騰龍國際集團
GLOBAL DRAGON LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No.198102945K and SGX: 586

Founded on 25 June 1981, **GLOBAL DRAGON LIMITED** (the "**Company**", and together with its subsidiaries, the "**Group**"), is a public limited company incorporated in Singapore and was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") since 27 September 1999.

On 14 December 2017, JK Global Assets Pte. Ltd. became the major shareholder of the Group.

On 23 March 2018, the Company adopted the Chinese name "**騰龍國際集團**" for identification purposes and changed its principal activities to property development and investment.

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YEAR 2022
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41th anniversary year for incorporation of the Company since June 1981
23td anniversary year as a public company listed on the SGX-ST since September 1999
Young and dynamic property developer and property investor since March 2018

UNAUDITED RESULTS ANNOUNCEMENT

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Ms Lee Khai Yinn (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021 ("HY2022")

	Note	Group		
		6 months ended 31 December 2021	6 months ended 31 December 2020	% Change Increase / (Decrease)
		S$'000	S$'000	%
Revenue	4	**59,000**	**4,685**	>100%
Cost of sales		(50,996)	(4,455)	>100%
Gross profit		**8,004**	**230**	>100%
Other income		58	362	(84%)
Fair value loss on investment properties		–	(126)	N.M.
Sales and marketing expenses		(1,441)	(198)	>100%
General and administrative expenses		(689)	(675)	2%
Finance costs		(923)	(546)	69%
Profit/(loss) before tax	6	**5,009**	**(953)**	N.M.
Income tax expense	7	–	–	–
Profit/(loss) for the financial period		**5,009**	**(953)**	N.M.
Total comprehensive income for the financial period attributable to the owners of the Company		**5,009**	**(953)**	N.M.
Earnings/(loss) per ordinary share of the Group for the financial period based on net profit/(loss) attributable to owners of the Company on weighted average number of ordinary shares in issue (basic) (cents) and fully diluted basis (cents)		**0.73**	**(0.14)**	N.M.

Notes:
* The Company does not have any dilutive equity instruments in HY2022 and HY2021.
** N.M. – Not meaningful.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	Group		Company	
		31 December 2021	30 June 2021 (Audited)	31 December 2021	30 June 2021 (Audited)
		S$'000	S$'000	S$'000	S$'000
Assets					
Non-current assets					
Property, plant and equipment	9	115,104	111,320	27	27
Investment properties	10	11,170	11,170	11,170	11,170
Investment in subsidiaries		–	–	6,000	6,000
		126,274	**122,490**	**17,197**	**17,197**
Current assets					
Trade and other receivables		3,068	9,158	107	106
Due from subsidiaries (non-trade)		–	–	35,195	34,708
Prepayments		146	26	26	24
Contract assets		76,631	32,834	–	–
Development properties	11	64,283	91,873	–	–
Properties held for sale		–	1,071	–	1,071
Property, plant and equipment		5	38	–	–
Cash and short-term deposits		35,251	8,037	235	33
		179,384	**143,037**	**35,563**	**35,942**
Total assets		**305,658**	**265,527**	**52,760**	**53,139**
Liabilities					
Current liabilities					
Trade and other payables		5,115	4,080	595	641
Due to subsidiaries (non-trade)		–	–	1,980	1,981
Contract liabilities		44,305	20,300	–	–
Lease liabilities		5	39	–	–
Provisions		15	15	15	15
Borrowings	12	25,500	22,659	2,003	2,243
		74,940	**47,093**	**4,593**	**4,880**
Net current assets		**104,444**	**95,944**	**30,970**	**31,062**
Non-current liabilities					
Deferred tax liabilities	7	9,154	9,154	–	–
Borrowings	12	138,474	129,153	6,273	7,720
		147,628	**138,307**	**6,273**	**7,720**
Total liabilities		**222,568**	**185,400**	**10,866**	**12,600**
Net assets		**83,090**	**80,127**	**41,894**	**40,539**
Equity attributable to owners of the Company					
Share capital	13	46,116	46,116	46,116	46,116
Reserves		36,974	34,011	(4,222)	(5,577)
Total equity		**83,090**	**80,127**	**41,894**	**40,539**
Total equity and liabilities		**305,658**	**265,527**	**52,760**	**53,139**

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

	Attributable to owners of the Company					
	Share capital	Asset revaluation reserve	Exchange fluctuation reserve	Share option reserve	Accumulated losses	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
At 1 July 2021	**46,116**	**42,050**	**285**	**498**	**(8,822)**	**80,127**
Profit for the period	–	–	–	–	5,009	**5,009**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**5,009**	**5,009**
Dividends on ordinary shares	–	–	–	–	(2,046)	**(2,046)**
Total transactions with owners, recognised directly in equity	–	–	–	–	**(2,046)**	**(2,046)**
At 31 December 2021	**46,116**	**42,050**	**285**	**498**	**(5,859)**	**83,090**
At 1 July 2020 (restated)	**46,116**	**42,050**	**285**	**498**	**(11,552)**	**77,397**
Loss for the period	–	–	–	–	(953)	**(953)**
Total comprehensive income for the period	**–**	**–**	–	**–**	**(953)**	**(953)**
At 31 December 2020 (restated)	**46,116**	**42,050**	**285**	**498**	**(12,505)**	**76,444**

	Attributable to owners of the Company			
	Share capital	Share option reserve	Accumulated losses	Total equity
	S$'000	S$'000	S$'000	S$'000
Company				
At 1 July 2021	**46,116**	**498**	**(6,075)**	**40,539**
Profit for the period	–	–	3,401	**3,401**
Total comprehensive income for the period	**–**	**–**	**3,401**	**3,401**
Dividends on ordinary shares	–	–	(2,046)	**(2,046)**
Total transactions with owners, recognised directly in equity	**–**	**–**	**(2,046)**	**(2,046)**
At 31 December 2021	**46,116**	**498**	**(4,720)**	**41,894**
At 1 July 2020	**46,116**	**498**	**(5,214)**	**41,400**
Loss for the period	**–**	**–**	(315)	**(315)**
Loss for the period, representing total comprehensive income for the year	**–**	**–**	**(315)**	**(315)**
At 31 December 2020	**46,116**	**498**	**(5,529)**	**41,085**

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

	Note	Group	
		6 months ended 31 December 2021	6 months ended 31 December 2020
		S$'000	S$'000
Operating activities			
Profit/(loss) before tax		**5,009**	**(953)**
Adjustments for:			
Depreciation of property, plant and equipment	6	40	46
Loss on disposal of investment properties	6	–	126
Gain on disposal of derivative instrument held at fair value through profit and loss	6	–	(222)
Interest expense	6	918	544
Interest income	6	(1)	(5)
Operating profit/(loss) before working capital changes		**5,966**	**(464)**
Changes in working capital:			
Decrease/(increase) in trade and other receivables		5,970	(181)
Increase in contract assets		(43,795)	(1,424)
Decrease/(increase) in development properties and property held for sale		27,901	(11,465)
Decrease in lease receivable		–	263
Increase in trade and other payables		1,035	1,556
Increase in contract liabilities		24,005	2,102
Decrease in lease liabilities		(34)	(396)
Cash from/(used) in operations		**21,048**	**(10,009)**
Interest paid		(984)	(506)
Net cash flows from/(used) in operating activities		**20,064**	**(10,515)**
Investing activities			
Interest received		1	1
Interest paid		(941)	(302)
Additions to property, plant and equipment		(2,851)	(1,776)
Proceeds from disposal of investment properties		1,071	67
Net cash flows used in investing activities		**(2,720)**	**(2,010)**
Financing activities			
Interest paid		(245)	(131)
Decrease in fixed deposits pledged		–	622
Proceeds from bank loans		25,577	14,590
Proceeds from shareholder's loans		1,360	–
Repayment of bank loans		(13,176)	(2,658)
Repayment of shareholder's loans		(1,600)	–
Dividends paid		(2,046)	–
Net cash flows from financing activities		**9,870**	**12,423**
Net increase/(decrease) in cash and cash equivalents		**27,214**	**(102)**
Cash and cash equivalents at beginning of financial period		**7,037**	**1,710**
Cash and cash equivalents at end of financial period		**34,251**	**1,608**
Note to the Consolidated Statement of Cash Flows			
Cash and short-term deposits		**35,251**	**2,608**
Less: Fixed deposits pledged		**(1,000)**	**(1,000)**
Cash and cash equivalents (1)		**34,251**	**1,608**

Note:

(1) *Included in cash and cash equivalents is an amount of S$33,225,000 (HY2021: S$1,234,000) deposited in the project accounts. Withdrawals of these monies for expenditures related to specific properties under development are governed by the Housing Developers (Control and Licensing) Act.*

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

1. Corporate information

Global Dragon Limited (the "**Company**") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The registered office and principal place of business are located at 456 Alexandra Road #02-09 Fragrance Empire Building Singapore 119962.

The principal activities of the Company and of the Group are property development and investment.

2. Basis of preparation

The condensed interim financial statements for the six months financial period ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim 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 financial statements for the financial year ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Reporting Standards (International) ("**SFRS(I)**s"), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (SGD or S$) which is the Company's functional currency and all values in the tables are rounded to the nearest thousand (S$'000), except when otherwise indicated.

The latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2.1. New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

The accounting policies adopted and methods of computation applied are consistent with those previously applied under SFRS(I)s except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 July 2021.

The adoption of these standards did not have any material effect on the financial performance or position of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

2. Basis of preparation (cont'd)

2.2. Use of judgements and estimates

In preparing the condensed interim 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.

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 that applied to the consolidated financial statements as at and for the financial year ended 30 June 2021.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(a) Note 7 - Determination of provision for income taxes
(b) Notes 9 and 10 - Impairment of non-financial assets

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

(a) Note 9 - Valuation of leasehold land held as property, plant and equipment ("**PPE**")
(b) Note 10 - Valuation of investment properties
(c) Notes 9 and 10 - Impairment of non-financial assets
(d) Note 11 - Estimation of net realisable value ("**NRV**") for development properties

3. Seasonal operations

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

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

4. Segment and revenue information

The Group has several reportable business segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they are targeting different market segments and require different marketing strategies. For each strategic business unit, the Group's Executive Chairman reviews internal management reports at least on a monthly basis.

The following summary describes the operations of each of the Group's reportable business segments:

(a) Property development segment relates to the development of residential properties;
(b) Property investment segment relates to the holding of investment properties to earn rental and for capital appreciation; and
(c) Hospitality segment relates to the leasing of hotels to operators with limited variability in rental income.

The Group operates in a single principal geographical segment in Singapore for the six months financial periods ended 31 December 2021 and 31 December 2020. Therefore, no information on geographical segments is disclosed.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit for the financial period, as included in the internal management reports that are reviewed by the Group's Executive Chairman. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments.

4.1 Segment information

Group	Property development	Property investment	Hospitality	Adjustments and eliminations	Consolidated total
	S$'000	S$'000	S$'000	S$'000	S$'000
1 July 2021 to 31 December 2021					
External revenue	58,855	608	–	(463)	59,000
Depreciation of property, plant and equipment	(38)	(2)	–	–	(40)
Interest income	–	1	–	–	1
Interest expense	(709)	(95)	(114)	–	(918)
Reportable segment profit/(loss) for the period	5,392	3,358	(119)	(3,622)	5,009
Capital expenditure	–	2	3,784	–	3,786
Reportable segment assets	179,828	55,674	117,142	(46,986)	305,658
Reportable segment liabilities	(173,665)	(11,586)	(74,424)	37,107	(222,568)
1 July 2020 to 31 December 2020					
External revenue	4,524	429	–	(268)	4,685
Depreciation of property, plant and equipment	(32)	(14)	–	–	(46)
Interest income	–	5	–	–	5
Interest expense	(378)	(107)	(59)	–	(544)
Reportable segment loss for the period	(531)	(97)	(67)	(258)	(953)
Capital expenditure	–	–	2,079	–	2,079
Reportable segment assets	106,681	54,812	111,649	(42,954)	230,188
Reportable segment liabilities	(107,280)	(12,479)	(60,089)	34,717	(145,131)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

4. Segment and revenue information (cont'd)

4.2 Disaggregation of Revenue

	Group 6 months ended 31 December					
	Property development		Investment properties		Total revenue	
	2021	2020	2021	2020	2021	2020
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Primary geographical markets						
Singapore	58,855	4,524	145	161	59,000	4,685
Major product or service lines						
Commercial properties	–	–	145	161	145	161
Residential properties	58,855	4,524	–	–	58,855	4,524
Timing of transfer of goods or services						
At a point in time	15,060	3,100	–	–	15,060	3,100
Over time	43,795	1,424	145	161	43,940	1,585

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 30 June 2021:

	Group		Company	
	31 December 2021	30 June 2021 (Audited)	31 December 2021	30 June 2021 (Audited)
	S$'000	S$'000	S$'000	S$'000
Financial assets				
Amortised cost	114,950	50,029	35,537	34,847
Financial liabilities				
Amortised cost	213,394	176,192	10,851	12,585

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

6. Profit/(loss) before tax

6.1 Significant items

	Group	
	6 months ended 31 December 2021	6 months ended 31 December 2020
	S$'000	S$'000
Income		
Interest income	(1)	(5)
Deposits forfeited on aborted property sales	(18)	–
Gain on disposal of derivative instrument held at fair value through profit and loss	–	(222)
Government grants	(39)	(134)
Expenses		
Depreciation of property, plant and equipment	40	46
Employee benefit expense	479	435
Fair value loss on investment properties	–	126
Interest expense	918	544
Operating lease expenses	44	41

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

7.1 Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

7.2 Deferred tax liabilities

	Group	
	As at 31 December 2021	As at 30 June 2021
	S$'000	S$'000
Deferred tax liabilities		
Attributable to profits from the sale of development properties	541	541
Revaluation gain on leasehold land held as property, plant and equipment	8,613	8,613
	9,154	9,154

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

8. Net asset value

	Group		The Company	
	As at 31 December 2021	As at 30 June 2021	As at 31 December 2021	As at 30 June 2021
Net asset value per ordinary share (cents)	12.18	11.75	6.14	5.94

9. Property, plant and equipment

During the six months financial period ended 31 December 2021, additions to the Group's property, plant and equipment amounted to S$3,786,000 (six months financial period ended 31 December 2020: S$2,079,000) respectively.

10. Investment properties

The Group's investment properties are commercial properties, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

	Group and Company	
	2021	2020
	S$'000	S$'000
Balance sheet:		
At 1 July	11,170	14,065
Transfer to properties held for sale	–	(1,344)
Loss on disposal of investment properties	–	(126)
At 31 December	11,170	12,595

	6 months ended 31 December 2021	6 months ended 31 December 2020
Statement of comprehensive income:		
Rental income from investment properties:		
- Minimum lease payments	145	161
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	(28)	(49)
- Non-rental generating properties	(15)	(9)
	(43)	(58)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

10. Investment properties (cont'd)

10.1 Valuation

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every year based on the property's highest and best use. Discussions on the valuation process, key inputs applied in the valuation approach and the reasons for the fair value changes are held between the property manager, management and the independent valuer yearly.

The fair value of the Group's investment properties and leasehold land held as property, plant and equipment is determined based on significant unobservable inputs and are categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using valuation techniques (i.e., direct comparison method and/or residual value method) with unobservable inputs (i.e., price per square feet) by the external valuation experts. An increase/decrease in these unobservable inputs based on management's assumptions would result in a higher/lower fair value measurements.

11. Development properties

The Group accounts for its development properties at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

The Group had reviewed the estimated selling prices of its development properties and is of the view that no allowance for net realisable value is required as at 31 December 2021.

12. Borrowings

	Group		Company	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	S$'000	S$'000	S$'000	S$'000
Amount repayable within one year or on demand				
Secured	24,440	21,359	943	943
Unsecured	1,060	1,300	1,060	1,300
Amount repayable after one year				
Secured	138,474	129,153	6,273	7,720

Details of any collateral:

Secured borrowings

As at 31 December 2021 and 30 June 2021, the secured borrowings of the Group are secured by way of:

(i) legal mortgages over leasehold land and building of the Group, development properties, investment properties and properties held for sale held by the Group and the Company;
(ii) corporate guarantees by the Company;
(iii) assignment of developer's rights and benefits in the sale and purchase agreements; and
(iv) personal guarantees by the Executive Chairman and a substantial shareholder of the Company.

Unsecured borrowings

As at 31 December 2021 and 30 June 2021, the unsecured borrowings of the Company are interest-free borrowings from the Executive Chairman of the Company.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

13. Share capital

	Group and Company	
	Number of shares	Share capital
		S$'000
Issued and fully paid:		
As at 31 December 2021 and 30 June 2021	681,975,469	46,116

There has been no change in the Company's share capital since 30 June 2021.

The Company does not hold any treasury shares or convertible instruments as at 31 December 2021, 30 June 2021 and 31 December 2020.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021, 30 June 2021 and 31 December 2020.

14. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements. Other than disclosed in the financial statements, the following events occurred after the reporting period.

Subsequent to the six months financial period ended 31 December 2021, the Group's subsidiaries, GDL Homes Pte. Ltd. ("**GDL Homes**") and GDL Land Pte. Ltd. ("**GDL Land**"), recorded the following key events:

(a) GDL Homes issued options-to-purchase for its development properties at Jalan Daud amounting to S$9,780,000; and

(b) GDL Land issued options-to-purchase for its development property units at East Coast Road amounting to S$4,237,000.

At the date of these financial statements, the outbreak of pandemic Coronavirus Disease (COVID-19) and the measures taken to contain the spread of COVID-19 had affected the global economic activities as well as the financial performance of the Group.

The Group envisages the outbreak of COVID-19 to have an impact on Singapore's property market. The values of the Group's assets measured based on unobservable inputs will be affected as a result of the volatility in prices and key assumptions used to determine the fair value.

In view of the uncertainty amid the COVID-19 outbreak, the extent of the impact on the Group's financial performance cannot be reasonably determined at this juncture.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

1. Review

The condensed consolidated statement of financial position of Global Dragon Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

2.1 Statement of Comprehensive Income Review

Review for the performance of the Group is based on the six months financial period ended 31 December 2021 ("**HY2022**") as compared to the six months financial period ended 31 December 2020 ("**HY2021**").

In HY2022, the Group recorded a net profit and total comprehensive income for the period of S$5.01 million (HY2021: net loss and negative total comprehensive income for the period of S$953,000), resulting in a basic earnings per share of 0.73 cents (HY2021: basic loss per share of 0.14 cents).

2.1.1 Revenue, Cost of Sales, Fair Value Loss on Investment Properties and Other Income

Revenue
The Group's revenue increased by S$54.31 million (or 1,159%) to S$59.00 million in HY2022 (HY2021: S$4.69 million) due mainly to the recognition of revenue from the property development projects located at East Coast Road ("**Project Infini At East Coast**"), Flower Road ("**Project Flower Road**") and Lorong Mydin ("**Project Lorong Mydin**") of S$58.86 million (HY2021: S$4.52 million). The Group completed the sales of its residential property development project, Project Lorong Mydin, during the financial period under review.

The increase is partially offset by the decrease in rental income of S$16,000 from its investment properties to S$145,000 (HY2021: S$161,000) which is in line with the decrease in property investment portfolio of 999-year leasehold prime office units to 13 units in HY2022 (HY2021: 17 units).

Cost of sales
The Group recognised cost of sales of S$51.00 million in HY2022 (HY2021: S$4.46 million) for Project Infini At East Coast, Project Flower Road and Project Lorong Mydin.

Fair Value Loss on Investment Properties
The Group recorded a one-off fair value loss on investment properties of S$126,000 in HY2021.

Other income
The Group's other income decreased by S$304,000 (or 84%) to S$58,000 in HY2022 (HY2021: S$362,000) due mainly to the decrease in interest income of S$4,000, decrease in gain on disposal of derivative instrument held at fair value through profit and loss recognised of S$222,000 and decrease in government grants of S$95,000 due to rental waivers for campus. The decrease was offset by the increase in deposits forfeited on aborted property sales of S$18,000 during HY2022.

2.1.2 Operating Expenses and Other Expenses

Operating expenses
The Group's operating expenses, which comprised sales and marketing expenses and general and administrative expenses, have increased by S$1.26 million (or 144%) to S$2.13 million in HY2022 (HY2021: S$873,000), due mainly to the increase in sales and marketing expenses relating to the development projects.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

2.1 Statement of Comprehensive Income Review (cont'd)

2.1.2 Operating Expenses and Other Expenses (cont'd)

Sales and marketing expenses

Sales and marketing expenses increased significantly by S$1.24 million (or 628%) to S$1.44 million in HY2022 (HY2021: S$198,000), arising mainly from the increase in commissions paid of S$1.08 million and show flat expenses of S$182,000 for Project Infini At East Coast, Project Flower Road and Project Lorong Mydin. The increase was offset by the decrease in advertisement and promotional expenses of S$18,000 for Project Infini At East Coast, Project Flower Road and Project Lorong Mydin.

General and administrative expenses

General and administrative expenses increased by S$14,000 (or 2%) to S$689,000 in HY2022 (HY2021: S$675,000) due mainly to the increase in employee benefits expense, operating lease expenses and other administrative expenses of S$44,000, S$3,000 and S$2,000 respectively. The increase in employee benefits expense was in line with the increase in staff headcount and bonus.

The increase was partly offset by the following items:

(a) the decrease in professional fee, compliance expenses and listing expenses of S$9,000; and
(b) the decrease in depreciation of plant and equipment and maintenance expenses recorded on the investment properties of S$26,000.

2.1.3 Finance Costs

Finance costs increased significantly by S$377,000 (or 69%) to S$923,000 in HY2022 (HY2021: S$546,000) due to the increase in loan interest expenses in line with the drawdown of development loans and bank facility fees of S$376,000 and S$4,000 respectively. The increase was offset by the decrease in lease interest expense of S$3,000.

2.2 Balance Sheet Review

The comparative performance for both assets and liabilities are based on the Group's consolidated financial statements as at 31 December 2021 and 30 June 2021.

As at 31 December 2021, the Group recorded net assets of S$83.09 million (30 June 2021: S$80.13 million).

2.2.1 Total Equity

Equity attributable to the owners of the Company amounted to S$83.09 million as at 31 December 2021 (30 June 2021: S$80.13 million). The increase was due to net profit for the period of S$5.01 million, partially offset by the dividends paid during the period of S$2.05 million.

2.2.2 Non-Current Assets

Non-current assets increased by S$3.78 million (or 3%) to S$126.27 million as at 31 December 2021 (30 June 2021: S$122.49 million) due to the increase in property, plant and equipment by S$3.79 million, which comprised the increase in hotel under construction of S$3.78 million and computers of S$2,000. The increase was offset by the depreciation charges of S$40,000 recognised during the period under review.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

2.2 Balance Sheet Review (cont'd)

2.2.3 Current Assets

The increase in current assets of S$36.35 million (or 25%) to S$179.38 million as at 31 December 2021 (30 June 2021: S$143.03 million) was due mainly to the increase in the following items:

(a) the increase in prepayment of S$120,000;
(b) the increase in contract assets of S$43.80 million from Project Infini At East Coast and Project Flower Road; and
(c) the increase in cash and short-term deposits of S$27.21 million due mainly to the increase in cash held in project accounts.

The increase was partially offset by the decrease in the following items:

(a) the decrease in trade and other receivables of S$6.09 million, in which S$6.29 million and S$56,000 are amounts due from the property purchasers for Project Infini At East Coast and Project Flower Road and decrease in deposits respectively. The decrease in trade and other receivables was offset by the increase in other receivables and tax recoverable of S$142,000 and S$118,000 respectively;
(b) the decrease in development properties of S$27.59 million due mainly to the recognition of cost of sales of Project Infini at East Coast, Project Flower Road and Project Lorong Mydin during the financial period under review of S$51.00 million. The decrease in development properties was offset by the increase in costs capitalised into property development projects at East Coast Road, Flower Road, Jalan Daud, Kovan Close, Lorong Mydin, Tan Sim Boh Road and Woo Mon Chew Road of S$23.41 million;
(c) the decrease in property held for sale of S$1.07 million due to the completion of sale for investment properties held for sale; and
(d) the decrease in property, plant and equipment due to depreciation charges of S$33,000 recognised during the period under review.

2.2.4 Current Liabilities

Current liabilities increased by S$27.85 million (or 59%) to S$74.94 million as at 31 December 2021 (30 June 2021: S$47.09 million) due to:

(a) the increase in trade and other payables of S$1.04 million due to the increase in accrued expenses of S$813,000 and retention sum of S$379,000 relating to the construction of development properties. The increase in trade and other payables was offset by the increase in trade payables of S$146,000 and deposits received of S$11,000 for deposits relating to the investment properties;
(b) the increase in contract liabilities of S$24.01 million relating to Project Infini At East Coast and Project Flower Road; and
(c) the increase in current borrowings of S$2.84 million due to the increase in term loans of S$5.00 million. The increase in current borrowings was offset by the repayment of development loans and shareholder's interest-free loans of S$1.92 million and S$240,000 respectively.

The increase in current liabilities was partially offset by the decrease in lease liabilities of S$34,000.

Net Current Assets

The Group's net current assets increased by S$8.50 million (or 9%) to S$104.44 million as at 31 December 2021 (30 June 2021: S$95.94 million) due to a greater increase in current assets of S$36.35 million than the increase in current liabilities of S$27.85 million. For the analysis of current assets and current liabilities, please refer to paragraphs 2.2.3 and 2.2.4 above for details.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

2.2 Balance Sheet Review (cont'd)

2.2.5 Non-Current Liabilities

Non-current liabilities increased by S$9.32 million (or 7%) to S$147.63 million as at 31 December 2021 (30 June 2021: S$138.31 million) due to the drawdown of development loans of S$10.77 million to fund the Group's existing and future property development projects as well as the Group's working capital requirements. The increase in non-current liabilities was offset by the repayment of term loans of S$1.45 million.

Total borrowings (current and non-current)
The Group recorded an increase of S$12.16 million (or 8%) in total borrowings to S$163.97 million as at 31 December 2021 (30 June 2021: S$151.81 million) for its development projects and working capital requirements.

2.3 Cash Flow Review

Cash and short-term deposits increased by S$27.21 million to S$35.25 million as at 31 December 2021 (30 June 2021: S$8.04 million), which comprised cash at banks of S$1.03 million, cash held in project accounts of S$33.23 million and fixed deposits pledged of S$1.00 million. The increase in cash and short-term deposits was mainly contributed by the increase in cash held in project accounts.

The Group recorded net cash generated from operating activities of S$20.06 million in HY2022 due mainly to cash generated from working capital of S$15.07 million and cash inflows from the operating profit before working capital changes of S$5.97 million, partially offset by interest expenses paid of S$984,000.

The net cash used in investing activities amounted to S$2.72 million in HY2022 due mainly to the additions to property, plant and equipment of S$2.85 million and interest expenses paid of S$941,000. The cash outflow was offset by the proceeds from disposal of investment properties of S$1.07 million and interest income received of S$1,000.

The Group had also received net cash of S$9.87 million from its financing activities in HY2022. This comprised proceeds from bank loans of S$25.58 million and shareholder's loans of S$1.36 million to finance the purchases and construction of development properties. The proceeds from borrowings were partially offset by the interest expenses paid of S$245,000, dividends paid of S$2.05 million, repayments of bank loans of S$13.18 million and repayments of shareholder's loans of S$1.60 million.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

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.

As of the date of this announcement, the Group's reportable business segments comprise the property development segment, property investment segment and hospitality segment.

Property development segment

According to data released by the Urban Redevelopment Authority ("**URA**") on 28 January 2022, for the fourth quarter of 2021, prices of private residential properties increased by 5.0%, compared with the 1.1% increase in the previous quarter, in which, prices of landed properties increased by 3.9% while those of non-landed properties increased by 5.3%, compared with the increase of 2.6% and 0.7% respectively in the previous quarter [(1)].

For the whole of 2021, prices of private residential properties increased by 10.6%, compared with the 2.2% increase in 2020, in which, prices of landed properties rose by 13.3% while those of non-landed properties rose by 9.8% [(1)].

The Group's property development projects are summarised as below:

(a) Completed property development projects

(i) Project Lorong Mydin – The Group obtained the Certificate of Statutory Completion ("**CSC**") in July 2021 and completed the sales of all units during HY2022;
(ii) Project Flower Road – The Group issued options-to-purchase for all units. Barring any unforeseen circumstances, the Group targets to obtain the Temporary Occupation Permit ("**TOP**") and complete the sales during the second half of FY2022; and
(iii) Project Tan Sim Boh Road – The Group issued options-to-purchase for all units. Barring any unforeseen circumstances, the Group targets to obtain the Temporary Occupation Permit ("**TOP**") and complete the sales during the second half of FY2022.

(b) Property development projects under construction

The Group has four (4) property development projects which are currently under construction as set out below:

(i) Project Infini At East Coast – residential non-landed property development project;
(ii) Project Jalan Daud – residential landed property development project;
(iii) Project Kovan Close – residential landed property development project; and
(iv) Project Woo Mon Chew Road – residential landed property development project.

FY2022 is a challenging year due to the continued impact of the COVID-19 pandemic, however, the Group is pleased to announce that despite the difficulties and challenges, the Group has managed to secure healthy sales for its property development projects.

As of date of this announcement, a total sale value of S$159.0 million has been secured, in which S$18.16 million sales have been completed and delivered. Barring any unforeseen circumstances, these development projects are expected to contribute positively to the Group's earnings for FY2022.

Property investment segment

The Group's property investment portfolio as at 31 December 2021 consisted of 13 units (30 June 2021: 15 units) of 999-leasehold prime office units located in Singapore's Central Business District ("**CBD**") and achieved tenant occupancy rate of 87% in HY2022.

As part of the Group's strategy to unlock the value of the CBD Office Units, the Group has completed the sales of two (2) units, which was recorded as properties held for sale, during HY2022.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

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. (cont'd)

Hospitality segment

The Group's hospitality investment portfolio as at 31 December 2021 consisted of a 194-room hotel development project located at Telok Blangah Road ("**Project Telok Blangah Road**") which is currently under construction and construction work is targeted to be completed during the first half of the financial year ending 30 June 2023 ("**FY2023**").

Barring any unforeseen circumstances, the Group's current focus is to complete the construction of all its residential and hotel projects in its pipelines and strengthening its financial fundamentals thereby ensuring sustainable long-term growth for the Group.

Reference:

(1) Extracted from the URA Website, which was published on 28 January 2022 (https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr22-08).

5. Dividend Information

5a. Current Financial Period Reported on
Any dividend declared/recommended for the current financial period reported?

No dividend was declared for HY2022.

5b. Corresponding Period of the Immediate Preceding Financial Year
Any dividend declared/recommended for the corresponding period of the immediately preceding financial year?

No dividend was declared for HY2021.

5c. Date payable

Not applicable. No dividend was declared for HY2022.

5d. Record Date

Not applicable. No dividend was declared for HY2022.

5e. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared/recommended for HY2022. The Group will review the proposed dividends during the financial year ending 30 June 2022.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2021

6. Interested Person Transactions

The Group has not obtained a general mandate from shareholders of the Company in respect of any interested person transaction.

There were no interested person transactions above S$100,000 during the financial period under review.

7. Additional information required pursuant to Rule 706A of the Catalist Rules

There were no acquisition or realisation of shares thereby resulting (i) in a change in the shareholding percentage in any subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during financial period under review.

Neither was there any incorporation of new subsidiary or associated company by the Group during the financial period under review.

8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

9. Confirmation pursuant to the Rule 705(5) of the Catalist Rules

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 31 December 2021 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Mr Koh Kian Soo
Executive Chairman

Mr Tan Chee Wee
Executive Director and Chief Operating Officer

11 February 2022