	196,703	211,851	(15,148)	(7%)
Operating loss after taxation before deducting non-controlling interest reported for the second half year	(28,545)	(15,413)	(13,132)	85%

Lum Chang Holdings Limited and its subsidiaries
Other Information Required by Listing Rule Appendix 7.2

11. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Adrian Lum Wen Hong	47	<p>Son of David Lum Kok Seng (Managing Director and substantial shareholder)</p> <p>Nephew of Raymond Lum Kwan Sung (Executive Chairman and substantial shareholder)</p> <p>Brother of Kelvin Lum Wen Sum (Non independent Non executive Director)</p>	<p>(i) Position: Director, Property Development</p> <p>Duties: Responsible for formulating business strategy and identifying investment opportunities, land and property development and potential joint ventures, and business acquisitions for the Group.</p> <p>Date when position was first held: 15 September 2015</p> <p>(ii) Position: Alternate director to David Lum Kok Seng</p> <p>Date of appointment: 27 August 2021</p>	N.A.
Lum Wen Yan Emlyn	39	<p>Daughter of Raymond Lum Kwan Sung (Executive Chairman and substantial shareholder)</p> <p>Niece of David Lum Kok Seng (Managing Director and substantial shareholder)</p> <p>Cousin of Kelvin Lum Wen Sum (Non independent Non executive Director)</p> <p>Cousin of Adrian Lum Wen Hong (Alternate director to David Lum Kok Seng)</p> <p>Cousin of Clement Leow Wee Kia (Non executive independent Director)</p>	<p>Position: Vice President, Finance</p> <p>Duties: Finance</p> <p>Date when position was first held: 25 July 2018</p>	N.A.

BY ORDER OF THE BOARD
TONY FONG
COMPANY SECRETARY
25 August 2023