

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE
FINANCIAL YEAR ENDED 31 MAY 2021**

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

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST 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.

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UNAUDITED FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

PART 1 - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

	Group		
	Full year ended		
	31.5.2021	31.5.2020	Increase / (Decrease)
	S\$'000	S\$'000	%
Revenue	42,387	46,166	(8.2)
Cost of sales	(31,565)	(27,488)	14.8
Gross profit	10,822	18,678	(42.1)
Other operating income	6,117	5,607	9.1
Sales and marketing expenses	(2,306)	(2,141)	7.7
Administrative expenses	(3,280)	(3,337)	(1.7)
Other operating expenses	(972)	(524)	85.5
Finance costs	(2,954)	(3,859)	(23.5)
Share of results of joint ventures and associates	6,846	(2,524)	n.m.
Profit before tax	14,273	11,900	19.9
Taxation	(2,455)	(1,974)	24.4
Profit for the year, net of tax	11,818	9,926	19.1
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation gain/(loss)	496	(64)	n.m.
Fair value gain/(loss) on financial assets at fair value through other comprehensive income	164	(361)	n.m.
Other comprehensive income for the year, net of tax	660	(425)	n.m.
Total comprehensive income for the year	12,478	9,501	31.3
Profit/(loss) attributable to:			
Owners of the Company	13,358	10,819	23.5
Non-controlling interests	(1,540)	(893)	72.5
	11,818	9,926	19.1
Total comprehensive income attributable to:			
Owners of the Company	14,018	10,394	34.9
Non-controlling interests	(1,540)	(893)	72.5
	12,478	9,501	31.3

n.m. means not meaningful

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

	Group Full year ended		
	31.5.2021	31.5.2020	Increase / (Decrease)
	S\$'000	S\$'000	%
Interest income	3,261	3,621	(9.9)
Gain on disposal of a subsidiary	-	640	n.m.
Gain on dilution of investment in a joint venture	113	-	n.m.
Gain from loan waiver from an associate	4	390	99.0
Grant income	120	-	n.m.
Forfeiture income	-	614	n.m.
Rental income	1,809	-	n.m.
Amortisation of capitalised contract costs	(1,979)	(1,971)	0.4
Depreciation of plant and equipment	(295)	(322)	(8.4)
Interest expense	(2,954)	(3,859)	(23.5)
Foreign exchange gain	497	62	701.6

n.m. means not meaningful

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

	Group		Company	
	As at	As at	As at	As at
	31.5.2021	31.05.2020	31.5.2021	31.05.2020
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Non-current assets</u>				
Plant and equipment	316	583	309	572
Other investments	14,126	10,225	-	-
Deferred tax assets	768	657	-	-
Investment in subsidiaries	-	-	9,335	8,835
Investment in joint ventures and associates	10,208	2,443	1,829	1,829
	25,418	13,908	11,473	11,236
<u>Current assets</u>				
Development properties	180,892	79,351	-	-
Contract assets	19,762	35,349	-	-
Trade receivables	1,485	52	-	-
Other receivables and deposits	74	164	7	84
Prepayments	197	198	14	13
Capitalised contract costs	1,381	1,668	-	-
Amounts due from a related company	-	1	-	-
Amounts due from joint ventures and associates	142,700	130,142	58,337	53,332
Amounts due from subsidiaries	-	-	144,926	108,636
Amounts due from non-controlling interests	262	262	-	-
Cash and cash equivalents	40,230	39,412	10,731	15,995
	386,983	286,599	214,015	178,060
<u>Current liabilities</u>				
Trade and other payables	4,702	1,424	-	-
Accruals	6,876	2,955	907	875
Amounts due to related companies	2,922	2,943	-	14
Amounts due to joint ventures and associates	1,024	774	950	700
Amounts due to subsidiaries	-	-	34,731	487
Amounts due to holding company	130	217	130	217
Amounts due to non-controlling interests	15,002	14,387	-	-
Loans and borrowings	67,995	6,107	51	105
Provision for taxation	4,243	3,172	378	-
	102,894	31,979	37,147	2,398
Net current assets	284,089	254,620	176,868	175,662
<u>Non-current liabilities</u>				
Investment in associates	12,485	12,332	-	-
Amounts due to holding company	33,783	33,783	33,783	33,783
Loans and borrowings	90,071	58,522	71	122
Deferred tax liabilities	1,510	3,241	-	-
	137,849	107,878	33,854	33,905
Net assets	171,658	160,650	154,487	152,993

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

<i>Cont'd</i>	Group		Company	
	As at 31.5.2021	As at 31.05.2020	As at 31.5.2021	As at 31.05.2020
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Equity attributable to owners of the Company</u>				
Share capital	146,216	146,216	146,216	146,216
Merger reserve	(30,288)	(30,288)	-	-
Foreign currency translation reserve	5	(491)	-	-
Fair value reserve	(197)	(361)	-	-
Retained earnings	56,500	43,142	8,271	6,777
	172,236	158,218	154,487	152,993
Non-controlling interests	(578)	2,432	-	-
Total equity	171,658	160,650	154,487	152,993

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

Amount repayable in one year or less, or on demand

As at 31.5.2021		As at 31.05.2020	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
67,995	-	6,107	-

Amount repayable after one year

As at 31.5.2021		As at 31.05.2020	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
90,071	-	58,522	-

Details of any collateral

As at 31 May 2021,

- (i) the Group's bank borrowings of S\$157.9 million (31 May 2020: S\$64.4 million) are secured by (i) the Group's development properties; (ii) corporate guarantees from the Company and the holding company in the ratio of the shareholdings held by the Group in the respective subsidiaries; and (iii) the assignment of rights, titles and benefits with respect to the development properties;
- (ii) the Company's and the Group's lease liabilities of S\$0.12 million (31 May 2020: S\$0.2 million) are secured by the respective Company's leased assets.

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

	Group	
	Full year ended	
	31.5.2021 S\$'000	31.5.2020 S\$'000
<u>Cash flows from operating activities</u>		
Profit before taxation	14,273	11,900
<u>Adjustments for:-</u>		
Amortisation of capitalised contract cost	1,979	1,971
Depreciation of plant and equipment	295	322
Foreign exchange gain	(378)	(62)
Gain on dilution of an investment in a joint venture	(113)	-
Gain on disposal of a subsidiary	-	(640)
Gain from loan waiver from an associate	(4)	(390)
Interest income	(3,261)	(3,621)
Interest expense	2,954	3,859
Share of results of joint ventures and associates	(6,846)	2,524
Operating cash flows before changes in working capital	8,899	15,863
<u>Changes in working capital:-</u>		
Development properties	(101,541)	13,361
Contract assets	15,587	7,756
Trade receivables	(1,521)	4,263
Other receivables and deposits	90	14
Prepayments	1	(5)
Capitalised contract costs	(1,692)	(2,177)
Trade payables, other payables and accruals	7,143	(564)
Balances with related companies	(20)	(1,150)
	(81,953)	21,498
Cash flows (used in)/from operations	(73,054)	37,361
Income tax paid	(3,226)	(1,959)
Interest paid and capitalised in development properties	-	(112)
Net cash flows (used in)/from operating activities	(76,280)	35,290
<u>Cash flows from investing activities</u>		
Interest received	27	318
Dividend income from associates	-	654
Dividend income from joint ventures	-	1,450
Purchase of plant and equipment	(28)	(216)
Net cash inflow on disposal of a subsidiary	-	4,046
Loan to joint ventures	(3,440)	-
Loan from an associate	-	390
Loan to associates	(5,658)	(5,234)
Investment in joint venture and associates	(157)	(1,000)
Other investments	(3,649)	(6,498)
Net cash flows used in investing activities	(12,905)	(6,090)

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

	Group	
	Full year ended	
	31.5.2021 S\$'000	31.5.2020 S\$'000
<u>Cash flows from financing activities</u>		
Interest paid	(2,253)	(3,918)
Proceeds from bank loans	132,042	1,207
Repayment of bank loans	(38,500)	(15,000)
Repayment of lease liabilities	(105)	(143)
Dividend paid on ordinary shares	-	(913)
Dividend paid to non-controlling interests of subsidiaries	(1,470)	(6,272)
Loans from non-controlling interests of a subsidiary	-	617
Loan from / (repayment of loans to) associates	4	(300)
Loan from / (repayment of loans to) joint ventures	250	(1,450)
Net cash flows from/(used in) financing activities	89,968	(26,172)
Net increase in cash and cash equivalents	783	3,028
Cash and cash equivalents at beginning of the year	39,412	36,294
Effect of exchange rate changes on cash and cash equivalents	35	90
Cash and cash equivalents at end of the year	40,230	39,412
Breakdown of cash and cash equivalents at end of the year:		
Cash at bank and on hand	40,230	31,385
Fixed deposits	-	8,027
Total	40,230	39,412

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

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Merger reserve	Foreign currency translation reserves	Fair value reserve	Retained earnings		
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
GROUP							
Balance at 1 June 2020	146,216	(30,288)	(491)	(361)	43,142	2,432	160,650
Profit/(loss) for the year, net of tax	-	-	-	-	13,358	(1,540)	11,818
<u>Other comprehensive income</u>							
Foreign currency translation gain	-	-	496	-	-	-	496
Fair value gain on debt instruments at fair value through other comprehensive income	-	-	-	138	-	-	138
Net fair value gain on equity security at fair value through other comprehensive income	-	-	-	26	-	-	26
Other comprehensive income for the year, net of tax	-	-	496	164	-	-	660
Total comprehensive income for the year	-	-	496	164	13,358	(1,540)	12,478
<u>Contribution by and distribution to owners</u>							
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	(1,470)	(1,470)
Total transactions with owners in their capacity as owners	-	-	-	-	-	(1,470)	(1,470)
Balance at 31 May 2021	146,216	(30,288)	5	(197)	56,500	(578)	171,658

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Merger reserve	Foreign currency translation reserves	Fair value reserve	Retained earnings		
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
GROUP							
Balance at 1 June 2019	146,216	(30,288)	(427)	-	33,236	9,597	158,334
Profit/(loss) for the year, net of tax	-	-	-	-	10,819	(893)	9,926
<u>Other comprehensive income</u>							
Foreign currency translation loss	-	-	(64)	-	-	-	(64)
Fair value loss on debt instruments at fair value through other comprehensive income	-	-	-	(249)	-	-	(249)
Net fair value loss on equity security at fair value through other comprehensive income	-	-	-	(112)	-	-	(112)
Other comprehensive income for the year, net of tax	-	-	(64)	(361)	-	-	(425)
Total comprehensive income for the year	-	-	(64)	(361)	10,819	(893)	9,501
<u>Contribution by and distribution to owners</u>							
Dividend paid on ordinary shares	-	-	-	-	(913)	-	(913)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	(6,272)	(6,272)
Total transactions with owners in their capacity as owners	-	-	-	-	(913)	(6,272)	(7,185)
Balance at 31 May 2020	146,216	(30,288)	(491)	(361)	43,142	2,432	160,650

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

	Share capital	Retained earnings	Total equity
Company	S\$ '000	S\$ '000	S\$ '000
Balance at 1 June 2020	146,216	6,777	152,993
Profit for the year, net of tax	-	1,494	1,494
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,494	1,494
<u>Contribution by and distribution to owners</u>			
Dividend paid on ordinary shares	-	-	-
Total transactions with owners in their capacity as owners	-	-	-
Balance at 31 May 2021	146,216	8,271	154,487

	Share capital	Retained earnings	Total equity
Company	S\$ '000	S\$ '000	S\$ '000
Balance at 1 June 2019	146,216	1,645	147,861
Profit for the year, net of tax	-	6,045	6,045
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	6,045	6,045
<u>Contribution by and distribution to owners</u>			
Dividend paid on ordinary shares	-	(913)	(913)
Total transactions with owners in their capacity as owners	-	(913)	(913)
Balance at 31 May 2020	146,216	6,777	152,993

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued and fully paid ordinary shares as at 31 May 2021 and 31 May 2020

Number of Shares	S\$'000
913,000,000	146,216

There are no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 31 May 2021 and 31 May 2020.

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

	As at 31.5.2021	As at 31.5.2020
Total number of issued shares	913,000,000	913,000,000

There are no treasury shares held by the Company as at 31 May 2021 and 31 May 2020.

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

Not applicable as there are no treasury shares held by the Company as at 31 May 2021.

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

Not applicable as there are no subsidiary holdings held by the Company as at 31 May 2021.

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

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

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

Not applicable.

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

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

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	Full year ended	
	31.5.2021	31.5.2020
Earnings per ordinary share ("EPS") attributable to equity holders of the Group		
(a) Based on the weighted average number of ordinary shares in issue (cents)	1.46	1.18
(b) On a fully diluted basis (cents)	1.46	1.18
	S\$'000	S\$'000
Group's profit for the period attributable to Owners of the Company used in the computation of basic and diluted EPS	13,358	10,819
	('000)	('000)
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	913,000	913,000

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group		Company	
	31.5.2021	31.5.2020	31.5.2021	31.5.2020
Net asset value per ordinary share (cents)	18.86	17.33	16.92	16.76
Number of issued shares excluding treasury shares ('000)	913,000	913,000	913,000	913,000

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

A. Comprehensive Income Statements

FY2021 vs FY2020

The Group reported S\$42.4 million revenue for the full year ended 31 May 2021 ("FY2021"), a decrease of S\$3.8 million or 8.2% as compared to S\$46.2 million registered in the corresponding year ended 31 May 2020 ("FY2020"). The decrease in revenue was mainly due to decrease in revenue recognised from Mactaggart Foodlink; offset by an increase in revenue recognised from INSPACE and sale of the remaining unit from T-Space.

The Group's cost of sales increased by S\$4.1 million or 14.8% from S\$27.5 million in FY2020 to S\$31.6 million in FY2021. The increase in cost of sales was mainly due to increase in cost of sales recognised from INSPACE and the remaining unit sold from T-Space. The Group's gross profit decreased by S\$7.9 million or 42.1% from S\$18.7 million in FY2020 to S\$10.8 million in FY2021 mainly due to lower profit margin from the contributing projects and the result of the COVID-19 pandemic.

Other operating income increased by S\$0.5 million or 9.1% from S\$5.6 million in FY2020 to S\$6.1 million in FY2021 mainly due to rental income of S\$1.8 million from our newly acquired development property, Thye Hong Centre; offset by the absence of S\$0.6 million gain on disposal of a subsidiary and the absence of forfeiture income of S\$0.6 million.

Sales and marketing expenses increased by S\$0.2 million or 7.7% from S\$2.1 million in FY2020 to S\$2.3 million in FY2021 mainly due to higher sales commission (in line with market conditions) amortised to profit or loss in FY2021 as the Group's development projects progressed.

Other operating expenses increased by approximately S\$0.5 million or 85.5% from S\$0.5 million in FY2020 to S\$1.0 million in FY2021 mainly due to increase in maintenance funds and property tax paid for newly acquired development property at Thye Hong Centre.

Finance costs decreased by S\$0.9 million or 23.5% from S\$3.9 million in FY2020 to S\$3.0 million in FY2021 mainly due to lower interest rates environment.

Share of results of joint ventures and associates increased by S\$9.4 million from share of losses of S\$2.5 million in FY2020 to share of profits of S\$6.9 million in FY2021. The increase in share of results of joint ventures and associates was mainly due to increases in development profits recognised from Affinity @ Serangoon, Riverfront Residences and Rezi 24 as additional units were sold and development profit recognised as the respective projects' construction progressed.

The Group's tax expense increased by S\$0.5 million or 24.4% from S\$2.0 million in FY2020 to S\$2.5 million in FY2021. The increase in income tax expense was mainly due to higher taxable profits in FY2021 from Mactaggart Foodlink upon completion; offset by deferred tax credit recognised from INSPACE.

As a result of the above, the Group registered a net profit attributable to owners of the Company of S\$13.4 million in FY2021, an increase of 23.5% as compared to S\$10.8 million in FY2020.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

B. Financial Position Statements

Non-current assets

Plant and equipment decreased by S\$0.3 million or 45.8% from S\$0.6 million as at 31 May 2020 to S\$0.3 million as at 31 May 2021 mainly due to depreciation charge on plant and equipment during FY2021.

Other investments increased by S\$3.9 million or 38.2% from S\$10.2 million as at 31 May 2020 to S\$14.1 million as at 31 May 2021 mainly due to the Group's additional investment in debts instruments and equity security in FY2021.

Investment in joint ventures and associates increased by S\$7.6 million or 76.8% from net liabilities of S\$9.9 million as at 31 May 2020 (resulting from S\$2.4 million as presented under non-current assets less S\$12.3 million as presented under non-current liabilities) to net liabilities of S\$2.3 million as at 31 May 2021 (resulting from S\$10.2 million as presented under non-current assets less S\$12.5 million as presented under non-current liabilities) mainly due to share of profits of joint ventures and associates of S\$6.8 million in FY2021 and the Group's subscription of 20% equity stake for S\$0.2 million in Pinnacle Investment Management Limited ("PIML") in June 2020.

Deferred tax assets increased by S\$0.1 million or 16.9% from S\$0.7 million as at 31 May 2020 due to additional deferred tax assets recognised from INSPACE.

Current assets

Development properties increased by S\$101.5 million or 128.0% from S\$79.4 million as at 31 May 2020 to S\$180.9 million as at 31 May 2021 mainly due to acquisition of development property at Thye Hong Centre during FY2021; offset by the sale of development units of the Group's on-going projects, Mactaggart Foodlink and INSPACE.

Contract assets decreased by S\$15.5 million or 44.1% from S\$35.3 million as at 31 May 2020 to S\$19.8 million as at 31 May 2021 mainly due to decrease in contract assets from Mactaggart Foodlink upon the project archiving its Temporary Occupation Permit in March 2021.

Trade receivables increased by S\$1.4 million from S\$0.1 million as at 31 May 2020 to S\$1.5 million as at 31 May 2021 mainly due to progress billings on the development units sold for INSPACE.

Capitalised contract costs decreased by S\$0.3 million or 17.2% from S\$1.7 million as at 31 May 2020 to S\$1.4 million as at 31 May 2021 mainly due to amortisation of sale commission recognised to profit or loss in FY2021; offset by an increase in sales commission paid and capitalised from the sale of development units at Mactaggart Foodlink and INSPACE during FY2021.

Amounts due from joint ventures and associates increased by S\$12.6 million or 9.6% from S\$130.1 million as at 31 May 2020 to S\$142.7 million as at 31 May 2021 mainly due to additional loans to joint ventures and associates of S\$9.1 million in FY2021 and accumulation of interest receivables from loans to associates of S\$3.1 million.

Current liabilities

Trade and other payables and accruals increased by S\$7.2 million or 164.4% from S\$4.4 million as at 31 May 2020 to S\$11.6 million as at 31 May 2021 mainly due to (i) increase in accrued costs of S\$3.4 million for Mactaggart Foodlink which was completed in March 2021 and INSPACE as the projects progressed; (ii) increase in GST payable of S\$2.5 million due to progress billings for Mactaggart Foodlink upon its completion in March 2021 and (iii) increase in rental deposits received from tenants of Thye Hong Centre.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

B. Financial Position Statements (Cont'd)

Current liabilities (cont'd)

Amounts due to joint ventures and associates increased by S\$0.2 million or 32.3% from S\$0.8 million as at 31 May 2020 to S\$1.0 million as at 31 May 2021 mainly due to loan from joint ventures in FY2021.

Amounts due to non-controlling interests increased by S\$0.6 million or 4.3% from S\$14.4 million as at 31 May 2020 to S\$15.0 million as at 31 May 2021 mainly due to accumulation of loan interest from non-controlling interests of S\$0.6 million in FY2021.

Current loans and borrowings increased by S\$61.9 million from S\$6.1 million as at 31 May 2020 to S\$68.0 million as at 31 May 2021 mainly due to reclassification of bank loan for INSPACE from non-current to current.

Provision for taxation increased by S\$1.0 million or 33.8% from S\$3.2 million as at 31 May 2020 to S\$4.2 million as at 31 May 2021 mainly due to increase in provision for income tax of S\$2.5 million in FY2021 and reclassification of deferred tax liabilities of S\$1.7 million to current income tax payable on development profits from Mactaggart Foodlink; offset by income tax paid of S\$3.2 million.

Non-current liabilities

Non-current loans and borrowings increased by S\$31.6 million or 53.9% from S\$58.5 million as at 31 May 2020 to S\$90.1 million as at 31 May 2021 mainly due to additional bank loan on acquisition of Thye Hong Centre; offset by reclassification of bank loan for INSPACE from non-current to current liabilities.

Deferred tax liabilities decreased by S\$1.7 million or 53.4% from S\$3.2 million as at 31 May 2020 to S\$1.5 million as at 31 May 2021 mainly due to reclassification of deferred tax liabilities of S\$1.7 million to current income tax liabilities.

C. Cash Flow Statements

Overall, cash and cash equivalents increased by S\$0.8 million from S\$39.4 million as at 31 May 2020 to S\$40.2 million as at 31 May 2021, due to net cash flows used in operating activities of S\$76.3 million and investing activities of S\$12.9 million; offset by net cash flows from financing activities of S\$90.0 million.

Net cash flows used in operating activities of S\$76.3 million in FY2021 was mainly due to operating cash flows before changes in working capital of S\$8.9 million, net working capital outflows of S\$82.0 million and income tax paid of S\$3.2 million.

Net cash flows used in investing activities of S\$12.9 million in FY2021 was mainly due to loans to joint ventures and associates of S\$9.1 million, investment in an associate of S\$0.2 million and other investments of S\$3.6 million.

Net cash flows from financing activities of S\$90.0 million in FY2021 was mainly due to additional bank loans of S\$132.0 million in FY2021; offset by (i) repayment of bank loans of S\$38.5 million; (ii) interest paid of S\$2.3 million and (iii) dividend paid to non-controlling interests of S\$1.5 million.

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

No forecast or prospect statement has previously been disclosed.

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

Singapore's economy registered its best growth on a year-on-year basis in 2Q-2021, marking a rebound from last year's coronavirus-induced slump. On July 14, 2021, The Ministry of Trade and Industry (MTI) announced that the Singapore economy expanded by 14.3 per cent year-on-year.¹

However, on a quarter-on-quarter seasonally-adjusted basis, the Singapore economy contracted by 2.0 per cent in the second quarter of 2Q-2021, after the implementation of Phase 2 (Heightened Alert) safe distancing measures led to a reduction in economic activities.

According to real estate statistics released by the Urban Redevelopment Authority ("URA"), the private residential property index increased by 3.3 per cent in 1Q2021, compared to the 2.1 per cent increase in 4Q2020. In 1Q2021, developers launched 3,716 uncompleted private residential units for sale, compared with the 3,147 units in 4Q2020. While sales figure in 1Q2021 showed that developers had sold 3,493 private residential units compared to 2,603 units sold in 4Q2020.²

Despite the ongoing recovery and gradual resumption of construction work, progress of the Group's property developments continues to be affected by manpower constraints due to tighter border controls that have hampered the supply of foreign workers. The Group remains cognizant that this may delay the completion of some of our development projects, and will continue to actively monitor the progress to ensure smooth development and completion of our projects and focus on taking the necessary initiatives to moderate any financial impact arising thereon.

During the year under review, the Group has acquired an effective interest of 5% stake in the RMIT Bourke Street Centre via a joint venture with independent property investment company, Futuro Trust and Hong Kong's Baring Private Equity Asia (BPEA). In December 2020, the Group also completed the acquisition of Thye Hong Centre at 2 Leng Kee Road at a purchase price of S\$112.5 million.

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

¹ Ministry of Trade and Industry Singapore, 14 July 2021 – [Singapore's GDP Grew by 14.3 Per Cent in the Second Quarter of 2021](#)

² Urban Redevelopment Authority, April 23, 2021 – [Release of 1st Quarter 2021 real estate statistics](#)

11. Dividend

a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Name of dividend	Final
Dividend type	Cash
Dividend amount per share	0.1 Singapore cents
Tax rate	Tax-exempt (1-Tier)

b. Corresponding Period of the Immediately Preceding Financial Year.

No.

c. Date payable.

The date payable for the proposed final cash dividend will be announced at a later date,

d. Record date.

The record date of the Company for the proposed final cash dividend will be announced at a later date.

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

Not applicable.

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

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

The aggregate value of all interested person transactions during the FY2021 were as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	Total value of the transaction S\$'000	Based on issuer's effective interest pursuant to Catalist Rule 909(1) S\$'000	Total value of the transaction S\$'000	Based on issuer's effective interest pursuant to Catalist Rule 909(1) S\$'000
<i>Construction services by related companies</i>				
L.S. Construction Pte Ltd ⁽¹⁾	-	-	25,258	5,052
<i>Interest expenses to holding company</i>				
Lian Beng Group Ltd	509	509	-	-

Note (1): L.S. Construction Pte Ltd is a wholly-owned subsidiary of the Company's controlling shareholder, Lian Beng Group Ltd.

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

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

15. Use of Proceeds

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

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

Notes:

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

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

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

(i) On 20 May 2021, the Group has subscribed for 100 new ordinary shares of S\$1.00 each in the issued and paid-up capital of Ultra Infinity Pte Ltd ("**UIPL**") (representing an aggregate of 33.33% of the resultant total issued share capital of UIPL). The principal activities of UIPL are (i) property development and (ii) holding of assets for investment. The acquisition of equity interests of 33.33% in UIPL is not expected to have any material impact on the earnings and net tangible assets per share of the Group for the financial year ended 31 May 2021.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

(ii) On 26 July 2021, the Group has entered into a Sale and Purchase Agreement with 32 Holdings Pte Ltd and Wee TC Investments Pte Ltd (collectively the "**Purchasers**") for the sale of 1,000,000 ordinary shares ("**Sale Shares**") held by the Group in 32 Real Estate Pte Ltd ("**32RE**", and together with its subsidiaries ("**32RE Group**")), representing the Group's 33.33% equity interest in 32RE. The consideration for the Sale Shares amounting to S\$563,663 is based on the adjusted net assets value of 32RE as at 30 April 2021. The net assets value of 32RE Group as at 30 April 2021 is approximately S\$510,994. The disposal is not expected to have a material impact to the Group's financial statements for the financial year ending 31 May 2022.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

17. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

a. By Business Segments

<u>FY2021</u>	Property development	Funds management and investment	Corporate	Adjustments and eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	41,709	678	-	-	42,387
Results:					
Interest income	2,698	3	4,090	(3,530)	3,261
Interest expenses	(5,717)	(9)	(758)	3,530	(2,954)
Depreciation and amortisation	(6)	-	(289)	-	(295)
Gain on dilution of investment in a joint venture	-	-	113	-	113
Share of results of joint ventures and associates	7,231	(385)	-	-	6,846
Segment profit/(loss) before tax	13,115	(215)	2,025	(652)	14,273
Fair value gain on financial assets at fair value through other comprehensive income	-	164	-	-	164
Assets:					
Investment in joint ventures and associates	(2,823)	546	-	-	(2,277)
Additions to non-current assets	2	-	26	-	28
Segment assets	361,916	15,818	214,832	(180,165)	412,401
Segment liabilities	(334,209)	(15,699)	(71,000)	180,165	(240,743)
<u>FY2020</u>	Property development	Funds management and investment	Corporate	Adjustments and eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	45,846	320	-	-	46,166
Results:					
Interest income	1,916	-	4,020	(2,315)	3,621
Interest expenses	(5,105)	-	(1,069)	2,315	(3,859)
Depreciation and amortisation	(6)	-	(316)	-	(322)
Gain on disposal of a subsidiary	-	-	640	-	640
Forfeiture income	614	-	-	-	614
Share of results of joint ventures and associates	(2,184)	(340)	-	-	(2,524)
Segment profit/(loss) before tax	11,506	(78)	6,095	(5,623)	11,900
Fair value loss on financial assets at fair value through other comprehensive income	-	(361)	-	-	(361)
Assets:					
Investment in joint ventures and associates	(10,549)	660	-	-	(9,889)
Additions to non-current assets	11	-	365	-	376
Segment assets	219,741	11,258	178,632	(109,124)	300,507
Segment liabilities	(200,957)	(11,721)	(36,303)	109,124	(139,857)

b. By Geographical Segments

	Revenue		Non-current assets	
	FY2021	FY2020	FY2021	FY2020
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	42,033	45,897	2,632	3,026
Australia	354	269	-	-
	<u>42,387</u>	<u>46,166</u>	<u>2,632</u>	<u>3,026</u>

Non-current assets information presented above consists of plant and equipment and investment in joint ventures and associates as presented in the consolidated statement of financial position.

18. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8.

19. A breakdown of sales.

	Group		Increase / (Decrease) %
	31.5.2021 \$'000	31.5.2020 \$'000	
Sales reported for first half year	19,034	20,011	(4.9)
Operating profit after tax and before deducting NCI reported for first half year	5,209	4,675	11.4
Sales reported for second half year	23,353	26,155	(10.7)
Operating profit after tax and before deducting NCI reported for second half year	6,609	5,251	25.9

20. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total annual dividend	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary Shares	913	-
Preference Shares	-	-
Total	913	-

21. 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 of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Save for Mr Ong Eng Keong, there is no person occupying a managerial position in the Company and its subsidiaries who is a relative of the director, chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules.

BY ORDER OF THE BOARD

Ong Eng Keong
Executive Director and Chief Executive Officer
29 July 2021