

# KEONG HONG HOLDINGS LIMITED

## Unaudited Financial Statement For The Period Ended 31 March 2021

### PART I - INFORMATION REQUIRED FOR 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            |               |             |
|--|------------------|---------------|-------------|
|  | First Half ended |               |             |
|  | 31/3/2021        | 31/3/2020     | +(-)        |
|  | Unaudited        | Unaudited     |             |
|  | S\$'000          | S\$'000       | %           |
| <b>Revenue</b>   | 28,100           | 61,604        | (54.4)      |
| Cost of sales  | (21,500)         | (45,051)      | (52.3)      |
| Gross profit   | 6,600            | 16,553        | (60.1)      |
| Other income   | 4,763            | 7,043         | (32.4)      |
| Administration expenses  | (8,719)          | (7,083)       | 23.1        |
| Finance costs  | (3,529)          | (3,157)       | 11.8        |
| Share of results of joint venture, net of tax                        | 2,620            | 4,760         | (45.0)      |
| Share of results of associate, net of tax                            | (2,989)          | (6,103)       | (51.0)      |
| <b>(Loss)/ profit before income tax</b>                              | <b>(1,254)</b>   | <b>12,013</b> | <b>n.m.</b> |
| Income tax expense   | (864)            | (2,427)       | (64.4)      |
| <b>(Loss)/ profit after tax for the financial period</b>             | <b>(2,118)</b>   | <b>9,586</b>  | <b>n.m.</b> |
| <b>Other comprehensive income:</b>                                   |                  |               |             |
| <i>Items that may be reclassified subsequently to profit or loss</i> |                  |               |             |
| Exchange differences on translating of foreign operations            | 543              | (383)         | n.m.        |
| Fair value loss on available -for-sale financial asset               | (555)            | (225)         | 146.7       |
| Other comprehensive income for the financial year, net of tax        | (12)             | (608)         | (98.0)      |
| <b>Total comprehensive income for the financial period</b>           | <b>(2,130)</b>   | <b>8,978</b>  | <b>n.m.</b> |
| <b>Profit attributable to:</b>                                       |                  |               |             |
| Owners of the parent   | (1,439)          | 10,027        | n.m.        |
| Non-controlling interests  | (679)            | (441)         | 54.0        |
|  | <b>(2,118)</b>   | <b>9,586</b>  | <b>n.m.</b> |
| <b>Total comprehensive income attributable to:</b>                   |                  |               |             |
| Owners of the parent   | (1,451)          | 9,419         | n.m.        |
| Non-controlling interests  | (679)            | (441)         | 54.0        |
|  | <b>(2,130)</b>   | <b>8,978</b>  | <b>n.m.</b> |

n.m. denotes not meaningful

**1(a)(ii) Profit for the financial year is stated after charging/(crediting):**

|   | <b>Group</b>                               |  |                   |
|---|--|--|-------------------|
|   | <b>First Half ended</b>                    |  |                   |
|   | <b>31/3/2021<br/>Unaudited<br/>S\$'000</b> | <b>31/3/2020<br/>Unaudited<br/>S\$'000</b> | <b>+(-)<br/>%</b> |
| Amortisation of intangible asset                | 6  | 10   | (40.0)            |
| Depreciation of investment properties           | 320  | 314  | 1.9               |
| Depreciation of property, plant and equipment   | 1,642                                      | 1,852                                      | (11.3)            |
| Amortisation of lease expenses                  | 601  | 445  | 35.1              |
| Foreign exchange loss/(gain) – Net              | 2,523                                      | (2,676)                                    | n.m.              |
| Reversal of loss allowance on other receivables | (306)                                      | (42)                                       | 628.6             |
| Share option expense                            | 10   | 146  | (93.2)            |
| Gain on disposal of plant and equipment         | -  | (114)                                      | n.m.              |
| Interest income                                 | (2,202)                                    | (3,192)                                    | (31.0)            |
| Interest on borrowings                          | 3,415                                      | 3,051                                      | 11.9              |
| Interest on lease liabilities                   | 114  | 106  | 7.5               |

*n.m. denotes 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                             |                                 |
|   | 31/3/2021<br>Unaudited<br>S\$'000 | 30/9/2020<br>Audited<br>S\$'000 | 31/3/2021<br>Unaudited<br>S\$'000 | 30/9/2020<br>Audited<br>S\$'000 |
| <b>Non-current assets</b>   |                                   |                                 |                                   |                                 |
| Property, plant and equipment                                     | 24,653                            | 25,488                          | -                                 | -                               |
| Investment properties   | 21,769                            | 23,366                          | -                                 | -                               |
| Right of use assets   | 6,887                             | 7,415                           | 99                                | 123                             |
| Investments in subsidiaries                                       | -                                 | -                               | 32,295                            | 32,297                          |
| Investment in associates  | 27,255                            | 30,204                          | 7,123                             | 7,123                           |
| Investments in joint ventures                                     | 34,385                            | 31,656                          | -                                 | -                               |
| Intangible assets   | 206                               | 211                             | -                                 | -                               |
| Financial assets at fair value through other comprehensive income | 41,467                            | 42,171                          | 2,340                             | 2,895                           |
| Financial assets at fair value through profit and loss            | 23,392                            | 23,392                          | -                                 | -                               |
| Other receivables   | 36,201                            | 34,562                          | -                                 | -                               |
| Deferred tax assets   | 589                               | 593                             | -                                 | -                               |
| <b>Total non-current assets</b>                                   | <b>216,804</b>                    | <b>219,058</b>                  | <b>41,857</b>                     | <b>42,438</b>                   |
| <b>Current assets</b>   |                                   |                                 |                                   |                                 |
| Inventories   | 1,838                             | 1,242                           | -                                 | -                               |
| Trade and other receivables                                       | 118,572                           | 115,000                         | 75,680                            | 68,437                          |
| Contract assets   | 23,111                            | 17,001                          | -                                 | -                               |
| Prepayments   | 491                               | 741                             | 25                                | 12                              |
| Fixed deposits  | 9,563                             | 2,243                           | -                                 | 621                             |
| Cash and cash equivalents   | 11,694                            | 38,289                          | 5,194                             | 14,030                          |
| <b>Total currents assets</b>                                      | <b>165,269</b>                    | <b>174,516</b>                  | <b>80,899</b>                     | <b>83,100</b>                   |
| <b>Total assets</b>   | <b>382,073</b>                    | <b>393,574</b>                  | <b>122,756</b>                    | <b>125,538</b>                  |
| <b>Equity</b>   |                                   |                                 |                                   |                                 |
| Share capital   | 25,048                            | 25,048                          | 25,048                            | 25,048                          |
| Treasury shares   | (3,303)                           | (3,303)                         | (3,303)                           | (3,303)                         |
| Other reserves  | (15,269)                          | (15,267)                        | (2,445)                           | (1,900)                         |
| Retained earnings   | 179,548                           | 180,987                         | 755                               | 2,851                           |
| Equity attributable to owners of the parent                       | 186,024                           | 187,465                         | 20,055                            | 22,696                          |
| Non-controlling interests   | 936                               | 1,615                           | -                                 | -                               |
| <b>Total equity</b>   | <b>186,960</b>                    | <b>189,080</b>                  | <b>20,055</b>                     | <b>22,696</b>                   |
| <b>Non-current liabilities</b>                                    |                                   |                                 |                                   |                                 |
| Bank borrowings   | 10,786                            | 7,399                           | -                                 | -                               |
| Finance lease payables  | 294                               | -                               | 69                                | 79                              |
| Lease liability   | 5,561                             | 6,220                           | -                                 | -                               |
| Medium term notes   | 47,944                            | 47,933                          | 47,944                            | 47,933                          |
| Provision   | 512                               | 512                             | -                                 | -                               |
| Deferred tax liabilities  | 1                                 | 1                               | -                                 | -                               |
| <b>Total non-current liabilities</b>                              | <b>65,098</b>                     | <b>62,065</b>                   | <b>48,013</b>                     | <b>48,012</b>                   |
| <b>Current liabilities</b>  |                                   |                                 |                                   |                                 |
| Trade and other payables  | 37,234                            | 46,846                          | 3,528                             | 3,791                           |
| Contract liability  | -                                 | 378                             | -                                 | -                               |
| Bank borrowings   | 29,944                            | 29,847                          | -                                 | -                               |
| Finance lease payables  | 123                               | -                               | 21                                | 20                              |
| Lease liability   | 788                               | 984                             | -                                 | -                               |
| Medium term notes   | 51,134                            | 51,019                          | 51,134                            | 51,019                          |
| Provision   | 4,539                             | 4,539                           | -                                 | -                               |
| Current income tax payable  | 6,253                             | 8,816                           | 5                                 | -                               |
| <b>Total current liabilities</b>                                  | <b>130,015</b>                    | <b>142,429</b>                  | <b>54,688</b>                     | <b>54,830</b>                   |
| <b>Total liabilities</b>  | <b>195,113</b>                    | <b>204,494</b>                  | <b>102,701</b>                    | <b>102,842</b>                  |
| <b>Total equity and liabilities</b>                               | <b>382,073</b>                    | <b>393,574</b>                  | <b>122,756</b>                    | <b>125,538</b>                  |

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

### Amount repayable in one year or less, or on demand

| As at 31/03/2021<br>Unaudited |                      | As at 30/09/2020<br>Audited |                      |
|-------------------------------|----------------------|-----------------------------|----------------------|
| Secured<br>S\$'000            | Unsecured<br>S\$'000 | Secured<br>S\$'000          | Unsecured<br>S\$'000 |
| 29,944                        | 51,134               | 29,847                      | 51,019               |

### Amount repayable after one year

| As at 31/03/2021<br>Unaudited |                      | As at 30/09/2020<br>Audited |                      |
|-------------------------------|----------------------|-----------------------------|----------------------|
| Secured<br>S\$'000            | Unsecured<br>S\$'000 | Secured<br>S\$'000          | Unsecured<br>S\$'000 |
| 10,786                        | 47,944               | 7,399                       | 47,933               |

#### Details of collateral:

The Group's secured borrowings are secured by corporate guarantee, properties and project proceeds in respect of the Company's construction projects.

The unsecured borrowing relates to the following Fixed Rate Notes issued under the Keong Hong Holdings Limited Multicurrency Medium Term Note Programme:

| Term Notes   | Net Proceeds /<br>Balance | Remark   |
|--|---------------------------|--|
| The S\$85 million 5.75% 4-Year Fixed Rate Notes (Series 2 Term Notes), due on 15 September 2021. | 51,134                    | The Series 2 Term Notes was issued on 15 September 2017. (See Note 1). |
| The S\$48 million 6.25% 3-Year Fixed Rate Notes (Series 3 Term Notes), due on 19 August 2023.    | 47,944                    | The Series 3 Term Notes was issued on 19 August 2020 (See Note 1).     |

#### Note 1:

On 22 July 2020, the Group launched an exchange offer exercise to invite holders of Series 2 Term Notes to exchange any or all outstanding Series 2 Term Notes for a like principal amount of 6.25% fixed rate notes due 2023 (Series 3 Term Notes) issued under Keong Hong Holdings Limited S\$200 million Multicurrency Medium Term Note Programme. In aggregate, S\$33.75 million of Series 2 Term Notes was accepted under the exchange offer and S\$33.75 million of Series 3 Term Notes was issued for the exchange. In addition, the Group also issued additional new Series 3 Term Notes with principal amount of S\$14.25 million. The aggregate amount of Series 3 term Notes issued for the exchange offer and addition new notes was \$48 million with net proceeds of S\$13.90 million.

**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**

|   | <b>Group</b>           |                        |
|---|------------------------|------------------------|
|   | <b>Half Year ended</b> | <b>Half Year ended</b> |
|   | <b>31/3/2021</b>       | <b>31/3/2020</b>       |
|   | <b>Unaudited</b>       | <b>Unaudited</b>       |
|   | <b>S\$'000</b>         | <b>S\$'000</b>         |
| <b>Operating activities</b>                                     |                        |                        |
| (Loss)/ profit before income tax                                | (1,254)                | 12,013                 |
| Adjustments for:  |                        |                        |
| Amortisation of intangible assets                               | 6                      | 10                     |
| Amortisation of lease expenses                                  | 601                    | 445                    |
| Depreciation of investment properties                           | 320                    | 314                    |
| Depreciation of property, plant and equipment                   | 1,642                  | 1,852                  |
| Reversal of loss allowance of other receivables                 | (306)                  | (42)                   |
| Gain on disposal of plant and equipment                         | -                      | (114)                  |
| Interest income   | (2,202)                | (3,192)                |
| Interest expenses   | 3,529                  | 3,157                  |
| Loss/(gain) on unrealised foreign exchange                      | 2,523                  | (2,676)                |
| Share option expense  | 10                     | 146                    |
| Share of results of joint venture, net of tax                   | (2,620)                | (4,760)                |
| Share of result of associates, net of tax                       | 2,989                  | 6,103                  |
| <b>Operating cash flows before movements in working capital</b> | <b>5,238</b>           | <b>13,256</b>          |
| Working Capital Changes:  |                        |                        |
| Inventories   | (596)                  | 61                     |
| Trade and other receivables                                     | (1,479)                | (962)                  |
| Contract assets   | (6,192)                | 7,277                  |
| Prepayments   | 238                    | 179                    |
| Provisions  | 863                    | 1,775                  |
| Contract liability  | (505)                  | (173)                  |
| Trade and other payables  | (9,164)                | (27,824)               |
| <b>Cash generated used in operations</b>                        | <b>(11,597)</b>        | <b>(6,411)</b>         |
| Income tax paid   | (3,399)                | (2,727)                |
| <b>Net cash generated used in operating activities</b>          | <b>(14,996)</b>        | <b>(9,138)</b>         |
| <b>Investing activities</b>                                     |                        |                        |
| Investment in joint ventures                                    | -                      | (330)                  |
| Purchase of plant and equipment                                 | (813)                  | (12)                   |
| Purchase of investment properties                               | (8)                    | (23)                   |
| Purchase of right-of-use assets                                 | (73)                   | -                      |
| Proceeds from finance lease receivables                         | -                      | 69                     |
| Proceeds from disposal of plant and equipment                   | -                      | 157                    |
| Capital distribution from financial assets at FVOCI             | 150                    | -                      |
| Loan to associates  | (2,082)                | (7,188)                |
| Loan to joint ventures  | (1,305)                | (2,048)                |
| Loan to third party   | -                      | (960)                  |
| Repayment of loan from associates                               | 250                    | 2,069                  |
| Repayment of loan from third parties                            | 111                    | -                      |
| Interest received   | 36                     | 152                    |
| Dividend received   | -                      | 8,171                  |
| <b>Net cash from (used in)/ from investing activities</b>       | <b>(3,734)</b>         | <b>57</b>              |

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)

|  | <b>Group</b>           |                  |
|--|------------------------|------------------|
|  | <b>Half Year ended</b> |                  |
|  | <b>31/3/2021</b>       | <b>31/3/2020</b> |
|  | <b>Unaudited</b>       | <b>Unaudited</b> |
|  | <b>S\$'000</b>         | <b>S\$'000</b>   |
| <b>Financing activities</b>  |                        |                  |
| Fixed deposit pledged with financial institutions                  | (3)                    | (1)              |
| Proceeds from obligation under lease                               | 49                     | 35               |
| Proceeds from bank borrowings                                      | 9,418                  | 11,460           |
| Repayments of bank borrowings                                      | (5,935)                | (17,122)         |
| Dividend paid  | -                      | (3,525)          |
| Repayment of obligation under lease                                | (486)                  | (363)            |
| Interest paid  | (3,438)                | (3,024)          |
| <b>Net cash used in financing activities</b>                       | <b>(395)</b>           | <b>(12,540)</b>  |
| Net change in cash and cash equivalents                            | (19,125)               | (21,621)         |
| Cash and cash equivalents at the beginning of the financial period | 40,000                 | 55,792           |
| Exchange difference on cash and cash equivalents                   | (153)                  | (517)            |
| <b>Cash and cash equivalents at end of the financial period</b>    | <b>20,722</b>          | <b>33,654</b>    |

Cash and cash equivalents comprised of:

|  | <b>31/3/2021</b> | <b>31/3/2020</b> |
|--|------------------|------------------|
|  | <b>Unaudited</b> | <b>Unaudited</b> |
|  | <b>S\$'000</b>   | <b>S\$'000</b>   |
| Fixed deposits, cash and bank balances | 21,257           | 34,184           |
| Fixed deposits pledged                 | (535)            | (530)            |
|  | <b>20,722</b>    | <b>33,654</b>    |

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

|  | Share capital<br>S\$'000 | Treasury shares<br>S\$'000 | Foreign currency translation accounts<br>S\$'000 | Share option reserve<br>S\$'000 | Merger reserve<br>S\$'000 | Fair value reserve<br>S\$'000 | Other reserve<br>S\$'000 | Retained earnings<br>S\$'000 | Equity attributable to owners of the parent<br>S\$'000 | Non-controlling interests<br>S\$'000 | Total<br>S\$'000 |
|--|--------------------------|----------------------------|--|---------------------------------|---------------------------|-------------------------------|--------------------------|------------------------------|--|--------------------------------------|------------------|
| <b>Group (Unaudited)</b>                                   |                          |                            |  |                                 |                           |                               |                          |                              |  |                                      |                  |
| Balance at 1 October 2020                                  | 25,048                   | (3,303)                    | 837  | 2,030                           | (4,794)                   | (14,465)                      | 1,125                    | 180,987                      | 187,465  | 1,615                                | 189,080          |
| Loss for the financial period                              | -                        | -                          | -  | -                               | -                         | -                             | -                        | (1,439)                      | (1,439)  | (679)                                | (2,118)          |
| Other comprehensive income for the financial period:       |                          |                            |  |                                 |                           |                               |                          |                              |  |                                      |                  |
| Exchange differences on translating foreign operations     | -                        | -                          | 543  | -                               | -                         | -                             | -                        | -                            | 543  | -                                    | 543              |
| Fair value loss on available-for-sale financial assets     | -                        | -                          | -  | -                               | -                         | (555)                         | -                        | -                            | (555)  | -                                    | (555)            |
| Share of other comprehensive income of joint venture       | -                        | -                          | -  | -                               | -                         | -                             | -                        | -                            | -  | -                                    | -                |
| Total comprehensive income for the period                  | -                        | -                          | 543  | -                               | -                         | (555)                         | -                        | (1,439)                      | (1,451)  | (679)                                | (2,130)          |
| Contribution by and distribution to owners of the parents: |                          |                            |  |                                 |                           |                               |                          |                              |  |                                      |                  |
| Share option expense                                       | -                        | -                          | -  | 10                              | -                         | -                             | -                        | -                            | 10   | -                                    | 10               |
| Total transactions with owners of the parent               | -                        | -                          | -  | 10                              | -                         | -                             | -                        | -                            | 10   | -                                    | 10               |
| Balance at 31 March 2021                                   | 25,048                   | (3,303)                    | 1,380  | 2,040                           | (4,794)                   | (15,020)                      | 1,125                    | 179,548                      | 186,024  | 936                                  | 186,960          |

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

|  | Share capital<br>S\$'000 | Treasury shares<br>S\$'000 | Foreign currency translation accounts<br>S\$'000 | Share option reserve<br>S\$'000 | Merger reserve<br>S\$'000 | Fair value reserve<br>S\$'000 | Other reserve<br>S\$'000 | Retained earnings<br>S\$'000 | Equity attributable to owners of the parent<br>S\$'000 | Non-controlling interests<br>S\$'000 | Total<br>S\$'000 |
|--|--------------------------|----------------------------|--|---------------------------------|---------------------------|-------------------------------|--------------------------|------------------------------|--|--------------------------------------|------------------|
| <b>Group (Unaudited)</b>   |                          |                            |  |                                 |                           |                               |                          |                              |  |                                      |                  |
| Balance at 1 October 2019  | 25,048                   | (3,303)                    | 494  | 1,747                           | (4,794)                   | 178                           | 1,119                    | 202,555                      | 223,044  | 2,300                                | 225,344          |
| Profit for the financial period  | -                        | -                          | -  | -                               | -                         | -                             | -                        | 10,027                       | 10,027   | (441)                                | 9,586            |
| Other comprehensive income for the financial period:                                   |                          |                            |  |                                 |                           |                               |                          |                              |  |                                      |                  |
| Exchange differences on translating foreign operations                                 | -                        | -                          | (383)  | -                               | -                         | -                             | -                        | -                            | (383)  | -                                    | (383)            |
| Fair value loss on available-for-sale financial assets                                 | -                        | -                          | -  | -                               | -                         | (225)                         | -                        | -                            | (225)  | -                                    | (225)            |
| Share of other comprehensive income of joint venture                                   | -                        | -                          | -  | -                               | -                         | -                             | -                        | -                            | -  | -                                    | -                |
| Total comprehensive income for the period  | -                        | -                          | (383)  | -                               | -                         | (225)                         | -                        | 10,027                       | 9,419  | (441)                                | 8,978            |
| Contribution by and distribution to owners of the parents:                             |                          |                            |  |                                 |                           |                               |                          |                              |  |                                      |                  |
| Dividends  | -                        | -                          | -  | -                               | -                         | -                             | -                        | (3,525)                      | (3,525)  | -                                    | (3,525)          |
| Non-controlling interests share of fair value adjustments on acquisition of subsidiary | -                        | -                          | -  | -                               | -                         | -                             | -                        | -                            | -  | 102                                  | 102              |
| Share option expense   | -                        | -                          | -  | 146                             | -                         | -                             | -                        | -                            | 146  | -                                    | 146              |
| Total transactions with owners of the parent   | -                        | -                          | -  | 146                             | -                         | -                             | -                        | (3,525)                      | (3,379)  | 102                                  | (3,277)          |
| Balance at 31 March 2020   | 25,048                   | (3,303)                    | 111  | 1,893                           | (4,794)                   | (47)                          | 1,119                    | 209,057                      | 229,084  | 1,961                                | 231,045          |



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

|  | Share capital<br>S\$'000 | Treasury Shares<br>S\$'000 | Share option reserve<br>S\$'000 | Fair value reserve<br>S\$'000 | Retained earnings<br>S\$'000 | Total<br>S\$'000 |
|--|--------------------------|----------------------------|---------------------------------|-------------------------------|------------------------------|------------------|
| <b>Company (Unaudited)</b>                             |                          |                            |                                 |                               |                              |                  |
| Balance at 1 October 2020                              | 25,048                   | (3,303)                    | 2,030                           | (3,930)                       | 2,851                        | 22,696           |
| Total comprehensive loss for the period                | -                        | -                          | -                               | -                             | (2,096)                      | (2,096)          |
| Fair value loss on available-for-sale financial assets | -                        | -                          | -                               | (555)                         | -                            | (555)            |
| Share option expense                                   | -                        | -                          | 10                              | -                             | -                            | 10               |
| <b>Balance at 31 March 2021</b>                        | <b>25,048</b>            | <b>(3,303)</b>             | <b>2,040</b>                    | <b>(4,485)</b>                | <b>755</b>                   | <b>20,055</b>    |
| Balance at 1 October 2019                              | 25,048                   | (3,303)                    | 1,747                           | (2,400)                       | 8,801                        | 29,893           |
| Total comprehensive loss for the period                | -                        | -                          | -                               | -                             | (1,985)                      | (1,985)          |
| Fair value loss on available-for-sale financial assets | -                        | -                          | -                               | (225)                         | -                            | (225)            |
| Dividends  | -                        | -                          | -                               | -                             | (3,525)                      | (3,525)          |
| <i>Share option expense</i>                            | -                        | -                          | 146                             | -                             | -                            | 146              |
| <b>Balance at 31 March 2020</b>                        | <b>25,048</b>            | <b>(3,303)</b>             | <b>1,893</b>                    | <b>(2,625)</b>                | <b>3,291</b>                 | <b>24,304</b>    |
|  |                          |                            |                                 |                               |                              |                  |

**1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, subdivision, consolidation, 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.**

|                      | Number of issued shares | Share capital (\$) |
|----------------------|-------------------------|--------------------|
| As at 1 October 2020 | 235,010,000             | 25,048,000         |
| Movement             | -                       | -                  |
| As at 31 March 2021  | 235,010,000             | 25,048,000         |

As at 31 March 2021, there were 6,455,000 outstanding options issued under Employee Share Option Scheme (the "ESOS") (31 March 2020: 6,555,000), which are convertible into 6,455,000 (31 March 2020: 6,555,000) shares. The total number of issued shares excluding treasury shares of the Company was 235,010,000 and 235,010,000 as at 31 March 2021 and 31 March 2020 respectively. Save for the options, the Company did not have any outstanding convertibles as at 31 March 2021 and 31 March 2020.

As at 31 March 2021, the Company held 7,555,000 treasury shares (31 March 2020: 7,555,000 treasury shares) representing 3.11% (31 March 2020: 3.11%) of the total number of issued shares (including treasury shares) of 242,565,000 shares (31 March 2020: 242,565,000 shares). The Company does not have any subsidiary holdings as at the periods ended 31 March 2021 and 31 March 2020.

**1(d)(iii) To show the 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.**

|  | 31/03/2021<br>Unaudited | 30/09/2020<br>Audited |
|--|-------------------------|-----------------------|
| Total number of issued shares                            | 242,565,000             | 242,565,000           |
| Treasury shares  | (7,555,000)             | (7,555,000)           |
| Total number of issued shares, excluding treasury shares | 235,010,000             | 235,010,000           |

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

Movement of treasury shares:

|   | Number of Treasury Shares |
|---|---------------------------|
| As at 1 October 2020                            | 7,555,000                 |
| Sales, transfers, disposals and/or cancellation | -                         |
| As at 31 March 2021                             | 7,555,000                 |

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

There is no subsidiary holdings.

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

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

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

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion**

No.

(a) Updates on the efforts taken to resolve each outstanding audit issue

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

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**

Except as disclosed in note (5) below, the financial results for the current financial year reported on have been presented using the same accounting policies and methods of computation as in the Company's most recently audited financial statement as set out in the annual report for the financial year ended 30 September 2020.

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

The Group has adopted all new and revised Financial Reporting Standard ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 October 2019, where applicable.

With regards to SFRS(I) 16 Lease, the new approach to lease accounting require a lessee to recognise assets and liabilities for the rights and obligations created by leases (with limited exceptions). This approach will result in a more faithful representation of a lessee's assets and liabilities and together with enhanced disclosures, will provide greater transparency of a lessee's financial leverage and capital employed.

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.**  
**(a) Based on the weighted average number of ordinary shares on issue; and**  
**(b) On a fully diluted basis (detailing any adjustments made to the earnings).**

|  | Group                   |                         |
|--|-------------------------|-------------------------|
|  | Half Year ended         |                         |
|  | 31/03/2021<br>Unaudited | 31/03/2020<br>Unaudited |
| Profit attributable to owners of the parent (S\$'000)                        | (1,439)                 | 10,027                  |
| (i) Earnings per share ("EPS") – Basic<br>(Singapore cents) <sup>(1)</sup>   | (0.61)                  | 4.27                    |
| Weighted average number of ordinary shares <sup>(3)</sup>                    | 235,010,000             | 234,010,000             |
| (ii) Earnings per share ("EPS") –Diluted<br>(Singapore cents) <sup>(2)</sup> | (0.61) <sup>(3)</sup>   | 4.26                    |
| Weighted average number of ordinary shares<br><sup>(3)</sup>                 | 235,010,000             | 235,340,660             |

Notes:

- (1) The calculation for the basic EPS for the relevant financial periods is based on the weighted average number of ordinary shares of the Company during the relevant financial periods.
- (2) The calculation for the diluted EPS is based on the weighted average number of ordinary shares of the Company after adjusting for lapsed Options and dilution assuming the Options are fully exercised into ordinary shares of the Company.
- (3) No adjustment was made as the Group was in loss-making position for 1H2021. As such, the potential ordinary shares to be converted arising from the options as at 1H2021 were anti-dilutive.
- (4) The figure was computed taking into account the shares bought back by the Company during the relevant financial period, if any.

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

|  | Group                   |                       | Company                 |                       |
|--|-------------------------|-----------------------|-------------------------|-----------------------|
|  | 31/03/2021<br>Unaudited | 30/09/2020<br>Audited | 31/03/2021<br>Unaudited | 30/09/2020<br>Audited |
| Net asset value per ordinary share (Singapore cents) | 79.16                   | 79.77                 | 8.53                    | 9.66                  |
| Number of issued shares excluding treasury shares    | 235,010,000             | 235,010,000           | 235,010,000             | 235,010,000           |

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

### **Review of the performance**

#### **Revenue**

For half year ended 31 March 2021 (“1H2021”), revenue decreased by 54.4% to S\$28.1 million as compared to S\$61.6 million in the corresponding period ended 31 March 2020 (“1H2020”). The decrease in revenue was mainly due to:

- lower revenue contribution from construction projects as Seaside Residences condominium had obtained its TOP in February 2021;
- lower construction output compared to pre-Covid period due to the implementation of Safe Management Measures, including safe distancing requirement and staggered timings for work on designated zones.

#### **Gross Profit & Gross Profit Margin**

In tandem with the decrease in revenue, gross profit decreased by 60.1% in 1H2021 to S\$6.6 million as compared to S\$16.6 million in 1H2020. Gross profit margin for 1H2021 was 23.5% compared to 26.9% in 1H2020.

#### **Other Income**

Other income decreased by S\$2.2 million to S\$4.8 million in 1H2021. The decrease was mainly due to absence of foreign exchange gain of S\$2.7 million, lower lease rent income of S\$0.3 million and lower interest income of S\$0.4 million. The decrease was offset by government grants of approximately S\$1.2 million received under Jobs Support Scheme and foreign worker levy rebates.

#### **Administration Expenses**

For 1H2021, administration expenses increased by 23.1% or S\$1.6 million to S\$8.7 million. This was due mainly to foreign exchange loss of S\$2.5 million as a result of weakening of the United States dollar and Japanese Yen against the Singapore dollar in the current reporting period. The increase was offset by lower staff costs of S\$ 0.6 million and reversal of expected credit loss (“ECL”) amounting to S\$0.3 million.

#### **Finance Costs**

Finance cost increased by 11.8% to S\$3.5 million in 1H2021 compared to S\$3.2 million in 1H2020, which was due mainly due to higher interest from the issuance of additional Series 3 term notes on 19 August 2020.

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

#### **Share of Results of Joint Ventures/Associates**

For 1H2021, the Group recorded a share of gain of S\$2.6 million from joint ventures for building construction and property development projects. The gain was offset by share of loss of S\$3.0 million from associate that was mainly attributable to the hotels and resorts business in Maldives.

#### **Profit before Income Tax**

As a result of significantly lower revenue, the Group's suffered a net loss before tax of S\$1.3 million in 1H2021 as compared to net profit before tax of S\$12.0 million in 1H2020.

#### **Review of Financial Position**

##### **Non-Current Assets**

Plant and equipment decreased from S\$25.5 million as at 30 September 2020 to S\$24.7 million as at 31 March 2021 due to depreciation expenses incurred in the current reporting period. Investment properties decreased from S\$23.4 million as at 30 September 2020 to S\$21.8 million as at 31 March 2021 due to depreciation expenses and unrealized foreign currency loss on translation of foreign operation.

##### **Current Assets**

Trade and other receivables increased by S\$3.6 million from S\$115.0 million as at 30 September 2020 to S\$118.6 million as at 31 March 2021. The increase was mainly due to loan extended to an associate.

##### **Current Liabilities**

As at 31 March 2021, current liabilities decreased by S\$12.4 million to S\$130.0 million compared to S\$142.4 million as of 30 September 2020. The decrease was mainly due to a decrease of S\$9.6 million in trade and other payables and lower provision of income tax payable.

The working capital of the Group improved from S\$32.1 million as at 30 September 2020 to S\$35.3 million as at 31 March 2021.

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

### **Review of Financial Position**

#### **Non-Current Liabilities**

Non-current liabilities increased by S\$3.0 million from S\$62.1 million as at 30 September 2020 to S\$65.1 million as at 31 March 2021. The increase was due mainly to higher bank borrowings in 1H2021.

#### **Review of Cash Flow Statement**

For 1H2021, the Group generated a positive operating cash flow of S\$5.2 million before movements in working capital. After taking into account changes in working capital, comprising mainly of an increase of S\$1.5 million in trade and other receivables, an increase of S\$6.2 million in contract assets and a decrease of S\$9.2 million in trade and other payables, as well as S\$3.4 million income tax payment, the Group recorded a net cash outflow of S\$15.0 million from operations.

Net cash used in investing activities of S\$3.7 million in 1H2021 was mainly attributable to S\$3.4 million loan extended to associate and joint ventures, which was partially offset by loan repayment of S\$0.4 million from associate and third party.

Net cash used in financing activities of S\$0.4 million in 1H2021 was due mainly to lease payment of S\$0.5 million, interest and loan repayments of S\$9.4 million, partially offset by proceed from lease and bank borrowings of S\$9.5 million.

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

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

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.**

### **Overview**

Singapore's economy grew for the first time since the outbreak of Covid-19 with a 0.2% expansion in the first quarter of 2021. However, the construction sector continued to contract, though at a slower pace of 20.2% compared with 27.4% in the preceding quarter<sup>1</sup>. The improved performance came on the back of a pickup in public and private sector construction activities in the first quarter as compared to the previous quarter.

While Singapore has largely brought the coronavirus under control and vaccine roll-out has been making good progress, there are growing concerns with the emergence of new variants that are more transmissible, and the effectiveness of the existing vaccines against them. Cases of re-infections in the migrant workers' dormitory may pose further threats, especially for the construction sector which relies heavily on migrant workers. The opening of borders is also unlikely to happen anytime soon as the pandemic seems to have gotten worse in other countries. Overall, 2021 will still be a tough year for our building construction and hotel investment business segments.

### **Building Construction**

The Group's current construction projects consist of National Skin Centre, Punggol Regional Sports Centre, Sky Everton condominium, Wilshire Residences condominium and The Antares condominium. As at 31 March 2021, the Group's construction order book stood at approximately S\$198.4 million.

Our construction projects are progressing well, albeit at a slower pace due to constraints on worker availability and on-site safe management measures. The Group's main focus is to ensure the smooth execution of our construction works as well as the safety of our workers on-site and in the dormitories and temporary living quarters.

### **Property Development and Investment**

Despite the pandemic, the property market in Singapore has shown great resilience, as seen in the first quarter 2021 real estate statistics released by URA. Prices of private residential properties increased by 3.3% in first quarter 2021, compared with the 2.1% increase in the previous quarter. Developers sold 3,493 private residential units (excluding executive condominiums) in first quarter 2021, compared with the 2,603 units sold in the previous quarter<sup>2</sup>.

Singapore remains a safe and attractive place for foreign investments and new companies to set up their offices, coupled with an improved outlook for the economy and stable unemployment rate, we are cautiously optimistic on the prospects for property market in the coming months. The Group will continue to tender for new sites under private land sales and the government land sales programme in 2021.

---

<sup>1</sup> Ministry of Trade and Industry, "Singapore's GDP Grew by 0.2 Per Cent in the First Quarter of 2021", 14 April 2021.

<sup>2</sup> Urban Redevelopment Authority, "Release of 1<sup>st</sup> Quarter 2021 Real Estate Statistics", 23 April 2021.



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. (Cont'd)**

**Property Development and Investment (Cont'd)**

Seaside Residences has been fully sold and obtained its temporary occupation permit ("TOP") in February 2021. The Antares has registered sales of 100 units to date.

**Hotel Development and Investment**

Maldives has commenced Covid-19 vaccinations on 1 February 2021, with workers in the tourism sector given priority for vaccinations. To date, the number of Covid-19 cases in the Maldives remained low.

As of 10 May 2021, there were 415,415 tourist arrivals as compared with a total of 555,494 arrivals in year 2020 and over 1.7 million arrivals in year 2019<sup>3</sup>. Our team in Maldives are actively marketing and promoting our hotel and resort, with both properties achieving a combined average occupancy rate of more than 60% in the January-to-March quarter of 2021.

11. **Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? **None.**

**(b) Corresponding Period of the Immediately Preceding Financial Year**

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date.**

Not applicable.

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

In view of the challenging economic and market conditions caused by the COVID-19 pandemic, the operating environment is therefore expected to remain challenging in the months ahead. In view of these challenges, the directors therefore do not recommend an interim dividend as it is critical for the Group to conserve its cash resources so as to sustain its business operations.

---

<sup>3</sup> Ministry of Tourism, Republic of Maldives, <https://www.tourism.gov.mv/en/downloads/reports>

- 13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), 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 does not have a general mandate for IPT. There was no IPT in 1H2021.

- 14. Negative confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual**

To the best of its knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Company and the Group for half year ended 31 March 2021 presented in this announcement, to be false or misleading in any material aspect.

- 15. Confirmation pursuant to Rule 720 (1) of the SGX-ST Listing Manual.**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720 (1) of the SGX-ST Listing Manual.

**By Order of the Board**

Leo Ting Ping Ronald  
Executive Chairman and Chief Executive Officer  
13 May 2021