



Hock Lian Seng Holdings Limited

Company Registration Number 200908903E

Unaudited Interim Financial Statements

- For the six months and full year ended 31 December 2021

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Consolidated statement of profit or loss

	Note	Group			Group		
		2H2021	2H2020	Change	FY2021	FY2020	Change
		S\$'000	S\$'000	%	\$'000	\$'000	%
Revenue	4	92,123	25,944	255.1%	168,615	60,238	179.9%
Cost of sales		(81,288)	(23,778)	241.9%	(151,566)	(54,333)	179.0%
Gross profit		10,835	2,166	400.2%	17,049	5,905	188.7%
Other income		4,899	6,090	-19.6%	9,999	11,441	-12.6%
Distribution and selling costs		(39)	(34)	14.7%	(72)	(62)	16.1%
Administrative costs		(2,699)	(1,221)	121.0%	(4,232)	(2,965)	42.7%
Other operating costs		(739)	(2,675)	-72.4%	(1,545)	(6,354)	-75.7%
Share of results of joint ventures, net of		6,656	(1,236)	n.m.	7,285	(2,564)	n.m.
Profit before taxation	6	18,913	3,090	512.1%	28,484	5,401	527.4%
Tax expenses	7	(2,132)	(580)	267.6%	(3,513)	(1,111)	216.2%
Profit after taxation		16,781	2,510	568.5%	24,971	4,290	482.1%
Attributable to:							
Equity holders of the Company		16,870	2,467	583.8%	25,127	4,236	593.2%
Non-controlling interests		(89)	43	-307.0%	(156)	54	n.m.
		Cents	Cents		Cents	Cents	
Earnings per shares for profit to the owners of the Company :							
Basic earnings per share		3.29	0.48		4.91	0.83	
Dilluted earnings per share		3.29	0.48		4.91	0.83	

The calculation of basic earnings per share at 31 December was based on profit attributing to owners of the Company and the weighted average number of ordinary shares outstanding.

Consolidated statement of other comprehensive income

	Group		Group	
	2H2021	2H2020	FY2021	FY2020
	S\$'000	S\$'000	\$'000	\$'000
Profit after taxation	16,781	2,510	24,971	4,290
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Financial instruments at FVOCI				
- Net change in fair value	10	283	214	(205)
- Gain on disposal	-	-	10	-
Other comprehensive income	10	283	224	(205)
Total comprehensive income	16,791	2,793	25,195	4,085
Attributable to:				
Equity holders of the Company	16,880	2,750	25,351	4,031
Non-controlling interests	(89)	43	(156)	54

Statements of financial position

	Note	Group		Company	
		31.12.2021 \$'000	31.12.2020 \$'000	31.12.2021 \$'000	31.12.2020 \$'000
Non-current assets					
Property, plant and equipment	15	22,735	26,881	-	-
Subsidiary companies		-	-	37,814	37,844
Investment in joint ventures	13	50,624	40,627	-	-
Investment properties	11	2,900	2,850	-	-
Investment securities	10	10,385	7,428	-	-
Deferred tax assets		4,313	3,061	-	-
		90,957	80,847	37,814	37,844
Current assets					
Development properties	12	95,158	99,659	-	-
Contract assets		41,574	18,595	-	-
Trade receivables		29,711	11,480	-	-
Other receivables		5,882	6,050	70,695	65,050
Amounts due from joint ventures		591	409	-	-
Prepayments and deposits		2,192	1,496	-	3
Investment securities	10	8,984	14,396	-	-
Cash and short term deposits		67,464	59,730	2,083	2,248
		251,556	211,815	72,778	67,301
Current liabilities					
Trade and other payables		61,090	51,293	386	309
Advance payment received for construction projects		19,754	5,713	-	-
Contract liabilities		-	6,978	-	-
Provisions	14	28,116	21,927	-	-
Provision for taxation		4,811	1,966	15	19
		113,771	87,877	401	328
Net current assets		137,785	123,938	72,377	66,973
Non-current liabilities					
Deferred income		144	345	-	-
Other payables		945	702	-	-
		1,089	1,047	-	-
Net assets		227,653	203,738	110,191	104,817
Equity					
Share capital	16	59,954	59,954	59,954	59,954
Capital reserve		1,000	1,000	-	-
Fair value adjustment reserve		341	127	-	-
Accumulated profits		182,647	158,790	50,237	44,863
Merger deficit		(16,239)	(16,239)	-	-
Equity attributable to owners of the Company		227,703	203,632	110,191	104,817
Non-Controlling interests		(50)	106	-	-
Total Equity		227,653	203,738	110,191	104,817

Statements of changes in equity
Group

	Share capital	Capital reserve	Accumulated profits	Fair value adjustment reserve	Merger deficit	Non-controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2021	59,954	1,000	158,790	127	(16,239)	106	203,738
Net Profit	-	-	25,127	-	-	(156)	24,971
Other comprehensive income	-	-	10	214	-	-	224
Total comprehensive income	-	-	25,137	214	-	(156)	25,195
Dividend on ordinary shares	-	-	(1,280)	-	-	-	(1,280)
At 31 December 2021	59,954	1,000	182,647	341	(16,239)	(50)	227,653
At 1 January 2020	59,954	1,000	160,699	332	(16,239)	52	205,798
Net Profit	-	-	4,236	-	-	54	4,290
Other comprehensive income	-	-	-	(205)	-	-	(205)
Total comprehensive income	-	-	4,236	(205)	-	54	4,085
Dividend on ordinary shares	-	-	(6,145)	-	-	-	(6,145)
Total transactions with owners, recognised directly in equity	-	-	(6,145)	-	-	-	(6,145)
At 31 December 2020	59,954	1,000	158,790	127	(16,239)	106	203,738

Company

	Share capital	Accumulated profits	Total Equity
	\$'000	\$'000	\$'000
At 1 January 2021	59,954	44,863	104,817
Profit, representing total comprehensive income	-	6,654	6,654
Dividend on ordinary shares	-	(1,280)	(1,280)
At 31 December 2021	59,954	50,238	110,191
At 1 January 2020	59,954	42,466	102,420
Profit, representing total comprehensive income	-	8,542	8,542
Dividend on ordinary shares	-	(6,145)	(6,145)
At 31 December 2020	59,954	44,863	104,817

Consolidated statement of cash flows

	Financial year	
	FY2021	FY2020
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation	28,484	5,401
Adjustments :		
Depreciation of property, plant and equipment	4,776	4,989
Bad debts written off	79	-
(Gain)/loss on disposal of property, plant and equipment	(151)	(123)
Fair value changes on investment properties	(50)	-
Fair value changes on investment securities	(98)	185
(Gain)/Loss on disposal of investment securities	(5)	390
Share of results of joint venture	(7,285)	2,564
Interest income	(2,383)	(2,480)
Unrealised foreign exchange (gain)/loss	(296)	217
Dividend income from investment securities	(64)	(70)
Operating cash flows before working capital changes	23,007	11,073
(Increase)/decrease in:		
Contract assets	(22,979)	(13,560)
Development properties	4,501	1,335
Trade receivables	(18,310)	9,576
Other receivables	(89)	(417)
Prepayments and deposits	(696)	1,407
Increase/(decrease) in:		
Trade and other payables and provisions	16,229	(20,619)
Contract liabilities	(6,978)	(1,965)
Advance payments received for construction project	14,041	436
Deferred income	(201)	224
Cash flows generated from / (used in) operations	8,525	(12,510)
Interest received	127	485
Income tax paid	(1,920)	(5,252)
Net cash flows generated from / (used in) operating activities	6,732	(17,277)
Cash flows from investing activities		
Purchases of property, plant and equipment	(652)	(286)
Advance to joint venture	(1,350)	(2,960)
Purchases of investment securities	(5,745)	(1,844)
Proceeds from liquidation of joint venture company	-	507
Proceeds from disposal of property, plant and equipment	173	565
Proceeds from maturity/redemption of investment securities	8,015	7,729
Proceeds from disposal of investment securities	512	740
Interest received from investment securities	969	1,268
Dividend income received from investment securities	64	70
Net cash flows (used in) / generated from investing activities	1,986	5,789
Cash flows from financing activities		
Dividend paid	(1,280)	(6,145)
Net cash flows used in financing activities	(1,280)	(6,145)
Net increase/(decrease) in cash and cash equivalents	7,438	(17,633)
Effect of exchange differences on cash and cash equivalents	296	(217)
Cash and cash equivalents, Beginning balance	59,730	77,580
Cash and cash equivalents, Ending balance	67,464	59,730

Selected Notes to the consolidated financial statements

1. Corporate information

Hock Lian Seng Holdings Limited (the "Company") is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements for the six months and financial year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Group are provision of civil engineering ; property development and investments.

2. Basis of Preparation

The interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

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

The interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

During the current financial period, the Group and the Company have adopted the following amendments to SFRS(I)s which took effect from financial year beginning 1 January 2021:

- Amendments to SFRS(I) 16 Covid-19-Related Rent Concessions; and
- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2.

The adoption of the above amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the year ended 31 December 2021. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

2.2 Use of judgements and estimates

The preparation of the Group's condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at end of year ended 31 December 2020.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Seasonal operations

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

4. Segment and revenue information

The Group is organised into three main business segments – civil engineering, properties development, properties investment. No other operating segment constitutes a separate reportable segment. The segment information for the reportable segments is as follows:

	<i>Civil Engineering</i> \$'000	<i>Properties Development</i> \$'000	<i>Properties Investment</i> \$'000	<i>Adjustments</i> \$'000	<i>Total</i> \$'000
2H 2021					
Sales to external customers	90,220	1,894	9	-	92,123
		-	-		-
	<u>90,220</u>	<u>1,894</u>	<u>9</u>	<u>-</u>	<u>92,123</u>
Results					
Depreciation	2,350	-	-	-	2,350
Fair value gain on investment properties	-	-	50	-	50
Dividend income from investment securities	-	-	-	40	40
Interest income	-	931	-	728	1,659
Share of results of joint venture	-	6,656	-	-	6,656
Segment profit	<u>10,674</u>	<u>8,140</u>	<u>-</u>	<u>99</u>	<u>18,913</u>
2H 2020					
Sales to external customers	25,870	72	2	-	25,944
	<u>25,870</u>	<u>72</u>	<u>2</u>	<u>-</u>	<u>25,944</u>
Results					
Depreciation	2,424	-	-	-	2,424
Fair value loss on investment properties	-	-	-	-	-
Dividend income from investment securities	-	-	-	24	24
Interest income	-	431	-	1,000	1,431
Share of results of joint venture	-	(1,236)	-	-	(1,236)
Segment profit	<u>2,226</u>	<u>(413)</u>	<u>2</u>	<u>1,275</u>	<u>3,090</u>

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	<i>Civil Engineering</i> \$'000	<i>Properties Development</i> \$'000	<i>Properties Investment</i> \$'000	<i>Adjustments</i> \$'000	<i>Total</i> \$'000
<u>FY 2021</u>					
Sales to external customers	163,341	5,135	139	-	168,615
	<u>163,341</u>	<u>5,135</u>	<u>139</u>	<u>-</u>	<u>168,615</u>
Results					
Depreciation	4,776	-	-	-	4,776
Fair value gain on investment properties	-	-	50	-	50
Dividend income from investment securities	-	-	-	64	64
Interest income	-	1,362	-	1,021	2,383
Share of results of joint venture	-	7,285	-	-	7,285
Segment profit	<u>16,087</u>	<u>9,504</u>	<u>33</u>	<u>2,860</u>	<u>28,484</u>
Assets					
Investment in joint ventures	-	50,888	-	-	50,888
Additions to non-current assets	652	-	-	-	652
Segment assets	<u>167,554</u>	<u>146,391</u>	<u>3,535</u>	<u>25,033</u>	<u>342,513</u>
Segment liabilities					
	<u>108,029</u>	<u>1,991</u>	<u>29</u>	<u>4,811</u>	<u>114,860</u>
<u>FY 2020</u>					
Sales to external customers	59,943	144	151	-	60,238
	<u>59,943</u>	<u>144</u>	<u>151</u>	<u>-</u>	<u>60,238</u>
Results					
Depreciation	4,989	-	-	-	4,989
Fair value loss on investment properties	-	-	-	-	-
Dividend income from investment securities	-	-	-	70	70
Interest income	-	845	-	1,635	2,480
Share of results of joint venture	-	(2,564)	-	-	(2,564)
Segment profit	<u>5,918</u>	<u>(1,764)</u>	<u>44</u>	<u>1,203</u>	<u>5,401</u>
Assets					
Investment in joint ventures	-	40,627	-	-	40,627
Additions to non-current assets	286	-	-	-	286
Segment assets	<u>118,157</u>	<u>146,262</u>	<u>3,358</u>	<u>24,885</u>	<u>292,662</u>
Segment liabilities					
	<u>85,015</u>	<u>1,915</u>	<u>28</u>	<u>1,966</u>	<u>88,924</u>

The Group's revenue from external customers was principally generated from Singapore. Accordingly, no geographical segment assets and revenue from customers' information are presented.

4.2 Disaggregation of revenue

	Group		Group	
	2H 2021	2H 2020	FY2021	FY2020
	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customer				
Contract revenue from construction projects - recognised over time	89,994	25,586	162,886	59,502
Supply of labour and services provided - recognised over time	218	221	447	450
Sales of development properties - recognised at a point of time	1,751	-	4,992	-
Other revenue	-	-	-	-
Rental Income from Investment properties	160	137	290	286
Total revenue	92,123	25,944	168,615	60,238

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020 :

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
Financial Assets at fair value				
Financial Assets at fair value through other comprehensive income (FVOCI)	10,385	7,428	-	-
Financial Assets at fair value through Profit or loss (FVTPL)	8,984	14,396	-	-
	<u>19,369</u>	<u>21,824</u>	<u>-</u>	<u>-</u>
Financial Assets at amortised cost				
Cash and bank balances and trade and other	102,514	77,873	72,778	67,298
	<u>141,252</u>	<u>121,521</u>	<u>72,778</u>	<u>67,298</u>
Financial Liabilities at amortised cost				
Trade and other payables	79,583	57,320	366	301
	<u>79,583</u>	<u>57,320</u>	<u>366</u>	<u>301</u>

Fair value measurement

The Group applied the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

5. Financial asset and financial liabilities (cont'd)

Fair value measurement (cont'd)

	Group as at 31 Dec 2021			Total
	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial assets at fair value through profit or loss				
- Debt instruments (quoted)	8,984	-	-	8,984
Financial assets at fair value through comprehensive income				
- Equity instruments (quoted)	10,385	-	-	10,385
	<u>19,369</u>	<u>-</u>	<u>-</u>	<u>19,369</u>

	Group as at 31 December 2020			Total
	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial assets at fair value through profit or loss				
- Debt instruments (quoted)	14,371	-	-	14,371
- Equity instruments (quoted)	25	-	-	25
Financial assets at fair value through comprehensive income				
- Equity instruments (quoted)	7,428	-	-	7,428
	<u>21,824</u>	<u>-</u>	<u>-</u>	<u>21,824</u>

6. Profit before tax

6.1 Following items have been included in arriving at profit before taxation:

	Group		Group	
	2H 2021	2H 2020	FY2021	FY2020
	S\$'000	S\$'000	\$'000	\$'000
Income				
Dividend income	40	24	64	70
Bad debts written off	79	14	79	14
Foreign exchange gain	63	-	296	-
Interest income	1,659	1,431	2,383	2,480
Fair value gain on investent securities	98	677	98	-
Far value gain on investment properties	50	-	50	-
Gain on disposal of property, plant and equipment	-	107	151	123
Government grants	1,128	2,613	2,496	5,239
Rental income from property development projects	2,358	1,944	4,422	3,115
Expenses				
Depreciation of property, plant and equipment	2,350	2,424	4,776	4,989
Foreign exchange loss	-	646	-	217
Loss on disposal of investment securities	-	-	-	390
Fair value loss on investment securities	-	-	-	185

6.2 Related parties transactions

Other than the remuneration paid to the key management personnel, there are no related party transactions apart from those disclosed elsewhere in the interim financial statement

7. Taxation

	Group		Group	
	2H 2021	2H 2020	FY2021	FY2020
	\$'000	\$'000	\$'000	\$'000
Current income tax expense				
- current income taxation	3,030	(719)	4,765	189
- over provision in respect of previous year	-	(130)	-	(130)
Deferred income tax expenses relating to origination and reversal of temporary differences	(898)	1,429	(1,252)	1,052
	<u>2,132</u>	<u>580</u>	<u>3,513</u>	<u>1,111</u>

8. Dividends

	Group and Company	
	FY2021	FY2020
	\$'000	\$'000
Ordinary dividends paid		
Final dividend approved for payment in annual general meeting		
0.25 cents (2020:1.2 cents) per ordinary share for previous financial year	<u>1,280</u>	<u>6,145</u>

The directors have proposed a final dividend for financial year 2021 of 1.25 cents per shares, amounting to approximately \$6,401,000. These financial statements do not reflect these proposed dividends, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2022.

9. Net Asset Value

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	44.5	39.8	21.5	20.5

10. Investment securities

	<u>Group</u>	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	\$'000	\$'000
Non-current		
At fair value through other comprehensive income		
- Equity instruments (quoted)	10,385	7,428
	<u>10,385</u>	<u>7,428</u>
Current		
At fair value through profit or loss		
- Debt instruments (quoted)	8,984	14,371
- Equity instruments (quoted)	-	25
	<u>8,984</u>	<u>14,396</u>

Investments in debt instrument at fair value through profit or loss

Debt investment in quoted corporate bonds were made for varying coupon rates ranging from 3.0% to 6.9% (2020: 3.0% to 7.8%) per annum, with maturity dates ranging from 2021 to 2028.

Investments in equity instruments designated at fair value through other comprehensive income

The fair value of investments in quoted equity instruments designated at fair value through other comprehensive income at the end of the reporting period is as follows:

	<u>Group</u>	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	\$'000	\$'000
At fair value through other comprehensive income		
- Equity instruments (quoted)		
HSBC Holdings PLC	510	1,014
UBS Group Fundings (Switzerland) AG	1,831	1,825
United Overseas Bank Limited	1,448	1,216
Keppel Infrastructure Trust	1,018	515
Olam International Limited	753	251
Others	4,825	2,607
	<u>10,385</u>	<u>7,428</u>

During the financial year, the Group disposed of certain of its investments for cash and realized the capital appreciation. These investments had a fair value \$510,000 at the date of disposal. The cumulative gain on disposal of \$10,000 was reclassified from fair value reserve to retained profits. No such disposal for the financial year ended 31 December 2020.

The fair value of the Group's investment securities is based on the quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date and is categorized under Level 1 of the fair value measurement hierarchy.

11. Investment properties

The investment properties held by the Group consist of a leasehold office unit and a leasehold industry workshop.

	Group	
	2021	2020
	\$'000	\$'000
Balance as at 1 January	2,850	2,850
Fair value gain	50	-
Balance as at 31 December	2,900	2,850

No addition for the financial year ended 31 December 2021.

Fair value measurement of investment properties

The leasehold office premises and light industry workshop in Singapore are stated at fair value, which has been determined annually by independent valuer at the end of every financial year based on the properties' highest and best use.

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. The fair value has been derived based on the Direct Comparison Method that makes reference to market evidence of transaction prices for similar properties in the open market.

12. Development properties

	Group	
	31.12.2021	31.12.2020
	\$'000	\$'000
Completed properties, at cost	95,158	99,659
At 1 January	99,659	100,995
Construction costs written -back	(581)	(1,336)
Disposals (recognised in cost of sales)	(3,920)	-
At end of reporting	95,158	99,659

The development properties comprised of two completed industrial property projects at Tuas (unsold units:162) and Gambas (unsold units:11)

The development properties are expected to be recovered more than twelve months after the reporting period.

13. Investment in joint venture

The Group's investment in joint venture is summarized below:

	Group	
	31.12.2021	31.12.2020
	\$'000	\$'000
FSKH Development Pte Ltd		
- Equity interest	1,350	1,350
- Amount due from joint venture	47,607	45,376
- Share of profit/(loss)	1,931	(5,353)
- Deferred interest	-	(746)
	<u>50,888</u>	<u>40,627</u>

FSKH Development Pte Ltd is 45% owned joint venture.

14. Provisions

	Group	
	2021	2020
	\$'000	\$'000
<i>Provision for maintenance and warranties</i>		
At 1 January	20,741	29,134
Utilised	(3,291)	(4,491)
Current period provision	13,748	530
Write-back	(3,082)	(4,432)
At 31 Dec	<u>28,116</u>	<u>20,741</u>

15. Property, plant and equipment

During the current financial year, the Group acquired assets amounting to \$652,000(31 December 2020: \$ 286,000) and disposed of assets amounting to \$812,000 (31 December 2020: \$2,997,000).

16. Share capital

	Group and Company	
	No. of shares '000	\$'000
Issued and fully paid ordinary shares		
At 1 January 2020 and 31 December 2021	<u>512,104</u>	<u>59,954</u>

There was no movement in the issued and paid-up capital of the Company since 31 December 2020.

There were no outstanding convertibles as at 31 December 2021 (31/12/2020: Nil).

The Company did not hold any treasury shares as at 31 December 2021(31/12/2020:Nil). There was no sales, transfer, disposal , cancellation and use of treasury shares during the financial year ended 31 December 2021.

Other information Required by Listing Rule Appendix 7.2

I. Aggregate amount of group's borrowings and debt securities.

The Group has no borrowing as at 31 December 2021 and 31 December 2020.

II. Audit or review

The interim consolidated financial statement for the six month and full year ended 31 December 2021 and selected explanatory notes have not been audited or reviewed by the Company's auditors.

III. Review of performance

Revenue

In \$' million	FY 2021	%	FY 2020	%
Civil Engineering	163.5	96.9	60.0	99.7
Properties Development	5.0	3.0	-	-
Properties Investment	0.1	0.1	0.2	0.3
	168.6	100.0	60.2	100.0

Group revenue for the financial year ended 31 December 2021 (FY 2021) was \$168.6 million, up 180% from \$60.2 million for the corresponding previous financial year(FY2020). Higher revenue was mainly due to the low base comparison in FY2020 due to impact from COVID 19 stoppage and delay of work progress, also the construction activities for Changi joint venture project has picked up significantly in 2nd half of 2021. FY2021 has recorded revenue of \$5 million from the Properties Development segment for sales of units at Shine@TuasSouth and Ark@Gambas, no sales was booked for Property Development in FY2020. Revenue from Properties Investment was insignificant for both FY2021 and FY2020.

Gross Profit

In \$' million	FY 2021	FY 2020
Civil Engineering	15.7	5.8
Properties Development	1.2	-
Properties Investment	0.1	0.1
	17.0	5.9

Gross profit increased by \$11.1 million (+188%) to \$17.0 million mainly due to higher revenue and contribution from the properties development segment.

Other Income

Other income was reduced by \$1.4 million to \$10.0 million, mainly due to lower government grant, interest income offset by higher rental income from Shine@TuasSouth.

	FY 2021	FY 2020
Interest income from bank	0.1	0.4
Interest income from investment securities	0.9	1.2
Interest income from joint venture	1.4	0.8
Dividend	0.1	0.0
Rental - Development properties	4.4	3.1
Government grants-COVID19 related	2.3	4.4
-others	0.2	0.8
Other Covid 19 related support	-	0.3
Gain on disposal of fixed assets	0.2	-
Gain on fair value changes of investment securities (FVTPL)	0.1	0.1
Gain on foreign currency exchange	0.3	0.2
Miscellaneous	0.0	0.1
	10.0	11.4

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Administration cost

Higher administration cost of \$1.2 million (+43%) for FY2021 mainly due to the higher performance bonus of \$0.6 million and tender preparation cost of about \$0.5 million.

Other operating costs

Other operating cost for FY2021 was \$4.8 million lower. Mainly due to the other operating cost of FY2020 consist of project staff and workers cost of about \$3.7 million due to stoppage of work, unrealised loss on foreign exchange of \$0.2 million, loss on fair value for investment securities FVTPL of \$0.2 million and loss on sale of investment securities of \$0.4 million. The maintenance cost for Shine@Tuassouth of \$0.4 million was waived for second half year of 2021.

Share of profits of joint venture

The sales of 209 units (total 265 units) and the higher stage of completion for the Mattar Road residential joint venture project has contributed to the share of profit of \$7.2 million for FY2021, whereas FY2020 was share of loss of \$2.6 million.

Profit before tax and tax expenses

Higher sales, gross profit and share of profit of joint venture, offset by lower other operating cost was the key factors for the increase in profit before tax of \$28.5 million for FY2021.

Financial position and cash flow review

Total assets of the group as at 31 December 2021 were \$342.5 million, increased by \$25.9 million from \$292.7 million as at 31 December 2020.

The increase was mainly due to:

- Increase in contract asset and trade receivable by \$41.2 million mainly due to the higher construction work carried out pending for certification by customers and retention due from customers.
- Investment in joint venture was \$10.8 million higher mainly due to the share of profit for FY2021 and additional shareholder loan and interest.

Total liabilities of the group as at 31 December 2021 were \$114.9 million, increased by \$26.1 million from \$89.0 million as at 31 December 2020.

- Advance payment from customers increase by \$14 million mainly relate to civil project awarded.
- Higher trade and other payable was increased by \$9.2 million with higher sales
- Higher provisions of \$6.2 million mainly due to the additional provision for maintenance cost for a completed project.
- Tax provision for current year was \$2.8 million higher in view of the much higher profit for FY2021.
- Contract liabilities was reclassified to provisions for project maintenance cost and other payable with the completion of Maxwell station project.

Increase in of cash and short term deposits of \$7.4 million for FY2021 was mainly due to the \$6.7 million cash generated from operating activities and net proceeds of \$2.8 million for the purchase and sales and redemption of investment securities, offset by the dividend payment of \$1.3 million and additional loan to joint venture of \$1.4 million.

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

The current announced results are in line with the general prospect commentary previously disclosed to shareholders in the results announcement for the six months ended 30 June 2021.

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

The Group was awarded two new civil contracts for the cross island line phase 1 from Land Transport Authority of \$320 million (CR103 -Aviation Park Station) and \$454 million (CR113-Serangoon North Station) in December 2021 and Jan 2022 respectively. With the addition of the two new contracts, the order book for civil engineering segment stands at approximately \$1 billion. The Maxwell station has attained substantial completion certificate in October 2021.

The Group's industrial building project, Shine@TuasSouth, has sold 9% and leased 68% of the total units to date. With the opening of 2 berths at Tuas port the management will continue to market the project. The Antares, a 265-unit residential joint venture project at Mattar Road, has sold 98% of the units as at 31 December 2021.

The outlook of construction industry to remain challenging on the back of competitive environment, labour shortage, rising material cost and compliance cost on safe management measures imposed on construction projects. The management will focus on executing the order book on hand and be vigilant and selective in exploring other business opportunities in property related segment to enhance the shareholders' value.

VI. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on ?

Yes.

Name of dividend	First and final
Dividend type	Cash
Dividend amount per share (in cents)	1.25
Tax rate	Tax exempt (one tier)

(b) Any dividend declared for the corresponding period of the immediately preceding financial year ?

Yes.

Name of dividend	First and final
Dividend type	Cash
Dividend amount per share (in cents)	0.25
Tax rate	Tax exempt (one tier)

(c) Date payable

The proposed dividend, if approved at the next Annual General Meeting to be held on 21 April 2022, will be paid on 20 May 2022.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on 10 May 2022 at 5.00 p.m. for the preparation of dividend warrants

- VII. 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.**

There is no IPT to be report for the current financial period. There is no general mandate from shareholders for IPTs.

- VIII. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Listing Manual.**

The Company has procured undertakings in the format set out in Appendix 7.7 from all its directors and the executive officers under Rule 720(1) of the Listing Manual.

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- IX. Segmented revenue and results for operating 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.**

Refer to note 4 of the interim financial statement.

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

Please refer to section III – review of performance.

- X. A breakdown of sales as follows:-**

	< ----- Group ----- >		Increase/ (Decrease) (%)
	Financial Year ended 31 Dec		
	2021	2020	
	\$'000	\$'000	
(a) Sales reported for first half year	76,492	34,294	+123%
(b) Operating profit after tax before deduction non-controlling interests reported for first half year	8,190	1,780	+360%
(c) Sales reported for second half year	92,123	25,944	+255%
(d) Operating profit after tax before deduction non-controlling interests reported for second half year	16,781	2,510	+569%

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

	Latest Year FY2021*	Full Year FY2020	Previous Year FY2020	Full Year
	\$'000		\$'000	
Proposed first and final dividend (Tax exempt 1-tier)	6,401		1,280	

*subject to shareholders' approval at the forthcoming Annual General Meeting

XII. 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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held , if any, during the year
Chua Chee Yong	55	Nephew of Mr Chua Leong Hai, substantial shareholder, Executive director and CEO of the Company and cousin of Ms Chua Siok Peng, Executive Director of the Company.	Joined the Group since 1986. Mr Chua Chee Yong is the Senior Manager-, Logistic , responsible for fleet management, deployment and maintenance of plant and equipments.	In charge of the Logistic Department with effect from 2017.

BY ORDER OF THE BOARD

CHUA LEONG HAI

Executive Director and CEO

23 February 2022