



LIAN BENG GROUP LTD
Registration No. 199802527Z

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

These figures have not been audited.

PART I - INFORMATION REQUIRED FOR HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

Financial year ended	Group		
	31 May 2021	31 May 2020	Increase / (decrease)
	S\$'000	S\$'000	%
Revenue	514,490	556,043	(7.5)
Cost of sales	(454,676)	(471,577)	(3.6)
Gross profit	59,814	84,466	(29.2)
Other operating income	36,073	20,878	72.8
Distribution expenses	(2,528)	(2,474)	2.2
Administrative expenses	(29,600)	(28,138)	5.2
Other operating expenses	(10,062)	(9,088)	10.7
Finance costs	(12,161)	(18,286)	(33.5)
Impairment losses on financial assets	(2,241)	(743)	201.6
Share of results of associates	6,507	(10,907)	NM
Share of results of joint ventures	(1,757)	6,455	NM
	44,045	42,163	4.5
Fair value loss on investment properties	(1,647)	(667)	146.9
Profit before taxation	42,398	41,496	2.2
Taxation	(7,243)	(7,850)	(7.7)
Profit for the year, net of taxation	35,155	33,646	4.5
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Net gain/(loss) on equity instruments at fair value through other comprehensive income	3,560	(4,285)	NM
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net gain/(loss) on debt instruments at fair value through other comprehensive income	2,935	(1,834)	NM
Foreign currency translation gain/(loss)	1,022	(108)	NM
Other comprehensive income for the year, net of taxation	7,517	(6,227)	NM
Total comprehensive income for the year	42,672	27,419	55.6
Profit attributable to:			
Owners of the Company	26,068	28,654	(9.0)
Non-controlling interests	9,087	4,992	82.0
	35,155	33,646	4.5
Total comprehensive income attributable to:			
Owners of the Company	33,420	22,535	48.3
Non-controlling interests	9,252	4,884	89.4
	42,672	27,419	55.6

NM - not meaningful

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

Financial year ended	Group		
	31 May 2021	31 May 2020	Increase / (decrease)
	S\$'000	S\$'000	%
Amortisation of capitalised contract costs	(1,979)	(1,971)	0.4
Bad debts written off	–	(12)	NM
Depreciation of property, plant and equipment	(16,443)	(17,169)	(4.2)
Dividend income from investment securities	1,145	2,357	(51.4)
Fair value gain/(loss) on investment securities	887	(599)	NM
Gain on disposal of property, plant and equipment	412	853	(51.7)
Gain on disposal of a subsidiary	–	640	NM
Gain on dilution of investment in a joint venture	113	–	NM
Gain/(loss) on disposal of investment securities	560	(114)	NM
Gain/(loss) on foreign exchange, net	5,470	(561)	NM
Loss on disposal of a joint venture	–	(325)	NM
Government grants and incentives	18,789	7,118	164.0
Grant expenses	(1,736)	(632)	174.7
Impairment loss on property, plant and equipment	(218)	–	NM
Interest income	11,258	12,704	(11.4)
Provision for onerous contract	(1,477)	–	NM
(Under)/over provision of tax in respect of previous years, net	(190)	608	NM
Waiver of amount due to associate	4	390	(99.0)

NM - 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	
	31 May 2021	31 May 2020	31 May 2021	31 May 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Non-current assets</u>				
Property, plant and equipment	180,190	174,394	–	–
Investment properties	681,485	560,164	–	–
Investment in subsidiaries	–	–	173,991	175,031
Investment in joint ventures	13,695	15,339	–	–
Investment in associates	31,478	29,625	–	–
Investment securities	155,012	120,955	12,621	13,355
Amounts due from subsidiaries	–	–	33,783	33,783
Amounts due from associates	38,667	40,527	–	–
Deferred tax assets	768	726	–	–
	1,101,295	941,730	220,395	222,169
<u>Current assets</u>				
Contract assets	85,814	84,578	–	–
Capitalised contract costs	1,381	1,668	–	–
Development properties	180,892	78,353	–	–
Inventories	15,675	12,540	–	–
Trade receivables	62,344	26,626	–	–
Other receivables and deposits	18,891	22,328	123	123
Prepayments	10,041	12,182	4	4
Tax recoverable	22	682	–	–
Amounts due from affiliated companies	–	2	–	–
Amounts due from subsidiaries	–	–	190,602	178,706
Amounts due from joint ventures	68,447	76,833	54,947	62,947
Amounts due from associates	188,629	170,166	–	–
Investment securities	12,090	29,027	–	–
Cash and cash equivalents	208,632	209,416	10,114	10,806
	852,858	724,401	255,790	252,586
<u>Current liabilities</u>				
Contract liabilities	44,011	56,717	–	–
Trade and other payables	226,664	147,607	27	29
Accruals	24,231	20,159	137	173
Provision for onerous contract	1,477	–	–	–
Lease liabilities	3,722	4,134	–	–
Amounts due to associates	1,199	1,349	–	–
Amounts due to joint ventures	950	700	–	–
Amounts due to subsidiaries	–	–	233,747	237,762
Bank loans and bills payable	298,057	243,527	–	–
Provision for taxation	8,974	9,474	68	159
	609,285	483,667	233,979	238,123
<u>Net current assets</u>	243,573	240,734	21,811	14,463
<u>Non-current liabilities</u>				
Refundable rental deposits	2,828	2,559	–	–
Amounts due to subsidiaries	–	–	556	1,744
Lease liabilities	12,055	9,694	–	–
Bank loans	470,957	341,645	–	–
Deferred tax liabilities	2,187	3,884	–	–
	488,027	357,782	556	1,744
<u>Net assets</u>	856,841	824,682	241,650	234,888
<u>Equity attributable to owners of the Company</u>				
Share capital	82,275	82,275	82,275	82,275
Treasury shares	(17,777)	(17,777)	(17,777)	(17,777)
Retained earnings	673,247	646,474	186,251	178,756
Other reserves	2,299	(5,213)	(9,099)	(8,366)
	740,044	705,759	241,650	234,888
<u>Non-controlling interests</u>	116,797	118,923	–	–
<u>Total equity</u>	856,841	824,682	241,650	234,888

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

Amount repayable in one year or less, or on demand

As at 31 May 2021

Secured S\$'000	Unsecured S\$'000
301,779	–

As at 31 May 2020

Secured S\$'000	Unsecured S\$'000
247,661	–

Amount repayable after one year

As at 31 May 2021

Secured S\$'000	Unsecured S\$'000
483,012	–

As at 31 May 2020

Secured S\$'000	Unsecured S\$'000
351,339	–

The Group's borrowings include bank loans, bills payable and lease liabilities.

Details of any collaterals

As at 31 May 2021, the Group's bank loans, bills payable and lease liabilities of S\$784.8 million (31 May 2020: S\$599.0 million) are generally secured by corporate guarantee provided by the Company and the assignment of rights, titles and benefits with respect to property, plant and equipment, investment properties, development properties, investment securities, fixed deposits and bank balances.

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

Financial year ended	Group	
	31 May 2021	31 May 2020
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before taxation	42,398	41,496
<u>Adjustments for:</u>		
Amortisation of capitalised contract costs	1,979	1,971
Depreciation of property, plant and equipment	16,443	17,169
Dividend income from investment securities	(1,145)	(2,357)
Fair value loss on investment properties	1,647	667
Fair value (gain)/loss on investment securities	(887)	599
Gain on disposal of property, plant and equipment	(412)	(853)
Gain on disposal of a subsidiary	–	(640)
(Gain)/loss on disposal of investment securities	(560)	114
Impairment losses on financial assets	2,241	743
Impairment loss of property, plant and equipment	218	–
Provision for onerous contract	1,477	–
Interest income	(11,258)	(12,704)
Interest expense	12,161	18,286
Gain on dilution of an investment in a joint venture	(113)	–
Loss on disposal of a joint venture	–	325
Unrealised exchange differences	(4,914)	265
Property, plant and equipment written off	–	51
Bad debts written off	–	12
Share of results of associates and joint ventures	(4,750)	4,452
Waiver of amount due to associate	(4)	(390)
Operating cash flows before changes in working capital	54,521	69,206
<u>Changes in working capital:</u>		
Development properties	(102,539)	13,404
Capitalised contract costs	(1,692)	(2,177)
Contract assets	(1,236)	17,136
Contract liabilities	(12,723)	27,786
Inventories	(3,135)	(9,645)
Trade receivables	(35,821)	17,100
Other receivables and deposits	312	(8,755)
Prepayments	2,141	(6,600)
Trade and other payables and accruals	75,994	(18,943)
Balances with joint ventures and associates	(2,796)	3,873
Total changes in working capital	(81,495)	33,179
Cash flows (used in)/from operations	(26,974)	102,385
Interest paid and capitalised in development properties	–	(112)
Income tax paid	(8,823)	(7,624)
Net cash flows (used in)/from operating activities	(35,797)	94,649
Cash flows from investing activities		
Interest received	7,322	7,795
Dividend income from investment securities	1,145	2,357
Dividend income from associates	5,322	784
Dividend income from joint ventures	–	1,450
Additions to investment securities	(57,321)	(42,742)
Purchase of property, plant and equipment	(16,424)	(19,259)
Additional investments in investment properties	(122,968)	(25,628)
Proceeds from disposal of investment securities	47,946	29,934
Proceeds from disposal of property, plant and equipment	471	862
Proceeds from disposal of a subsidiary	–	4,046
Proceeds from disposal of a joint venture	–	9,438
(Loans to)/repayment of loans by associates	(8,141)	115
Repayment of loans by joint ventures	8,454	686

CASHFLOW STATEMENT (CONT'D)

Financial year ended	Group	
	31 May 21	31 May 20
	S\$'000	S\$'000
Additional investment in associates	(157)	(387)
Additional investment in SLB Development Ltd ("SLB")	(1,960)	(1,190)
Investment in a joint venture	–	(1,000)
Net cash flows used in investing activities	(136,311)	(32,739)
Cash flows from financing activities		
Interest paid	(11,371)	(18,272)
Proceeds from bank loans and bills payable	342,857	185,932
Repayment of bank loans and bills payable	(156,051)	(170,819)
Payment for bank facility fee	(435)	–
Repayment of lease liabilities	(4,143)	(5,644)
Dividend paid on ordinary shares	–	(11,243)
Dividends paid to non-controlling interests of subsidiaries	(8,553)	(10,436)
Loans from/(repayment of loans to) joint ventures	250	(1,450)
(Repayment of loans to)/loans from associates	(130)	627
Repayment of loans due to non-controlling interests of a subsidiary	(515)	(1,600)
Loans from non-controlling interests of a subsidiary	7,248	617
Release/(placement) of restricted cash – fixed deposits and bank balances pledged for bank loan	14,456	(14,814)
Net cash flows from/(used in) financing activities	183,613	(47,102)
Net increase in cash and cash equivalents	11,505	14,808
Cash and cash equivalents at beginning of the year	194,602	179,924
Effect of exchange rate changes on cash and cash equivalents	2,167	(130)
Cash and cash equivalents at end of the year	208,274	194,602
Breakdown of cash and cash equivalents at end of the year		
Fixed deposits	29,711	47,673
Cash on hand and at banks	178,921	161,743
Cash and cash equivalents per statement of financial position	208,632	209,416
Restricted cash – fixed deposits and bank balances pledged for bank loan	(358)	(14,814)
Cash and cash equivalents at end of the year	208,274	194,602

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

GROUP – FY2021

	Attributable to owners of the Company				Non-controlling interest	Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves*		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jun 2020	82,275	(17,777)	646,474	(5,213)	118,923	824,682
Profit for the year, net of taxation	–	–	26,068	–	9,087	35,155
<u>Other comprehensive income</u>						
Net gain on equity instruments at fair value through other comprehensive income	–	–	–	3,492	68	3,560
Net gain/(loss) on debt instruments at fair value through other comprehensive income	–	–	–	2,967	(32)	2,935
Foreign currency translation gain	–	–	–	893	129	1,022
Other comprehensive income for the year, net of taxation	–	–	–	7,352	165	7,517
Total comprehensive income for the year	–	–	26,068	7,352	9,252	42,672
<u>Change in ownership interests of subsidiary</u>						
Acquisition of additional interest in SLB	–	–	–	865	(2,825)	(1,960)
Total changes in ownership interests of subsidiaries	–	–	–	865	(2,825)	(1,960)
<u>Contribution by and distribution to owners</u>						
Dividends paid to non-controlling interests of subsidiaries	–	–	–	–	(8,553)	(8,553)
Total transactions with owners in their capacity as owners	–	–	–	–	(8,553)	(8,553)
<u>Others</u>						
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	–	–	705	(705)	–	–
Balance at 31 May 2021	82,275	(17,777)	673,247	2,299	116,797	856,841

* Other reserves include capital reserve, foreign currency translation reserve and fair value adjustment reserve.

STATEMENT OF CHANGES IN EQUITY (CONT'D)
GROUP – FY2020

	Attributable to owners of the Company				Non-controlling interest	Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves*		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jun 2019	82,275	(17,777)	627,967	1,595	126,072	820,132
Profit for the year, net of taxation	–	–	28,654	–	4,992	33,646
Other comprehensive income						
Net loss on equity instruments at fair value through other comprehensive income	–	–	–	(4,196)	(89)	(4,285)
Net loss on debt instruments at fair value through other comprehensive income	–	–	–	(1,834)	–	(1,834)
Foreign currency translation loss	–	–	–	(89)	(19)	(108)
Other comprehensive income for the year, net of taxation	–	–	–	(6,119)	(108)	(6,227)
Total comprehensive income for the year	–	–	28,654	(6,119)	4,884	27,419
<u>Change in ownership interests of subsidiary</u>						
Acquisition of additional interest in SLB	–	–	–	407	(1,597)	(1,190)
Total changes in ownership interests of subsidiary	–	–	–	407	(1,597)	(1,190)
<u>Contribution by and distribution to owners</u>						
Dividends on ordinary shares	–	–	(11,243)	–	–	(11,243)
Dividends paid to non-controlling interests of subsidiaries	–	–	–	–	(10,436)	(10,436)
Total transactions with owners in their capacity as owners	–	–	(11,243)	–	(10,436)	(21,679)
<u>Others</u>						
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	–	–	1,096	(1,096)	–	–
Balance at 31 May 2020	82,275	(17,777)	646,474	(5,213)	118,923	824,682

* Other reserves include capital reserve, foreign currency translation reserve and fair value adjustment reserve.

STATEMENT OF CHANGES IN EQUITY (CONT'D)

COMPANY – FY2021

	Share capital	Treasury shares	Retained earnings	Fair value adjustment reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jun 2020	82,275	(17,777)	178,756	(8,366)	234,888
Profit for the year, net of taxation	–	–	7,495	–	7,495
<u>Other comprehensive income</u>					
Net loss on equity instruments at fair value through other comprehensive income	–	–	–	(733)	(733)
Other comprehensive income for the year, net of taxation	–	–	–	(733)	(733)
Total comprehensive income for the year	–	–	7,495	(733)	6,762
Balance at 31 May 2021	82,275	(17,777)	186,251	(9,099)	241,650

COMPANY – FY2020

	Share capital	Treasury shares	Retained earnings	Fair value adjustment reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jun 2019	82,275	(17,777)	177,905	(5,909)	236,494
Profit for the year, net of taxation	–	–	12,094	–	12,094
<u>Other comprehensive income</u>					
Net loss on equity instruments at fair value through other comprehensive income	–	–	–	(2,457)	(2,457)
Other comprehensive income for the year, net of taxation	–	–	–	(2,457)	(2,457)
Total comprehensive income for the year	–	–	12,094	(2,457)	9,637
<u>Contribution by and distribution to owners</u>					
Dividends on ordinary shares	–	–	(11,243)	–	(11,243)
Balance at 31 May 2020	82,275	(17,777)	178,756	(8,366)	234,888

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

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

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

Not applicable.

- 3A. **Where the latest financial statement are subject to an adverse opinion, qualified opinion or disclaimer of opinion:- (a) Updates on the efforts taken to resolve each outstanding audit issue, and (b) Confirmation from the Board the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable.

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

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

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

Not applicable.

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

Financial year ended	Group	
	31 May 2021	31 May 2020
Earnings per share attributable to equity holders of the Company (cents per share)		
(a) On a basic basis	5.22	5.73
(b) On a fully diluted basis	5.22	5.73

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

	Group		Company	
	31 May 2021	31 May 2020	31 May 2021	31 May 2020
Net asset value per ordinary shares (cents)	148.10	141.24	48.36	47.01

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

A) Comprehensive Income Statements

FY2021 vs FY2020

Revenue

The Group recorded revenue of S\$514.5 million for the full year ended 31 May 2021 ("FY2021"), a decrease of 7.5% from S\$556.0 million for the full year ended 31 May 2020 ("FY2020"), with lower revenue recorded across all business segments.

The revenue from the Construction Segment decreased by 7.2% from S\$460.5 million in FY2020 to S\$427.5 million in FY2021. This was mainly due to the slow pace of work resumption amid manpower shortage arising from tighter border measures, disruptions in manpower deployment due to the workers' movement control, as well as additional safe management measures implemented at the worksites.

Revenue from the Property Development Segment decreased by 8.2% from S\$46.2 million in FY2020 to S\$42.4 million in FY2021 mainly due to decrease in revenue recognised from Mactaggart Foodlink as the project has achieved Temporary Occupation Permit in March 2021. This was partially offset by an increase in revenue recognised from INSPACE and sale of the remaining unit of T-Space.

The 9.6% decrease in revenue from the Investment Holding and Dormitory Segment from S\$49.4 million in FY2020 to S\$44.6 million in FY2021 was mainly due to the rental relief granted to tenants and the lower occupancy in the Group's dormitory business.

Cost of sales

In line with the lower level of business activity, cost of sales decreased by 3.6% to S\$454.7 million in FY2021, from S\$471.6 million in FY2020.

Gross profit

Gross profit fell 29.2% to S\$59.8 million in FY2021 from S\$84.5 million in FY2020, mainly due to the lower profit from the Construction Segment due to the ongoing COVID-19 pandemic.

Operating income and expenses

Other operating income increased by 72.8% to S\$36.1 million in FY2021, from S\$20.9 million in FY2020, taking into account:

- (i) S\$18.5 million in grants and incentives extended by the Singapore government in view of the COVID-19 pandemic, which was S\$11.8 million higher than FY2020;
- (ii) S\$5.5 million in net foreign exchange gain, arising from the depreciation of US Dollar against Singapore Dollar on the US Dollar-denominated bank loans, and appreciation of British Pounds and Australian Dollar against Singapore Dollar on the assets denominated in the respective foreign currencies in FY2021;
- (iii) a fair value gain of investment securities of S\$0.9 million in FY2021;

The increase was partially offset by a decrease in interest income of S\$1.6 million and the absence of a S\$0.6 million gain on disposal of a subsidiary that was recognised in FY2020.

Other operating expenses increased by S\$1.0 million from S\$9.1 million in FY2020 to S\$10.1 million in FY2021, mainly due to higher grant expenses of S\$1.1 million in relation to property tax rebate given to tenants.

Finance cost decreased 33.5% from S\$18.3 million in FY2020 to S\$12.2 million in FY2021, mainly due to lower interest rates environment.

Impairment losses on financial assets in FY2021 of S\$2.2 million was mainly related to doubtful receivables from an investee company of the Group of S\$1.4 million, whose hotel business in the United Kingdom had been negatively impacted by the continuing spread of the COVID-19 pandemic and related movement and travel restrictions.

In FY2021, share of profit from associates, which comprises the Group's property development, investment holding and dormitory businesses, was S\$6.5 million, as compared to the share of loss of S\$10.9 million in FY2020. The share of profit in FY2021 was mainly due to (i) development profits recognised from Affinity @ Serangoon, Riverfront Residences and Rezi 24 of S\$7.8 million as additional units were sold and development profit recognised as the respective projects' construction progressed; (ii) share of profit in the dormitory business of S\$3.5 million, whose better performance in FY2021 was resulted from lower interest rates and lower fair value loss, offset by lower revenue. The share of profit was partially offset by share of loss of S\$5.2 million from the associates' hospitality business in the United Kingdom.

Share of loss from joint ventures was S\$1.8 million in FY2021, compared to the share of profit of S\$6.5 million in FY2020. While the Group recorded a S\$3.3 million share of operating profit from its joint ventures, the earnings was eroded by a share of fair value loss amounting to S\$5.1 million, from its investment properties.

Profit attributable to owners of the Company

Taking into account the above, profit attributable to owners of the Company decreased by 9.0% from S\$28.7 million in FY2020 to S\$26.1 million in FY2021.

B) Financial Position Statements

Current and non-current assets

Investment properties increased from S\$560.2 million in May 2020 to S\$681.5 million in May 2021, taking into account the completion of acquisition of BreadTalk IHQ located at 30 Tai Seng Street, Singapore in FY2021 of S\$122.9 million (including transaction cost), and net fair value loss of investment properties of S\$1.6 million in FY2021.

Investment securities increased from S\$150.0 million in May 2020 to S\$167.1 million in May 2021, mainly due to acquisition of investment securities of S\$57.3 million and fair value gain, partially offset by redemption and disposal of S\$47.9 million.

Development properties increased from S\$78.4 million in May 2020 to S\$180.9 million in May 2021, mainly due to completion of acquisition of Thye Hong Centre located at 2 Leng Kee Road, Singapore, offset by the sale of development units of Mactaggart Foodlink and INSPACE.

Inventories increased from S\$12.5 million in May 2020 to S\$15.7 million in May 2021, as a result of the increased stockpiles of construction materials for the Group's construction projects.

Trade receivables increased from S\$26.6 million in May 2020 to S\$62.3 million in May 2021, mainly due to progressive billings for construction projects following the resumption of construction activities.

Other receivables and deposits decreased from S\$22.3 million in May 2020 to S\$18.9 million in May 2021, mainly due to impairment of doubtful receivables of S\$2.2 million, and the reclassification of S\$0.6 million deposit paid in May 2020 to property, plant and equipment in May 2021.

Current and non-current liabilities

Contract liabilities decreased from S\$56.7 million in May 2020 to S\$44.0 million in May 2021, mainly due to decrease in contract liabilities from government projects.

Trade and other payables increased from S\$147.6 million in May 2020 to S\$226.7 million in May 2021, largely due to resumption of construction activities. The increase also takes into account the increase in loan from non-controlling interests of subsidiaries of S\$7.2 million, and rental deposit received from the tenants of investment property BreadTalk IHQ of S\$6.5 million.

Accruals increased from S\$20.2 million in May 2020 to S\$24.2 million in May 2021, mainly due to increase in accrued costs for Mactaggart Foodlink which was completed in March 2021 and INSPACE as the projects progressed.

Provision for onerous contract of S\$1.5 million in May 2021 was provided for construction projects which recorded negative margin in FY2021.

Total bank loans and bills payable increased by S\$183.8 million from S\$585.2 million in May 2020 to S\$769.0 million in May 2021, mainly due to additional bank loans taken up for the acquisition of

development property Thye Hong Centre (S\$90.0 million) and investment property BreadTalk IHQ (S\$88.8 million).

Total lease liabilities increased from S\$13.8 million in May 2020 to S\$15.8 million in May 2021, mainly due to acquisition of plant and equipment through hire purchase during FY2021.

Deferred tax liabilities decreased to S\$2.2 million in May 2021 from S\$3.9 million in May 2020, mainly due to reclassification of S\$1.7 million to provision for income tax.

C) Cash Flow Statements

In FY2021, cash and cash equivalents (excluding fixed deposits and bank balances pledged for bank loans) increased by S\$13.7 million to S\$208.3 million in May 2021. The increase takes into account net cash from financing activities of S\$183.6 million, partially offset by net cash used in operating activities of S\$35.8 million and investing activities of S\$136.3 million.

Net cash used in operating activities of S\$35.8 million was mainly due to increase in development properties of S\$102.5 million, offset by increase in trade and other payables of S\$76.0 million.

Net cash used in investing activities of S\$136.3 million was mainly due to additional investments in investment properties of S\$123.0 million and purchase of investment securities of S\$57.3 million, partially offset by the net proceeds of S\$47.9 million from the redemption and disposal of investment securities.

Net cash from financing activities of S\$183.6 million was mainly attributable to net proceeds from bank loans and bills payable of S\$186.4 million, release of fixed deposits and cash at bank pledged for bank loans of S\$14.5 million, partially offset by payment for interest of S\$11.4 million, and dividends amounting to S\$8.6 million paid to non-controlling interests of subsidiaries.

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

No forecast or prospect statement has previously been disclosed.

10. A commentary at the date of the announcement of the 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 expects operating conditions in the construction sector to remain challenging. The pace of construction activities is likely to be constrained by manpower shortage and deployment challenges, in view of the prevailing COVID-19 situation in the region and the recent surge in cases in Singapore.

As at 29 July 2021, the Group's construction order book stands at S\$1.4 billion, which should support the Group's activities through FY2025. The Group will closely monitor the delivery of these projects, while selectively tendering for new public and private sector contracts.

With regard to its property development business, the Group expects possible delays in the completion for some of its development projects in view of the manpower constraints. The Group will actively monitor the situation to ensure smooth progress, and take the necessary initiatives to moderate any financial impacts arising thereon.

During the year under review, the Group completed the acquisition of Thye Hong Centre and BreadTalk IHQ, and expects to generate returns from these properties. In March 2021, the Group, through its 60%-owned subsidiary United Tec Construction Pte. Ltd., secured a \$131-million contract for the construction of a private residential development at Canberra Drive.

The Group will continue to prudently manage its costs, while exercising caution when exploring business opportunities in the region for sustainable growth.

11. Dividend

(a) Current Financial Period Reported On

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

Name of dividend	Interim	Final (Proposed)	Total
Dividend type	Nil	Cash	Cash
Dividend amount per share (cents)	Nil	1.0	1.0
Tax rate	Nil	Tax-exempt (1-tier)	Tax-exempt (1-tier)

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

Name of dividend	Interim	Final	Total
Dividend type	Cash	Nil	Cash
Dividend amount per share (cents)	1.0	Nil	1.0
Tax rate	Tax-exempt (1-tier)	Nil	Tax-exempt (1-tier)

(c) Date payable

The proposed final cash dividend, if approved during the Annual General Meeting to be held on 28 September 2021, will be paid on 15 October 2021.

(d) Record date

The Share Transfer Books and Register of Members of the Company will be closed on 7 October 2021, at 5.00 p.m. for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited at 112, Robinson Road, #05-01 Singapore 068902, up to 5.00 p.m. on 7 October 2021 will be registered to determine shareholders' entitlements to the dividend.

Members whose shares are credited to the securities accounts with The Central Depository (Pte) Limited as at 5.00 p.m. on 7 October 2021 will be entitled to the proposed final dividend.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

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.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. 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.

Group – FY2021

	Construction	Dormitory	Investment holding	Property development	Adjustments and eliminations	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:						
External customer	427,461	19,225	25,417	42,387	–	514,490
Inter-segment	3	–	14,973	–	(14,976)	–
Total revenue	427,464	19,225	40,390	42,387	(14,976)	514,490
Results:						
Interest income	133	851	7,583	3,262	(571)	11,258
Dividend income	323	–	821	1	–	1,145
Finance cost	746	2,235	6,797	2,954	(571)	12,161
Depreciation and amortisation	13,131	86	2,996	295	(65)	16,443
Share of results of associates	–	3,537	(4,117)	7,087	–	6,507
Share of results of joint ventures	(5)	–	(1,511)	(241)	–	(1,757)
Fair value gain/(loss) on investment properties	1,120	3,000	(5,767)	–	–	(1,647)
<i>Other non-cash expenses</i>						
Amortisation of capitalised contract costs	–	–	–	1,979	–	1,979
Impairment loss of financial assets	588	–	1,653	–	–	2,241
Impairment loss of property, plant and equipment	218	–	–	–	–	218
Provision for onerous contract	1,477	–	–	–	–	1,477
Segment profit	1,622	20,226	5,251	14,273	1,026	42,398
Assets:						
Investment in associates	–	19,915	16,300	(4,593)	(144)	31,478
Investment in joint ventures	289	–	11,156	2,315	(65)	13,695
Additions to non-current assets	22,346	80	123,030	29	–	145,485
Segment assets	622,791	330,295	1,046,508	401,425	(446,866)	1,954,153
Segment liabilities	300,195	160,302	724,709	222,505	(310,399)	1,097,312

GROUP – FY2020

	Construction	Dormitory	Investment holding	Property development	Adjustments and eliminations	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:						
External customer	460,511	23,284	26,082	46,166	–	556,043
Inter-segment	–	5	6,427	–	(6,432)	–
Total revenue	460,511	23,289	32,509	46,166	(6,432)	556,043
Results:						
Interest income	399	1,750	8,075	3,621	(1,141)	12,704
Dividend income	398	–	1,959	–	–	2,357
Finance cost	1,075	4,549	9,946	3,859	(1,143)	18,286
Depreciation and amortisation	13,842	111	2,996	322	(102)	17,169
Share of results of associates	–	515	(9,181)	(2,241)	–	(10,907)
Share of results of joint ventures	(2,629)	–	9,367	(283)	–	6,455
Fair value (loss)/gain on investment properties	(200)	(8,200)	7,733	–	–	(667)
<i>Other non-cash expenses</i>						
Amortisation of capitalised contract costs	–	–	–	1,971	–	1,971
Impairment loss of financial assets	670	–	73	–	–	743
Bad debts written off	–	–	12	–	–	12
Segment profit/(loss)	2,448	7,794	19,473	11,900	(119)	41,496
Assets:						
Investment in associates	–	20,739	21,381	(12,332)	(163)	29,625
Investment in joint ventures	294	–	12,667	2,443	(65)	15,339
Additions to non-current assets	33,305	55	27,804	376	(148)	61,392
Segment assets	578,662	331,707	918,206	297,407	(459,851)	1,666,131
Segment liabilities	255,248	162,075	622,596	121,112	(319,582)	841,449

b) by geographical segment

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	FY2021	FY2020	FY2021	FY2020
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	514,490	556,043	861,169	734,123
China	-	-	506	435
Total	514,490	556,043	861,675	734,558

Non-current assets information presented above consists of property, plant and equipment and investment properties as presented in the consolidated statement of financial position.

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.

Please refer to Section 8.

17. A breakdown of the sales as follows:

	Group		
	FY2021	FY2020	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue reported for first half year	197,503	311,443	(36.6)
Operating profit after tax before deducting non-controlling interests reported for first half year	22,164	22,542	(1.7)
Revenue reported for second half year	316,987	244,600	29.6
Operating profit after tax before deducting non-controlling interests reported for second half year	12,991	11,104	17.0

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

	FY2021	FY2020
	S\$'000	S\$'000
Ordinary shares		
- Final dividend proposed	4,997	-
- Interim dividend paid	-	4,997
Preference shares	-	-
Total	4,997	4,997

19. Disclosure of person occupying 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 the 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, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr Ong Phang Hui	47	Sibling of Mr Ong Pang Aik, Ms Ong Lay Huan and Ms Ong Lay Koon	Plant and Machinery Director. Mr Ong is responsible for overseeing the Group's Engineering Division, as well as monitoring the progress of materials utilisation by the Group's Construction Division. In addition, he is responsible for overseeing the operations and management of the Group's ready-mix concrete business. He is also responsible for the resources and logistic divisions. Position held since 1999.	Not applicable
Mr Ong Phang Hoo	47	Sibling of Mr Ong Pang Aik, Ms Ong Lay Huan and Ms Ong Lay Koon	Project Director. Mr Ong is responsible for the Group's foreign labour planning and deployment functions, as well as the management of the Group's foreign workers training division. In addition, he is part of the management team that manages the Construction Division. Position held since 1999.	Not applicable
Ms Ong Lee Yap	55	Sibling of Mr Ong Pang Aik, Ms Ong Lay Huan and Ms Ong Lay Koon	Purchasing Director. Ms Ong manages the Purchasing Division and the Group's inter-company material and machinery logistics deployment. She oversees the purchasing planning and control through information collection and data analysis to observe trends. She also administers the Group's foreign workers' payroll function. Position held since 1999.	Not applicable
Mr Ong Eng Keong, Matthew	39	Son of Mr Ong Pang Aik. Nephew of Ms Ong Lay Huan and Ms Ong Lay Koon	Executive Director and Chief Executive Officer of SLB Development Ltd, a subsidiary of the Company and listed on SGX Catalyst. Position held since 2018.	Not applicable
Ms Ong Sui Hui	42	Daughter of Mr Ong Pang Aik. Niece of Ms Ong Lay Huan and Ms Ong Lay Koon	Senior Contracts Manager. Ms Ong manages a team of Quantity Surveyors and oversees tenders and all subcontract matters. Position held since 2018.	Not applicable

Note:

Mr Ong Pang Aik (Chairman and Managing Director and Substantial Shareholder), Ms Ong Lay Huan (Executive Director and Substantial Shareholder) and Ms Ong Lay Koon (Executive Director) are siblings.

BY ORDER OF THE BOARD

Ong Pang Aik ^{BBM(L)}
Chairman and Managing Director

29 July 2021