

**LUM CHANG** HOLDINGS LIMITED

Company Registration No.: 198203949N

(Incorporated in the Republic of Singapore)

Financial Statements And Dividend Announcement (Unaudited) For Half-Year Ended 31 December 2020

- 1(a) An income statement for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

		GROUP		
		Half Year Ended		Increase/
		31.12.2020	31.12.2019	(Decrease)
		S\$'000	S\$'000	%
Note				
	Revenue	130,910	187,758	(30)
	Cost of sales	(117,266)	(171,149)	(31)
	Gross profit	13,644	16,609	(18)
	Other income	5,291	1,365	288
	Other losses - net	(430)	(102)	322
	Expenses			
	- Distribution and marketing	(244)	(174)	40
	- Administrative and general	(11,971)	(12,915)	(7)
	- Finance	(2,378)	(4,114)	(42)
	Share of (losses)/profits of associated companies	(20)	7	NM *
	Share of (losses)/profits of joint ventures	(3,148)	7,569	NM *
	Profit before income tax	744	8,245	(91)
	Income tax expense	(405)	(771)	(47)
	Profit for the period	339	7,474	(95)
	Attributable to:			
	Equity holders of the Company	159	7,042	(98)
	Non-controlling interests	180	432	(58)
		339	7,474	(95)

* NM : Not Meaningful

1 (a) Continuation...

Notes to the income statement :

(1) Cost of sales comprised mainly construction cost and property development cost.

(2a) Other income comprised the following :

	GROUP		
	Half Year Ended		Increase/ (Decrease)
	31.12.2020	31.12.2019	%
	S\$'000	S\$'000	
Interest income	222	698	(68)
Government grants (i)	4,709	120	3,824
Others	360	547	(34)
	5,291	1,365	288

(i) Government grants for the half year under review include S\$4.5 million COVID-19 related financial support received from the government.

(2b) Other losses - net comprised the following :

	GROUP		
	Half Year Ended		Increase/ (Decrease)
	31.12.2020	31.12.2019	%
	S\$'000	S\$'000	
Currency translation loss - net	(448)	(108)	315
Gain on disposal of property, plant and equipment - net	18	6	200
	(430)	(102)	322

1 (a) Continuation...

Notes to the income statement :

(3) Profit before tax is arrived at after (charging)/crediting the following (other than in (2) above):

GROUP			
	Half Year Ended		Increase/
	31.12.2020	31.12.2019	(Decrease)
	S\$'000	S\$'000	%
(a) Amortisation of club memberships	(17)	(16)	6
(b) Depreciation of property, plant and equipment (ii)	(2,323)	(1,877)	24
(c) Dividend income from financial assets, at FVOCI	832	134	521
(d) Finance expense (iii)	(2,378)	(4,114)	(42)
(e) Property, plant and equipment written off	(22)	(12)	83

(ii) Right-of-use ("ROU") assets acquired under leasing arrangements were capitalised and depreciated over the lease term following the adoption of SFRS(I) 16 Leases effective from 1 July 2019. Depreciation charge increased by S\$446,000 to S\$2.3 million as compared to S\$1.9 million for the corresponding period last year mainly due to higher depreciation charge for state land leased from the government for housing the construction workers.

(iii) Finance expense for the half year under review was S\$2.4 million as compared to S\$4.1 million for the corresponding period last year. The lower interest expense was due to the repayment of loan on disposal of an investment property and lower interest rates on borrowings.

(4) Income tax expense attributable to results is made up of:

GROUP			
	Half Year Ended		Increase/
	31.12.2020	31.12.2019	(Decrease)
	S\$'000	S\$'000	%
Current income tax			
- Singapore	(545)	(771)	(29)
Over provision in prior financial years			
- Current income tax	140	-	NM
	(405)	(771)	(47)

* NM : Not Meaningful

- 1(a)(i) A statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

	GROUP		
	Half Year Ended		Increase/ (Decrease)
	31.12.2020	31.12.2019	(Decrease)
	S\$'000	S\$'000	%
Profit for the period	339	7,474	(95)
Other comprehensive income/(losses):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Gains (a)	2,122	2,214	(4)
- Reclassification	8	139	(94)
	2,130	2,353	
Items that will not be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Gains	634	584	9
Financial assets, at fair value through other comprehensive income ("FVOCI")			
- Fair value loss (b)	(1,970)	-	NM *
	(1,336)	584	
Other comprehensive income for the period, net of tax	794	2,937	(73)
Total comprehensive income for the period	1,133	10,411	(89)
Total comprehensive income attributable to:			
Equity holders of the Company	319	9,395	(97)
Non-controlling interests	814	1,016	(20)
	1,133	10,411	(89)

(a) Foreign currency translation differences are recognised on the translation of the Group's share of net assets of various subsidiaries in Malaysia and Jersey, Channel Islands. Foreign currency translation gains in both the half year ended 31 December 2020 and the corresponding period last year were mainly due to the appreciation of Sterling Pound and Malaysian Ringgit.

(b) Fair value loss on financial assets, at FVOCI for the half year under review was in respect of the Group's unquoted investments.

* NM : Not Meaningful

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

	GROUP		COMPANY	
	31.12.2020 S\$'000	30.06.2020 S\$'000	31.12.2020 S\$'000	30.06.2020 S\$'000
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	114,330	151,026	30,653	25,905
Trade and other receivables	35,776	23,312	67,168	52,629
Contract assets	51,330	16,721	-	-
Tax recoverable	301	292	-	-
Properties held for sale	3,606	4,417	-	-
Development properties	119,987	117,949	-	-
Other current assets	9,007	8,120	153	126
	334,337	321,837	97,974	78,660
<u>Non-current assets</u>				
Trade and other receivables	88,602	87,084	132,945	129,955
Club memberships	335	352	337	350
Financial assets, at FVPL	7,510	8,063	-	-
Financial assets, at FVOCI	23,176	25,146	-	-
Investments in joint ventures	30,376	33,400	-	-
Investments in associated companies	4,803	4,865	-	-
Investments in subsidiaries	-	-	72,167	72,167
Investment properties	89,582	58,316	-	-
Property, plant and equipment	29,232	27,025	1,724	2,068
Deferred income tax assets	6,022	6,092	-	-
Other non-current assets	3,829	4,857	-	-
	283,467	255,200	207,173	204,540
Total assets	617,804	577,037	305,147	283,200
LIABILITIES				
<u>Current liabilities</u>				
Trade and other payables	98,065	71,458	147,127	134,781
Contract liabilities	17,312	28,409	-	-
Provisions	14,346	15,159	-	-
Current income tax liabilities	3,572	5,758	73	266
Borrowings	41,694	4,368	40,438	486
	174,989	125,152	187,638	135,533
<u>Non-current liabilities</u>				
Trade and other payables	17,109	17,180	-	-
Borrowings	158,118	164,187	130	40,288
Deferred income tax liabilities	-	96	-	-
	175,227	181,463	130	40,288
Total liabilities	350,216	306,615	187,768	175,821
NET ASSETS	267,588	270,422	117,379	107,379
EQUITY				
<u>Capital and reserves attributable to the equity holders of the Company</u>				
Share capital	86,572	86,572	86,572	86,572
Treasury shares	(2,845)	(2,845)	(2,845)	(2,845)
Capital and other reserves	40,187	40,027	3,182	3,182
Retained profits	129,451	133,059	30,470	20,470
Shareholders' equity	253,365	256,813	117,379	107,379
Non-controlling interests	14,223	13,609	-	-
Total equity	267,588	270,422	117,379	107,379

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

Group borrowings excluding lease liabilities:

Amount repayable in one year or less, or on demand

As at 31.12.2020		As at 30.06.2020	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
232	40,077	3,165	-

Amount repayable after one year

As at 31.12.2020		As at 30.06.2020	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
155,175	-	121,203	39,911

Details of any collateral:

1) S\$155.4 million (S\$107.6 million, £17.7 million and RM48.3 million) term loans

Legal mortgages over:

- development properties of a subsidiary in Singapore
- a leasehold property owned by a subsidiary in Singapore
- a freehold property owned by a subsidiary in Jersey, Channel Islands
- development properties of a subsidiary in Malaysia

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

	GROUP	
	Half Year Ended	
	31.12.2020	31.12.2019
	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit	339	7,474
Adjustments for:		
Income tax expense	405	771
Share of results of associated companies and joint ventures	3,168	(7,576)
Amortisation of club memberships	17	16
Depreciation of property, plant & equipment	2,323	1,877
Dividend income from financial assets, at FVOCI	(832)	(134)
Gain on disposal of property, plant and equipment - net	(18)	(6)
Interest income	(222)	(698)
Finance expense	2,378	4,114
Property, plant and equipment written off	22	12
	<hr/>	<hr/>
Operating cash flow before working capital changes	7,580	5,850
Changes in working capital		
Trade and other receivables	(a) (15,937)	(3,789)
Contract assets	(b) (34,609)	21,891
Contract liabilities	(c) (11,097)	(8,785)
Trade and other payables	(d) 24,611	10,547
Other current assets	(e) (366)	(6,982)
Development properties/properties held for sale	(f) (782)	(5,853)
Unrealised currency translation differences	259	(66)
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Cash generated (used in)/from operations	(30,341)	12,813
Income tax paid	(2,595)	(918)
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Net cash (used in)/provided by operating activities	(32,936)	11,895
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from a joint venture	1,958	-
Dividends received from financial assets, at FVOCI	832	-
Expenditure on investment property	(g) (31,444)	(8,989)
Decrease in other assets in relation to investment property	(h) -	7,160
Interest income received	191	678
Investment in financial assets, at FVPL	(i) -	(4,477)
Investment in a joint venture	-	(329)
Investment in an associated company	(j) -	(1,204)
Proceeds from disposal of property, plant and equipment	232	88
Purchase of club memberships	-	(50)
Purchase of property, plant and equipment	(k) (1,555)	(424)
Advances to joint ventures	(l) (16)	(7,680)
Repayment from a joint venture	(m) -	6,730
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Net cash used in investing activities	(29,802)	(8,497)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash and cash equivalents (pledged)/released from pledge	(10)	(808)
Dividends paid	(3,767)	(5,707)
Dividends paid to a non-controlling shareholder of a subsidiary	(200)	-
Bank facility fees	(16)	(18)
Interest paid	(2,247)	(4,012)
Proceeds from bank loans	(n) 34,227	11,500
Repayment of bank loans	(n) (3,251)	(11,921)
Repayment of lease liabilities	(609)	(336)
Advances from a non-controlling shareholder of a subsidiary	1,081	-
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Net cash provided by/(used in) financing activities	25,208	(11,302)

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

	GROUP	
	Half Year Ended	
	31.12.2020	31.12.2019
	S\$'000	S\$'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(37,530)	(7,904)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	150,433	133,746
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	824	1,032
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD [Note (1)]	113,727	126,874

Notes to Statement of Cash Flows:

- (1) Cash and cash equivalents comprised the following:

	GROUP	
	Half Year Ended	
	31.12.2020	31.12.2019
	S\$'000	S\$'000
Cash at bank and on hand	89,322	71,937
Short-term bank deposits	25,008	56,325
Less: Cash and cash equivalents pledged	(603)	(1,388)
Cash and cash equivalents per statement of cash flows	113,727	126,874

- (a) The increase in trade and other receivables of S\$15.9 million during the half year ended 31 December 2020 was mainly due to the increase in amount of work carried out for one new construction project and two ongoing construction projects.

The increase in trade and other receivables of S\$3.8 million during the corresponding period last year was mainly due to the increase in amount of work carried out for various ongoing construction projects and a residential development in Malaysia resulting in an increase in trade and other receivables of S\$14.9 million. The increase was partially offset by net collections of S\$13.0 million from two completed construction projects.

- (b) Contract assets were construction costs incurred ahead of progress billings raised. The increase in contract assets of S\$34.6 million during the half year under review was mainly due to the increase in work carried out after the resumption of construction activities but not yet billed to customers.

The decrease in contract assets of S\$21.9 million during the corresponding period last year was due to the certification and billing of construction work done.

- (c) Contract liabilities related mainly to an advance of S\$40.0 million received for a major construction project in Financial Year 2019, and was reduced by S\$11.1 million during the half year under review and reduced by S\$8.9 million during the corresponding period last year with the increase in amount of work carried out and progressive claims were applied against the advance.

- (d) The increase in trade and other payables of S\$24.6 million during the half year under review was mainly due to the increase in work carried out for two new construction projects and two ongoing construction projects resulting in an increase in trade payables of S\$22.9 million.

The increase in trade and other payables of S\$10.5 million during the corresponding period last year was mainly due to the increase in work carried out for several ongoing construction projects and for the Group's development properties in Singapore and Malaysia totaling S\$23.6 million. The increase was partially offset by payments of S\$13.5 million made to subcontractors of three substantially completed construction projects.

- (e) The increase in other current assets of S\$7.0 million during the corresponding period last year was mainly due to advances given to subcontractors of a major construction project.

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

Notes to Statement of Cash Flows:

- (f) The increase in development properties/properties held for sale during the half year under review of S\$782,000 was mainly due to additional development costs incurred on the Group's development properties in Malaysia and Singapore amounting to S\$9.4 million, partially offset by an inflow of S\$8.6 million from the sale of units from the same developments.

The increase in development properties/properties held for sale during the corresponding period last year of S\$5.9 million was mainly due to additional development costs incurred on the Group's development properties in Malaysia and Singapore amounting to S\$14.2 million, partially offset by an inflow of S\$8.5 million from the sale of units from the same developments.

- (g) Expenditure on investment property during the half year under review and the corresponding period last year mainly related to redevelopment costs incurred on the Group's freehold commercial property in the United Kingdom.
- (h) During the corresponding period last year, payments of S\$7.2 million were made out of the Escrow account to pay the redevelopment costs of the Group's freehold commercial property in the United Kingdom.
- (i) Financial assets, at Fair Value through Profit or Loss ("FVPL") of S\$4.5 million during the corresponding period last year related to subscription of convertible loans from an investee company.
- (j) The cash outflow of S\$1.2 million during the corresponding period last year represents the Group's 25% proportionate share of the issued and paid up capital in a company incorporated in Indonesia. The associated company owns parcels of land in Bintan, Indonesia.
- (k) During the half year under review, the Group purchased various construction equipment and motor vehicles totaling S\$1.3 million.
- (l) Advances to joint ventures of S\$7.7 million during the corresponding period last year related mainly to the Group's proportionate share of advances to fund the redevelopment of a leasehold property in Singapore.
- (m) In the corresponding period last year, S\$6.7 million was repaid by a joint venture following the disposal of a commercial building in Frankfurt, Germany which the Group held an effective interest of 5.1%.
- (n) Proceeds from bank loans of S\$34.2 million during the half year under review mainly related to the drawdown of S\$31.9 million to fund the development of the Group's freehold property in the United Kingdom and the drawdown of S\$2.2 million to fund the Group's residential development in Singapore. Repayment of S\$3.3 million were mainly in respect of bank loans previously drawn down to fund the Group's residential development in Malaysia.

Proceeds from bank loans of S\$11.5 million during the corresponding period last year mainly related to the drawdown of S\$7.0 million for working capital and the drawdown of S\$4.4 million to fund the Group's residential developments in Singapore and Malaysia. Repayment of S\$11.0 million were mainly in respect of bank loans previously drawn down for working capital purposes.

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

STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Group - 2021	← Attributable to equity holders of the Company →					Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital and other reserves	Retained profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2020	86,572	(2,845)	40,027	133,059	256,813	13,609	270,422
Net profit	-	-	-	159	159	180	339
Other comprehensive income	-	-	160	-	160	634	794
Total comprehensive income	-	-	160	159	319	814	1,133
Transfer of reserves	-	-	-	-	-	-	-
Final dividend for FY2020	-	-	-	(3,767)	(3,767)	-	(3,767)
Interim dividend paid to a non-controlling shareholder of a subsidiary	-	-	-	-	-	(200)	(200)
Total transactions with owners, recognised directly in equity	-	-	-	(3,767)	(3,767)	(200)	(3,967)
Balance as at 31 December 2020	86,572	(2,845)	40,187	129,451	253,365	14,223	267,588

Group - 2020	← Attributable to equity holders of the Company →					Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital and other reserves	Retained profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2019	86,572	(1,620)	26,922	145,277	257,151	19,473	276,624
Net profit	-	-	-	7,042	7,042	432	7,474
Other comprehensive income	-	-	2,353	-	2,353	584	2,937
Total comprehensive income	-	-	2,353	7,042	9,395	1,016	10,411
Transfer of reserves	-	-	3,291	(3,291)	-	-	-
Final dividend for FY2019	-	-	-	(5,707)	(5,707)	-	(5,707)
Total transactions with owners, recognised directly in equity	-	-	3,291	(8,998)	(5,707)	-	(5,707)
Balance as at 31 December 2019	86,572	(1,620)	32,566	143,321	260,839	20,489	281,328

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

STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Company - 2021	Share capital	Treasury shares	Capital and other reserves	Retained profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2020	86,572	(2,845)	3,182	20,470	107,379
Net profit	-	-	-	13,767	13,767
Other comprehensive (loss)/income	-	-	-	-	-
Total comprehensive income	-	-	-	13,767	13,767
Final dividend for FY2020	-	-	-	(3,767)	(3,767)
Total transactions with owners, recognised directly in equity	-	-	-	(3,767)	(3,767)
Balance as at 31 December 2020	86,572	(2,845)	3,182	30,470	117,379

Company - 2020	Share capital	Treasury shares	Capital and other reserves	Retained profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2019	86,572	(1,620)	3,182	28,828	116,962
Net loss	-	-	-	(2,754)	(2,754)
Other comprehensive (loss)/income	-	-	-	-	-
Total comprehensive income	-	-	-	(2,754)	(2,754)
Final dividend for FY2019	-	-	-	(5,707)	(5,707)
Total transactions with owners, recognised directly in equity	-	-	-	(5,707)	(5,707)
Balance as at 31 December 2019	86,572	(1,620)	3,182	20,367	108,501

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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.**

The Company did not purchase any of its ordinary shares during the half year ended 31 December 2020 and half year ended 31 December 2019.

The Company's issued and fully paid up shares as at 31 December 2020 comprised 376,688,104 (31 December 2019: 380,486,304) ordinary shares with voting rights and 8,341,500 (31 December 2019: 4,543,300) treasury shares with no voting rights.

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

	31.12.2020	30.06.2020
Total number of ordinary shares excluding treasury shares	376,688,104	376,688,104

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

Balance as at 30.06.2020	8,341,500
Purchase of treasury shares	-
Balance as at 31.12.2020	8,341,500

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

The figures in this announcement have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the most recently audited financial statements for the financial year ended 30 June 2020.

- 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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP	
	Half-Year ended	
	31.12.2020	31.12.2019
Earnings per ordinary share of the Group after deducting any provision for preference dividends :		
(a) Based on weighted average number of ordinary shares in issue	0.04 cents	1.85 cents
(b) On a fully diluted basis	0.04 cents	1.85 cents

Notes:-

- (1) Basic earnings per share is computed based on the weighted average number of ordinary shares (excluding treasury shares which have no voting rights) in issue during the half year reported on of 376,688,104 shares (31 December 2019: 380,486,304 shares).
- (2) There are no potential dilutive ordinary shares as at 31 December 2020 and 31 December 2019.

7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP		COMPANY	
	As at 31.12.2020	As at 30.06.2020	As at 31.12.2020	As at 30.06.2020
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 reported on	67.26 cents	68.18 cents	31.16 cents	28.51 cents

* Net asset is defined as shareholders' equity

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

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Revenue

Revenue for the half year under review was S\$56.8 million or 30% lower than the revenue for the corresponding period last year. The lower revenue was mainly due to slow resumption of work at two construction sites that lowered revenue by S\$31.8 million and lower revenue from two other construction projects which were substantially completed in the previous financial year, totalled S\$57.1 million. The lower revenue was partially offset by higher revenue from several new construction projects amounting to S\$31.4 million.

Cost of sales

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

Other income

Other income increased by S\$3.9 million or 288% to S\$5.3 million during the half year under review mainly due to the COVID-19 related financial support received from the government amounting to S\$4.5 million.

Finance expenses

Finance expense for the half year under review was S\$2.4 million as compared to S\$4.1 million for the corresponding period last year. The lower interest expense was due to the repayment of loan on disposal of an investment property and lower interest rates on borrowings.

Share of losses/profits of joint ventures

The share of losses of joint ventures of S\$3.1 million for the half year under review was mainly due to loss recorded by a joint venture company which own a commercial building in Singapore.

The share of profits of joint ventures of S\$7.6 million for the corresponding period last year mainly related to the recognition of the Group's proportionate share of fair value gain on a commercial building in Singapore owned by a joint venture company, and gain from the disposal of a commercial building in Frankfurt, Germany owned by another joint venture company.

8. (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Cash and cash equivalents

Cash and cash equivalents as at 31 December 2020 was S\$114.3 million compared to S\$151.0 million as at 30 June 2020. Please refer to the cash flow statements for the Group for the period ended 31 December 2020 in item 1(c) of this announcement for further details.

Trade and other receivables (Current + Non Current)

Total trade and other receivables increased by S\$14.0 million since 30 June 2020 to S\$124.4 million mainly due to the increase in amount of work carried out for one new construction project and two ongoing construction projects.

Contract assets

Contract assets as at 31 December 2020 was S\$51.3 million compared to S\$16.7 million as at 30 June 2020. The increase of S\$34.6 million was mainly due to the increase in work carried out after the resumption of construction activities but not yet billed to customers.

Investment properties

Investment properties increased by S\$31.3 million since 30 June 2020 mainly due to expenditure incurred on the redevelopment of the Group's freehold commercial property in the United Kingdom.

Trade and other payables (Current and Non-Current)

Total trade and other payables of S\$115.2 million as at 31 December 2020 increased by S\$26.6 million compared to S\$88.6 million as at 30 June 2020. The increase was mainly due to the increase in work carried out for two new construction projects and two ongoing construction projects resulting in an increase in trade payables of S\$22.9 million.

Contract liabilities

The decrease in contract liabilities by S\$11.1 million since 30 June 2020 to S\$17.3 million as at 31 December 2020 was mainly due to reduction of an advance previously received from a client applied against progressive claims for a construction project.

Borrowings (Current and Non-Current)

Total borrowings increased by S\$31.3 million since 30 June 2020 to S\$199.8 million mainly due to the drawdown of total S\$34.1 million to fund the Group's commercial development in the United Kingdom and a residential development in Singapore, offset by repayment of S\$3.3 million relating to bank loans previously drawn down for the residential development in Malaysia.

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

The current announced results are in line with the comments previously disclosed in part 10 in the results announcement for the financial year ended 30 June 2020.

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

According to flash estimates released by the Ministry of Trade and Industry (MTI) on 4 January 2021, Singapore's economy contracted by less than expected in 2020 as business activity further picked up in the fourth quarter following the easing of coronavirus-related restrictions.

For the whole of 2020, Singapore's economy shrank by 5.8% and also contracted by 3.8% on a year-on-year basis in the fourth quarter of 2020, an improvement from the 5.6% year-on-year contraction in the third quarter.

The construction sector recorded a 28.5% year on year contraction, doing better than the 46.2% contraction in the previous quarter. MTI attributed the sector's improved performance to the resumption of more construction activities in the fourth quarter as compared to the previous quarter.

Meanwhile, the Building and Construction Authority (BCA) in a statement released on 18 January 2021, projects the total construction demand in 2021 to range between S\$23 billion to S\$28 billion, an improvement from the estimated S\$21.3 billion worth of projects to have been awarded last year.

Of these, 65% (between S\$15 billion and S\$18 billion) of the overall 2021 construction demand is expected to come from public sector projects, driven by an anticipated stronger demand for public housing and infrastructure projects. Some of the upcoming major public sector projects scheduled to be awarded this year include various contracts under the Jurong Region MRT Line, the Cross Island MRT Line Phase 1 and the Deep Tunnel Sewerage System Phase 2.

Group construction operations have resumed after complying with various government Covid-Safe start measures including worksite, accommodation and transportation criteria. As we adapt to the 'new normal', procedures have been put in place to implement and enforce these new measures, and the Group's immediate focus is to reduce disruptions and shorten delays to existing projects, while working round manpower limitations. The Group continues to monitor the situation closely while exercising financial prudence and will implement further cost-saving initiatives where required. The Group's order book as at 31 December 2020 is S\$1.87 billion.

Construction for both the Singapore landed development, One Tree Hill Collection, and the UK serviced residence, Kelaty House, is progressing as scheduled. The projects are expected to complete in the first half of 2021.

With Malaysia's Covid-19 movement control order still in effect, marketing activities for Twin Palms Sungai Long is limited.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend : Interim Dividend
Dividend Type : Cash
Dividend Amount per share (in cents) : 0.75 cents per ordinary share
Tax Rate : Tax exempt (1-Tier)

Any dividend declared for the current financial period reported on? Yes

Name of Dividend : Special Dividend
Dividend Type : Cash
Dividend Amount per share (in cents) : 4.25 cents per ordinary share
Tax Rate : Tax exempt (1-Tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend : Interim Dividend
Dividend Type : Cash
Dividend Amount per share (in cents) : 0.30 cents per ordinary share
Tax Rate : Tax exempt (1-Tier)

(c) Date payable

The interim dividend will be paid on 11 March 2021.

11. Dividend (continued)

(d) Record date

The Share Transfer Books and the Register of Members of the Company will be closed on 26 February 2021 5.00 p.m. (the "Record Date") for the purpose of determining shareholders' entitlements to the interim dividend (the "Dividend"). Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services of 80 Robinson Road #02-00 Singapore 068898, up to 5.00 p.m. on Record Date will be registered to determine shareholders' entitlements to the Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's shares as at 5.00 p.m. on Record Date will be entitled to the Dividend.

12. If no dividend has been declared/recommended, a statement to that effect. - Not applicable.

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.

Not applicable as no IPT mandate has been obtained.

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

The Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the half year ended 31 December 2020 to be false or misleading in any material respect.

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

Not applicable. The Company did not acquire and dispose shares in any companies during the half year ended 31 December 2020.

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

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

On behalf of the Board of Directors

Raymond Lum Kwan Sung
Director

David Lum Kok Seng
Director

BY ORDER OF THE BOARD

TONY FONG
TAN ENG CHAN GERALD
COMPANY SECRETARIES

9 February 2021

Submitted by Tony Fong, Tan Eng Chan Gerald, Company Secretaries on 9 February 2021 to the SGX.