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BHCC Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1552)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

The board of directors (the "Board") of BHCC Holding Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2019 (the "Period"), together with the comparative figures for the corresponding period in 2018 (the "Previous Period"). The condensed consolidated interim financial statements has not been audited, but has been reviewed by the audit committee of the Company (the "Audit Committee").

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

		Six months ended 30 June	
		2019	2018
	Notes	***S$***	*S$*
		Unaudited	Unaudited
Revenue	*4*	**52,295,130**	55,906,929
Costs of services		**(48,949,748)**	(52,632,819)
Gross profit		**3,345,382**	3,274,110
Other income	*5a*	**287,047**	137,278
Other gains and losses	*5b*	**(86,305)**	220,217
Selling expenses		**(30,249)**	(24,220)
Administrative expenses		**(1,814,436)**	(1,333,598)
Finance costs	*6*	**(265,274)**	(61,014)
Profit before taxation		**1,436,165**	2,212,773
Income tax expense	*7*	**(376,465)**	(461,796)
Profit and other comprehensive income for the Period	*8*	**1,059,700**	1,750,977
Profit attributable to:			
Owners of the Company		**1,059,700**	1,750,977
Basic and diluted earnings per share *(S$ cents)*	*10*	**0.13**	0.22

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Note	**30 June 2019 *S$* Unaudited**	31 December 2018 *S$* Audited
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**17,784,863**	18,643,820
Intangible asset		**175,000**	175,000
Investment properties		**18,037,582**	14,611,019
Deposits paid for performance bond		**1,360,390**	1,360,390
Pledged deposits for performance bond		**988,770**	988,770
		38,346,605	35,778,999
Current assets			
Trade receivables	*11*	**1,635,719**	5,641,686
Other receivables and deposits		**1,073,353**	1,737,185
Contract assets	*12*	**19,920,208**	15,105,683
Amounts due from related companies		**194,881**	1,432,626
Amount due from shareholders		**182**	182
Cash and cash equivalents		**27,888,701**	32,321,841
		50,713,044	56,239,203
Current liabilities			
Trade and other payables	*13*	**(27,799,187)**	(30,292,135)
Contract liabilities	*12*	**(307,921)**	(2,107,036)
Obligations under finance leases		**(19,161)**	(14,572)
Borrowings		**(1,325,636)**	(982,815)
Income tax payable		**(404,932)**	(644,576)
		(29,856,837)	(34,041,134)

	Note	**30 June 2019** **S$** **Unaudited**	31 December 2018 S$ Audited
Net current assets		**20,856,207**	22,198,069
Total assets less current liabilities		**59,202,812**	57,977,068
Non-current liabilities			
Obligations under finance leases		**(26,918)**	(17,662)
Borrowings		**(15,469,464)**	(15,281,651)
Deferred tax liabilities		**(190,442)**	(221,467)
		(15,686,824)	(15,520,780)
Net assets		**43,515,988**	42,456,288
EQUITY			
Capital and reserves			
Share capital		**1,389,830**	1,389,830
Reserves		**42,126,158**	41,066,458
Equity attributable to owners of the Company		**43,515,988**	42,456,288

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 GENERAL

BHCC Holding Limited (the "Company") was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 21 February 2017 and its registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "Companies Ordinance") on 20 March 2017. The head office and principal place of business of the Company is at No. 1 Tampines North Drive 3, #08-01, BHCC SPACE, Singapore 528499. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 12 September 2017.

Huada Developments Limited ("Huada Developments"), a company incorporated in the British Virgin Islands ("BVI"), is the Company's ultimate holding company. Huada Developments is owned by Mr. Yang Xinping ("Mr. Yang") and his spouse Ms. Chao Jie ("Mrs. Yang"). Upon the entering into of the concert party deed, Huada Developments, Mr. Yang, Mrs. Yang, Eagle Soar Global Limited ("Eagle Soar") and Ms. Han Yuying became a group of controlling shareholders of BHCC Holding Limited and its subsidiaries (the "Group") (together referred to as the "Controlling Shareholders").

The Company is an investment holding company and the principal activities of its operating subsidiaries are the provision of building construction services.

The condensed financial statements are presented in Singapore Dollars ("S$"), which is also the functional currency of the Company.

The condensed financial statements are approved by the board (the "Board") of directors (the "Directors") of the Company on 28 August 2019.

2 GROUP REORGANISATION AND BASIS OF PREPARATION

For the purpose of the listing of the Company's shares on the Stock Exchange, the Group underwent a group reorganisation ("Group Reorganisation") as set out in the section headed "History, Reorganisation and Corporate Structure" to the prospectus of the Company dated 29 August 2017.

The Group resulting from the Group Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared to include the financial statements of the companies now comprising the Group.

3 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective which are relevant to the Group:

Amendments to IFRS 3	Definition of a Business[1]
Amendments to IAS 1 and IAS 8	Definition of Material[2]

[1] Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

[2] Effective for annual periods beginning on or after 1 January 2020.

4 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of building and construction works, solely derived in Singapore during the six months ended 30 June 2018 and 2019 respectively.

Information is reported to the Executive Directors, being the chief operating decision makers ("CODM") of the Group, for the purposes of resource allocation and performance assessment. The accounting policies are the same as Group's accounting policies. The CODM reviews revenue by nature of contracts, i.e. "Main Contractor Projects" and "Subcontractor Projects" and profit for the year as a whole. No analysis of the Group's results, assets and liabilities is regularly provided to the CODM for review. Accordingly, only entity-wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

An analysis of the Group's revenue for the six months ended 30 June 2019 and 2018 is as follows:

	For the six months ended 30 June	
	2019	2018
	S$	*S$*
	Unaudited	Unaudited
Revenue from:		
Main Contractor Projects	**34,577,723**	38,553,960
Subcontractor Projects	**17,717,407**	17,352,969
	52,295,130	55,906,929

Information about the major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	For the six months ended 30 June	
	2019	2018
	S$	*S$*
	Unaudited	Unaudited
Customer A	**29,329,021**	29,381,498
Customer B	**–***	8,178,511
Customer C	**13,259,000**	–*

* Revenue did not contribute over 10% of the total revenue of the Group.

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the reporting period.

	For the six months ended 30 June	
	2019	2018
	S$	*S$*
	Unaudited	Unaudited
Revenue from:		
Main Contractor Projects	**176,932,387**	82,886,970
Subcontractor Projects	**17,073,249**	39,715,416
	194,005,636	122,602,386

Management expects that 53% of the transaction price allocated to the unsatisfied contracts as of 30 June 2019 will be recognised as revenue during the next reporting period (S$101,950,020). Of the remaining 25%, S$49,315,509 will be recognised in the 2021 financial year and S$42,740,107 in the 2022 financial year.

Geographical information

The Group principally operates in Singapore. All revenue is derived from Singapore based on the location of services delivered and the Group's property, plant and equipment are all located in Singapore.

5 a. OTHER INCOME

	For the six months ended 30 June	
	2019	2018
	S$	*S$*
	Unaudited	Unaudited
Government grants *(Note)*	**16,828**	20,386
Service income on secondment of labour and subcontracting fee, net	**1,001**	8,032
Interest income	**75,823**	46,160
Rental income	**193,395**	62,700
	287,047	137,278

Note: Government grants are mainly the Productivity Innovation Project Scheme ("PIP") and Mechanisation Credit Scheme ("Mech C"), which compensate expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs.

Under the PIP, the government aims to encourage and facilitate Singapore-registered businesses to build up their capacity, identify productivity gaps and improve site processes so as to achieve higher site productivity.

Under Mech C, the government provides assistance to Singapore-registered businesses to defray the cost of adopting technologies that improve productivity in construction projects.

The remaining grants are incentives as compensation of expenses already incurred or as immediate financial supports with no relation to any assets received upon fulfilling the conditions attached to them.

b. **OTHER GAINS AND LOSSES**

	For the six months ended 30 June	
	2019	2018
	S$	*S$*
	Unaudited	Unaudited
Loss arising on disposal of property, plant and equipment	**(8)**	–
Exchange (loss) gain, unrealised	**(86,297)**	220,217
	(86,305)	220,217

6 FINANCE COSTS

	For the six months ended 30 June	
	2019	2018
	S$	*S$*
	Unaudited	Unaudited
Interest on:		
Bank borrowings	**264,677**	60,750
Obligations under finance leases	**597**	264
	265,274	61,014

7 INCOME TAX EXPENSE

	For the six months ended 30 June	
	2019	2018
	S$	*S$*
	Unaudited	Unaudited
Tax expense comprises:		
Current tax		
— Singapore corporate income tax ("CIT")	**407,490**	461,796
Deferred tax expense	**(31,025)**	–
	376,465	461,796

Singapore CIT is calculated at 17% (YA2019: 17%) of the estimated assessable profit eligible for CIT rebate of Nil (YA2019: 20%, capped at S$10,000) for the Year of Assessment 2019 & 2020. Singapore incorporated companies can also enjoy 75% (YA2019: 75%) tax exemption on the first S$100,000 (YA2019: S$10,000) of normal chargeable income and further 50% (YA2019: 50%) tax exemption on the next S$100,000 (YA2019: S$290,000) of normal chargeable income.

8 PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	For the six months ended 30 June	
	2019	2018
	S$	*S$*
	Unaudited	Unaudited
Depreciation of property, plant and equipment *(Note a)*	**619,634**	655,140
Depreciation of investment properties	**359,880**	67,469
Directors' remuneration	**470,070**	314,070
Other staff costs		
— Salaries and other benefits	**5,432,299**	5,038,774
— Contributions to CPF	**186,673**	188,776
Total staff costs *(Note b)*	**6,089,042**	5,541,620
Cost of materials recognised as cost of services	**12,156,875**	11,536,443
Subcontractor costs recognised as cost of services	**22,320,167**	28,022,968

Note:

a. Depreciation of S$405,991 (Previous Period: S$390,881) are included in cost of services.

b. Staff costs of S$3,254,718 (Previous Period: S$3,339,422) are included in cost of services.

9 DIVIDENDS

No dividend was paid or declared by the Company or group entities during the six months ended 30 June 2019 or subsequent to the period end.

10 EARNINGS PER SHARE

	For the six months ended 30 June	
	2019	2018
	S$	*S$*
	Unaudited	Unaudited
Profit attributable to the owners of the Company *(S$)*	**1,059,700**	1,750,977
Weighted average number of ordinary shares in issue	**800,000,000**	800,000,000
Basic and diluted earnings per share *(S$ cents)*	**0.13**	0.22

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company and the weighted average number of shares in issue.

Diluted earnings per share is the same as the basic earnings per share because the Group has no dilutive securities that are convertible into shares during the six months ended 30 June 2019 and 30 June 2018.

11 TRADE RECEIVABLES

	As at 30 June 2019 *S$* **Unaudited**	As at 31 December 2018 *S$* Audited
Trade receivables	**1,635,719**	5,252,263
Unbilled revenue *(Note a)*	**–**	389,423
	1,635,719	5,641,686

Note a: Unbilled revenue are those accrued revenue which the construction certification is issued by the customers before year end but no billing has been raised to customers. The Group's rights of the unbilled revenue are unconditional.

The Group grants credit terms to customers typically between 30 to 60 days (2018: 30 to 60 days) from the invoice date for trade receivables. The following is an analysis of trade receivables by invoice date at the end of each reporting period:

	As at 30 June 2019 *S$* **Unaudited**	As at 31 December 2018 *S$* Audited
Within 60 days	**1,635,719**	5,252,263
61 days to 90 days	**–**	–
91 days to 180 days	**–**	–
181 days to 365 days	**–**	–
Over 1 year but not more than 2 years	**–**	–
More than 2 years	**–**	–
	1,635,719	5,252,263

Before accepting any new customer, the Group assesses the potential customer's credit quality and defined credit limit to each customer on an individual basis. Limits attributed to customers are reviewed once a year.

Prior to 1 January 2018, in determining the recoverability of trade receivables, the management of the Group considers any change in the credit quality of the trade receivables from the initial recognition date to the end of the reporting period. Considering the high credibility of these customers, good track record with the Group and subsequent settlement, management believes the trade receivables at the end of each reporting period were of good credit quality and that no impairment allowance was necessary in respect of the remaining unsettled balances.

Starting from 1 January 2018, the Group applied simplified approach to provide the expected credit losses prescribed by IFRS 9.

As part of the Group's credit risk management, the Group assesses the impairment for its customers based on different group of customers which share common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

Aging of trade receivables that are past due but not impaired at reporting date:

	As at 30 June 2019 *S$*
Less than 60 days	**19,114**
61 to 90 days	**–**
91 to 180 days	**–**
More than 180 days	**–**
	19,114

The directors of the Company considered that the ECL for trade receivables is insignificant as at 30 June 2019.

12 CONTRACT ASSETS/LIABILITIES

The following is the analysis of the contract assets and contract liabilities:

	As at 30 June 2019 *S$* **Unaudited**	As at 31 December 2018 *S$* Audited
Contract asset	**19,920,208**	15,105,683
Contract liability	**(307,921)**	(2,107,036)

Contract assets and contract liabilities arising from same contract are presented on net basis.

Contract assets

Amounts represent the Group's rights to considerations from customers for the provision of construction services, which arise when: (i) the Group completed the relevant services under such contracts; and (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 12 months (defect liability period) after completion of the relevant works. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer.

The Group's contract assets are analysed as follows:

	As at 30 June 2019 *S$* **Unaudited**	As at 31 December 2018 *S$* Audited
Construction contracts — current		
Retention receivables	**3,345,354**	3,291,969
Others*	**16,574,854**	11,813,714
	19,920,208	15,105,683

* Included in others is the revenue not yet been billed to the customers which the Group have completed the relevant services under such contracts but yet certified by representatives appointed by the customers.

Changes of contract assets were mainly due to: (1) the amount of retention receivables in accordance with the number of ongoing and completed contracts under the defect liability period; and (2) in the size and number of contract works that the relevant services were completed but yet certified by representatives appointed by the customers at the end of each reporting period.

The Group's contract assets are the retention receivables to be settled, based on the expiry of the defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, at the end of the reporting period. The balance are classified as current as they are expected to be received within the Group's normal operating cycle of approximately twelve months.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for the trade receivables are a reasonable approximation of the loss rates for the contract assets. Based on the management's assessment, it is considered that the ECL for contract assets is insignificant as at 30 June 2019.

Contract liabilities

The contract liabilities represents the Group's obligation to transfer services to customers for which the Group has received consideration (or an amount of consideration is due) from the customers.

The Group's contract liabilities are analysed as follows:

	As at 30 June 2019	As at 31 December 2018
	S$	*S$*
	Unaudited	Audited
Construction contracts — current	**(307,921)**	(2,107,036)

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	As at 30 June 2019	As at 31 December 2018
	S$	*S$*
	Unaudited	Audited
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**2,107,036**	233,184

None of the revenue recognised during the year relates to performance obligation that were satisfied in prior periods.

13 TRADE AND OTHER PAYABLES

	As at 30 June 2019	As at 31 December 2018
	S$	*S$*
	Unaudited	Audited
Trade payables	**8,711,736**	9,587,994
Trade accruals	**16,031,163**	17,468,545
	24,742,899	27,056,539
Accrued operating expenses	**332,490**	344,162
Other payables		
GST payable	**12,275**	10,236
Interest payable	**–**	18,305
Accrued payroll costs	**2,711,523**	2,109,456
Payable for acquisition of properties	**–**	753,437
	27,799,187	30,292,135

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 30 June 2019	As at 31 December 2018
	S$	*S$*
	Unaudited	Audited
Within 90 days	**8,628,788**	9,527,139
91 to 180 days	**11,211**	34,146
181 days to 365 days	**71,737**	26,709
	8,711,736	9,587,994

The credit period on purchases from suppliers and subcontractors is between 30 to 60 days (2018: 30 to 60 days) or payable upon delivery.

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of the Company is pleased to present the unaudited consolidated results of the Group for the Period, together with the comparative figures for the Previous Period.

BUSINESS REVIEW

The Group is principally engaged as a main contractor in the provision of building and construction works in Singapore. The Group is also specialised in reinforcement concrete works which it has undertaken on a selected basis in the subcontractor projects.

FINANCIAL REVIEW

The Group's revenue for the Period was approximately S$52.3 million, representing a decline of approximately 6.5% as compared to that of approximately S$55.9 million for the Previous Period. The decrease in revenue was due to a lower building and construction works activity level as compared to the Previous Period.

Gross profit for the Period increased by approximately 2.2% to approximately S$3.4 million (Previous Period: approximately S$3.3 million), and the gross profit margin remains comparable at approximately 6.4% (Previous Period: approximately 5.9%).

Administrative expenses increased by approximately S$0.5 million from approximately S$1.3 million to approximately S$1.8 million for the Period. The increase was mainly attributable to the increase in staff expenses and depreciation of the leasehold property at Tampines North Drive 3 in Singapore.

The Group's income tax expenses decreased by approximately S$0.1 million from approximately S$0.5 million to approximately S$0.4 million for the Period. The decrease was primarily due to combined effect of a decrease in the profit before taxation.

As a result of the above factors, the Company recorded a profit after tax of approximately S$1.1 million for the Period (Previous Period: S$1.8 million).

Profit attributable to owners of the Company has decreased from approximately S$1.8 million to approximately S$1.1 million owing to lower profit after taxation.

USE OF NET PROCEEDS FROM THE LISTING

The Shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 September 2017 with net proceeds from the listing of approximately HK$72.7 million, of which approximately HK$63.9 million has been utilised as at 30 June 2019 as follows:

Use of net proceeds	Net proceeds	Amount utilised up to 30 June 2019	Balance as at 30 June 2019
	(in HK$ million)	*(in HK$ million)*	*(in HK$ million)*
— Purchase equipment and machineries to strengthen market position	29.1	25.8	3.3
— Initial capital contribution required for larger value projects	19.6	15.6	4.0
— Expand and enhance workforce to support business expansion	13.0	12.6	0.4
— Recruit new staff and train existing staff to improve productivity via investment in BIM and ERP	7.5	6.4	1.1
— Working capital	3.5	3.5	0
Total	72.7	63.9	8.8

The unused net proceeds are deposited into licensed banks in Hong Kong and Singapore.

CONTINGENT LIABILITIES

As at 30 June 2019, the Group has provided performance bonds in favour of the customers amounting to approximately S$28.3 million.

CAPITAL COMMITMENTS

As at 30 June 2019, the Group had no commitment in respect of an acquisition of property, plant and equipment.

PROSPECTS

The Group continues to focus on strengthening its market position for the building construction works in Singapore. The second half of 2019 continues to be confronted by slower growth of the global trade economy that results from uncertainties in the China-US trade conflict, which affects the construction industry in Singapore. The Group is closely monitoring the changing market conditions.

The Company expects to:

(a) expand the Group's business and strengthen the Group's market position in the construction industry in Singapore;

(b) pursue higher value contracts;

(c) enhance and expand the Group's workforce to keep up with the Group's business expansion; and

(d) improve productivity with investments in BIM and ERP software.

RECENT DEVELOPMENT

In terms of building technologies, the Group has actively used Building Information Modeling ("BIM") in its projects, upgraded BIM functionally from 3D to 5D and is gradually moving towards the utilization of Integrated Digital Delivery ("IDD") in conjunction with other smart office technologies such as the Office Automation System.

The Company is planning to invest in Prefabricated Prefinished Volumetric Construction to stay competitive in the construction industry.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's receivable turnover days as at 30 June 2019 increased to 25 days as compared to 11 days as at 31 December 2018, mainly due to lower revenue contributed by Singapore public sector projects and higher revenue contributed by Singapore private projects.

The Group's cash and cash equivalents balances as at 30 June 2019 amounted to approximately S$27.9 million, representing a decrease of approximately S$4.4 million as compared to approximately S$32.3 million as at 31 December 2018, which was mainly attributable to the acquisition of property, plant and equipment.

As at 30 June 2019, the Group's indebtedness comprised bank borrowings of approximately S$16.8 million.

The Group's equity balance increased to approximately S$43.5 million as at 30 June 2019 from that of approximately S$42.5 million as at 31 December 2018, which was attributable to the profits recorded for the Period.

The Group has certain bank balances denominated in HK$ and US$ other than the functional currency of respective group entities as at 30 June 2019, which expose the Group to foreign currency risk. The Group manages the risk by closely monitoring the movement of the foreign currency rate.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 363 employees as at 30 June 2019 (Previous Period: 399 employees). Remuneration is determined by reference to prevailing market terms and in accordance with the job scope, responsibilities, and performance of each individual employee.

The Company has adopted a share option scheme pursuant to which the Directors and employees of the Group are entitled to participate. The local employees are also entitled to discretionary bonus depending on their respective performances and the profitability of the Group. The foreign workers are typically employed on a one-year basis depending on the period of their work permits, and subject to renewal based on their performance, and are remunerated according to their work skills.

SHARE OPTION SCHEME

On 17 August 2017, the then shareholders of the Company approved and conditionally adopted a share option scheme (the "Share Option Scheme") to enable the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group. No option has been granted since its adoption on 17 August 2017, and there is no outstanding share option as at 30 June 2019.

PLEDGE OF ASSETS

The borrowings as at 30 June 2019 was secured against the freehold properties and investment properties with carrying amount of approximately S$33.4 million.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period.

CORPORATE GOVERNANCE

The Company is committed to fulfilling its responsibilities to its shareholders (the "Shareholders") and protecting and enhancing Shareholders' value through good corporate governance.

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

The Company has adopted the corporate governance code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), and has complied with all applicable code provisions as set out in the CG Code during the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct governing the Directors' securities transactions. All the Directors have confirmed, upon specific enquiries made by the Company, that they have complied with the Model Code during the Period.

DIVIDEND

The Board takes into account, among other factors, the Group's overall results of operation, financial position and capital requirements, in considering the declaration of dividends. The Board does not recommend the payment of a dividend for the Period (Previous Period: nil).

AUDIT COMMITTEE

The Audit Committee was established on 17 August 2017 with written terms of reference in compliance with the CG Code. The written terms of reference of the Audit Committee are published on the respective websites of the Stock Exchange and the Company. It comprises three independent non-executive Directors, namely Ms. Chan Bee Leng, Ms. Li Xueling, Sharlene and Mr. Ooi Soo Liat. Ms. Chan Bee Leng is the chairwoman of the Audit Committee.

The Audit Committee has reviewed the accounting standards and policies adopted by the Group and the interim results announcement including the unaudited condensed consolidated financial information of the Group for the Period. The Audit Committee is of the view that the consolidated financial statements have been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory provisions, and sufficient disclosures have already been made.

By order of the Board
BHCC Holding Limited
Mr. Yang Xinping
Chairman and Executive Director

Singapore, 28 August 2019

As at the date of this announcement, the Executive Directors are Mr. Yang Xinping and Ms. Han Yuying, and the independent non-executive Directors are Ms. Chan Bee Leng, Mr. Ooi Soo Liat and Ms. Li Xueling, Sharlene.