

HALF YEAR 2020 FINANCIAL STATEMENTS ANNOUNCEMENT

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.

<u>Group Income Statement</u>	Half year ended 30.06.2020	Half year ended 30.06.2019	Increase/ (decrease)
	S\$'000	S\$'000	%
Revenue	109,998	107,463	2.4%
Cost of sales	(78,528)	(72,043)	9.0%
Gross profit	31,470	35,420	(11.2%)
Other income	1,159	2,671	(56.6%)
Administrative expenses	(1,788)	(2,520)	(29.0%)
Sales and marketing expenses	(297)	(1,144)	(74.0%)
Other operating expenses	(10,009)	(424)	>1,000%
Finance costs	(964)	(2,756)	(65.0%)
Profit before tax	19,571	31,247	(37.4%)
Income tax expense	(5,008)	(5,026)	(0.4%)
Profit for the period	14,563	26,221	(44.5%)
Attributable to:			
Shareholders of the Company	7,693	19,182	(59.9%)
Non-controlling interests	6,870	7,039	(2.4%)
	14,563	26,221	(44.5%)

<u>Statement of Comprehensive Income</u>	Half year ended 30.06.2020	Half year ended 30.06.2019
	S\$'000	S\$'000
Profit for the period	14,563	26,221
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Net fair value (loss)/gain on equity instruments at fair value through other comprehensive income (FVOCI)	(654)	57
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	1,394	(867)
Total comprehensive income for the period	15,303	25,411
Total comprehensive income attributable to:		
Shareholders of the Company	8,433	18,372
Non-controlling interests	6,870	7,039
	15,303	25,411

Profit before tax is stated after crediting/(charging) :

	Half year ended 30.06.2020	Half year ended 30.06.2019	Increase/ (decrease)
	S\$'000	S\$'000	%
Interest income	275	728	(62.2%)
Dividend income from equity securities at FVOCI	171	199	(14.1%)
Dividend income from equity securities at fair value through profit or loss	14	129	(89.1%)
Rental income from investment property	1,267	3,008	(57.9%)
Rental income and property management fee from completed properties	578	601	(3.8%)
Gain on sale of equity securities at fair value through profit or loss	20	72	(72.2%)
Fair value (loss)/gain on equity securities at fair value through profit or loss	(55)	902	(106.1%)
Net loss on fair value adjustment of investment property	(9,469)	-	N/M
Gain on winding-up of subsidiary	5	-	N/M
Foreign exchange gain	55	7	685.7%
Depreciation	(140)	(88)	(59.1%)

N/M denotes "Not meaningful"

1(b)(i) A statement of financial position (for the company and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 30.06.2020	As at 31.12.2019	As at 30.06.2020	As at 31.12.2019
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	25	61	25	61
Investment property	89,177	97,263	-	-
Right-of-use assets	491	-	491	-
Investment in subsidiaries and trusts	-	-	49,597	52,261
Investment securities	3,414	4,068	3,414	4,068
Loans to subsidiaries	-	-	153,845	150,985
	93,107	101,392	207,372	207,375
Current assets				
Development property	111,109	168,336	-	-
Completed properties	23,675	23,675	23,675	23,675
Investment securities	200	-	200	-
Trade receivables	1,715	9,449	-	8
Deposits and other receivables	162	184	69	93
Prepayments	94	51	15	18
Contract assets	173,606	134,305	-	-
Advance to non-controlling shareholder of a subsidiary	-	1,140	-	-
Amounts due from subsidiaries	-	-	373	409
Cash and cash equivalents	46,341	54,196	14,904	29,704
	356,902	391,336	39,236	53,907
Current liabilities				
Trade and other payables	5,634	23,246	1,081	3,548
Interest-bearing bank loans	46,270	84,500	-	-
Advance from subsidiaries	-	-	2,355	5,016
Lease liabilities	206	-	206	-
Provision for taxation	901	1,949	723	1,095
	53,011	109,695	4,365	9,659
Net current assets	303,891	281,641	34,871	44,248
Non-current liabilities				
Trade and other payables	7,728	7,682	75	75
Loans from non-controlling shareholder of a subsidiary	34,751	33,200	-	-
Lease liabilities	318	-	318	-
Deferred tax liabilities	22,546	17,564	25	15
	65,343	58,446	418	90
Net assets	331,655	324,587	241,825	251,533
Equity attributable to shareholders of the Company				
Share capital	104,951	104,951	104,951	104,951
Reserves	191,611	190,596	136,874	146,582
	296,562	295,547	241,825	251,533
Non-controlling interests	35,093	29,040	-	-
Total equity	331,655	324,587	241,825	251,533

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

Amount repayable in one year or less, or on demand

As at 30.06.2020		As at 31.12.2019	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
46,270 ⁽ⁱ⁾	-	84,500 ⁽ⁱ⁾	-

Amount repayable after one year

As at 30.06.2020		As at 31.12.2019	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	34,751 ⁽ⁱⁱ⁾	-	33,200 ⁽ⁱⁱ⁾

(i) Interest-bearing Bank Loans

Interest-bearing bank loans were drawn mainly for the acquisition and development of properties. Interests incurred for property development activities which have commenced were capitalised as part of development costs until the project was ready for its intended use or sale. Interests incurred after that date were expensed as incurred.

Interest-bearing bank loans are secured by the following: -

- 1) assignment of sales and rental proceeds, construction guarantees, insurances, rights, title and interests under construction contracts and performance bonds
- 2) first legal mortgage over the Group's completed and development properties and its investment property
- 3) completion undertakings given by the Company and a subsidiary's non-controlling shareholder

(ii) Loans from Non-controlling Shareholders of Subsidiaries

This relates to loans from non-controlling shareholder of a subsidiary, which are subordinated to the interest-bearing bank loans. They are unsecured, interest-free, carried at amortised costs and have no fixed terms of repayment under the agreement. Management expects these to be repaid at the end of the project.

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.

	Half year ended 30.06.2020	Half year ended 30.06.2019
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before tax	19,571	31,247
Adjustments for:		
Depreciation	140	88
Fair value loss/(gain) on equity securities at fair value through profit or loss	55	(902)
Net loss on fair value adjustment of investment property	9,469	-
Gain on sale of equity securities at fair value through profit or loss	(20)	(72)
Gain on winding-up of subsidiary	(5)	-
Interest expense	964	2,756
Interest income	(275)	(728)
Dividend income from equity securities at FVOCI	(171)	(199)
Dividend income from equity securities at fair value through profit or loss	(14)	(129)
Foreign exchange gain	(55)	(7)
Operating cash flows before changes in working capital	29,659	32,054
Changes in working capital:		
Development property	57,227	38,238
Trade receivables	7,757	10,534
Contract assets	(39,301)	(24,313)
Deposits and other receivables	(12)	22
Prepayments	(43)	(26)
Trade and other payables	(17,517)	12,827
Contract liabilities	-	(36,206)
Net cash generated from operations	37,770	33,130
Interest received	310	791
Interest paid	(707)	(2,519)
Income tax paid	(1,090)	(628)
Net cash flows generated from operating activities	36,283	30,774
Cash flows from investing activities		
Purchase of equity securities at fair value through profit or loss	(1,166)	-
Purchase of property, plant and equipment	(6)	-
Dividends received	184	328
Proceeds from sale of equity securities at fair value through profit or loss	931	1,028
Capital distribution from equity securities at fair value through profit or loss	-	11
Distribution for winding-up of subsidiary	(21)	-
Net cash flows (used in)/generated from investing activities	(78)	1,367

(Cont'd)

	Half year ended 30.06.2020	Half year ended 30.06.2019
	S\$'000	S\$'000
Cash flows from financing activities		
Repayment of bank loans	(38,230)	(72,559)
Loans from non-controlling shareholder of a subsidiary	1,599	-
Dividends paid on ordinary shares	(7,418)	(4,812)
Principal elements of lease payments	(73)	-
Net cash flows used in financing activities	(44,122)	(77,371)
Net decrease in cash and cash equivalents	(7,917)	(45,230)
Effect of exchange rates changes on cash and cash equivalents	62	(37)
Cash and cash equivalents at beginning of the period	54,196	87,896
Cash and cash equivalents at end of the period	46,341	42,629

1(d) (i) A statement (for the company 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.

Group	Attributable to shareholders of the Company						
	Non-distributable			Distributable		Non-controlling interests	Total equity
	Share capital	Fair value adjustment reserve	Foreign currency translation reserve	Revenue reserve	Total		
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
At 1 January 2020	104,951	987	(7,351)	196,960	295,547	29,040	324,587
Profit for the period	-	-	-	7,693	7,693	6,870	14,563
<u>Other comprehensive income for the period</u>							
Net fair value loss on equity instruments at FVOCI	-	(654)	-	-	(654)	-	(654)
Foreign currency translation	-	-	1,394	-	1,394	-	1,394
Total comprehensive income for the period	-	(654)	1,394	7,693	8,433	6,870	15,303
Distribution to non-controlling shareholder of a subsidiary upon winding-up	-	-	-	-	-	(1,158)	(1,158)
Deemed capital contribution arising from interest-free loans from non-controlling shareholder of a subsidiary	-	-	-	-	-	341	341
Dividends on ordinary shares	-	-	-	(7,418)	(7,418)	-	(7,418)
At 30 June 2020	104,951	333	(5,957)	197,235	296,562	35,093	331,655
At 1 January 2019	104,951	1,044	(5,854)	156,401	256,542	7,748	264,290
Profit for the period	-	-	-	19,182	19,182	7,039	26,221
<u>Other comprehensive income for the period</u>							
Net fair value gain on equity instruments at FVOCI	-	57	-	-	57	-	57
Foreign currency translation	-	-	(867)	-	(867)	-	(867)
Total comprehensive income for the period	-	57	(867)	19,182	18,372	7,039	25,411
Dividends on ordinary shares	-	-	-	(4,812)	(4,812)	-	(4,812)
At 30 June 2019	104,951	1,101	(6,721)	170,771	270,102	14,787	284,889

(Cont'd)

Company	<u>Non-distributable</u>		<u>Distributable</u>	Total S\$'000
	Share capital S\$'000	Fair value adjustment reserve S\$'000	Revenue reserve S\$'000	
At 1 January 2020	104,951	987	145,595	251,533
Loss for the period	-	-	(1,636)	(1,636)
<u>Other comprehensive income for the period</u>				
Net fair value loss on equity instruments at FVOCI	-	(654)	-	(654)
Total comprehensive income for the period	-	(654)	(1,636)	(2,290)
Dividends on ordinary shares	-	-	(7,418)	(7,418)
At 30 June 2020	104,951	333	136,541	241,825
At 1 January 2019	104,951	1,044	154,402	260,397
Profit for the period	-	-	2,936	2,936
<u>Other comprehensive income for the period</u>				
Net fair value gain on equity instruments at FVOCI	-	57	-	57
Total comprehensive income for the period	-	57	2,936	2,993
Dividends on ordinary shares	-	-	(4,812)	(4,812)
At 30 June 2019	104,951	1,101	152,526	258,578

- 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 period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the current financial period, there was no change in the Company's share capital.

The Company did not have any outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial period.

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

As at 30 June 2020, the Company had in issue 400,994,652 (31 December 2019: 400,994,652) ordinary shares.

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

The Company did not hold any treasury shares as at the end of the current financial period reported on.

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

The financial results of the Group for the period ended 30 June 2020 have not been audited or reviewed by the 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 company's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2019.

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.**

Nil

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.**

	Half year ended 30.06.2020	Half year ended 30.06.2019
(i) Based on weighted average number of ordinary shares in issue	1.92 cts	4.78 cts
- Weighted average number of shares ('000)	400,995	400,995
(ii) Based on fully diluted basis	1.92 cts	4.78 cts
- Weighted average number of shares ('000)	400,995	400,995

Note

Earnings per share is calculated based on the profit after tax attributable to shareholders of the Company divided by the weighted average number of shares.

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

	As at 30.06.2020	As at 31.12.2019
Group	73.96 cts	73.70 cts
Company	60.31 cts	62.73 cts

Note

Net asset value per ordinary share has been computed based on the shareholders' equity excluding non-controlling interests divided by 400,994,652 (31 December 2019: 400,994,652) shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

The Group recorded a profit attributable to shareholders of S\$7.7 million for the half year ended 30 June 2020 ("1H2020"). Revenue for the period comprised recognition of sales proceeds from a development property and rental income from lease of an investment property. Revenue from development property was recognised progressively over time based on construction progress. The increases in revenue from development property and correspondingly, cost of sales were due to additional units sold. Construction progress of the development property was adversely impacted by the measures taken to combat the COVID-19 pandemic, thereby resulting in a lower percentage of recognition for 1H2020 compared to the corresponding period of the preceding year. Revenue from investment property decreased due to a drop in room revenue from the Group's hotel in Melbourne, as a result of COVID-19 measures such as closure of borders and travel restrictions.

Other income arose mainly from rental income from completed properties, interest income and dividend income. Decrease in other income was primarily due to lower interest income in 1H2020 and fair value gain on investment securities in the corresponding period of the preceding year. Administrative expenses dropped due to lower staff costs and lower performance bonus accrued. Decrease in sales and marketing expenses was attributable to lower showflat-related costs and advertising expense incurred for the development property. Other operating expenses rose due to loss on fair value adjustment of investment property. Finance costs decreased as a result of repayment of bank loans. Higher tax expense was provided on profit from sales of development property.

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

Equity attributable to shareholders of the Company increased by S\$1.0 million to S\$296.6 million, as the profit reported for 1H2020 was substantially offset by payment of dividends in respect of the preceding financial year.

Investment property dropped due to loss on fair value adjustment in light of the COVID-19 pandemic. Valuation assessment of the hotel was based on potential value decline as indicated by an external valuer. Development property decreased due to the transfer of development expenditure to cost of sales in conjunction with recognition of revenue. Trade receivables fell due to collections in 1H2020. Contract assets relate to unbilled receivables from purchasers of development property. Trade and other payables dropped with payments made in 1H2020 for development expenditure, commission and bonus payable as at 31 December 2019, as well as the transfer of option fees received from sales of development property to revenue. Interest-bearing bank loans decreased due to repayment of loans during the period. Additional deferred tax was provided on profit from sales of development property. Right-of-use assets and lease liabilities arose from the commencement of a 3-year office lease.

The Group's net cash inflows from operating activities were mainly collection of progress billings from sales of its development property, partly offset by further payments of development expenditure. The Group made further repayment of bank loans in 1H2020 and paid dividends in respect of the preceding financial year. As at 30 June 2020, the Group's cash and cash equivalents stood at S\$46.3 million.

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 been issued previously.



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.

Based on advance estimates, the Ministry of Trade and Industry announced that the Singapore economy contracted by 12.6% on a year-on-year basis in 2Q2020 and 41.2% on a quarter-on-quarter basis. This was due to measures implemented to combat the spread of COVID-19, as well as weak external demand as a result of the pandemic.

On the real estate front, prices of private residential properties improved by 0.3% in 2Q2020 (1Q2020: decrease of 0.1%) according to real estate statistics released by the Urban Redevelopment Authority. As at the end of 2Q2020, the supply of uncompleted private residential units (including executive condominium units) stood at 52,703, of which 29,876 units remained unsold.

Development property

The Group has an ongoing private condominium development at Fernvale Road known as Parc Botannia, which is undertaken by a 70:30 joint venture between the Group and Wee Hur Development Pte. Ltd. All units in the development have been issued options to purchase, amounting to sales value of about S\$730.7 million. At the date of this announcement, [97%] of these options have been exercised. Revenue from sales will continue to be recognised progressively over time based on construction progress.

Following the end of the circuit breaker period, construction activities at the development site have resumed in late June 2020. However, due to measures implemented to curb the spread of COVID-19, the contractors have not been able to deploy the required manpower on site. As such, construction progress is significantly below the optimal level. Notwithstanding the delay, the project remains able to meet its statutory completion deadline.

Completed properties

The Group owns 43 strata units with a saleable area of 44,275 square feet in an industrial building, BizTech Centre. Occupancy rate has remained stable at approximately 85%. Management has assessed that the carrying value of the completed properties at \$535 per square foot is below its net realisable value, hence no provision for impairment loss has been made.

Investment property

The Group also owns a hospitality asset in Melbourne, Australia known as Travelodge Docklands. This is a limited service hotel with 291 rooms. With the COVID-19 pandemic, the hotel performance has been severely affected by global and domestic travel restrictions. Guest arrivals have come to almost a standstill, driving room occupancy rates down to single digits since the cessation of quarantine business in end April 2020.

In view of the adverse impact of the COVID-19 pandemic, Management has recorded a 10% downward adjustment to the fair value of the hotel, based on potential value decline indicated by an external valuer. It will continue to monitor the market closely and carefully assess the appropriateness of the asset valuation. With the current lockdown in Melbourne not yielding desired results as yet, market recovery is expected to be slow. The Group expects revenue and profit contribution from the hotel to fall drastically for the financial year ending 31 December 2020.

Overall, the Group is in a healthy financial position with strong net operating cash inflow for 1H2020, low gearing and accessibility to credit facilities. It is on an active lookout for new opportunities, but will remain risk-conscious in view of the uncertainties looming the business environment.



11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared / recommended for the current financial period as the Company does not have a policy of interim dividend payment.

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.

The Group does not have a general mandate from shareholders for Interested Person Transactions.

14. Undertakings from Directors and Executive Officers

The Company has procured undertakings from all its directors and executive officers in the form set out in Appendix 7.7 of the Listing Manual.

**BY ORDER OF THE BOARD
SING HOLDINGS LIMITED**

Lee Sze Hao
Chief Executive Officer

6 August 2020

CONFIRMATION BY THE BOARD

We, LEE SZE HAO and TAN TONG GUAN, being two Directors of Sing Holdings Limited (the “Company”), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for 1H2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors

LEE SZE HAO
Chief Executive Officer

TAN TONG GUAN
Chairman, Audit Committee

Singapore, 6 August 2020