



Hock Lian Seng Holdings Limited

Company Registration Number 200908903E

Unaudited Interim report

For the first half year ended 30 June 2022

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Consolidated statement of profit or loss

	Group		
	Half year ended		
	30.6.22	30.6.21	Change
	\$'000	\$'000	%
Revenue	55,607	76,492	-27.3%
Cost of sales	(51,130)	(70,278)	-27.2%
Gross profit	4,477	6,214	-28.0%
Other income	4,969	5,100	-2.6%
Distribution and selling costs	(64)	(33)	93.9%
Administrative costs	(1,780)	(1,533)	16.1%
Other operating costs	(1,006)	(806)	24.8%
Share of results of joint ventures, net of tax	2,261	629	259.5%
Profit before taxation	8,857	9,571	-7.5%
Tax expenses	(1,210)	(1,381)	-12.4%
Profit after taxation	7,647	8,190	-6.6%
Attributable to:			
Equity holders of the Company	7,743	8,257	-6.2%
Non-controlling interests	(96)	(67)	nm
	Cents	Cents	
Earnings per shares for profit attributable to the owners of the Company :			
Basic earnings per share	1.51	1.60	
Dilluted earnings per share	1.51	1.60	

The calculation of basic earnings per share at 30 June 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	
	1H2022	1H2021
	\$'000	\$'000
Profit after taxation	7,647	8,190
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Financial instruments at FVOCI		
- Net change in fair value	(312)	214
Total comprehensive income	<u>7,335</u>	<u>8,404</u>
Attributable to:		
Equity holders of the Company	7,431	8,471
Non-controlling interests	<u>(96)</u>	<u>(67)</u>

Statements of financial position

	Note	Group		Company	
		30.06.2022 \$'000	31.12.2021 \$'000	30.06.2022 \$'000	31.12.2021 \$'000
Non-current assets					
Property, plant and equipment	15	21,492	22,735	-	-
Subsidiary companies		-	-	37,814	37,814
Investment in joint ventures	13	50,726	50,624	-	-
Investment properties	11	2,900	2,900	-	-
Investment securities	10	12,576	10,385	-	-
Deferred tax assets		4,214	4,313	-	-
		91,908	90,957	37,814	37,814
Current assets					
Development properties	12	92,863	95,158	-	-
Contract assets		38,557	41,574	-	-
Trade receivables		11,778	29,711	-	-
Other receivables		2,618	5,882	73,903	70,695
Amounts due from joint ventures		692	591	-	-
Prepayments and deposits		1,521	2,192	-	-
Investment securities	10	9,806	8,984	-	-
Cash and short term deposits		98,942	67,464	1,443	2,083
		256,777	251,556	75,346	72,778
Current liabilities					
Trade and other payables		51,473	61,090	237	386
Advance payment received for construction		3,311	3,754	-	-
Contract liabilities		33,656	16,000	-	-
Provisions	14	26,837	28,116	-	-
Provision for taxation		3,531	4,811	1	15
		118,808	113,771	238	401
Net current assets		137,969	137,785	75,108	72,377
Non-current liabilities					
Deferred income		130	144	-	-
Other payables		1,160	945	-	-
		1,290	1,089	-	-
Net assets		228,587	227,653	112,922	110,191
Equity					
Share capital	16	59,954	59,954	59,954	59,954
Capital reserve		1,000	1,000	-	-
Fair value adjustment reserve		29	341	-	-
Accumulated profits		183,989	182,647	52,955	50,237
Merger deficit		(16,239)	(16,239)	-	-
Equity attributable to owners of the Company		228,733	227,703	112,909	110,191
Non-Controlling interests		(146)	(50)	-	-
Total Equity		228,587	227,653	112,909	110,191

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 2022	59,954	1,000	182,647	341	(16,239)	(50)	227,653
Net Profit	-	-	7,743	-	-	(96)	7,647
Other comprehensive income	-	-	-	(312)	-	-	(312)
Total comprehensive income	-	-	7,743	(312)	-	(96)	7,335
Dividend on ordinary shares	-	-	(6,401)	-	-	-	(6,401)
At 30 June 2022	59,954	1,000	183,989	29	(16,239)	(146)	228,587
At 1 January 2021	59,954	1,000	158,790	127	(16,239)	106	203,738
Net Profit	-	-	8,257	-	-	(67)	8,190
Other comprehensive income	-	-	-	214	-	-	214
Total comprehensive income	-	-	8,268	214	-	(67)	8,404
Dividend on ordinary shares	-	-	(1,280)	-	-	-	(1,280)
Total transactions with owners in their capacity as owners	-	-	(1,280)	-	-	-	(1,280)
Transfer upon sale of financial assets at fair value through other comprehensive income	-	-	10	(10)	-	-	-
At 30 June 2021	59,954	1,000	165,788	320	(16,239)	(39)	210,862

Company

	Share capital	Accumulated profits	Total Equity
	\$'000	\$'000	\$'000
At 1 January 2021	59,954	50,237	110,191
Profit, representing total comprehensive income	-	9,119	9,119
Dividend on ordinary shares	-	(6,401)	(6,401)
At 30 June 2022	59,954	52,955	112,909
At 1 January 2021	59,954	44,863	104,817
Profit, representing total comprehensive income	-	5,086	5,086
Dividend on ordinary shares	-	(1,280)	(1,280)
At 30 June 2021	59,954	48,669	108,623

Consolidated statement of cash flows

	< -----Group----- >	
	Half year ended	
	30.6.2022	30.6.2021
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation	8,857	9,571
Adjustments :		
Depreciation of property, plant and equipment	1,972	2,426
Bad debts written off	1	-
(Gain)/loss on disposal of property, plant and equipment	(281)	(151)
Fair value changes on investment securities	174	(271)
Share of results of joint venture	(2,261)	(629)
Interest income	(897)	(724)
Unrealised foreign exchange (gain)/loss	(354)	(233)
Dividend income from investment securities	(40)	(24)
	7,171	9,965
Operating cash flows before working capital changes		
(Increase)/decrease in:		
Contract assets	3,031	(19,082)
Development properties	2,295	2,462
Trade receivables	17,932	(4,256)
Other receivables	2,951	(1,264)
Prepayments and deposits	671	(384)
Increase/(decrease) in:		
Trade and other payables and provisions	(10,680)	15,325
Contract liabilities	17,656	141
Advance payments received for construction project	(443)	1,972
Deferred income	(15)	82
	40,569	4,961
Cash flows generated from / (used in) operations		
Interest received	90	63
Income tax paid	(2,391)	(1,841)
	38,268	3,183
Net cash flows generated from / (used in) operating activities		
Cash flows from investing activities		
Purchases of property, plant and equipment	(802)	(627)
Repayment /(advance) to joint venture	2,745	(1,114)
Purchases of investment securities	(5,004)	(3,250)
Proceeds from disposal of property, plant and equipment	340	173
Proceeds from maturity/redemption of investment securities	1,505	5,005
Proceeds from disposal of investment securities	-	763
Interest received from investment securities	433	510
Dividend income received from investment securities	40	24
	(743)	1,484
Net cash flows (used in) / generated from investing activities		
Cash flows from financing activities		
Dividend paid	(6,401)	(1,280)
	(6,401)	(1,280)
Net cash flows used in financing activities		
Net increase/(decrease) in cash and cash equivalents	31,124	3,387
Effect of exchange differences on cash and cash equivalents	354	233
Cash and cash equivalents, Beginning balance	67,464	59,730
Cash and cash equivalents, Ending balance	98,942	63,350

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 as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the "Group").

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

2. Basis of Preparation

The interim financial statements for the six months ended 30 June 2022 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 2021.

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

The 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

A number of amendments to standards have become effective for annual period beginning 1 July 2021. The application of these standards did not have a material effect on the interim consolidated financial statements.

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 2021.

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

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
1H 2022					
Sales to external customers	52,415	3,119	73	-	55,607
	<u>52,415</u>	<u>3,119</u>	<u>73</u>	<u>-</u>	<u>55,607</u>
Results					
Depreciation	1,972	-	-	-	1,972
Fair value loss on investment properties	-	-	-	-	-
Dividend income from investment securities	-	-	-	40	40
Interest income	-	-	-	897	897
Share of results of joint venture	-	2,261	-	-	2,261
Segment profit	<u>3,591</u>	<u>5,155</u>	<u>30</u>	<u>81</u>	<u>8,857</u>
Assets					
Investment in joint ventures	-	50,726	-	-	50,726
Additions to non-current assets	802	-	-	-	802
Segment assets	<u>173,558</u>	<u>144,882</u>	<u>3,649</u>	<u>26,596</u>	<u>348,685</u>
Segment liabilities	<u>114,049</u>	<u>2,484</u>	<u>29</u>	<u>3,536</u>	<u>120,098</u>
1H 2021					
Sales to external customers	73,120	3,241	130	-	76,492
	<u>73,120</u>	<u>3,241</u>	<u>130</u>	<u>-</u>	<u>76,492</u>
Results					
Depreciation	2,426	-	-	-	2,426
Fair value loss on investment properties	-	-	-	-	-
Dividend income from investment securities	-	-	-	24	24
Interest income	-	431	-	293	724
Share of results of joint venture	-	629	-	-	629
Segment profit	<u>5,413</u>	<u>1,364</u>	<u>33</u>	<u>2,761</u>	<u>9,571</u>
Assets					
Investment in joint ventures	-	42,801	-	-	42,801
Additions to non-current assets	627	-	-	-	627
Segment assets	<u>145,683</u>	<u>144,908</u>	<u>3,414</u>	<u>22,497</u>	<u>316,502</u>
Segment liabilities	<u>102,485</u>	<u>1,956</u>	<u>38</u>	<u>1,152</u>	<u>105,631</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

	Half year ended	
	30.6.2022	30.6.2021
	\$'000	\$'000
Revenue from contracts with customer		
Contract revenue from construction projects - recognised over time	52,077	72,892
Supply of labour and services provided - recognised over time	214	229
Sales of development properties - recognised at a point of time	3,120	3,241
Other revenue		
Rental Income	196	130
Total revenue	55,607	76,492

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021 :

	Group		Company	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Financial Assets at fair value				
Financial Assets at fair value through other comprehensive income (FVOCI)	12,576	10,385	-	-
Financial Assets at fair value through Profit or loss (FVTPL)	9,806	8,984	-	-
	<u>22,382</u>	<u>19,369</u>	<u>-</u>	<u>-</u>
Financial Assets at amortised cost				
Cash and bank balances and trade and other receivables	114,188	103,749	75,346	72,778
	<u>158,952</u>	<u>142,487</u>	<u>75,346</u>	<u>72,778</u>
Financial Liabilities at amortised cost				
Trade and other payables	54,134	64,352	219	366

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)

Fair value measurement (cont'd)

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

	Group			
	as at 30 June 2022			
	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)	9,806	-	-	9,806
Financial assets at fair value through comprehensive income				
- Equity instruments (quoted)	12,576	-	-	12,576
	<u>22,382</u>	<u>-</u>	<u>-</u>	<u>22,382</u>

	Group			
	as at 31 December 2021			
	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>

6. Profit before tax

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

	Half year ended	
	30.6.2022	30.6.2021
	\$'000	\$'000
Income		
Dividend income	40	24
Bad debts written off	1	-
Foreign exchange gain	354	233
Interest income	897	724
Fair value gain on investment securities	-	271
Gain on disposal of property, plant and equipment	281	151
Government grants	400	1,368
Rental income from property development projects	2,934	2,064
Expenses		
Depreciation of property, plant and equipment	1,972	2,426
Fair value loss on investment securities	174	-

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

	Half year ended	
	<u>30.6.2022</u>	<u>30.6.2021</u>
	\$'000	\$'000
Current income tax expense		
- current income taxation	1,309	1,735
Deferred income tax expenses relating to origination and reversal of temporary differences	(99)	(354)
	<u>1,210</u>	<u>1,381</u>

8. Dividends

	Group and Company	
	<u>1H2022</u>	<u>1H2021</u>
	\$'000	\$'000
Ordinary dividends paid		
Final dividend approved for payment in annual general meeting 1.25 cents (2021:0.25 cents) per ordinary share for previous financial year	6,401	1,280

No interim dividend for the half year ended 30 June 2022(30/6/2021: Nil) is declared. It is the Group's practice to recommend dividend payment annually with its full-year results.

9. Net Asset Value

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	<u>30.6.2022</u>	<u>31.12.2021</u>	<u>30.6.2022</u>	<u>31.12.2021</u>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	44.6	44.5	22.0	21.5

10. Investment securities

	Group	
	30.6.2022	31.12.2021
	\$'000	\$'000
Non-current		
At fair value through other comprehensive income		
- Equity instruments (quoted)	12,576	10,385
	<u>12,576</u>	<u>10,385</u>
Current		
At fair value through profit or loss		
- Debt instruments (quoted)	9,806	8,984
	<u>9,806</u>	<u>8,984</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 2.5% to 6.9% per annum (2021: 2.5% to 7.8%), with maturity dates ranging from 2022 to 2032.

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:

	Group	
	30.6.2022	31.12.2021
	\$'000	\$'000
At fair value through other comprehensive income		
- Equity instruments (quoted)		
HSBC Holdings PLC	501	510
UBS Group Fundings (Switzerland) AG	1,766	1,831
United Overseas Bank Limited	1,412	1,448
OCBC Limited	998	-
Keppel Infrastructure Trust	984	1,018
Olam International Limited	731	753
Others	6,184	4,825
	<u>12,576</u>	<u>10,385</u>

No disposal of investment securities for the half year ended 30 June 2022.

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	
	30.6.2022	31.12.2021
	\$'000	\$'000
Balance as at 1 January	2,900	2,850
Fair value gain	-	50
Balance as at end of period	<u>2,900</u>	<u>2,900</u>

No addition or fair value adjustments for the half year ended 30 June 2022.

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.

For interim reporting, the management will determine any changes in fair value depending on market conditions.

12. Development properties

	Group	
	30.6.2022	31.12.2021
	\$'000	\$'000
Completed properties, at cost	<u>92,863</u>	<u>95,158</u>
At 1 January	95,158	99,659
Construction costs written -back	-	(581)
Disposals (recognised in cost of sales)	<u>(2,295)</u>	<u>(3,920)</u>
At end of reporting	<u>92,863</u>	<u>95,158</u>

The development properties comprised of two completed industrial property projects at Tuas (unsold units:161) and Gambas (unsold units:10)

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	
	30.6.2022	31.12.2021
	\$'000	\$'000
FSKH Development Pte Ltd		
- Equity interest	1,350	1,350
- Amount due from joint venture	45,283	47,606
- Share of profit	4,193	1,932
- Deferred interest	(100)	(264)
	<u>50,726</u>	<u>50,624</u>

FSKH Development Pte Ltd is 45% owned joint venture.

14. Provisions

	Group	
	30.6.2022	31.12.2021
	\$'000	\$'000
At beginning	28,116	20,741
Utilised	(1,192)	(3,291)
Current period provision	-	13,748
Write-back	(87)	(3,082)
At end	<u>26,837</u>	<u>28,116</u>

15. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to \$345,000(30 June 2021: \$627,000) and disposed of assets amounting to \$921,000 (30 June 2021: \$741,000).

16. Share capital

	Group and Company	
	No. of shares	\$'000
	'000	\$'000
Issued and fully paid ordinary shares		
At 1 January 2022 and 30 Jun 2022	<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 2021.

There were no outstanding convertibles as at 30 June 2022 (30/6/2021: Nil).

The Company did not hold any treasury shares as at 30 June 2022(30/6/2021:Nil). There was no sales, transfer, disposal , cancellation and use of treasury shares during the six months ended 30 June 2022.

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 30 June 2022 and 31 December 2021.

II. Audit or review

The consolidated statement of financial position as at 30 June 2022 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and selected explanatory notes have not been audited or reviewed by the Company's auditors.

III. Review of performance

Revenue

In \$' million	1H 2022	%	1H 2021	%
Civil Engineering	52.4	94.2	73.1	95.7
Property Development	3.1	5.6	3.2	4.2
Investment Properties	0.1	0.2	0.1	0.1
	55.6	100.0	76.4	100.0

Group revenue for the half year ended 30 June 2022 (1H 2022) was \$55.6 million, reduce by \$20.8 million(-27%) as compared to the corresponding period last year(1H2021). Lower revenue for current financial period as there was only one major active project in 1H2022 for civil engineering segment. The new projects were at preparation stage. Revenue of \$3.1 million recorded for the Property Development, similar to 1H2021, for sales of units at Shine@TuasSouth and Ark@Gambas.

Gross Profit

In \$' million	1H 2022	1H 2021
Civil Engineering	3.7	5.4
Property Development	0.8	0.8
	4.5	6.2

Gross profit decreased by \$1.7 million (-28%) to \$4.5 million mainly due to lower revenue from civil engineering segment.

Other Income

Other income was marginally lower by \$0.1 million to \$5.0 million, mainly due to lower government grant offset by higher rental income from Shine@TuasSouth.

\$ in million	1H 2022	1H 2021
Interest income from bank	0.1	0.1
Interest income from investment securities	0.2	0.2
Interest income from joint venture	0.6	0.4
Rental - Development properties	2.9	2.1
Government grants-COVID19 related	0.0	1.3
-others	0.4	0.1
Gain on disposal of fixed assets	0.3	0.1
Gain on fair value changes of investment securities (FVTPL)	0.0	0.3
Gain on foreign currency exchange	0.4	0.2
Miscellaneous	0.1	0.3
	5.0	5.1

HOCK LIAN SENG HOLDINGS LIMITED
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Other operating costs

Other operating cost for 1H2022 was \$0.2 million higher mainly due to loss on fair value for investment securities FVTPL of \$0.2 million.

Share of profits of joint venture

Significantly higher share of profit of \$1.6 million for 1H2022 compare to 1H2021, due to 100% sale of the Mattar Road residential joint venture project and the higher construction stages.

Profit before tax and tax expenses

Lower gross profit with reduce revenue offset by the much higher share of profit of joint venture was the key factors for the decrease in profit before tax of \$0.7 million for 1H2022.

Financial position and cash flow review

Total assets of the group as at 30 June 2022 were \$348.7 million, increased by \$6.2 million from \$342.5 million as at 31 December 2021. Mainly due to higher cash balance offset by the decrease in contract assets, trade and other receivable.

Increase in of cash and short term deposits of \$31.4 million for 1H2022 was mainly due to the \$38.3 million cash generated from operating activities and repayment of loan of \$2.7 million from joint venture, offset by the net cash outflow for the purchase and redemption of investment securities of \$3.5 million and dividend payment of \$6.4 million.

Decrease in trade receivables of \$17.9 million was mainly due to the lower billings for current financial period. Contract assets was \$3.0 million lower mainly due to release of retention of a completed project. Other receivable has reduced by \$3.3 million mainly due to the lower advance to subcontractors.

Total liabilities of the group as at 30 June 2022 were \$120.1 million, increased by \$5.2 million from \$114.9 million as at 31 December 2021, mainly due to the increase in contract liabilities relating to the additional advance payment for new project, offset by the lower trade and other payables in line with lower sales.

Shareholders equity was \$228.6 million, about \$0.9 million higher than 31 December 2021. Mainly due to the current period net profit after tax of \$7.7 million offset by the dividend payment of \$6.4 million and fair value loss for investment securities recognised in comprehensive income of \$0.3 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 financial year ended 31 December 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 and the remaining contract value of Changi Airport joint venture project, the order book for civil engineering segment stands at approximately \$960 million as at 30 June 2022.

The Group's industrial building project, Shine@TuasSouth, has sold 11% and leased 80% of the total units to date. With the opening of 2 berths at Tuas port, the occupancy rate has improved significantly. The management will continue to promote the sales of units for the project. The Antares, a 265-unit residential joint venture project at Mattar Road, has been fully sold as at 30 June 2022.

The outlook of construction industry remains 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 continue to tender for infrastructure projects competitively and explore 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 ?

Nil.

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

Nil.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable

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.

IX. Confirmation By The Board Pursuant To Rule 705(5) Of The Listing Manual

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the period ended 30 June 2022 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

CHUA LEONG HAI

Executive Director and CEO

4 August 2022