



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 2022

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Lum Chang Holdings Limited and its subsidiaries

Condensed Interim Consolidated Income Statement and Statement of Comprehensive Income

		Group					
Note	6 months ended 30 June 2022	6 months ended 30 June 2021	6 months increase/ (decrease)	12 months ended 30 June 2022	12 months ended 30 June 2021	12 months increase/ (decrease)	
	\$'000	\$'000	%	\$'000	\$'000	%	
Revenue	4.2	211,851	194,711	9%	416,790	325,621	28%
Cost of sales		(216,166)	(175,425)	23%	(400,140)	(292,691)	37%
Gross (loss)/profit		(4,315)	19,286	NM *	16,650	32,930	(49%)
Other income	5.1	2,492	2,605	(4%)	4,315	7,896	(45%)
Other (losses)/gains – net	5.1	(421)	8,733	NM *	1,265	8,303	(85%)
Expenses							
- Distribution and marketing		(617)	(885)	(30%)	(1,962)	(1,129)	74%
- Administrative and general		(11,601)	(13,775)	(16%)	(25,346)	(25,746)	(2%)
- Finance		(1,290)	(2,394)	(46%)	(3,749)	(4,772)	(21%)
Share of profits/(losses) of:							
- associated companies		1	675	(100%)	415	655	(37%)
- joint ventures		(1,403)	(3,936)	(64%)	(3,464)	(7,084)	(51%)
(Loss)/profit before income tax	5.1	(17,154)	10,309	NM *	(11,876)	11,053	NM *
Income tax credit/(expense)	6	1,741	(2,591)	NM *	494	(2,996)	NM *
Net (loss)/profit		(15,413)	7,718	NM *	(11,382)	8,057	NM *
Net (loss)/profit attributable to:							
Equity holders of the Company		(15,405)	2,814	NM *	(10,828)	2,973	NM *
Non-controlling interests		(8)	4,904	(100%)	(554)	5,084	NM *
		(15,413)	7,718	NM *	(11,382)	8,057	NM *
(Loss)/earnings per ordinary share attributable to the equity holders of the Company (cents per share)	8						
- Basic		(4.09)	0.75	NM *	(2.87)	0.79	NM *
- Diluted		(4.09)	0.75	NM *	(2.87)	0.79	NM *

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 2022	6 months ended 30 June 2021	6 months increase/ (decrease)	12 months ended 30 June 2022	12 months ended 30 June 2021	12 months increase/ (decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Net (loss)/profit	(15,413)	7,718	NM *	(11,382)	8,057	NM *
Other comprehensive (loss)/income:						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
– (Losses)/gains	(1,160)	464	NM *	(1,761)	2,586	NM *
– Reclassification	(652)	78	NM *	(798)	86	NM *
Share of other comprehensive income of associated companies	-	22	(100%)	-	22	(100%)
	<u>(1,812)</u>	<u>564</u>	<u>NM *</u>	<u>(2,559)</u>	<u>2,694</u>	<u>NM *</u>
Items that will not be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
– (Losses)/gains	(120)	621	NM *	(545)	1,255	NM *
Financial assets, at fair value through other comprehensive income ("FVOCI")						
– Fair value (losses)/gains	<u>(1,721)</u>	<u>777</u>	<u>NM *</u>	<u>(2,714)</u>	<u>(1,193)</u>	<u>127%</u>
	<u>(1,841)</u>	<u>1,398</u>	<u>NM *</u>	<u>(3,259)</u>	<u>62</u>	<u>NM *</u>
Other comprehensive (loss)/income for the period/year, net of tax	<u>(3,653)</u>	<u>1,962</u>	<u>NM *</u>	<u>(5,818)</u>	<u>2,756</u>	<u>NM *</u>
Total comprehensive (loss)/income for the period/year	<u>(19,066)</u>	<u>9,680</u>	<u>NM *</u>	<u>(17,200)</u>	<u>10,813</u>	<u>NM *</u>
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	(18,938)	4,155	NM *	(16,101)	4,474	NM *
Non-controlling interests	<u>(128)</u>	<u>5,525</u>	<u>NM *</u>	<u>(1,099)</u>	<u>6,339</u>	<u>NM *</u>
	<u>(19,066)</u>	<u>9,680</u>	<u>NM *</u>	<u>(17,200)</u>	<u>10,813</u>	<u>NM *</u>

Note * : "NM" denotes not meaningful

Lum Chang Holdings Limited and its subsidiaries

Condensed Interim Balance Sheet

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		79,264	100,078	28,087	15,418
Trade and other receivables		45,021	49,487	49,944	54,425
Contract assets		64,136	56,777	-	-
Other financial assets		4,000	-	-	-
Tax recoverable		195	244	-	-
Properties held for sale		15,918	1,352	-	-
Development properties		21,463	94,648	-	-
Other current assets		14,198	6,046	3	124
		<u>244,195</u>	<u>308,632</u>	<u>78,034</u>	<u>69,967</u>
Non-current assets					
Trade and other receivables		103,939	86,594	132,457	130,012
Club memberships		288	309	311	325
Other financial assets		21,241	23,953	-	-
Investments in subsidiaries		-	-	35,828	72,311
Investments in joint ventures		21,069	24,932	-	-
Investments in associated companies		6,470	5,622	-	-
Investment properties	10	19,286	119,833	-	-
Property, plant and equipment	11	36,480	36,447	2,626	1,518
Deferred income tax assets		6,391	4,598	-	-
Other non-current assets		840	4,154	126	-
		<u>216,004</u>	<u>306,442</u>	<u>171,348</u>	<u>204,166</u>
Total assets		<u>460,199</u>	<u>615,074</u>	<u>249,382</u>	<u>274,133</u>
LIABILITIES					
Current liabilities					
Trade and other payables		93,441	97,628	98,482	139,726
Contract liabilities		6,330	1,125	-	-
Provision for other liabilities		33,007	12,274	-	-
Current income tax liabilities		1,428	1,051	160	198
Borrowings	12	48,442	52,606	512	40,319
		<u>182,648</u>	<u>164,684</u>	<u>99,154</u>	<u>180,243</u>
Non-current liabilities					
Trade and other payables		24,731	17,565	-	-
Other financial liabilities, at FVPL	12.1	20,547	-	20,547	-
Borrowings	12	22,345	174,640	20,827	41
Deferred income tax liabilities		223	139	-	-
		<u>67,846</u>	<u>192,344</u>	<u>41,374</u>	<u>41</u>
Total liabilities		<u>250,494</u>	<u>357,028</u>	<u>140,528</u>	<u>180,284</u>
NET ASSETS		<u>209,705</u>	<u>258,046</u>	<u>108,854</u>	<u>93,849</u>
EQUITY					
Capital and reserves attributable to the equity holders of the Company					
Share capital	13	86,572	86,572	86,572	86,572
Treasury shares	13	(2,845)	(2,845)	(2,845)	(2,845)
Capital and other reserves		36,255	41,528	3,182	3,182
Retained profits		87,535	113,431	21,945	6,940
Shareholders' equity		<u>207,517</u>	<u>238,686</u>	<u>108,854</u>	<u>93,849</u>
Non-controlling interests		2,188	19,360	-	-
Total equity		<u>209,705</u>	<u>258,046</u>	<u>108,854</u>	<u>93,849</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		
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 interests of subsidiaries		-	-	-	-	-	(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
2021								
Balance as at 1 July 2020		86,572	(2,845)	40,027	133,059	256,813	13,609	270,422
Net profit		-	-	-	2,973	2,973	5,084	8,057
Other comprehensive income		-	-	1,501	-	1,501	1,255	2,756
Total comprehensive income		-	-	1,501	2,973	4,474	6,339	10,813
Interim dividend for FY2021	7	-	-	-	(2,825)	(2,825)	-	(2,825)
Special dividend for FY2021	7	-	-	-	(16,009)	(16,009)	-	(16,009)
Final dividend for FY2020	7	-	-	-	(3,767)	(3,767)	-	(3,767)
Interim dividend paid to non-controlling interest of a subsidiary		-	-	-	-	-	(588)	(588)
Total transactions with owners, recognised directly in equity		-	-	-	(22,601)	(22,601)	(588)	(23,189)
Balance as at 30 June 2021		86,572	(2,845)	41,528	113,431	238,686	19,360	258,046

Lum Chang Holdings Limited and its subsidiaries

Condensed Interim Statement of Changes in Equity – Company

	Note	← Attributable to equity holders of the Company →				
		Share	Treasury	Capital	Retained	Total
		capital	shares	and other	profits	
		\$'000	\$'000	\$'000	\$'000	\$'000
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 income		-	-	-	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
2021						
Balance as at 1 July 2020		86,572	(2,845)	3,182	20,470	107,379
Net profit		-	-	-	9,071	9,071
Other comprehensive income		-	-	-	-	-
Total comprehensive loss		-	-	-	9,071	9,071
Interim dividend for FY2021		-	-	-	(2,825)	(2,825)
Special dividend for FY2021		-	-	-	(16,009)	(16,009)
Final dividend for FY2020		-	-	-	(3,767)	(3,767)
Total transactions with owners, recognised directly in equity		-	-	-	(22,601)	(22,601)
Balance as at 30 June 2021		86,572	(2,845)	3,182	6,940	93,849

Lum Chang Holdings Limited and its subsidiaries

Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		2022	2021
		\$'000	\$'000
Cash flows from operating activities			
Net (loss)/profit		(11,382)	8,057
Adjustments for:			
Income tax (credit)/expense	6	(494)	2,996
Share of losses of associated companies and joint ventures		3,049	6,429
Allowance for impairment of receivables	5.1	55	791
Amortisation of club memberships	5.1	24	33
Depreciation of property, plant and equipment	5.1	6,420	5,455
Dividend income from financial assets, at FVOCI		(880)	(832)
Fair value gains on investment properties	5.1	(100)	(16,393)
Fair value loss on financial assets, at FVPL	5.1	-	7,748
Fair value loss on financial liabilities, at FVPL	5.1	547	-
Gain on disposal of subsidiaries	5.1	(827)	-
Write back on club memberships		(3)	-
Gain on disposal of property, plant and equipment – net	5.1	(62)	(522)
Interest income	5.1	(224)	(287)
Finance expense	5.1	3,749	4,772
Property, plant and equipment written off	5.1	26	44
Operating cash flow before working capital changes		(102)	18,291
Change in working capital, net of effects from disposal of a subsidiary:			
- Trade and other receivables		(11,142)	(27,665)
- Contract assets		(7,359)	(40,056)
- Contract liabilities		5,204	(27,284)
- Other current assets		(6,325)	1,331
- Development properties/properties held for sale		57,549	26,087
- Trade and other payables		26,536	22,408
Cash generated/(used in) from operations		64,361	(26,888)
Income tax paid		(837)	(6,130)
Net cash provided by/(used in) operating activities		63,524	(33,018)

Lum Chang Holdings Limited and its subsidiaries

Condensed Interim Consolidated Statement of Cash Flows (continued)

	Group	
	2022	2021
	\$'000	\$'000
Cash flows from investing activities		
Investment in an associated company	(343)	(301)
Investment in financial assets, at amortised cost	(4,000)	-
Dividends received from a joint venture	-	1,958
Dividends received from financial assets, at FVOCI	880	832
Expenditure on investment property	-	(44,065)
Interest income received	184	268
Proceeds from disposal of subsidiaries, net of cash disposed	14 51,279	-
Proceeds from disposal of club memberships	-	10
Proceeds from disposal of property, plant and equipment	499	1,275
Purchase of available-for-sale financial assets	(2)	-
Purchase of property, plant and equipment	(2,472)	(8,702)
Advances to joint ventures	(3,350)	(49)
Repayment from a joint venture	49	-
Net cash provided by/(used in) investing activities	42,724	(48,774)
Cash flows from financing activities		
Cash and cash equivalents pledged	9	(5)
Dividends paid	7 (15,068)	(22,601)
Dividends paid to non-controlling shareholders of subsidiaries	(1,692)	(201)
Distributions to non-controlling interest of a subsidiary	(14,774)	-
Bank facility fees	(38)	(38)
Interest paid	(4,331)	(5,709)
Proceeds from bank loans	31,218	67,294
Proceeds from other financial liabilities, at FVPL	20,000	-
Repayment of bank loans	(97,067)	(8,826)
Redemption of medium-term note	(40,000)	-
Repayment of lease liabilities	(2,261)	(1,381)
Advance from a non-controlling shareholder of a subsidiary	-	1,122
Repayment to a non-controlling shareholder of a subsidiary	(1,107)	-
Net cash (used in)/provided by financing activities	(125,111)	29,655
Net change in cash and cash equivalents	(18,863)	(52,137)
Cash and cash equivalents at beginning of financial year	99,480	150,433
Effect of changes in currency translation rates on cash and cash equivalents	(1,942)	1,184
Cash and cash equivalents at end of financial year	78,675	99,480

Cash and cash equivalents comprised the following:

	Group	
	2022	2021
	\$'000	\$'000
Cash at bank and on hand	66,858	97,659
Short-term bank deposits	12,406	2,419
Less: Cash and cash equivalents pledged	(589)	(598)
Cash and cash equivalents at end of financial year	78,675	99,480

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 2022 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 2022 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 2021.

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 2021. 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.

During the financial year, the Group changed the measurement of its construction revenue from the output to the input method as it assessed that the input method more appropriately measures the progress of construction services taking into consideration the profile of existing ongoing contracts with customers.

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Notes to the Condensed Interim Financial Statements (continued)

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 organised 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

The segment information for the reportable segments for the second half and full year ended 30 June 2022 and 30 June 2021 are as follows:

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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	Total \$'000
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
	<u>185,310</u>	<u>27,463</u>	<u>(509)</u>	<u>212,264</u>
Elimination				(413)
Revenue				<u>211,851</u>
Segment results	(15,629)	3,042	(5,965)	(18,552)
Elimination				2,688
				(15,864)
Finance expense				(1,290)
Loss before income tax				(17,154)
Income tax credit				1,741
Net loss				<u>(15,413)</u>
Segment results include:				
Interest income	13	(12)	135	136
Fair value gain on investment properties	100	-	-	100
Fair value loss on financial liabilities, 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)
1 January 2021 to 30 June 2021				
Revenue from external customers	153,746	40,860	105	194,711
Inter-segment revenue	1,434	673	12,410	14,517
	<u>155,180</u>	<u>41,533</u>	<u>12,515</u>	<u>209,228</u>
Elimination				(14,517)
Revenue				<u>194,711</u>
Segment results	6,928	18,037	(23)	24,942
Elimination				(12,239)
				12,703
Finance expense				(2,394)
Profit before income tax				10,309
Income tax expense				(2,591)
Net profit				<u>7,718</u>
Segment results include:				
Interest income	34	(27)	58	65
Fair value gain on investment properties	140	16,253	-	16,393
Fair value loss on financial assets, at FVPL	-	-	(7,748)	(7,748)
Depreciation of property, plant and equipment	(2,479)	(327)	(326)	(3,132)
Share of losses of associated companies and joint ventures	(5)	(3,256)	-	(3,261)

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	<u>Property development and investment</u> \$'000	<u>Investment holding and others</u> \$'000	<u>Total</u> \$'000
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
	<u>335,770</u>	<u>81,590</u>	<u>40,439</u>	<u>457,799</u>
Elimination				(41,009)
Revenue				<u>416,790</u>
Segment results	(12,649)	(1,096)	31,437	17,692
Elimination				(25,819)
				(8,127)
Finance expense				(3,749)
Loss before income tax				(11,876)
Income tax credit				494
Net loss				<u>(11,382)</u>
Segment results include:				
Interest income	24	(3)	203	224
Fair value gain on investment properties	100	-	-	100
Fair value loss on financial liabilities, 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)
As at 30 June 2022				
Segment assets	168,308	232,152	58,284	458,744
Elimination				(5,131)
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	436	605	4,452
Segment liabilities	(147,359)	(9,397)	(21,621)	(178,377)
Elimination				321
Borrowings				(70,787)
Deferred income tax liabilities and current income tax liabilities				(1,651)
Consolidated total liabilities				<u>(250,494)</u>

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Notes to the Condensed Interim Financial Statements (continued)

4. Segment and revenue information (continued)

4.1 Segment Information (continued)

	Construction \$'000	Property development and investment \$'000	Investment holding and others \$'000	Total \$'000
1 July 2020 to 30 June 2021				
Revenue from external customers	272,510	52,070	1,041	325,621
Inter-segment revenue	1,434	1,311	30,146	32,891
	<u>273,944</u>	<u>53,381</u>	<u>31,187</u>	<u>358,512</u>
Elimination				(32,891)
Revenue				<u>325,621</u>
Segment results	13,586	15,946	14,350	43,882
Elimination				(28,057)
				15,825
Finance expense				(4,772)
Profit before income tax				11,053
Income tax expense				(2,996)
Net profit				<u>8,057</u>
Segment results include:				
Interest income	171	2	114	287
Fair value gain on investment properties	140	16,253	-	16,393
Fair value loss on financial assets, at FVPL	-	-	(7,748)	(7,748)
Depreciation of property, plant and equipment	(4,197)	(695)	(563)	(5,455)
Share of losses of associated companies and joint ventures	(10)	(6,419)	-	(6,429)
As at 30 June 2021				
Segment assets	148,113	423,299	43,696	615,108
Elimination				(4,876)
Tax recoverable				244
Deferred income tax assets				4,598
Consolidated total assets				<u>615,074</u>
Segment assets include:				
Investment in associates and joint ventures	245	30,276	33	30,554
Capital expenditure on property, plant and equipment	10,011	23	528	10,562
Capital expenditure on investment properties	-	46,075	-	46,075
Segment liabilities	(110,495)	(16,682)	(1,727)	(128,904)
Elimination				312
Borrowings				(227,246)
Deferred income tax liabilities and current income tax liabilities				(1,190)
Consolidated total liabilities				<u>(357,028)</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 2022		
	At a point in time \$'000	Over time \$'000	Total \$'000
Revenue from construction contracts			
- Non-related parties	-	184,538	184,538
Revenue from sale of properties			
- Non-related parties	24,887	1,246	26,133
Management and technical assistance fees from			
- Non-related parties	-	146	146
- Joint ventures	-	99	99
Total revenue from contracts with customer	<u>24,887</u>	<u>186,029</u>	<u>210,916</u>
Rental income			<u>935</u>
Total revenue			<u>211,851</u>

	Group		
	6 months ended 30 June 2021		
	At a point in time \$'000	Over time \$'000	Total \$'000
Revenue from construction contracts			
- Non-related parties	-	152,916	152,916
- Joint venture	-	494	494
Revenue from sale of properties			
- Related party *	-	7,470	7,470
- Non-related parties	2,556	30,193	32,749
Management and technical assistance fees from			
- Related party *	-	15	15
- Non-related parties	-	143	143
- Joint ventures	-	99	99
Total revenue from contracts with customer	<u>2,556</u>	<u>191,330</u>	<u>193,886</u>
Rental income			<u>825</u>
Total revenue			<u>194,711</u>

* Related party refers to associates of a director and controlling shareholder of the Company.

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 2022		
	At a point in time \$'000	Over time \$'000	Total \$'000
Revenue from construction contracts			
- Non-related parties	-	334,658	334,658
Revenue from sale of properties			
- Related party *	-	780	780
- Non-related parties	43,242	34,926	78,168
Management and technical assistance fees from			
- Non-related parties	-	289	289
- Joint ventures	-	198	198
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

	Group		
	12 months ended 30 June 2021		
	At a point in time \$'000	Over time \$'000	Total \$'000
Revenue from construction contracts			
- Non-related parties	-	270,095	270,095
- Joint venture	-	1,810	1,810
Revenue from sale of properties			
- Related party *	-	7,470	7,470
- Non-related parties	3,800	39,581	43,381
Management and technical assistance fees from			
- Related party *	-	29	29
- Non-related parties	-	288	288
- Joint ventures	-	198	198
Total revenue from contracts with customer	3,800	319,471	323,271
Rental income			1,518
Dividend income from financial assets, at FVOCI			832
Total revenue			325,621

* Related party refers to associates of a director and controlling shareholder of the Company.

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)

A breakdown of sales:

	Group			
	Financial year ended 30 June 2022	Financial year ended 30 June 2021	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
Sales reported for the first half year	204,939	130,910	74,029	57%
Operating profit after taxation before deducting non-controlling interest reported for the first half year	4,031	339	3,692	1089%
Sales reported for the second half year	211,851	194,711	17,140	9%
Operating (loss)/profit after taxation before deducting non-controlling interest reported for the second half year	(15,413)	7,718	(23,131)	NM *

Note *: "NM" denotes not meaningful

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

5. (Loss)/profit before taxation

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

	Group			
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Other income				
Interest income	136	65	224	287
Government grants	1,297	2,170	2,642	6,879
Sundry income	1,059	370	1,449	730
	<u>2,492</u>	<u>2,605</u>	<u>4,315</u>	<u>7,896</u>
Other gains/(losses) – net				
Fair value gains on investment properties – net	100	16,393	100	16,393
Fair value loss on financial assets, at FVPL	-	(7,748)	-	(7,748)
Fair value loss on financial liabilities, at FVPL	(547)	-	(547)	-
Allowance for impairment of receivables	(28)	(791)	(55)	(791)
Gain on disposal of property, plant and equipment – net	54	504	62	522
Gain on disposal of subsidiaries	(30)	-	827	-
Currency translation gain/(loss) – net	30	375	878	(73)
	<u>(421)</u>	<u>8,733</u>	<u>1,265</u>	<u>8,303</u>
Expenses				
Interest expense and bank facility fees	(1,290)	(2,394)	(3,749)	(4,772)
Depreciation of property, plant and equipment	(3,240)	(3,132)	(6,420)	(5,455)
Amortisation of club memberships	(12)	(16)	(24)	(33)
Property, plant and equipment written off	(11)	(22)	(26)	(44)

5.2 Significant related party transactions

In addition to the related party information shown elsewhere in the financial statements, the following transactions between the Group and a related party took place during the financial year:

	Group			
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
(i) Consultancy fee paid to a director of the Company	96	85	160	174
(ii) Interests on medium term notes paid to directors and their associates	-	244	119	493

During the financial year ended 30 June 2022, the Group invested additional \$343,000 in cash, representing 25% of its shareholding interests, for additional 36,000 ordinary shares in PT Super Makmur Sejahtera ("PT Super"). This additional investment was mainly used for acquisition of additional land parcels in Bintan, Indonesia for investment purposes. With these new acquisitions, PT Super now own total vacant land of approximately 863,000 square meters in Bintan, Indonesia.

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

5.2 Significant Related party transactions (continued)

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.

6. Income tax (credit)/expense

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

	Group			
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Current income tax				
- Singapore	848	916	1,428	1,461
- Foreign	50	139	50	139
	898	1,055	1,478	1,600
Deferred income tax	(2,495)	1,526	(1,755)	1,526
	(1,597)	2,581	(277)	3,126
Over provision in prior financial years				
- Current income tax	(144)	15	(217)	(125)
- Deferred income tax	-	(5)	-	(5)
	(144)	10	(217)	(130)
	(1,741)	2,591	(494)	2,996

7. Dividends

	Group and Company	
	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
<u>Ordinary dividends paid:</u>		
Interim dividend of 0.75 cents (2021: 0.75 cents) per ordinary share	2,825	2,825
Special dividend of 2.25 cents (2021: 4.25 cents) per ordinary share	8,476	16,009
Final dividend of 1.0 cents (2020: 1.0 cents) per ordinary share	3,767	3,767
Total dividends paid	15,068	22,601

The directors have proposed a final dividend for financial year 2022 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 2023.

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

8. (Loss)/earnings per share – basic and diluted

	Group	
	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Net (loss)/profit attributable to equity holders of the Company	(10,828)	2,973
Weighted average number of ordinary shares in issue for basic earnings per share	<u>376,688</u>	<u>376,688</u>
(Loss)/earnings per share (in cents per share)		
- Basic	(2.87)	0.79
- Diluted	<u>(2.87)</u>	<u>0.79</u>

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 2022	As at 30 June 2021	As at 30 June 2022	As at 30 June 2021
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	55.09 cents	63.36 cents	28.90 cents	24.91 cents

* Net asset is defined as shareholders' equity

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

10. Investment properties

Investment properties of the Group include commercial and industrial properties that are held for long-term rental yields and/or for capital appreciation. 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 include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value. Changes in fair values are recognised in profit or loss.

	Group	
	2022 \$'000	2021 \$'000
Beginning of financial year	119,833	58,316
(Reversal)/capitalisation of expenditure for re-development of investment property	(67)	46,075
Reclassification to property, plant and equipment	(2,509)	(5,512)
Disposal	(97,483)	-
Fair value gains recognised in profit or loss	100	16,393
Currency translation differences	(588)	4,561
End of financial year	19,286	119,833

10.1 Valuation

The Group engaged external, independent and qualified valuers to determine the fair value of the Group's investment properties as at 30 June 2022 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.

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

10. Investment properties (continued)

10.1 Valuation (continued)

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 2022:

Fair value at 30 June 2022 ('000)	Valuation technique (s)	Unobservable inputs [*]	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Commercial properties in Singapore				
\$19,286 (2021: \$21,695)	Direct Market Comparison Method	Adopted value per square meter of gross floor area	\$6,620 to \$28,800 per sq.m. (2021: \$6,620 to \$28,000 per sq.m.)	The higher the adopted value, the higher the fair value

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

11. Property, plant and equipment

During the financial year ended 30 June 2022, the Group acquired assets amounting to \$4,451,000 (2021: \$10,562,000) and disposed of assets amounting to \$463,000 (2021: \$797,000).

12. Borrowings

Borrowings excluding lease liabilities and finance leases:

	Group		Company	
	As at 30 June 2022 \$'000	As at 30 June 2021 \$'000	As at 30 June 2022 \$'000	As at 30 June 2021 \$'000
<u>Amount repayable within one year (net of transaction costs)</u>				
Secured	42,602	458	-	-
Unsecured	4,000	49,983	-	39,983
<u>Amount repayable after one year (net of transaction costs)</u>				
Secured	-	172,279	-	-
Unsecured	20,000	-	20,000	-

The secured borrowings of the Group as at 30 June 2022 are secured by the Group's development properties and a leasehold property.

Lum Chang Holdings Limited and its subsidiaries

Notes to the Condensed Interim Financial Statements (continued)

12. Borrowings (continued)

12.1 Other financial liabilities, at fair value through profit or loss (“FVPL”)

	Group and Company	
	2022	2021
	\$'000	\$'000
Beginning of financial year	-	-
Addition	20,000	-
Fair value loss (Note 5.1)	547	-
End of financial year	20,547	-
Non-current		
Unlisted debt instruments		
<i>At fair value</i>		
- Singapore*	20,547	-

* Relates to an interest bearing (at 2% p.a.) unsecured convertible loan from Risa Partners Inc., pursuant to a convertible loan agreement undertaken on 25 June 2021. The Company had drawn down the full loan on 21 July 2021.

13. Share capital and treasury shares

	← No. of ordinary shares →		← Amount →	
	Issued share capital	Treasury shares	Issued share capital	Treasury shares
	'000	'000	\$'000	\$'000
<u>Group and Company</u>				
30 June 2022				
Beginning and end of financial year	385,030	(8,342)	86,572	(2,845)
30 June 2021				
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 2022 comprised 376,688,104 (30 June 2021: 376,688,104) ordinary shares with voting rights and 8,341,500 (30 June 2021: 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 years ended 30 June 2022 and 30 June 2021.

The Company did not issue any ordinary shares during the financial years ended 30 June 2022 and 30 June 2021. The Company did not purchase any of its ordinary shares during the financial years ended 30 June 2022 and 30 June 2021.

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

13. Share capital and treasury shares (continued)

13.1 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 2022	As at 30 June 2021
Number of shares that may be issued on conversion of all outstanding loan (Note 12.1)	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)

14. 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>

15. 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 2022 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 2022 ("FY22") compared to the financial year ended 30 June 2021 ("FY21")

Condensed Consolidated Income Statement

Revenue

The Group reported revenue of \$416.8 million in FY22, an increase of 28% or \$91.2 million from \$325.6 million in FY21. The increase was mainly attributable to higher revenue generated from the Construction segment and Property segment.

The increase in revenue from the Construction segment was 23% from \$273.9 million to \$335.8 million in FY22. The increase reflected the improvement in level of construction activities from the various on-going projects following the easing of the stringent safe management measures imposed during the Covid-19 pandemic.

The increase in revenue from Property segment by 53% from \$53.4 million to \$81.6 million in FY22 arose mainly from more units sold for the Group's residential developments in Singapore and Malaysia.

Cost of sales and Gross Profit

Cost of sales rose by 37% from \$292.7 million to \$400.1 million in FY22. This was mainly due to higher construction costs arising from continued labour shortages and hike in material prices and energy costs mainly in the second half of FY22 due to continued supply chain issues exacerbated by geopolitical tensions including the Russia-Ukraine conflict.

As a result, gross profits fell 49% resulting in lower gross margin of 4% compared to 10% in FY21.

Other income

Other income mainly comprised government grants, interests from bank deposits and other sundry income. The Group's other income decreased by 45% from \$7.9 million to \$4.3 million in FY22 mainly due to lower Covid-19 related financial supports and incentives received from the Singapore government.

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 2022 ("FY22") compared to the financial year ended 30 June 2021 ("FY21") (continued)

Condensed Consolidated Income Statement (continued)

Other gains – net

Other gains - net decreased by 85% from \$8.3 million to \$1.3 million in FY22. The other gains-net in FY22 relates mainly to net gain on disposal of subsidiaries (\$0.8 million) as mentioned in Note 14 and net currency gains (\$0.9 million) arising from distribution of capital from the net sales proceeds in Sterling of the abovementioned disposal during the financial year under review. The other loss of \$0.5 million in FY22 arose from the fair value loss on financial liabilities, at FVPL relating to a convertible loan of \$20 million mentioned in Note 12.1.

In FY21, there was a one-off fair value gain for the Group's investment property in United Kingdom of \$16.5 million, partially offset by \$8.5 million fair value loss on investment in an unquoted company.

Expenses

Distribution and marketing expenses increased by 74% from \$1.1 million to \$2.0 million in FY22 mainly due to increased sales commission paid as more units were sold from the Group's residential developments in Singapore and Malaysia in FY22.

Depreciation on property, plant and equipment increased by \$0.9 million from \$5.5 million to \$6.4 million in FY22. The increase was mainly due to depreciation charge on new assets acquired.

Despite the hike in interest rates in FY22, the Group's finance expenses have decreased 21% (\$1.1 million) from \$4.8 million to \$3.7 million due mainly to full repayment of the development loan for One Tree Hill Collection during FY22 and replacing of the medium term notes redeemed in September 2021 with a term loan and convertible loan at lower fixed rates.

Share of profits of associated companies

The share of profits of associated companies for FY22 was \$415,000 compared to \$655,000 in FY21. The lower share of profits for FY22 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 FY22 was \$3.5 million compared to \$7.1 million for FY21. These losses mainly arose from a joint venture company which owns the integrated development, Tekka Place in Singapore. The higher loss in FY21 was mainly due to a fair value loss of \$4.4 million on the retail mall.

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 2022 ("FY22") compared to the financial year ended 30 June 2021 ("FY21") (continued)

Condensed Consolidated Statement of Comprehensive Income

Currency translation differences arising from consolidation

Foreign currency translation differences are recognised on the translation of the Group's share of net assets of various foreign operations in Malaysia, the United Kingdom, and Indonesia. Foreign currency translation loss of \$2.3 million for FY22 was mainly due to loss recognised as a result of the depreciation of the Malaysian Ringgit and Sterling Pound. The net translation gains of \$3.8 million for FY21 arose mainly from the appreciation of the Sterling Pound.

Fair value losses on financial assets, at FVOCI

Fair value losses on financial assets, at FVOCI for FY22 and FY21 were in respect of the Group's unquoted investments.

- (b) Group Financial Position

Trade and other receivables (Current + Non-current)

Total trade and other receivables of \$149.0 million as at 30 June 2022 increased by \$12.9 million compared to \$136.1 million as at 30 June 2021 mainly due to higher billings for on-going construction projects totaling \$34.5 million partially offset by collection of retentions from completed construction projects of \$12.2 million and \$12.6 million collected from billings outstanding in preceding financial year for the Group's residential development in Singapore. The increase in trade and other receivables was also due to \$3.4 million increase in advances to a joint venture.

Contract assets

Contract assets as at 30 June 2022 was \$64.1 million compared to \$56.8 million as at 30 June 2021. The increase of \$7.3 million was mainly due to the increase in work carried out but not yet billed to customers for several construction projects.

Development properties

Development properties of \$21.5 million as at 30 June 2022 decreased by \$73.1 million compared to \$94.6 million as at 30 June 2021 mainly due to increase in sales for the developments in Malaysia and Singapore. The cost of the sold units recognized in FY22 was \$61.3 million and \$17.1 million of the cost of completed units was transferred to properties held for sale. The decrease was partially offset by development costs of \$6.0 million incurred on the residential developments.

Other current assets (Current + Non-current)

Total current assets as at 30 June 2022 was \$15.0 million compared to \$10.2 million as at 30 June 2021. The increase of \$4.8 million was mainly due to further advances extended to subcontractors for the on-going construction projects.

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)

Investment properties

Investment properties decreased by \$100.5 million to \$19.3 million as at 30 June 2022 (FY21: \$119.8 million). The decrease was mainly due to disposal of subsidiaries which owned a freehold commercial property in the United Kingdom (Note 14).

Trade and other payables (Current + Non-current)

Total trade and other payables of \$118.2 million as at 30 June 2022 increased by \$3.0 million compared to \$115.2 million as at 30 June 2021. The increase was mainly due to net increase in payables to subcontractors of construction projects of \$11.7 million in Singapore. The increase was partially offset by decrease in payables of \$5.0 million from the disposal of subsidiaries relating to the sale of a property in the United Kingdom, repayment of advances amounting to \$1.1 million made to non-controlling interest of a subsidiary.

Contract liabilities

Contract liabilities increased from \$1.1 million as at 30 June 2021 to \$6.3 million as at 30 June 2022, mainly due to higher billings received of \$6.3 million for two construction projects which obligations are yet to be fulfilled. The increase was partially offset by utilization of the balance \$1.1 million mobilisation advance from a civil construction project.

Provision for other liabilities

Provision for other liabilities increased from \$12.3 million as at 30 June 2021 to \$33.0 million due to provision for foreseeable losses for a construction project due to rising construction costs.

Borrowings (Current + Non-current)

Total borrowings decreased by \$156.4 million since 30 June 2021 to \$70.8 million as at 30 June 2022 mainly due to repayment of \$146.6 million bank loans and \$40.0 million medium term notes, partly offset by drawdown of loans amounting to \$31.2 million to repay Group's existing borrowings and for general corporate purposes.

Other financial liabilities, at FVPL

Other financial liabilities, at FVPL of \$20.5 million relates to a \$20.0 million interest bearing convertible loan drawn down in July 2021 for partial repayment of the medium term notes. The convertible loan was revalued to fair value as at 30 June 2022.

(c) Review of Consolidated Statement of Cash Flows

Cash and cash equivalents as at 30 June 2022 was \$79.3 million compared to \$100.1 million as at 30 June 2021. The decrease of \$20.8 million takes into account net cash from operations of \$63.5 million and net cash generated from investing activities of \$42.7 million, offset by net cash outflow for financing activities of \$125.1 million.

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 (continued)

Net cash from investing activities of \$42.7 million was generated mainly from proceeds from disposal of subsidiaries (UK property disposal) of \$51.3 million offset partially by investment in financial assets of \$4.0 million and advances to a joint venture of \$3.4 million.

Net cash used for financing activities of \$125.1 million was mainly attributable to (i) net repayment of borrowings of \$105.9 million largely financed by sale proceeds from disposal of residential development properties; (ii) draw down of other financial liabilities, at FVPL of \$20.0 million; (iii) dividends paid to shareholders of \$15.1 million; (iv) distribution of the disposal proceeds of \$14.8 million to non-controlling shareholder; and (v) interest paid of \$4.3 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 Group's unaudited results for the financial year ended 30 June 2022 are in line with the Company's profit guidance announcement on 17 August 2022.

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 an announcement made on 11 August 2022, the Ministry of Trade and Industry (MTI) has trimmed its full-year growth forecast for 2022 to between 3% and 4%, from the previous range of 3% to 5%. MTI's revision comes amid a weakening global economic environment arising from challenges such as inflation and persistent supply chain disruptions.

Due to an expansion in both public and private sector construction output, the sector grew 3.3% year-on-year up from the 2.4% recorded in the previous quarter.

The construction sector continues to be plagued by ongoing labour shortages, rising costs of materials and global supply-chain challenges, exacerbated by the Russia-Ukraine war. Against this challenging backdrop, the Group continues to forge ahead with a view to successfully completing its existing construction projects, while managing overheads and manpower requirements. In parallel, we will continue to pursue new projects on a selective basis. As at 30 June 2022, the Group's outstanding value of construction projects in progress is S\$1.5 billion.

Retail occupancy at Tekka Place, the Group's joint venture integrated development project, is currently at about 80%, while the aparthotel at Citadines Rochor managed to achieve a healthy occupancy of 88% as at 15 August 2022 after the border reopening. However, challenges still remain, including manpower shortages, inflationary pressures and rising interest rates.

The Group managed to sell five units of its One Tree Hill Collection during the financial year under review. This brings the total to 12 units sold to date, leaving a remainder of two units unsold.

In Malaysia, there was gradual improvement in market sentiment after movement restrictions were fully lifted in September 2021. The Group sold a further 22 units of landed homes in the year under review, resulting in a total 439 units sold to date, or 97% of the 453 units launched so far. No new residential units were launched during the year under review, although the Group did launch nine units of shop lots in February 2022. A phase comprising 24 semi-detached units was launched in August 2022, with another phase of 24 bungalow units slated to be launched in the current financial year FY2023.

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	Special Dividend	Final (proposed)
Dividend type	Cash	Cash	Cash
Dividend per share	0.75 cents per ordinary share	2.25 cents per ordinary share	1.00 cent per ordinary share
Tax Rate	Tax exempt (1-Tier)	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	4.25 cents per ordinary share	1.00 cent 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.

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

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 condensed interim consolidated financial statements for the six months and full year ended 30 June 2022 to be false or misleading in any material aspect.

Lum Chang Holdings Limited and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2

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 realisation of shares pursuant to Rule 706A of the Listing Manual

Below are the acquisition and realisation of shares pursuant to Rule 706A during the financial year under review.

(A) The following subsidiaries were liquidated and wound up:

Date	Details	Announcement Reference No.
26 July 2021	Name: 130 WS Holdings Limited Principal Activities: Investment Holdings Issued & Paid-up Share Capital: GBP1,000	-
26 July 2021	Name: 130 WS Investments Limited Principal Activities: Investment Holdings Issued & Paid-up Share Capital: GBP1,000	-
30 December 2021	Name: Uptown Viewpoint Sdn Bhd Principal Activities: Property Development Issued & Paid-up Share Capital: MYR250,000	-

(B) There were sale of shares resulting in the following companies to cease as subsidiaries of the Company:

Date	Details	Announcement Reference No.
25 September 2021 and 21 October 2021	1. Kelaty Holdings Limited ("KHL") 2. Kelaty Propco Limited ("KPL") 3. Kelaty Leaseco Limited ("KLL") (collectively "Kelaty Group") The sale of the entire share capital in KHL, together with its wholly owned subsidiaries, KPL and KLL. The Kelaty Group owns a serviced residence in the United Kingdom. Pursuant to the sale, the Kelaty Group ceased to be subsidiaries of the Company.	SG210925OTHRGKUS dated 25 September 2021 and SG211022OTHR510Y dated 22 October 2022

10. Update on use of convertible loan proceeds

Further to the announcements made on 25 June 2021, 28 September 2021 and 5 November 2021 on the change in and update on the use of proceeds from the convertible loan, the net proceeds had been fully utilised as follows:

Use of Net Proceeds	Reallocated amount (\$'000)	Amount utilised (\$'000)	Amount unutilised (\$'000)
Repay existing borrowings	36,000 (90%)	36,000	-
General corporate purposes ⁽¹⁾	3,900 (10%)	3,900	-
Total	39,900	39,900	-

Note:

⁽¹⁾ Mainly utilised for expenses relating to employee benefits, bank interests, office overheads, legal and other professional fees.

The use of proceeds is in accordance with the stated use and the percentage reallocated in the announcement of the Company dated 28 September 2021.

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	46	<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 Emyln	38	<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
TAN ENG CHAN GERALD
COMPANY SECRETARIES
26 August 2022