

**LUM CHANG HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)

Company Registration No.: 198203949N

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT (UNAUDITED)  
FOR THE YEAR ENDED 30 JUNE 2019****PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Income Statement**

		GROUP		
		12 months ended		Increase/ (Decrease)
		30.06.2019	30.06.2018 (restated)	
	Note	S\$'000	S\$'000	%
Revenue		<b>240,251</b>	262,327	(8)
Cost of sales	<b>(1)</b>	<b>(206,032)</b>	(209,067)	(1)
<b>Gross profit</b>		<b>34,219</b>	53,260	(36)
Other income	<b>(2a)</b>	<b>3,619</b>	2,841	27
Other gains - net	<b>(2b)</b>	<b>13,205</b>	5,586	136
<b>Expenses</b>				
- Distribution and marketing		<b>(836)</b>	(905)	(8)
- Administrative and general		<b>(29,665)</b>	(29,536)	0
- Finance		<b>(8,249)</b>	(6,401)	29
Share of profits of associated companies		<b>167</b>	176	(5)
Share of profits of joint ventures		<b>16,217</b>	7,387	120
<b>Profit before income tax</b>	<b>(3)</b>	<b>28,677</b>	32,408	(12)
Income tax expense	<b>(4)</b>	<b>(1,151)</b>	(5,490)	(79)
<b>Net profit</b>		<b>27,526</b>	26,918	2
<b>Net profit attributable to:</b>				
Equity holders of the Company		<b>23,287</b>	24,639	(5)
Non-controlling interests		<b>4,239</b>	2,279	86
		<b>27,526</b>	26,918	2

**1(a) Continuation...**

**Notes to Income Statement :**

**(1)** Cost of sales comprised mainly construction cost and property development cost.

**(2a)** Other income comprised the following :

	<b>GROUP</b>		
	<b>12 months ended</b>		<b>Increase/ (Decrease)</b>
	<b>30.06.2019</b>	<b>30.06.2018 (restated)</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Interest income	<b>852</b>	758	12
Government grants (i)	<b>1,593</b>	776	105
Others - net	<b>1,174</b>	1,307	(10)
	<b>3,619</b>	<b>2,841</b>	27

(i) Government grants for the year under review and the preceding year mainly relates to grants received from various government productivity schemes.

**(2b)** Other gains - net comprised the following :

	<b>GROUP</b>		
	<b>12 months ended</b>		<b>Increase/ (Decrease)</b>
	<b>30.06.2019</b>	<b>30.06.2018 (restated)</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Currency translation gains - net	<b>82</b>	1	8,100
Fair value gain on investment properties - net (ii)	<b>287</b>	5,426	(95)
Gain on disposal of investment property (iii)	<b>12,723</b>	-	NM *
Gain on disposal of property, plant and equipment - net	<b>70</b>	162	(57)
Gain/(loss) on disposal of club memberships	<b>57</b>	(3)	NM *
Loss on liquidation of a subsidiary	<b>(14)</b>	-	NM *
	<b>13,205</b>	<b>5,586</b>	136

(ii) Fair value gain on investment properties of S\$287,000 for the year under review related to the fair value gain on the Group's freehold properties in the United Kingdom.

The net fair value gain on investment properties of S\$5.4 million for the preceding year related to the fair value gain of S\$6.5 million on one of the Group's freehold properties in the United Kingdom. The gain was partially offset by a fair value loss of S\$1.1 million on another of the Group's freehold properties in the United Kingdom.

(iii) In the year under review, the gain on disposal of investment property of S\$12.7 million was from the disposal of the freehold interest in the student hostel component of the land owned by a subsidiary in the United Kingdom.

Note \*: "NM" denotes not meaningful

**1(a) Continuation...**

**Notes to Income Statement :**

**(3)** Profit before tax is arrived at after (charging)/crediting the following (other than in (2) above):

	<b>GROUP</b>		
	<b>12 months ended 30.06.2019</b>	<b>30.06.2018 (restated)</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
(a) Amortisation of club memberships	<b>(38)</b>	(31)	23
(b) Depreciation of property, plant and equipment (iv)	<b>(3,064)</b>	(3,796)	(19)
(c) Dividend income from available-for-sale financial assets	<b>68</b>	161	(58)
(d) Finance expense (v)	<b>(8,249)</b>	(6,401)	29
(e) Property, plant and equipment expensed off	<b>(35)</b>	(20)	75
(f) (Impairment)/write back of impairment loss on club memberships	<b>(75)</b>	12	NM *
(g) Allowance for impairment of receivables	<b>(141)</b>	(9)	1,467

(iv) The depreciation of property, plant and equipment was \$3.1 million for the year under review as compared to S\$3.8 million for the preceding year. The decrease was mainly due to certain construction equipment and furniture and fittings that had been fully depreciated in the last financial year.

(v) Finance expense of S\$8.2 million for the year under review was S\$1.8 million higher than the expense for the preceding year. The increase was mainly due to higher interest paid on bank borrowings pertaining to the Group's freehold residential development in Singapore and higher interest paid for the Company's new 5.8% fixed rate notes issued in September 2018.

**(4)** Income tax expense attributable to results is made up of:

	<b>GROUP</b>		
	<b>12 months ended 30.06.2019</b>	<b>30.06.2018 (restated)</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Current income tax			
- Singapore (vi)	<b>2,658</b>	5,159	(48)
- Foreign	<b>37</b>	107	(65)
	<b>2,695</b>	5,266	(49)
Deferred income tax			
- Singapore (vii)	<b>(1,261)</b>	(62)	1,934
- Foreign	<b>(326)</b>	214	NM *
	<b>(1,587)</b>	152	NM *
Under/(over) provision in prior financial years			
- Current income tax	<b>43</b>	85	(49)
- Deferred income tax	<b>-</b>	(13)	NM *
Income tax expense	<b>1,151</b>	5,490	(79)

(vi) The current income tax - Singapore for the year under review of S\$2.7 million decreased by S\$2.5 million as compared to the preceding year mainly due to lower profits recognised by one of the Group's subsidiary in Singapore.

(vii) The deferred income tax credit of S\$1.3 million for the year under review mainly related to tax assets recognised on the unutilised tax losses carried forward from previous financial years, by one of the Group's subsidiary in Singapore.

Note \*: "NM" denotes not meaningful

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

**Consolidated Statement of Comprehensive Income**

	<b>GROUP</b>		
	<b>12 months ended 30.06.2019</b>	<b>30.06.2018 (restated)</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Net profit</b>	<b>27,526</b>	26,918	2
<b>Other comprehensive income/(losses):</b>			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- (Losses)/gains (a)	<b>(6,136)</b>	3,432	NM *
- Reclassification (b)	<b>(152)</b>	30	NM *
Financial assets, at FVOCI/available-for-sale			
- Fair value gains/(losses) (c)	<b>9,053</b>	(262)	NM *
Share of other comprehensive (loss)/income of associated companies	<b>(16)</b>	22	NM *
<b>Other comprehensive (losses)/income for the year, net of tax</b>	<b>2,749</b>	3,222	NM *
<b>Total comprehensive income for the year</b>	<b>30,275</b>	30,140	0
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	<b>26,827</b>	27,884	(4)
Non-controlling interests	<b>3,448</b>	2,256	53
	<b>30,275</b>	30,140	0

- (a) Foreign currency translation differences are recognised on the translation of the Group's share of net assets of various subsidiaries in Malaysia and the United Kingdom. Foreign currency translation loss of S\$6.1 million for the year under review was mainly due to S\$2.2 million loss recognised as a result of the depreciation of the Malaysian Ringgit and S\$3.7 million loss from the depreciation of the Sterling Pound.

The gains for the preceding year of S\$3.4 million were mainly due to S\$3.7 million gain recognised as a result of the appreciation of the Malaysian Ringgit, offset by a S\$276,000 loss from the depreciation of the Sterling Pound.

- (b) During the year under review, foreign currency gains of S\$152,000 on quasi-equity loans were reclassified to the income statement upon repayment of the loans by foreign subsidiaries. The loans were regarded to form part of the net investment in the foreign subsidiaries as they were extended to partly finance the development of the overseas properties.
- (c) Fair value gain on financial assets, at FVOCI for the year under review and fair value loss on available-for-sale assets for the preceding year were in respect of the Group's unquoted investments.

Note \*: "NM" 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	
	30.06.2019	30.06.2018 (restated)	30.06.2017 (restated)	30.06.2019	30.06.2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	134,326	94,225	130,760	6,707	7,027
Financial assets, at FVPL	4,734	-	-	-	-
Trade and other receivables	56,378	63,027	51,246	52,085	64,007
Contract assets	46,276	16,512	27,868	-	-
Tax recoverable	1,191	1,214	1,174	-	-
Properties held for sale	338	1,289	4,065	-	-
Development properties	119,052	119,930	44,593	-	-
Other current assets	10,638	1,150	7,384	157	154
	<b>372,933</b>	<b>297,347</b>	<b>267,090</b>	<b>58,949</b>	<b>71,188</b>
<b>Non-current assets</b>					
Trade and other receivables	80,776	74,116	75,251	160,186	136,846
Club memberships	353	321	342	370	225
Available-for-sale financial assets	-	7,383	7,642	-	-
Financial assets, at FVOCI	16,436	-	-	-	-
Investments in joint ventures	33,205	8,478	1,989	-	-
Investments in associated companies	559	1,909	11,542	-	-
Investments in subsidiaries	-	-	-	72,285	71,796
Investment properties	144,296	180,658	171,383	-	-
Property, plant and equipment	25,672	25,389	26,784	1,271	1,263
Deferred income tax assets	4,189	2,821	2,878	-	-
Other non-current assets	1,248	957	1,127	-	-
	<b>306,734</b>	<b>302,032</b>	<b>298,938</b>	<b>234,112</b>	<b>210,130</b>
<b>Total assets</b>	<b>679,667</b>	<b>599,379</b>	<b>566,028</b>	<b>293,061</b>	<b>281,318</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	121,138	113,647	158,298	127,967	116,134
Contract liabilities	39,981	-	12,188	-	-
Current income tax liabilities	2,914	5,422	4,784	154	69
Borrowings	9,472	50,992	23,661	8,030	49,916
	<b>173,505</b>	<b>170,061</b>	<b>198,931</b>	<b>136,151</b>	<b>166,119</b>
<b>Non-current liabilities</b>					
Trade and other payables	25,891	23,869	29,500	-	-
Borrowings	203,259	148,247	105,013	39,948	-
Deferred income tax liabilities	388	554	662	-	-
	<b>229,538</b>	<b>172,670</b>	<b>135,175</b>	<b>39,948</b>	<b>-</b>
<b>Total liabilities</b>	<b>403,043</b>	<b>342,731</b>	<b>334,106</b>	<b>176,099</b>	<b>166,119</b>
<b>NET ASSETS</b>	<b>276,624</b>	<b>256,648</b>	<b>231,922</b>	<b>116,962</b>	<b>115,199</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to the equity holders of the Company</b>					
Share capital	86,572	86,574	86,579	86,572	86,574
Treasury shares	(1,620)	(1,025)	(1,273)	(1,620)	(1,025)
Capital and other reserves	26,922	23,281	20,066	3,182	3,194
Retained profits	145,277	129,015	110,103	28,828	26,456
<b>Shareholders' equity</b>	<b>257,151</b>	<b>237,845</b>	<b>215,475</b>	<b>116,962</b>	<b>115,199</b>
Non-controlling interests	19,473	18,803	16,447	-	-
<b>Total equity</b>	<b>276,624</b>	<b>256,648</b>	<b>231,922</b>	<b>116,962</b>	<b>115,199</b>

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

**Group borrowings excluding finance leases:**

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

<b>As at 30.06.2019</b>		<b>As at 30.06.2018</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
1,385	8,000	1,023	49,916

**Amount repayable after one year**

<b>As at 30.06.2019</b>		<b>As at 30.06.2018</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
163,179	39,842	148,058	-

**Details of any collateral:**

**1) S\$164.6 million (S\$96.2 million, £30.3 million and RM50.5 million) term loans**

Legal mortgages over:

- development properties of a subsidiary in Singapore
- a leasehold property owned by a subsidiary in Singapore
- a freehold property owned by a subsidiary in the United Kingdom
- development properties of a subsidiary in Malaysia

**1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period for the immediately preceding financial year.**

		<b>GROUP</b>	
		<b>12 months ended</b>	
		<b>30.06.2019</b>	<b>30.06.2018</b>
			<b>(restated)</b>
		<b>S\$'000</b>	<b>S\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit		27,526	26,918
Adjustments for:			
Income tax expense		1,151	5,490
Share of profits of associated companies and joint ventures		(16,384)	(7,563)
Allowance for impairment of receivables		141	9
Amortisation of club memberships		38	31
Depreciation of property, plant & equipment		3,064	3,796
Dividend income from available-for-sale financial assets		(68)	(161)
Fair value gains on investment properties		(287)	(5,426)
Loss on liquidation of a subsidiary		14	-
Gain on disposal of available-for-sale financial assets		(12,723)	-
(Gain)/loss on disposal of club memberships		(57)	3
Gain on disposal of property, plant and equipment - net		(70)	(162)
Impairment loss/(write-back of impairment loss) on club memberships		75	(12)
Interest income		(852)	(758)
Finance expense		8,249	6,401
Property, plant and equipment written off		35	20
Operating cash flow before working capital changes		9,852	28,586
Change in working capital, net of effects from acquisition of a subsidiary:			
Trade and other receivables	(a)	2,416	17,013
Contract assets	(b)	(29,764)	11,356
Contract liabilities	(c)	39,981	(12,188)
Other current assets		(191)	957
Development properties/properties held for sale	(d)	375	(64,154)
Trade and other payables	(e)	11,687	(44,445)
Cash generated from/(used in) operations		34,356	(62,875)
Income tax paid		(5,207)	(4,749)
<b>Net cash provided by/(used in) operating activities</b>		<b>29,149</b>	<b>(67,624)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in a joint venture	(f)	(9,810)	-
Investment in financial assets, at FVPL	(g)	(4,734)	-
Acquisition of non-controlling interest in a subsidiary	(h)	(1,389)	-
Dividends received from an associated company	(i)	1,500	7,500
Dividends received from available-for-sale financial assets		-	161
Dividends received from financial assets, at FVOCI		68	-
Expenditure on investment properties	(j)	(4,546)	(4,030)
Increase in other current assets in relation to investment properties	(k)	(9,588)	-
Interest income received		818	721
Proceeds from disposal of investment property, net of selling expenses	(l)	48,562	-
Proceeds from disposal of club memberships		65	2
Proceeds from disposal of property, plant and equipment		351	1,113
Purchase of club memberships		(154)	(3)
Purchase of property, plant and equipment		(3,552)	(3,133)
Purchase of available-for-sale financial assets		-	(3)
Advances to an investee company		(676)	-
Repayment to associated companies	(m)	-	(4,706)
Advances to joint ventures	(n)	(13,000)	(26,602)
Repayment from a joint venture	(o)	12,175	-
<b>Net cash provided by/(used in) investing activities</b>		<b>16,090</b>	<b>(28,980)</b>

**1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period for the immediately preceding financial year. (Continuation....)**

		<b>GROUP</b>	
		<b>12 months ended</b>	
		<b>30.06.2019</b>	<b>30.06.2018</b>
			<b>(restated)</b>
		<b>S\$'000</b>	<b>S\$'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash and cash equivalents released from pledge/(pledged)		1	(44)
Dividends paid		(6,878)	(5,727)
Dividends paid to non-controlling shareholders of subsidiaries		(1,421)	-
Bank facility fees		(149)	(191)
Interest paid		(7,927)	(5,948)
Purchase of treasury shares		(696)	-
Proceeds from re-issuance of treasury shares		87	213
Proceeds from issuance of medium term notes	(p)	12,543	-
Repayment of medium term notes	(q)	(22,750)	-
Proceeds from bank loans	(r)	26,902	106,135
Repayment of bank loans	(r)	(1,221)	(35,899)
Repayment of finance lease liabilities		(78)	(93)
Advance from a non-controlling shareholder of a subsidiary	(s)	-	1,093
Repayment to a non-controlling shareholder of a subsidiary	(t)	(3,067)	(63)
<b>Net cash (used in)/provided by financing activities</b>		<b>(4,654)</b>	<b>59,476</b>
NET CHANGE IN CASH AND CASH EQUIVALENTS		40,585	(37,128)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		93,644	130,223
EFFECT OF CHANGES IN CURRENCY TRANSLATION RATES ON CASH AND CASH EQUIVALENTS		(483)	549
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR [Note (1)]</b>		<b>133,746</b>	<b>93,644</b>

**Notes to Cash Flow Statement:**

- (1) Cash and cash equivalents comprised the following:

		<b>GROUP</b>	
		<b>12 months ended</b>	
		<b>30.06.2019</b>	<b>30.06.2018</b>
			<b>(restated)</b>
		<b>S\$'000</b>	<b>S\$'000</b>
Cash at bank and on hand		56,296	57,621
Short-term bank deposits		78,030	36,604
Less: Cash and cash equivalents pledged		(580)	(581)
<b>Cash and cash equivalents at end of financial year</b>		<b>133,746</b>	<b>93,644</b>

- (a) The decrease in trade and other receivables of S\$2.4 million during the year under review was mainly due to collections of S\$19.8 million from several completed construction projects and collections of S\$3.8 million from the sale of the Group's Malaysia development properties. The decrease was partially offset by the increase in amount of work carried out for ongoing construction projects of S\$11.4 million and new construction projects of S\$8.0 million.

The decrease in trade and other receivables of S\$17.0 million for the preceding year under review was mainly due to collections from several completed/substantially completed construction projects of S\$24.9 million and collections of S\$1.9 million from the sale of one of the Group's Malaysia development properties. The decrease was partially offset by sales from another Malaysia development, resulting in an increase in trade receivables of S\$4.4 million and the increase in amount of work carried out for three ongoing construction projects of S\$7.5 million.

- (b) Contract assets are construction costs incurred ahead of progress billings raised. The increase in contract assets of S\$29.8 million during the year under review was mainly due to the increase in work carried out and not yet billed for several ongoing construction projects.

The decrease in contract assets of S\$11.4 million during the preceding year was mainly due the decrease in work done but not billed for a number of construction projects that were substantially completed. Contract assets were reclassified to trade receivables when billed.

## 1(c) Continuation...

### **Notes to Cash Flow Statement**

(c) Contract liabilities mainly related to advances received from customers ahead of work done. During the year under review, the increase in contract liabilities was mainly due to an advance of S\$39.9 million received for a major construction project. In the preceding year, contract liabilities were reduced by S\$12.2 million with the increase in work carried out for another construction project.

(d) The decrease in development properties/properties held for sale during the year under review of S\$375,000 was mainly due to collections of S\$11.5 million from the sale of the Group's development properties in Malaysia and Singapore, partially offset by additional development costs incurred on the same developments amounting to S\$11.3 million.

The increase in development properties/properties held for sale during the preceding year of S\$64.2 million was mainly due to payment of S\$70.3 million on completion of the collective purchase of the entire strata units in a freehold residential property in Singapore and payment for development charge and pre-development cost on the property.

(e) The increase in trade and other payables during the year under review of S\$11.7 million was mainly due to an increase in trade payables of S\$50.0 million from the increase in work carried out for several new/ongoing construction projects. The increase was partially offset by payments of S\$37.9 million made to subcontractors of several completed construction projects.

The decrease in trade and other payables during the preceding year of S\$44.4 million was mainly due to payments of S\$59.5 million made to subcontractors of several completed/substantially completed construction projects. The decrease was partially offset by an increase in trade and other payables of S\$13.1 million as a result of an increase in work carried out for ongoing construction projects.

(f) During the year under review, the Group injected additional capital of S\$9.8 million into a joint venture in Malaysia for funding (in part) the final settlement of the acquisition of a land for property development purposes.

(g) Financial assets, at Fair Value through Profit or Loss ("FVPL") of S\$4.7 million related to a loan given to an investee company, whereby the loan will be convertible into new ordinary shares in the capital of the investee company upon satisfying certain conversion conditions.

(h) During the year under review, the Group acquired 49% of the issued and paid-up share capital in a subsidiary from a non-controlling shareholder. Following the acquisition, the subsidiary is now wholly-owned by the Group.

(i) During the year under review and the preceding year, the Group received dividends from an associated company in Singapore that develops residential properties for sale.

(j) The expenditure on investment properties during the year under review and the preceding year were related to costs incurred for the redevelopment of one of the Group's freehold commercial properties in the United Kingdom.

(k) During the year under review, S\$9.6 million was set aside in an Escrow account to pay the redevelopment costs for one of the Group's freehold commercial properties in the United Kingdom.

(l) During the year under review, the Group disposed the freehold interest in the student hostel component of the land owned by a subsidiary in the Wembley Regeneration Area in London. The proceeds from disposal of S\$48.6 million was after deducting related transaction costs of S\$1.4 million.

(m) During the preceding year, the Group made a repayment of S\$4.8 million to an associated company in Singapore that develops residential properties for sale.

(n) The advances to a joint venture of S\$13.0 million during the year under review were in respect of the Group's proportionate share of advances mainly to fund the redevelopment of a leasehold property in Singapore, owned by a joint venture of the Group.

The advances to joint ventures of S\$26.6 million during the preceding year were in respect of the Group's proportionate share of advances of S\$19.1 million to fund the acquisition of a commercial building in Frankfurt, Germany and the Group's proportionate share of advances of S\$7.5 million mainly to fund the redevelopment of a leasehold property in Singapore.

(o) The repayment from a joint venture of S\$12.2 million was a partial repayment in respect of the Group's proportionate share of advances previously provided to fund the acquisition of a commercial building in Frankfurt, Germany. The partial repayment was made following the drawdown of a bank loan by the joint venture to partially fund the acquisition.

## 1(c) Continuation...

### **Notes to Cash Flow Statement**

- (p) S\$12.8 million unsecured fixed rate notes at 5.8% per annum were issued by the Company on 27 September 2018 as the second series under the Company's Multicurrency Medium Term Note Programme and will mature on 27 September 2021. The proceeds from the issuance of the new notes were S\$12.5 million net of transaction costs.
- (q) During the year under review, the Company repaid its unsecured 5.5% fixed rate notes which matured on 28 March 2019.
- (r) During the year under review, the Group draw down bank loans of S\$11.6 million to fund the acquisition of a land in Malaysia by a joint venture company, and S\$13.0 million to fund the redevelopment of a leasehold property in Singapore, owned by a joint venture of the Group.

The net proceeds from bank loans of S\$70.2 million during the preceding year mainly related to the draw down of S\$62.1 million term loans to fund the collective purchase of all the strata units and the payment of development charge in respect of a freehold residential development in Singapore. The increase in bank loans was also due to a S\$32.0 million term loan drawn to repay an existing S\$22.3 million loan pertaining to a leasehold property in Singapore.

- (s) The advances from a non-controlling shareholder of a subsidiary of S\$1.1 million during the preceding year pertain to the non-controlling shareholder's proportionate share of advances extended to the subsidiary for the purpose of funding the pre-development costs incurred prior to the redevelopment of a freehold commercial property in the United Kingdom.
- (t) During the year under review, the Group made a repayment of S\$2.8 million to a non-controlling shareholder of a subsidiary after the sale of the student hostel component of the land owned by that subsidiary in the United Kingdom.

- 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.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE YEAR ENDED 30 JUNE 2019**

Group - 2019	← Attributable to equity holders of the Company →						Total equity
	Share capital	Treasury shares	Capital and other reserves	Retained profits	Total	Non-controlling interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 July 2018</b>							
- As previously stated	86,574	(1,025)	888	157,836	244,273	18,803	263,076
- Effects of restatement	-	-	22,393	(28,821)	(6,428)	-	(6,428)
<b>Balance as at 1 July 2018, restated</b>	<b>86,574</b>	<b>(1,025)</b>	<b>23,281</b>	<b>129,015</b>	<b>237,845</b>	<b>18,803</b>	<b>256,648</b>
Net profit	-	-	-	23,287	23,287	4,239	27,526
Other comprehensive income/(loss)	-	-	3,540	-	3,540	(791)	2,749
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>3,540</b>	<b>23,287</b>	<b>26,827</b>	<b>3,448</b>	<b>30,275</b>
Employee share option scheme							
- Treasury shares reissued	(2)	101	(12)	-	87	-	87
Purchase of treasury shares	-	(696)	-	-	(696)	-	(696)
Interim dividend for FY2019	-	-	-	(1,141)	(1,141)	-	(1,141)
Final dividend for FY2018	-	-	-	(5,737)	(5,737)	-	(5,737)
Transfer of reserves	-	-	113	(113)	-	-	-
Interim dividend paid to a non-controlling shareholder of subsidiary	-	-	-	-	-	(1,421)	(1,421)
Transaction with non-controlling interests	-	-	-	(34)	(34)	(1,357)	(1,391)
Total transactions with owners, recognised directly in equity	(2)	(595)	101	(7,025)	(7,521)	(2,778)	(10,299)
<b>Balance as at 30 June 2019</b>	<b>86,572</b>	<b>(1,620)</b>	<b>26,922</b>	<b>145,277</b>	<b>257,151</b>	<b>19,473</b>	<b>276,624</b>

Group - 2018	← Attributable to equity holders of the Company →						Total equity
	Share capital	Treasury shares	Capital and other reserves	Retained profits	Total	Non-controlling interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 July 2017</b>							
- As previously stated	86,579	(1,273)	(3,080)	138,712	220,938	16,447	237,385
- Effects of restatement	-	-	23,146	(28,609)	(5,463)	-	(5,463)
<b>Balance as at 1 July 2017, restated</b>	<b>86,579</b>	<b>(1,273)</b>	<b>20,066</b>	<b>110,103</b>	<b>215,475</b>	<b>16,447</b>	<b>231,922</b>
Net profit	-	-	-	24,639	24,639	2,279	26,918
Other comprehensive income/(loss)	-	-	3,245	-	3,245	(23)	3,222
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>3,245</b>	<b>24,639</b>	<b>27,884</b>	<b>2,256</b>	<b>30,140</b>
Employee share option scheme							
- Treasury shares reissued	(5)	248	(30)	-	213	-	213
Incorporation of a subsidiary with non-controlling interest	-	-	-	-	-	300	300
Interim dividend for FY2018	-	-	-	(1,145)	(1,145)	(200)	(1,345)
Final dividend for FY2017	-	-	-	(4,582)	(4,582)	-	(4,582)
Total transactions with owners, recognised directly in equity	(5)	248	(30)	(5,727)	(5,514)	100	(5,414)
<b>Balance as at 30 June 2018</b>	<b>86,574</b>	<b>(1,025)</b>	<b>23,281</b>	<b>129,015</b>	<b>237,845</b>	<b>18,803</b>	<b>256,648</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 (continuation)**

<b>Company - 2019</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Capital and other reserves</b>	<b>Retained profits</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 July 2018</b>	<b>86,574</b>	<b>(1,025)</b>	<b>3,194</b>	<b>26,456</b>	<b>115,199</b>
- Net profit	-	-	-	9,250	<b>9,250</b>
- Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,250</b>	<b>9,250</b>
Employee share option scheme					
- Treasury shares reissued	(2)	101	(12)	-	<b>87</b>
Purchase of treasury shares	-	(696)	-	-	<b>(696)</b>
Interim dividend for FY2019	-	-	-	(1,141)	<b>(1,141)</b>
Final dividend for FY2018	-	-	-	(5,737)	<b>(5,737)</b>
Total transactions with owners, recognised directly in equity	<b>(2)</b>	<b>(595)</b>	<b>(12)</b>	<b>(6,878)</b>	<b>(7,487)</b>
<b>Balance as at 30 June 2019</b>	<b>86,572</b>	<b>(1,620)</b>	<b>3,182</b>	<b>28,828</b>	<b>116,962</b>

<b>Company - 2018</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Capital and other reserves</b>	<b>Retained profits</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 July 2017</b>	<b>86,579</b>	<b>(1,273)</b>	<b>3,224</b>	<b>10,837</b>	<b>99,367</b>
- Net profit	-	-	-	21,346	<b>21,346</b>
- Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,346</b>	<b>21,346</b>
Employee share option scheme					
- Treasury shares reissued	(5)	248	(30)	-	<b>213</b>
Interim dividend for FY2018	-	-	-	(1,145)	<b>(1,145)</b>
Final dividend for FY2017	-	-	-	(4,582)	<b>(4,582)</b>
Total transactions with owners, recognised directly in equity	<b>(5)</b>	<b>248</b>	<b>(30)</b>	<b>(5,727)</b>	<b>(5,514)</b>
<b>Balance as at 30 June 2018</b>	<b>86,574</b>	<b>(1,025)</b>	<b>3,194</b>	<b>26,456</b>	<b>115,199</b>

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

During the financial year ended 30 June 2019, options on 270,000 (30 June 2018: 670,000) shares were exercised from the options that were granted in 2013. The share options exercised during the year under review resulted in 270,000 (30 June 2018: 670,000) treasury shares being reissued.

During the year under review, the Company had purchased 1,994,000 (30 June 2018: Nil) of its ordinary shares by way of on-market purchase for a total consideration of S\$696,000, and held them as treasury shares.

The Company's issued and fully paid up shares as at 30 June 2019 comprised 380,486,304 (30 June 2018: 382,210,304) ordinary shares with voting rights and 4,543,300 (30 June 2018: 2,819,300) treasury shares with no voting rights.

The last batch of options granted under the Company's employee share option scheme 2007 had expired on 20 September 2018. There was no outstanding share option as at 30 June 2019 (30 June 2018: 1,390,000).

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

	<b>30.06.2019</b>	<b>30.06.2018</b>
Total number of ordinary shares excluding treasury shares	380,486,304	382,210,304

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

Balance as at 30.06.18	2,819,300
Purchase of treasury shares	1,994,000
Transfer to employees to fulfil obligations under the Option Scheme 2007	(270,000)
Balance as at 30.06.19	<u>4,543,300</u>

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

The figures in this announcement 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 qualifications or emphasis of a matter).**

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared with the most recently audited financial statements as at 30 June 2018.

**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 Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The new framework is referred to as 'Singapore IFRS – Identical Financial Reporting Standards' ("SFRS(I)s") hereinafter.

The Group has adopted SFRS(I)s on 1 July 2018 and issued its first set of financial information prepared under SFRS(I)s for the first quarter ended 30 September 2018. In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) equivalent of IFRS 1 First-time Adoption of IFRS. The Group will also concurrently apply new major SFRS(I)s equivalent of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. There is no material impact on the Group's financial statements in adopting of SFRS(I)s, except as follows:

**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. (Continuation....)**

Application of SFRS(I) equivalent of IFRS 1 *First-time Adoption of IFRS*

The Group elected to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 July 2017 and reclassified S\$23,146,000 of foreign currency translation reserve to the opening retained earnings as at 1 July 2017.

Adoption of SFRS(I) equivalent of IFRS 15 *Revenue from Contracts with Customers*

(a) Construction contracts

The Group has certain costs incurred to fulfill a contract previously capitalised under amount due from customers arising from construction contract that will be expensed off with the adoption of SFRS(I) equivalent of IFRS 15 as these costs do not meet all the criteria under SFRS(I) to be recognised as an asset.

(b) Development properties - recognition of revenue over time

Prior to 1 July 2018, the Group recognised revenue from sale of development properties in Malaysia upon completion of construction. With the adoption of SFRS(I) equivalent of IFRS 15, revenue from the Group's development properties in Malaysia are recognised over time as the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date.

(c) Development properties - provision for foreseeable losses

The Group has development properties in Malaysia in which the Group is required to build a number of units of affordable housing as a condition for the local authorities to approve the development plan for the entire development. Under SFRS, the Group has made provision for foreseeable losses for these units of affordable housing.

Under SFRS(I) equivalent of IFRS 15, the developer will not develop and sell affordable housing on a standalone basis as it will result in negative margin. The core principle of revenue recognition is not fulfilled as the development of affordable housing on a standalone basis does not have commercial substance.

Accordingly, the profitability of the development of affordable housing has to be assessed on an overall basis with the entire development, in which case, there will be no provision of foreseeable losses to be recognised upfront should the entire development be profitable.

(d) Presentation of contract assets and liabilities

The Group has changed the presentation of certain amounts in the balance sheet to reflect the terminology in SFRS(I) equivalent of IFRS 15:

- Amounts due from customers arising from construction contracts and development properties are reclassified to be presented as part of contract assets.
- Amounts due to and advances received from customers arising from construction contracts and development properties under SFRS(I) are reclassified to be presented as part of contract liabilities.

**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. (Continuation....)**

Borrowing costs incurred for development properties in Singapore and Malaysia

In 2018, the IFRS Interpretations Committee ("Interpretations Committee"), which works with the International Accounting Standards Board in supporting the application of IFRS Standards, received a submission on whether a real estate developer capitalises borrowing costs as part of the cost of units for a residential multi-unit real estate development, for which the developer recognises revenue over time for the sale of individual units in the development based on IFRS 15 Revenue from Contracts with Customers.

In November 2018, the Committee issued a Tentative Agenda Decision containing explanatory material for the decision and how the applicable principles and requirements in IAS 23 Borrowing Costs apply to the fact pattern in the submission. The Interpretations Committee tentatively concluded that, the entity should not capitalise borrowing costs. This tentative agenda decision was finalised in its original form on 20 March 2019.

As SFRS(I) 1-23 and SFRS(I) 15 Revenue from Contracts with Customers (the accounting standards applicable to the Group) are aligned to IAS 23 and IFRS 15 respectively, the above Agenda Decision has relevant impact to the Group's activities as a property developer. Following this Agenda Decision, borrowing costs which were previously capitalised for development projects over the period of development are now expensed as incurred to the income statement.

Adoption of SFRS(I) equivalent of IFRS 9 *Financial Instruments*

(a) Equity investments reclassified from available-for-sale to FVOCI

The Group has elected to recognise changes in the fair value of all its equity investments not held for trading and previously classified as available-for-sale, in other comprehensive income. As a result, its "financial assets, available-for-sale" were reclassified to "financial assets, at FVOCI" on 1 July 2018.

**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. (Continuation....)**

The impact arising from the adoption of SFRS(I) on the Group's financial statements are as follows:

	12 months ended 30 June 2018		
	<b>As previously reported</b>	<b>Effects</b>	<b>Restated</b>
	S\$'000	S\$'000	S\$'000
Revenue	260,671	1,656	262,327
Cost of sales	(207,716)	(1,351)	(209,067)
Gross profit	52,955	305	53,260
Other income	2,841	-	2,841
Other gains - net	5,103	483	5,586
Expenses			
- Distribution and marketing	(1,035)	130	(905)
- Administrative and general	(29,539)	3	(29,536)
- Finance	(5,406)	(995)	(6,401)
Share of profits of associated companies	176	-	176
Share of losses of joint ventures	7,387	-	7,387
Profit before income tax	32,482	(74)	32,408
Income tax expense	(5,352)	(138)	(5,490)
Net profit	27,130	(212)	26,918
Net profit attributable to:			
Equity holders of the Company	24,851	(212)	24,639
Non-controlling interests	2,279	-	2,279
	27,130	(212)	26,918

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. (Continuation....)

GROUP						
	As at 30 June 2018			As at 30 June 2017		
	As previously reported S\$'000	Effects S\$'000	Restated S\$'000	As previously reported S\$'000	Effects S\$'000	Restated S\$'000
<b>ASSETS</b>						
<b><u>Current assets</u></b>						
Cash and cash equivalents	94,225	-	94,225	130,760	-	130,760
Trade and other receivables	78,147	(15,120)	63,027	79,075	(27,829)	51,246
Contract assets	-	16,512	16,512	-	27,868	27,868
Tax recoverable	1,214	-	1,214	1,174	-	1,174
Properties held for sale	1,372	(83)	1,289	4,289	(224)	4,065
Development properties	137,560	(17,630)	119,930	57,073	(12,480)	44,593
Other current assets	1,150	-	1,150	7,384	-	7,384
	<b>313,668</b>		<b>297,347</b>	<b>279,755</b>		<b>267,090</b>
<b><u>Non-current assets</u></b>						
Trade and other receivables	74,116	-	74,116	75,251	-	75,251
Club memberships	321	-	321	342	-	342
Available-for-sale financial assets	7,383	-	7,383	7,642	-	7,642
Investments in joint ventures	8,478	-	8,478	1,989	-	1,989
Investments in associated companies	1,909	-	1,909	11,542	-	11,542
Investment properties	180,658	-	180,658	171,383	-	171,383
Property, plant and equipment	25,389	-	25,389	26,784	-	26,784
Deferred income tax assets	1,224	1,597	2,821	1,153	1,725	2,878
Other non-current assets	957	-	957	1,127	-	1,127
	<b>300,435</b>		<b>302,032</b>	<b>297,213</b>		<b>298,938</b>
<b>Total assets</b>	<b>614,103</b>		<b>599,379</b>	<b>576,968</b>		<b>566,028</b>
<b>LIABILITIES</b>						
<b><u>Current liabilities</u></b>						
Trade and other payables	121,867	(8,220)	113,647	175,963	(17,665)	158,298
Contract liabilities	-	-	-	-	12,188	12,188
Current income tax liabilities	5,498	(76)	5,422	4,784	-	4,784
Borrowings	50,992	-	50,992	23,661	-	23,661
	<b>178,357</b>		<b>170,061</b>	<b>204,408</b>		<b>198,931</b>
<b><u>Non-current liabilities</u></b>						
Trade and other payables	23,869	-	23,869	29,500	-	29,500
Borrowings	148,247	-	148,247	105,013	-	105,013
Deferred income tax liabilities	554	-	554	662	-	662
	<b>172,670</b>		<b>172,670</b>	<b>135,175</b>		<b>135,175</b>
<b>Total liabilities</b>	<b>351,027</b>		<b>342,731</b>	<b>339,583</b>		<b>334,106</b>
<b>NET ASSETS</b>	<b>263,076</b>		<b>256,648</b>	<b>237,385</b>		<b>231,922</b>
<b>EQUITY</b>						
<b><u>Capital and reserves attributable to the equity holders of the Company</u></b>						
Share capital	86,574	-	86,574	86,579	-	86,579
Treasury shares	(1,025)	-	(1,025)	(1,273)	-	(1,273)
Capital and other reserves	888	22,393	23,281	(3,080)	23,146	20,066
Retained profits	157,836	(28,821)	129,015	138,712	(28,609)	110,103
<b>Shareholders' equity</b>	<b>244,273</b>		<b>237,845</b>	<b>220,938</b>		<b>215,475</b>
Non-controlling interests	18,803	-	18,803	16,447	-	16,447
<b>Total equity</b>	<b>263,076</b>		<b>256,648</b>	<b>237,385</b>		<b>231,922</b>

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

Earnings per ordinary share of the Group after deducting any provision for preference dividends:	<b>GROUP</b>	
	<b>12 months ended</b>	
	<b>30.06.2019</b>	<b>30.06.2018 (restated)</b>
(a) - Based on weighted average number of ordinary shares in issue	6.11 cents	6.45 cents
(b) - On a fully diluted basis	6.11 cents	6.45 cents

**Notes:-**

- (1) Basic earnings per share is computed based on the weighted average number of ordinary shares (excluding treasury shares which have no voting rights) in issue during the financial year reported on of 381,207,695 shares (30 June 2018: 381,844,592 shares).
- (2) There are no potential dilutive ordinary shares as at 30 June 2019.

For the purpose of calculating diluted earnings per share for the financial year ended 30 June 2018, the weighted average number of shares in issue (excluding treasury shares) during the preceding year of 382,081,030 shares were adjusted for the effects of all dilutive outstanding share options.

**7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- current financial period reported on; and**
- immediately preceding financial year.**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>As at 30.06.2019</b>	<b>As at 30.06.2018 (restated)</b>	<b>As at 30.06.2019</b>	<b>As at 30.06.2018</b>
Net asset* value per ordinary share based on issued share capital (excluding treasury shares which have no voting rights) as at the end of the financial year reported on	67.58 cents	62.23 cents	30.74 cents	30.14 cents

\* Net asset is defined as shareholders' equity

**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:-**

- 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**

**Revenue**

Revenue of S\$240.3 million for the year under review was S\$22.0 million or 8% lower than reported revenue for the preceding year mainly due to lower revenue of S\$138.4 million from several construction projects substantially completed in the previous financial years, partially offset by commencement of revenue recognition of S\$116.0 million for four construction projects.

**Cost of sales and Gross profit**

Cost of sales for the year under review decreased by 1% compared to a decrease in revenue of 8%. The higher gross profit in the preceding year was mainly due to successful variation claims from clients and cost savings from finalising accounts with subcontractors for various substantially completed construction projects.

**Finance expenses**

Finance expense of S\$8.2 million for the year under review was S\$1.8 million higher than the expense for the preceding year. The increase was mainly due to higher interest paid on bank borrowings pertaining to the Group's freehold residential development in Singapore and higher interest paid for the Company's new 5.8% fixed rate notes issued in September 2018.

**Share of profits of joint ventures**

The share of profits of joint ventures of S\$16.2 million for the year under review mainly relates to the recognition of the Group's proportionate share of fair value gain on an investment property owned by a joint venture company in Singapore.

**8. (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Cash and cash equivalents**

Cash and cash equivalents as at 30 June 2019 was S\$134.3 million compared to S\$94.2 million as at 30 June 2018. Please refer to the cash flow statements for the Group for the year ended 30 June 2019 in item 1(c) of this announcement for further details.

**Financial assets, at FVPL**

Financial assets, at Fair Value through Profit or Loss of S\$4.7 million as at 30 June 2019 relate to a convertible loan given to an investee company.

**Contract assets**

Contract assets as at 30 June 2019 was S\$46.3 million as compared to S\$16.5 million as at 30 June 2018. The increase of S\$29.8 million was mainly due to the increase in work carried out and not yet billed for several ongoing construction projects.

**Other assets (Current and Non-Current)**

Other assets as at 30 June 2019 was S\$11.9 million as compared to S\$2.1 million as at 30 June 2018. The increase was mainly due to S\$9.6 million retained in an Escrow account to pay the redevelopment costs for one of the Group's freehold commercial properties in the United Kingdom.

**Investments in joint ventures**

Investments in joint ventures as at 30 June 2019 increased by S\$24.7 million mainly due to additional capital of S\$9.8 million injected into a joint venture in Malaysia for funding (in part) the final settlement for the acquisition of a land. The increase was also due to the Group's proportionate share of S\$17.0 million fair value gain on an investment property in Singapore owned by another joint venture.

**Investments in associated companies**

Investments in associated companies as at 30 June 2019 decreased by S\$1.4 million mainly due to the receipt of S\$1.5 million dividends from two of the associated companies in Singapore that develops residential properties for sale.

**Investment properties**

Investment properties as at 30 June 2019 was S\$144.3 million as compared to S\$180.7 million as at 30 June 2018. The decrease of S\$36.4 million was mainly due to the disposal of the freehold interest in the student hostel component of a land owned by a subsidiary in the Wembley Regeneration Area in London.

**Trade and other payables (Current + Non Current)**

Total trade and other payables of S\$147.0 million as at 30 June 2019 increased by S\$9.5 million compared to S\$137.5 million as at 30 June 2018 mainly due to an increase in trade payables of S\$50.0 million from the increase in work carried out for several new/ongoing construction projects. The increase was partially offset by payments of S\$37.9 million made to subcontractors of various completed construction projects and a repayment of S\$2.8 million to a non-controlling shareholder of a subsidiary after the sale of the student hostel component of the land owned by that subsidiary in the United Kingdom.

**Contract liabilities**

Contract liabilities of S\$40.0 million as at 30 June 2019 mainly related to an advance of S\$39.9 million received for a major construction project.

**Borrowings (Current + Non Current)**

Borrowings in total had increased by S\$13.5 million since 30 June 2018 mainly due to net proceeds of S\$12.5 million from the Company's new issuance of 5.8% per annum unsecured fixed rate notes due 2021 and the drawdown of S\$24.6 million bank loans to fund the real estate activities of two joint ventures in Singapore and Malaysia. The increase was partially offset by the repayment of S\$22.8 million unsecured 5.5% fixed rate notes which matured on 28 March 2019.

**9. 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 comments previously disclosed in part 10 in the results announcement for the third quarter and nine months ended 31 March 2019.

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

In an announcement made on 13 August 2019, the Ministry of Trade and Industry (MTI) has revised the GDP growth forecast for 2019 from the previous range of 1.5% to 2.5% to between 0% and 1%. This comes after expansion slowed sharply in the second quarter to 0.1% moderating from the 1.1% growth witnessed in the previous quarter. On a quarter-on-quarter seasonally adjusted basis, the economy declined by 3.3%, compared to the 3.8% growth in the preceding quarter.

Supported by public sector construction demand, the construction sector expanded by 2.9% on a year-on-year basis, extending the 2.8% growth experienced in the first quarter. The MTI expects its recovery to be sustained.

Construction for the Group's development projects, Tekka Place and One Tree Hill Collection, are progressing according to schedule. Tekka Place, the Group's Serangoon Road hospitality-and-retail integrated redevelopment joint venture with LaSalle, is on track to complete later this year. Meanwhile, One Tree Hill Collection is scheduled to complete in the second half of next year. So far, three semi-detached units have been sold.

Construction for the Group's 300-room serviced residence in the United Kingdom is also progressing well. The development is expected to complete in the middle of 2021.

During the year under review, the Group was awarded a S\$799 million contract for the design and construction of the north-south corridor (tunnel) between Ang Mo Kio Avenues 3 and 9 by the Land Transport Authority. The Group is expecting to commence revenue recognition from this project in the current financial year. The current outstanding value of projects in progress is S\$1.3 billion.

In Malaysia, the Group continues to market its 573-unit landed residential development, Twin Palms Sungai Long. To date, 398 units had been sold out of the 444 units launched.

**11. Dividend**

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

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim (Paid)	Final (Proposed)
Dividend Type	Cash	Cash
Dividend per share	0.3 cents per ordinary share	1.5 cents per ordinary share
Tax Rate	Tax exempt (1-Tier)	Tax exempt (1-Tier)

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

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim (Paid)	Final (Paid)
Dividend Type	Cash	Cash
Dividend per share	0.3 cents per ordinary share	1.5 cents per ordinary share
Tax Rate	Tax exempt (1-Tier)	Tax exempt (1-Tier)

**(c) Date payable** - To be announced later.

**(d) Books closure date** - The Company will give notice of its book closure date later.

**12. If no dividend has been declared/recommended, a statement to that effect.** - Not applicable.

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

Not applicable as no IPT mandate has been obtained.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

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

<b>Business Segments (2019)</b>	<b>Construction S\$'000</b>	<b>Property development &amp; Investment S\$'000</b>	<b>Investment holding &amp; Others S\$'000</b>	<b>Total S\$'000</b>
Revenue from external customers	222,829	17,078	344	240,251
Inter-segment revenue	28,690	1,275	28,512	58,477
	<u>251,519</u>	<u>18,353</u>	<u>28,856</u>	<u>298,728</u>
Elimination				(58,477)
Revenue				<u>240,251</u>
<b>Segment results</b>	14,991	31,125	17,107	63,223
Elimination				<u>(26,297)</u>
				36,926
Finance expense				<u>(8,249)</u>
Profit before income tax				28,677
Income tax expense				<u>(1,151)</u>
<b>Net profit</b>				<u>27,526</u>

**Segment results include:**

- Interest income	670	129	53	852
- Depreciation of property, plant and equipment	(2,170)	(619)	(275)	(3,064)
- Interest expense	(21)	(4,836)	(3,392)	(8,249)
- Share of losses of associated companies and joint ventures	(11)	16,400	(5)	16,384
- Income tax expense	(2,447)	1,427	(131)	(1,151)

<b>Business Segments (2018-restated)</b>	<b>Construction S\$'000</b>	<b>Property development &amp; Investment S\$'000</b>	<b>Investment holding &amp; Others S\$'000</b>	<b>Total S\$'000</b>
Revenue from external customers	243,328	18,628	371	262,327
Inter-segment revenue	6,307	1,257	26,451	34,015
	<u>249,635</u>	<u>19,885</u>	<u>26,822</u>	<u>296,342</u>
Elimination				(34,015)
Revenue				<u>262,327</u>
<b>Segment results</b>	28,844	15,525	17,573	61,942
Elimination				<u>(23,133)</u>
				38,809
Finance expense				<u>(6,401)</u>
Profit before income tax				32,408
Income tax expense				<u>(5,490)</u>
<b>Net profit</b>				<u>26,918</u>

**Segment results include:**

- Interest income	387	272	99	758
- Depreciation of property, plant and equipment	(2,528)	(1,015)	(253)	(3,796)
- Interest expense	(4)	(3,389)	(3,008)	(6,401)
- Share of losses of associated companies and joint ventures	(10)	7,577	(4)	7,563
- Income tax expense	(5,075)	(343)	(72)	(5,490)

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (continuation...)**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

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

The Company confirms that it has procured undertakings from all its Directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

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

The factors leading to material changes in contributions to revenue and earnings by the business segments have been explained in paragraph 8 above.

**17. A breakdown of sales.**

	<b>Group</b>			
	<b>01.07.2018 to 30.06.2019 S\$'000</b>	<b>01.07.2017 to 30.06.2018 (restated) S\$'000</b>	<b>Increase/ (Decrease)</b>	
			<b>S\$'000</b>	<b>%</b>
Sales reported for the first half year	90,069	119,880	(29,811)	(25)
Operating profit after taxation before deducting non-controlling interest reported for the first half year	4,111	10,228	(6,117)	(60)
Sales reported for the second half year	150,182	142,447	7,735	5
Operating profit after taxation before deducting non-controlling interest reported for the second half year	23,415	16,690	6,725	40

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

**Total annual dividend - Proposed**

	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Ordinary shares (excluding treasury shares)	6,848	6,882
Preference shares	-	-
<b>Total:</b>	<b>6,848</b>	<b>6,882</b>

**19. 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
Adrian Lum Wen Hong	43	Son of David Lum Kok Seng (Managing Director and substantial shareholder) Nephew of Raymond Lum Kwan Sung (Executive Chairman and substantial shareholder)	Position: Director, Property Development Duties: Responsible for formulating business strategy and identifying investment opportunities, land and property development and potential joint ventures, and business acquisitions for the Group. Date when position was first held: 15 September 2015	N.A.
Lum Wen-Yan Emlyn	35	Daughter of Raymond Lum Kwan Sung (Executive Chairman and substantial shareholder) Niece of David Lum Kok Seng (Managing Director and substantial shareholder)	Position: Vice President, Finance Duties: Finance Date when position was first held: 25 July 2018	N.A.

**BY ORDER OF THE BOARD**

TONY FONG  
TAN ENG CHAN GERALD  
COMPANY SECRETARIES

23 August 2019

Submitted by Tony Fong, Tan Eng Chan Gerald, Company Secretaries on 23 August 2019 to the SGX.