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## **BHCC Holding Limited**

*(incorporated in the Cayman Islands with limited liability)*

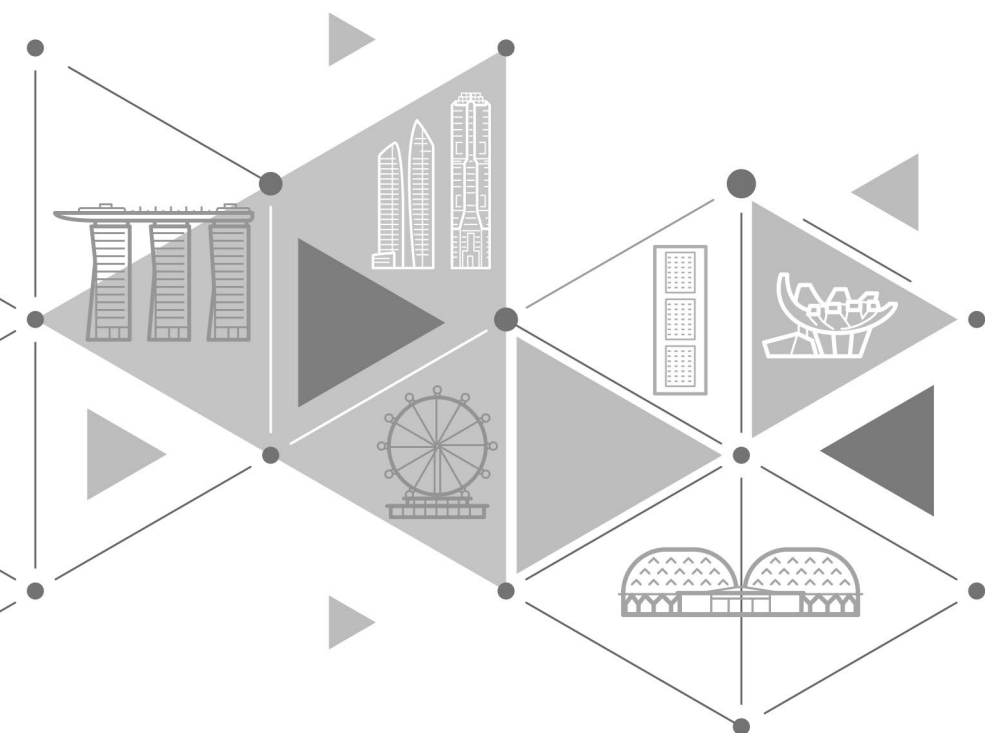
**(Stock Code: 1552)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020**

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 2020 (the “**Period**”), together with the comparative figures for the corresponding period in 2019 (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**”).

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# Corporate Information

## EXECUTIVE DIRECTORS

Mr. Yang Xinping  
Ms. Han Yuying

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chan Bee Leng  
Mr. Ooi Soo Liat  
Mr. Kwong Choong Kuen (Huang Zhongquan)

## COMPANY SECRETARY

Ms. Chan So Fun  
*Solicitor, Hong Kong*

## AUTHORISED REPRESENTATIVES

Ms. Chan So Fun  
Mr. Yang Xinping

## AUDIT COMMITTEE

Ms. Chan Bee Leng (*Chairwoman*)  
Mr. Ooi Soo Liat  
Mr. Kwong Choong Kuen (Huang Zhongquan)

## REMUNERATION COMMITTEE

Mr. Ooi Soo Liat (*Chairman*)  
Ms. Chan Bee Leng  
Mr. Kwong Choong Kuen (Huang Zhongquan)  
Ms. Han Yuying

## NOMINATION COMMITTEE

Mr. Kwong Choong Kuen (Huang Zhongquan) (*Chairman*)  
Ms. Chan Bee Leng  
Mr. Ooi Soo Liat  
Mr. Yang Xinping

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

No. 1 Tampines North Drive 3  
#08-01  
BHCC SPACE  
Singapore 528499

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

19th Floor, Prosperity Tower  
39 Queen's Road Central  
Central  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited  
Room 2103B, 21/F  
148 Electric Road  
North Point  
Hong Kong

## AUDITORS

Deloitte & Touche LLP  
Public Accountants and Chartered Accountants  
6 Shenton Way  
QUE Downtown 2  
#33-00  
Singapore 068809

## PRINCIPAL BANKERS

DBS Bank Ltd  
12 Marina Boulevard  
Marina Bay Financial Centre Tower 3  
Singapore 018982

United Overseas Bank Limited  
80 Raffles Place  
UOB Plaza  
Singapore 048624

Maybank Singapore Limited  
2 Battery Road  
Maybank Tower  
Singapore 049907

## COMPANY WEBSITE

[www.bhcc.com.sg](http://www.bhcc.com.sg)

## STOCK CODE

1552



# Management Discussion and Analysis

The board (the “Board”) of directors (the “Directors”) of BHCC Holding Limited (the “Company”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2020 (the “Period”), together with the comparative figures for the corresponding period in 2019 (the “Previous Period”).

## BUSINESS REVIEW

The Group is principally engaged as a main contractor in the provision of building and construction works and properties investment including the leasing of industrial properties 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\$36.2 million, representing a decline of approximately 31.0% as compared to that of approximately S\$52.5 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 and temporary suspension of all construction work in Singapore starting 7 April 2020 to curb COVID-19 transmission.

Loss attributable to owners of the Company for the Period amounted to approximately S\$0.4 million (Previous Period: profit attributable to owners of the Company of approximately S\$1.1 million).

## CONTINGENT LIABILITIES

As at 30 June 2020, the Group has provided performance bonds and security bonds for foreign workers in favour of the customers amounting to approximately S\$37.2 million.

## CAPITAL COMMITMENTS

As at 30 June 2020, the Group had no commitment in respect of 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 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.



## Management Discussion and Analysis

### 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 are gradually moving towards the utilization of Integrated Digital Delivery ("IDD") in conjunction with other smart office technologies such as the OA 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 cash and cash equivalents balances as at 30 June 2020 amounted to approximately S\$28.9 million, representing an increase of approximately S\$1.7 million as compared to approximately S\$27.2 million as at 31 December 2019.

As at 30 June 2020, the Group's indebtedness comprised bank borrowings of approximately S\$20.1 million.

The Group's equity balance decreased to approximately S\$42.1 million as at 30 June 2020 from that of approximately S\$42.5 million as at 31 December 2019 due to the loss 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 2020, which exposes 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 341 employees as at 30 June 2020 (Previous Period: 363 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.

## Other Information

### DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES

As at 30 June 2020, the interests and short positions of Directors in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance) as recorded in the register required to be kept under section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules, are as follows:

### DIRECTORS' INTEREST IN THE SHARES OF THE COMPANY

| Director                      | Number of shares/Position             | Percentage of shareholding | Capacity                           |
|-------------------------------|---------------------------------------|----------------------------|------------------------------------|
| Mr. Yang Xinping ("Mr. Yang") | 409,050,000 (Note 1)<br>Long position | 51.13125%                  | Interest in controlled corporation |
| Ms. Han Yuying ("Ms. Han")    | 136,350,000 (Note 2)<br>Long position | 17.04375%                  | Interest in controlled corporation |

Notes:

- These shares are held by Huada Developments Limited ("Huada Developments"). The issued share capital of Huada Developments is legally and beneficially owned as to 80% by Mr. Yang and 20% by his spouse, Ms. Chao Jie. Mr. Yang is deemed to be interested in the shares of the Company in which Huada Developments is interested under Part XV of the SFO.
- These shares are held by Eagle Soar Global Limited ("Eagle Soar"). The entire issued share capital of Eagle Soar is legally and beneficially owned by Ms. Han. Ms. Han is deemed to be interested in the shares of the Company in which Eagle Soar is interested under Part XV of the SFO.

### DIRECTORS' INTEREST IN THE SHARES OF HUADA DEVELOPMENTS, AN ASSOCIATED CORPORATION OF THE COMPANY

| Director | Capacity/<br>nature of interest | Number of shares in<br>Huada Developments | Percentage of<br>shareholding in<br>Huada Development |
|----------|---------------------------------|-------------------------------------------|-------------------------------------------------------|
| Mr. Yang | Beneficial owner                | 80                                        | 80%                                                   |

Save as disclosed above, as at 30 June 2020, none of the Directors or the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

## Other Information

### SUBSTANTIAL SHAREHOLDERS

As at 30 June 2020, so far as the Directors are aware, the interest and short positions of the persons, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO are as follows:

### SUBSTANTIAL SHAREHOLDERS' INTEREST IN THE COMPANY

| Shareholder                               | Number of<br>shares/Position | Percentage of<br>shareholding | Capacity                           |
|-------------------------------------------|------------------------------|-------------------------------|------------------------------------|
| Huada Developments (Note 1)               | 409,050,000<br>Long position | 51.13125%                     | Beneficial owner                   |
| Ms. Chao Jie (Note 2)                     | 409,050,000<br>Long position | 51.13125%                     | Interest of spouse                 |
| Eagle Soar (Note 3)                       | 136,350,000<br>Long position | 17.04375%                     | Beneficial owner                   |
| Mr. Liu Hai (Note 4)                      | 136,350,000<br>Long position | 17.04375%                     | Interest of spouse                 |
| Wai Tian Holdings Limited<br>(Note 5)     | 54,600,000<br>Long position  | 6.825%                        | Beneficial owner                   |
| Mr. Zhan Lixiong ("Mr. Zhan")<br>(Note 5) | 54,600,000<br>Long position  | 6.825%                        | Interest in controlled corporation |
| Ms. Zheng Dan (Note 6)                    | 54,600,000<br>Long position  | 6.825%                        | Interest of spouse                 |

Notes:

1. The issued share capital of Huada Developments is legally and beneficially owned as to 80% by Mr. Yang and 20% by Ms. Chao Jie. Mr. Yang is deemed to be interested in the Shares in which Huada Developments is interested in under Part XV of the SFO.
2. Ms. Chao Jie is the spouse of Mr. Yang. She is deemed to be interested in the Shares in which Mr. Yang is interested in under Part XV of the SFO.
3. The entire issued share capital of Eagle Soar is legally and beneficially owned by Ms. Han. Ms. Han is deemed to be interested in the Shares in which Eagle Soar is interested in under Part XV of the SFO.
4. Mr. Liu Hai is the spouse of Ms. Han. He is deemed to be interested in the Shares in which Ms. Han is interested in under Part XV of the SFO.
5. The entire issued share capital of Wai Tian Holdings Limited is legally and beneficially owned by Mr. Zhan. Mr. Zhan is deemed to be interested in the Shares in which Wai Tian Holdings Limited is interested in under Part XV of the SFO.
6. Ms. Zheng Dan is the spouse of Mr. Zhan. Ms. Zheng Dan is deemed to be interested in the Shares in which Mr. Zhan is interested in under Part XV of the SFO.

Save as disclosed above, as at 30 June 2020, the Directors are not aware of any other persons or corporations (other than the Directors and chief executive of the Company) who/which had any interests or short positions in the shares or underlying shares of the Company or any of its associated companies which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### 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 2020.

### PLEDGE OF ASSETS

The borrowings as at 30 June 2020 was secured against the leasehold land, leasehold property, and investment properties of the Group with carrying amount of approximately S\$31.8 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") of the Company 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 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 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.



## Other Information

### DIVIDEND

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

### AUDIT COMMITTEE

The audit committee (the "Audit Committee") of the Company 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, Mr. Kwong Choong Kuen (Huang Zhongquan) 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 report including the unaudited interim condensed consolidated financial information of the Group for the Period. The Audit Committee is of the view that the unaudited interim condensed 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.

### EVENTS AFTER THE REPORTING PERIOD

In mid-August 2020, the Group received approval from Building and Construction Authority (BCA) to resume work for all its on-going projects.

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

Singapore, 28 August 2020

# Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2020

|                                                                    | Notes | Six months ended 30 June |                                            |
|--------------------------------------------------------------------|-------|--------------------------|--------------------------------------------|
|                                                                    |       | 2020<br>S\$<br>Unaudited | 2019<br>S\$<br>Unaudited<br>(Reclassified) |
| <b>Revenue</b>                                                     |       |                          |                                            |
| Services                                                           | 5     | 35,490,151               | 52,295,130                                 |
| Rental                                                             | 5     | 751,300                  | 193,395                                    |
| Total revenue                                                      |       | 36,241,451               | 52,488,525                                 |
| Cost of services                                                   |       | (35,554,555)             | (49,514,036)                               |
| <b>Gross profit</b>                                                |       | 686,896                  | 2,974,489                                  |
| Other income                                                       | 6a    | 204,311                  | 93,652                                     |
| Other gains and losses                                             | 6b    | 516,375                  | (86,305)                                   |
| Selling expenses                                                   |       | (46,899)                 | (30,249)                                   |
| Administrative expenses                                            |       | (1,459,787)              | (1,250,148)                                |
| Finance costs                                                      | 7     | (311,581)                | (265,274)                                  |
| <b>(Loss)/Profit before taxation</b>                               |       | (410,685)                | 1,436,165                                  |
| Income tax credit/(expense)                                        | 8     | 13,706                   | (376,465)                                  |
| <b>(Loss)/Profit and other comprehensive income for the period</b> | 9     | (396,979)                | 1,059,700                                  |
| <b>(Loss)/Profit attributable to:</b>                              |       |                          |                                            |
| Owners of the Company                                              |       | (396,979)                | 1,059,700                                  |
| <b>Basic and diluted (losses)/earnings per share (S\$ cents)</b>   | 11    | (0.05)                   | 0.13                                       |

See accompanying notes to interim condensed consolidated financial statements.

# Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2020

|                                              | Notes | 30 June<br>2020<br>S\$<br>Unaudited | 31 December<br>2019<br>S\$<br>Audited |
|----------------------------------------------|-------|-------------------------------------|---------------------------------------|
| <b>ASSETS AND LIABILITIES</b>                |       |                                     |                                       |
| <b>Non-current assets</b>                    |       |                                     |                                       |
| Property, plant and equipment                | 12    | 16,161,346                          | 16,951,358                            |
| Intangible asset                             | 13    | 175,000                             | 175,000                               |
| Investment properties                        | 14    | 17,293,292                          | 17,659,626                            |
| Right-of-use assets                          |       | 302,058                             | 189,609                               |
| Deposits paid for performance bond           |       | 700,000                             | 700,000                               |
| Pledged deposits for performance bond        | 18    | —                                   | 988,770                               |
| Other assets                                 |       | 141,832                             | 213,918                               |
|                                              |       | <b>34,773,528</b>                   | <b>36,878,281</b>                     |
| <b>Current assets</b>                        |       |                                     |                                       |
| Trade receivables                            | 15    | 2,101,913                           | 7,106,628                             |
| Other receivables and deposits               |       | 4,731,961                           | 2,541,535                             |
| Other assets                                 |       | 145,379                             | 148,759                               |
| Contract assets                              | 16    | 17,843,594                          | 25,151,638                            |
| Amount due from shareholders                 | 17    | 182                                 | 182                                   |
| Pledged deposits paid for performance bond   | 18    | 988,770                             | —                                     |
| Cash and cash equivalents                    | 18    | 28,861,913                          | 27,157,425                            |
|                                              |       | <b>54,673,712</b>                   | <b>62,106,167</b>                     |
| <b>Current liabilities</b>                   |       |                                     |                                       |
| Trade and other payables                     | 19    | (24,152,619)                        | (34,692,192)                          |
| Contract liabilities                         | 16    | (2,506,807)                         | —                                     |
| Lease liabilities                            |       | (67,957)                            | (135,106)                             |
| Borrowings                                   | 20    | (1,354,539)                         | (1,337,171)                           |
| Income tax payable                           |       | (114,343)                           | (543,747)                             |
|                                              |       | <b>(28,196,265)</b>                 | <b>(36,708,216)</b>                   |
| <b>Net current assets</b>                    |       | <b>26,477,447</b>                   | <b>25,397,951</b>                     |
| <b>Total assets less current liabilities</b> |       | <b>61,250,975</b>                   | <b>62,276,232</b>                     |

# Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2020

|                                              | Notes | 30 June<br>2020<br>S\$<br>Unaudited | 31 December<br>2019<br>S\$<br>Audited |
|----------------------------------------------|-------|-------------------------------------|---------------------------------------|
| <b>Non-current liabilities</b>               |       |                                     |                                       |
| Deposits                                     |       | (192,877)                           | (192,877)                             |
| Lease liabilities                            |       | (139,217)                           | (32,740)                              |
| Borrowings                                   | 20    | (18,712,338)                        | (19,399,347)                          |
| Deferred tax liabilities                     |       | (92,645)                            | (140,391)                             |
|                                              |       | (19,137,077)                        | (19,765,355)                          |
| <b>Net assets</b>                            |       | <b>42,113,898</b>                   | <b>42,510,877</b>                     |
| <b>EQUITY</b>                                |       |                                     |                                       |
| <b>Capital and reserves</b>                  |       |                                     |                                       |
| Share capital                                | 21    | 1,389,830                           | 1,389,830                             |
| Reserves                                     |       | 40,724,068                          | 41,121,047                            |
| Equity attributable to owners of the Company |       | <b>42,113,898</b>                   | <b>42,510,877</b>                     |

See accompanying notes to interim condensed consolidated financial statements.

# Interim Condensed Consolidated Statement of Changes in Equity

As at 30 June 2020

|                                            | Share<br>capital<br>S\$ | Share<br>premium<br>S\$ | Merger<br>reserve<br>S\$ | Capital<br>reserve<br>S\$ | Accumulated<br>profits<br>S\$ | Total<br>S\$ |
|--------------------------------------------|-------------------------|-------------------------|--------------------------|---------------------------|-------------------------------|--------------|
| <b>Balance at 1 January 2019 (audited)</b> | 1,389,830               | 14,176,517              | 10,678,440               | 4,976,188                 | 11,235,313                    | 42,456,288   |
| Total comprehensive income for the Period  |                         |                         |                          |                           |                               |              |
| Profit for the Period                      | –                       | –                       | –                        | –                         | 1,059,700                     | 1,059,700    |
| <b>Balance at 30 June 2019 (unaudited)</b> | 1,389,830               | 14,176,517              | 10,678,440               | 4,976,188                 | 12,295,013                    | 43,515,988   |
| <b>Balance at 1 January 2020 (audited)</b> | 1,389,830               | 14,176,517              | 10,678,440               | 4,976,188                 | 11,289,902                    | 42,510,877   |
| Total comprehensive loss for the Period    |                         |                         |                          |                           |                               |              |
| Loss for the Period                        | –                       | –                       | –                        | –                         | (396,979)                     | (396,979)    |
| <b>At 30 June 2020 (unaudited)</b>         | 1,389,830               | 14,176,517              | 10,678,440               | 4,976,188                 | 10,892,923                    | 42,113,898   |

See accompanying notes to interim condensed consolidated financial statements.

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

|                                                       | Six months ended 30 June |                          |
|-------------------------------------------------------|--------------------------|--------------------------|
|                                                       | 2020<br>S\$<br>Unaudited | 2019<br>S\$<br>Unaudited |
| <b>Operating activities</b>                           |                          |                          |
| (Loss) Profit before taxation                         | (410,685)                | 1,436,165                |
| <i>Adjustments for:</i>                               |                          |                          |
| Depreciation of property, plant and equipment         | 790,012                  | 619,634                  |
| Depreciation of right-of-use assets                   | 184,817                  | —                        |
| Depreciation of investment properties                 | 366,334                  | 359,880                  |
| Loss on disposal of property, plant and equipment     | —                        | 8                        |
| Finance costs                                         | 311,581                  | 265,274                  |
| Interest income                                       | (70,376)                 | (75,823)                 |
| Unrealised exchange (gain) loss                       | (516,375)                | 86,297                   |
| Operating cash flows before working capital changes   | 655,308                  | 2,691,435                |
| <i>Movements in working capital:</i>                  |                          |                          |
| Decrease in trade receivables                         | 5,004,715                | 4,005,967                |
| (Increase) Decrease in other receivables and deposits | (2,181,789)              | 625,058                  |
| Decrease in other assets                              | 75,466                   | —                        |
| Decrease (Increase) in contract assets                | 7,308,044                | (4,814,525)              |
| Increase in amounts due from related companies        | —                        | 1,237,745                |
| Decrease in trade and other payables                  | (10,530,876)             | (1,739,511)              |
| Increase (Decrease) in contract liabilities           | 2,506,807                | (1,799,115)              |
| Cash generated from operations                        | 2,837,675                | 207,054                  |
| Income tax paid                                       | (463,444)                | (647,134)                |
| <b>Net cash from (used in) operating activities</b>   | <b>2,374,231</b>         | <b>(440,080)</b>         |

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

|                                                                                                  | Six months ended 30 June |                          |
|--------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
|                                                                                                  | 2020<br>S\$<br>Unaudited | 2019<br>S\$<br>Unaudited |
| <b>Investing activities</b>                                                                      |                          |                          |
| Purchase of property, plant and equipment                                                        | —                        | (2,275,174)              |
| Purchase of investment property                                                                  | —                        | (1,253,493)              |
| Proceeds from disposal of property, plant and equipment                                          | —                        | 3,200                    |
| Interest received                                                                                | 61,740                   | 114,597                  |
| Addition to right-of-use assets                                                                  | (85,131)                 | —                        |
| <b>Net cash used in investing activities</b>                                                     | <b>(23,391)</b>          | <b>(3,410,870)</b>       |
| <b>Financing activities</b>                                                                      |                          |                          |
| Interest paid                                                                                    | (320,278)                | (265,274)                |
| Repayments of borrowings                                                                         | (669,641)                | (222,803)                |
| Repayments of finance leases                                                                     | —                        | (7,816)                  |
| Repayments of leases liabilities                                                                 | (172,808)                | —                        |
| <b>Net cash used in financing activities</b>                                                     | <b>(1,162,727)</b>       | <b>(495,893)</b>         |
| Net increase (decrease) in cash and cash equivalents                                             | 1,188,113                | (4,346,843)              |
| Cash and cash equivalents at beginning of the year                                               | 27,157,425               | 32,321,841               |
| Effect of foreign exchange rate changes on the balance of cash                                   | 516,375                  | (86,297)                 |
| <b>Cash and cash equivalents at end of the period,<br/>represented by bank balances and cash</b> | <b>28,861,913</b>        | <b>27,888,701</b>        |

See accompanying notes to interim condensed consolidated financial statements.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 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 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 principal place of business in Hong Kong registered is 19th Floor, Prosperity Tower, 39 Queen’s Road Central, Central, Hong Kong. The head office and principal place of business of the Group is at No. 1 Tampines North Drive 3, #08-01, BHCC SPACE, Singapore 528499. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 12 September 2017.

The Company is a subsidiary of Huada Developments Limited (“Huada Developments”), incorporated in the British Virgin Islands (“BVI”), which is also the Company’s ultimate holding company. Huada Developments is owned by Mr. Yang and his spouse Ms. Chao Jie. 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 the Company 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 (“Building and Construction Works”) and property investment including leasing of industrial properties (“Property Investment”).

The interim condensed consolidated financial statements are presented in Singapore Dollars (“S\$”), which is also the functional currency of the Company.

The interim condensed consolidated financial statements are approved by the board (the “Board”) of directors (the “Directors”) of the Company on 28 August 2020.

## 2 BASIS OF PREPARATION

This interim condensed consolidated financial statements of the Group for the six months ended 30 June 2020 has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 December 2019, which has been prepared in accordance with international Financial Reporting Standards (“IFRS”).

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

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

New and amended IFRSs that are effective for the current year

### ***New and revised IFRSs in issue but not yet effective***

At the date of authorisation of these interim condensed consolidated financial statements, the Group has not early applied the following new and amendments to IFRS Standards or IFRS Interpretations Committee ("IFRIC") that have been issued but are not yet effective, which are relevant to the Group:

|                               |                                                                                           |
|-------------------------------|-------------------------------------------------------------------------------------------|
| Amendments to IAS 1 and IAS 8 | <i>Definition of Material<sup>1</sup></i>                                                 |
| Amendments to IFRS 3          | <i>Definition of a Business<sup>2</sup></i>                                               |
| Framework                     | <i>Amendments to References to the Conceptual Framework in IFRS Standards<sup>1</sup></i> |
| Amendments to IFRS 9,         | <i>Interest Rate Benchmark Reform<sup>1</sup></i>                                         |
| IAS 39 and IFRS 7             |                                                                                           |
| Amendments to IFRS 16         | <i>Covid-19-Related Rent Concessions<sup>3</sup></i>                                      |
| Amendments to IFRS 3          | <i>Reference to the Conceptual Framework<sup>4</sup></i>                                  |
| Amendments to IAS 37          | <i>Onerous Contracts — Cost of Fulfilling a Contract<sup>4</sup></i>                      |
| Amendments to IAS 16          | <i>Property, Plant and Equipment: Proceeds before Intended Use<sup>4</sup></i>            |
| Amendments to IFRSs           | <i>Annual Improvements to IFRS Standards 2018–2020<sup>4</sup></i>                        |
| Amendments to IAS 1           | <i>Classification of Liabilities as Current or Non-current<sup>5</sup></i>                |

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

2 Effective for business combinations and assets acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

3 Effective for annual periods beginning on or after 1 June 2020, with early application permitted, including in financial statements not yet authorised for issue at 28 May 2020. The amendment is also available for interim reports.

4 Effective for annual periods beginning on or after 1 January 2022.

5 Effective for annual periods beginning on or after 1 January 2022. On 4 May 2020, an ED Classification of Liabilities as Current or Non-current (Proposed amendment to IAS 1) was issued for comments to defer the effective date of the amendment by one year to annual reporting periods beginning on or after 1 January 2023.

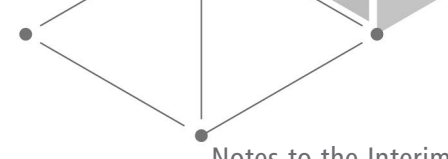
The directors of the Company anticipates that the application of the new and amendments to IFRS Standards is unlikely to have a material impact on the Group's consolidated financial position and performance as well as disclosures.

## 4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group's management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following is the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.



## Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

### 4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### Construction contracts

The Group recognises contract revenue and profit of a construction contract during the course of construction by reference to the progress towards complete satisfaction at the end of the reporting period. Progress towards complete satisfaction is measured based on the input method. Estimated construction revenue is determined with reference to the terms of the relevant contracts. Contract costs which mainly comprise sub-contracting charges and costs of materials are estimated by the management on the basis of quotations from time to time provided by the major subcontractors or suppliers involved and the experience of the management. Notwithstanding that management reviews and revises the estimates of both contract revenue and costs for the construction contract as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

Management reviews the construction contracts for foreseeable losses whenever there is an indication that the estimated contract revenue is lower than the estimated total contract costs. The actual outcomes in terms of total contract costs or contract revenue may be higher or lower than estimated at the end of each reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

The carrying amounts of contract assets and contract liabilities arising from construction contracts are disclosed in Note 16 to the interim condensed consolidated financial statements.

#### Estimated impairment of receivables (Note 15)

The Group recognises lifetime ECL for trade receivables, based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

The carrying amounts of trade receivables are disclosed in Note 15 to the interim condensed consolidated financial statements.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 5 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of building and construction works, by the Group to external customers, and Property Investment, being rental income from investment properties held by the Group.

An analysis of the Group's revenue for the six months ended 30 June 2020 and 2019 is as follows:

### (i) Disaggregation of revenue from contracts with customers

|                                       | For the six months ended 30 June |                          |
|---------------------------------------|----------------------------------|--------------------------|
|                                       | 2020<br>S\$<br>Unaudited         | 2019<br>S\$<br>Unaudited |
| <b>Types of services</b>              |                                  |                          |
| Building and Construction Works       |                                  |                          |
| — Main Contractor Projects            | 31,255,995                       | 34,577,723               |
| — Subcontractor Projects              | 4,234,156                        | 17,717,407               |
| Revenue from contracts with customers | 35,490,151                       | 52,295,130               |
| Rental from Property Investment       | 751,300                          | 193,395                  |
| Segment revenue (Note 5(iv))          | 36,241,451                       | 52,488,525               |
| <b>Timing of revenue recognition</b>  |                                  |                          |
| Over time                             | 36,241,451                       | 52,488,525               |

### (ii) Performance obligations for contracts with customers

The Group derives its revenue from provision of Building and Construction Works over time.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as at the end of each reporting period:

|                                                    | As at 30 June            |                          |
|----------------------------------------------------|--------------------------|--------------------------|
|                                                    | 2020<br>S\$<br>Unaudited | 2019<br>S\$<br>Unaudited |
| Main Contractor Projects                           |                          |                          |
| — Within one year                                  | 200,502,460              | 84,876,770               |
| — More than one year but not more than two years   | 93,603,810               | 49,315,509               |
| — More than two years but not more than five years | 3,552,431                | 42,740,108               |
|                                                    | 297,658,701              | 176,932,387              |
| Subcontractor Projects                             |                          |                          |
| — Within one year                                  | 6,341,742                | 17,073,249               |
|                                                    | 6,341,742                | 17,073,249               |
|                                                    | 304,000,443              | 194,005,636              |

During the Period, majority of the construction contracts for services provided to external customers lasts over 12 months (Previous Period: over 12 months).

### (iv) Segment information

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 CODMs review segment revenue and results attributable to each segment, which is measured by reference to the respective segments' gross profit. The Group has two operating segments as follows:

- Building and Construction Works: Engage in provision of building and construction works via main contractor and subcontractor projects to public and private sectors.
- Property Investment: Leasing of industrial properties.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (iv) Segment information (Continued)

No analysis of the Group's assets and liabilities is regularly provided to the CODMs for review.

| For the six months ended 30 June |                          |                          |
|----------------------------------|--------------------------|--------------------------|
|                                  | 2020<br>S\$<br>Unaudited | 2019<br>S\$<br>Unaudited |
| <b>Segment revenues</b>          |                          |                          |
| Building and Construction Works  | 35,490,151               | 52,295,130               |
| Property Investment              | 751,300                  | 193,395                  |
|                                  | <b>36,241,451</b>        | <b>52,488,525</b>        |
| <b>Segment results</b>           |                          |                          |
| Building and Construction Works  | 301,733                  | 3,345,382                |
| Property Investment              | 385,163                  | (370,893)                |
|                                  | <b>686,896</b>           | <b>2,974,489</b>         |
| <b>Unallocated:</b>              |                          |                          |
| Other income                     | 204,311                  | 93,652                   |
| Other gains and losses           | 516,375                  | (86,305)                 |
| Selling expenses                 | (46,899)                 | (30,249)                 |
| Administrative expenses          | (1,459,787)              | (1,250,148)              |
| Finance costs                    | (311,581)                | (265,274)                |
| (Loss) Profit before taxation    | <b>(410,685)</b>         | <b>1,436,165</b>         |

### (v) 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.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (vi) 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 |                          |
|------------|----------------------------------|--------------------------|
|            | 2020<br>S\$<br>Unaudited         | 2019<br>S\$<br>Unaudited |
| Customer A | 19,631,204                       | 29,329,021               |
| Customer B | 7,992,717                        | —*                       |
| Customer C | —*                               | 13,259,000               |

Revenue from customers A ,B and C above are from the Building and Construction works segment.

\* less than 10% of the total revenue of the Group.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 6 a. OTHER INCOME

| For the six months ended 30 June                                   |                          |                          |
|--------------------------------------------------------------------|--------------------------|--------------------------|
|                                                                    | 2020<br>S\$<br>Unaudited | 2019<br>S\$<br>Unaudited |
| Government grants (Note)                                           | 110,961                  | 16,828                   |
| Service income on secondment of labour and subcontracting fee, net | 10,210                   | 1,001                    |
| Interest income                                                    | 70,376                   | 75,823                   |
| Others                                                             | 12,764                   | —                        |
|                                                                    | <b>204,311</b>           | <b>93,652</b>            |

Note: Government grants in 2020 mainly include COVID-19-related support by the Singapore government to help companies tide through this period of economic uncertainty, such as the Foreign Worker Levy ("FWL") rebates, FWL waivers, and the Job Support Scheme ("JSS"). Under the JSS, the government will co-fund between 25% to 75% of the first S\$4,600 of gross monthly wages paid to each local employee in a ten-month period through cash subsidies.

While Property tax ("PT") Rebates were recognised as part of grant income above, FWL waivers obtained of approximately S\$669,000 were offset against related FWL expenses in cost of services, and JSS grants of approximately S\$385,000 and S\$55,000 were offset against related staff costs in cost of services and administrative expenses respectively.

Other government grants recognised during the Period include the Wage Credit Scheme ("WCS"), Government-Paid Childcare Leave ("GPCL"), similar to Previous Period.

All government grants recognised are incentives as compensation of expenses or losses already incurred or as immediate financial support to the Company with no future related costs and 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                          |                          |                          |
|-----------------------------------------------------------|--------------------------|--------------------------|
|                                                           | 2020<br>S\$<br>Unaudited | 2019<br>S\$<br>Unaudited |
| Loss arising on disposal of property, plant and equipment | —                        | (8)                      |
| Exchange gain (loss), unrealised                          | 516,375                  | (86,297)                 |
|                                                           | <b>516,375</b>           | <b>(86,305)</b>          |

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 7 FINANCE COSTS

|                                  | For the six months ended 30 June |                          |
|----------------------------------|----------------------------------|--------------------------|
|                                  | 2020<br>S\$<br>Unaudited         | 2019<br>S\$<br>Unaudited |
| Interest on:                     |                                  |                          |
| Bank borrowings                  | 307,557                          | 264,677                  |
| Lease Liabilities                | 4,024                            | —                        |
| Obligations under finance leases | —                                | 597                      |
|                                  | <b>311,581</b>                   | <b>265,274</b>           |

## 8 INCOME TAX (CREDIT)/EXPENSE

|                                          | For the six months ended 30 June |                          |
|------------------------------------------|----------------------------------|--------------------------|
|                                          | 2020<br>S\$<br>Unaudited         | 2019<br>S\$<br>Unaudited |
| Tax expense comprises:                   |                                  |                          |
| Current tax                              |                                  |                          |
| — Singapore corporate income tax ("CIT") | 34,040                           | 407,490                  |
| Deferred tax                             | (47,746)                         | (31,025)                 |
|                                          | <b>(13,706)</b>                  | <b>376,465</b>           |

Singapore CIT is calculated at 17% (YA2020: 17%) of the estimated assessable profit eligible for CIT rebate of 25%, capped at S\$15,000 for the Year of Assessment 2020. Singapore incorporated companies can also enjoy 75% (YA2020: 75%) tax exemption on the first S\$10,000 (YA2020: S\$10,000) of normal chargeable income and further 50% (YA2020: 50%) tax exemption on the next S\$190,000 (YA2020: S\$190,000) of normal chargeable income.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 9 PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

|                                                        | For the six months ended 30 June |                          |
|--------------------------------------------------------|----------------------------------|--------------------------|
|                                                        | 2020<br>S\$<br>Unaudited         | 2019<br>S\$<br>Unaudited |
| Depreciation of property, plant and equipment (Note a) | 790,012                          | 619,634                  |
| Depreciation of investment properties (Note a)         | 366,334                          | 359,880                  |
| Depreciation of right-of-use asset (Note a)            | 184,817                          | —                        |
| Directors' remuneration                                | 450,970                          | 470,070                  |
| Other staff costs                                      |                                  |                          |
| — Salaries and other benefits                          | 4,377,824                        | 5,432,299                |
| — Contributions to CPF                                 | 204,245                          | 186,673                  |
| Total staff costs (Note b)                             | 5,033,039                        | 6,089,042                |
| Cost of materials recognised as cost of services       | 8,490,091                        | 12,156,875               |
| Subcontractor costs recognised as cost of services     | 15,892,797                       | 22,320,167               |

Note:

- a. Depreciation of S\$888,268 (Previous Period: S\$405,991) are included in cost of services.
- b. Staff costs of S\$4,717,451 (Previous Period: S\$3,254,718) are included in cost of services.

## 10 DIVIDENDS

No dividend was paid or declared by the Company or group entities during the six months ended 30 June 2020.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 11 (LOSS)/EARNINGS PER SHARE

|                                                               | For the six months ended 30 June |                          |
|---------------------------------------------------------------|----------------------------------|--------------------------|
|                                                               | 2020<br>S\$<br>Unaudited         | 2019<br>S\$<br>Unaudited |
| (Loss)/Profit attributable to the owners of the Company (S\$) | (396,979)                        | 1,059,700                |
| Weighted average number of ordinary shares in issue           | 800,000,000                      | 800,000,000              |
| Basic and diluted (loss)/earnings per share (S\$ cents)       | (0.05)                           | 0.13                     |

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

Diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share because the Group has no dilutive securities that are convertible into shares for the six months ended 30 June 2020 and 30 June 2019.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 12 PROPERTY, PLANT AND EQUIPMENT

|                                                 | Plant and<br>machinery<br>S\$ | Computers<br>S\$ | Motor<br>vehicles<br>S\$ | Furniture<br>and<br>fittings<br>S\$ | Freehold<br>properties<br>S\$ | Leasehold<br>land<br>S\$ | Leasehold<br>property<br>under<br>construction<br>S\$ | Leasehold<br>property<br>S\$ | Total<br>S\$ |
|-------------------------------------------------|-------------------------------|------------------|--------------------------|-------------------------------------|-------------------------------|--------------------------|-------------------------------------------------------|------------------------------|--------------|
| <b>Cost:</b>                                    |                               |                  |                          |                                     |                               |                          |                                                       |                              |              |
| <b>At 1 January 2019 (restated)</b>             | 4,247,989                     | 341,534          | 1,054,061                | 149,199                             | 2,532,950                     | 7,204,600                | 7,797,745                                             | —                            | 23,328,078   |
| Additions                                       | 95,990                        | 4,455            | 867,205                  | 128,859                             | —                             | —                        | 2,483,420                                             | —                            | 3,579,929    |
| Disposals                                       | (11,000)                      | —                | —                        | —                                   | —                             | —                        | —                                                     | —                            | (11,000)     |
| Reclassification                                | —                             | —                | —                        | —                                   | (2,532,950)                   | —                        | (1,241,711)                                           | —                            | (3,774,661)  |
| Transfer                                        | —                             | —                | —                        | —                                   | —                             | —                        | (9,039,454)                                           | 9,039,454                    | —            |
| <b>At 31 December 2019 and<br/>30 June 2020</b> | 4,332,979                     | 345,989          | 1,921,266                | 278,058                             | —                             | 7,204,600                | —                                                     | 9,039,454                    | 23,122,346   |
| <b>Accumulated depreciation:</b>                |                               |                  |                          |                                     |                               |                          |                                                       |                              |              |
| <b>At 1 January 2019 (restated)</b>             | 2,842,810                     | 268,264          | 833,458                  | 114,309                             | 116,093                       | 570,364                  | —                                                     | —                            | 4,745,298    |
| Charge for the period                           | 485,601                       | 47,442           | 260,456                  | 27,723                              | 63,324                        | 360,230                  | —                                                     | 418,691                      | 1,663,467    |
| Disposals                                       | (7,792)                       | —                | —                        | —                                   | —                             | —                        | —                                                     | —                            | (7,792)      |
| Reclassification                                | —                             | —                | —                        | —                                   | (179,417)                     | —                        | —                                                     | (50,568)                     | (229,985)    |
| <b>At 31 December 2019</b>                      | 3,320,619                     | 315,706          | 1,093,914                | 142,032                             | —                             | 930,594                  | —                                                     | 368,123                      | 6,170,988    |
| Charge for the period                           | 214,891                       | 21,044           | 119,819                  | 8,728                               | —                             | 180,115                  | —                                                     | 245,415                      | 790,012      |
| <b>At 30 June 2020</b>                          | 3,535,510                     | 336,750          | 1,213,733                | 150,760                             | —                             | 1,110,709                | —                                                     | 613,538                      | 6,961,000    |
| <b>Carrying amount:</b>                         |                               |                  |                          |                                     |                               |                          |                                                       |                              |              |
| At 31 December 2019                             | 1,012,360                     | 30,283           | 827,352                  | 136,026                             | —                             | 6,274,006                | —                                                     | 8,671,331                    | 16,951,358   |
| At 30 June 2020                                 | 797,469                       | 9,239            | 707,533                  | 127,298                             | —                             | 6,093,891                | —                                                     | 8,425,916                    | 16,161,346   |

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 13 INTANGIBLE ASSET

The intangible asset represents the club membership in Singapore Island Country Club that is held for long-term purposes. The membership is stated at cost less impairment. It has indefinite useful life and is not amortised.

## 14 INVESTMENT PROPERTIES

|                                  | 30-Jun-20<br>S\$<br>Unaudited | 31-Dec-19<br>S\$<br>Audited |
|----------------------------------|-------------------------------|-----------------------------|
| <b>Cost:</b>                     |                               |                             |
| At beginning of the period/year  | 18,712,955                    | 14,938,294                  |
| Reclassification (Note 12)       | —                             | 3,774,661                   |
| At end of the period/year        | 18,712,955                    | 18,712,955                  |
| <b>Accumulated depreciation:</b> |                               |                             |
| At beginning of the period/year  | 1,053,329                     | 327,275                     |
| Reclassification (Note 12)       | —                             | 229,985                     |
| Charge for the period/year       | 366,334                       | 496,069                     |
| At end of the period/year        | 1,419,663                     | 1,053,329                   |
| <b>Carrying amount:</b>          |                               |                             |
| At end of the period/year        | 17,293,292                    | 17,659,626                  |

As at 30 June 2020, investment properties of the Group comprise of (i) freehold properties consist of five (2019: five) strata title light industrial units located at 11 Irving Place, Singapore 369551; and (ii) leasehold property at Tampines North Drive 3 with a tenure of 18.4 years.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 15 TRADE RECEIVABLES

|                           | As at<br>30 June<br>2020<br>S\$<br>Unaudited | As at<br>31 December<br>2019<br>S\$<br>Audited |
|---------------------------|----------------------------------------------|------------------------------------------------|
| Trade receivables         | 1,274,700                                    | 6,111,064                                      |
| Unbilled revenue (Note a) | 827,213                                      | 995,564                                        |
|                           | <b>2,101,913</b>                             | <b>7,106,628</b>                               |

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 to the unbilled revenue are unconditional.

The Group grants credit terms to customers typically between 30 to 60 days (2019: 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<br>30 June<br>2020<br>S\$<br>Unaudited | As at<br>31 December<br>2019<br>S\$<br>Audited |
|----------------------|----------------------------------------------|------------------------------------------------|
| Within 60 days       | 991,023                                      | 5,963,584                                      |
| 61 days to 90 days   | 234,243                                      | –                                              |
| 91 days to 180 days  | 14,338                                       | 112,384                                        |
| 181 days to 365 days | 35,096                                       | 35,096                                         |
|                      | <b>1,274,700</b>                             | <b>6,111,064</b>                               |

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.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 15 TRADE RECEIVABLES (CONTINUED)

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<br>30 June<br>2020<br>S\$<br>Unaudited | As at<br>31 December<br>2019<br>S\$<br>Audited |
|--------------------|----------------------------------------------|------------------------------------------------|
| Less than 60 days  | 31,402                                       | 49,151                                         |
| 61 to 90 days      | 234,243                                      | —                                              |
| 91 to 180 days     | 14,338                                       | 147,480                                        |
| More than 180 days | 35,096                                       | —                                              |
|                    | <b>315,079</b>                               | <b>196,631</b>                                 |

The directors of the Company considered that the ECL for trade receivables is insignificant as at 30 June 2020 and 31 December 2019.

## 16 CONTRACT ASSETS/LIABILITIES

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

|                      | As at<br>30 June<br>2020<br>S\$<br>Unaudited | As at<br>31 December<br>2019<br>S\$<br>Audited |
|----------------------|----------------------------------------------|------------------------------------------------|
| Contract assets      | 17,843,594                                   | 25,151,638                                     |
| Contract liabilities | (2,506,807)                                  | —                                              |

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

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 16 CONTRACT ASSETS/LIABILITIES (CONTINUED)

### 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<br>30 June<br>2020<br>S\$<br>Unaudited | As at<br>31 December<br>2019<br>S\$<br>Audited |
|----------------------------------|----------------------------------------------|------------------------------------------------|
| Construction contracts — current |                                              |                                                |
| Retention receivables            | 3,011,065                                    | 3,195,472                                      |
| Others*                          | 14,832,529                                   | 21,956,166                                     |
|                                  | 17,843,594                                   | 25,151,638                                     |

\* 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 to be 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.

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 2020.

No provisions for contract losses were made during the six months ended 30 June 2020.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 16 CONTRACT ASSETS/LIABILITIES (CONTINUED)

### 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. Contract liabilities as at 30 June 2020 mainly relates to advances received from customers.

The Group's contract liabilities are analysed as follows:

|                                  | As at<br>30 June<br>2020<br>S\$<br>Unaudited | As at<br>31 December<br>2019<br>S\$<br>Audited |
|----------------------------------|----------------------------------------------|------------------------------------------------|
| Construction contracts — current | (2,506,807)                                  | —                                              |

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

|                                                                                                       | As at<br>30 June<br>2020<br>S\$<br>Unaudited | As at<br>31 December<br>2019<br>S\$<br>Audited |
|-------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------|
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | —                                            | 2,107,036                                      |

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

## 17 AMOUNTS DUE FROM SHAREHOLDERS

### Amounts due from shareholders

The balance as at 30 June 2020 and 31 December 2019 is non-trade nature, unsecured, non-interest bearing and repayable on demand.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 18 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

|                                                          | As at<br>30 June<br>2020<br>S\$<br>Unaudited | As at<br>31 December<br>2019<br>S\$<br>Audited |
|----------------------------------------------------------|----------------------------------------------|------------------------------------------------|
| Cash and bank balances (Note A)                          | 29,850,683                                   | 28,146,195                                     |
| Less: pledged deposit for performance bond (Note B)      | (988,770)                                    | (988,770)                                      |
| Cash and cash equivalents in the statement of cash flows | 28,861,913                                   | 27,157,425                                     |

Note A: Other than time deposits amounting to S\$10,000,000 (2019: S\$8,000,000) which carry fixed interest at 0.24% to 1.68% (2019: 1.38% to 2.25%) per annum as at 30 June 2020, the remaining balances do not carry interest.

Note B: As at 30 June 2020 and 31 December 2019, the Group has pledged a deposit of S\$988,770 for a performance bond which will be matured on 7 April 2021.

## 19 TRADE AND OTHER PAYABLES

|                            | As at<br>30 June<br>2020<br>S\$<br>Unaudited | As at<br>31 December<br>2019<br>S\$<br>Audited |
|----------------------------|----------------------------------------------|------------------------------------------------|
| Trade payables             | 7,353,116                                    | 9,099,947                                      |
| Trade accruals             | 14,971,547                                   | 21,595,232                                     |
| Accrued operating expenses | 22,324,663                                   | 30,695,179                                     |
| Other payables             | 35,400                                       | 286,796                                        |
| GST payable                | 209,070                                      | 1,030,560                                      |
| Interest payable           | 23,957                                       | 32,654                                         |
| Accrued payroll costs      | 810,443                                      | 2,397,598                                      |
| Deferred grant income      | 340,750                                      | —                                              |
| Grant payable              | 119,988                                      | —                                              |
| Other                      | 288,348                                      | 249,405                                        |
|                            | 24,152,619                                   | 34,692,192                                     |

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 19 TRADE AND OTHER PAYABLES (CONTINUED)

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

|                                       | As at<br>30 June<br>2020<br>S\$<br>Unaudited | As at<br>31 December<br>2019<br>S\$<br>Audited |
|---------------------------------------|----------------------------------------------|------------------------------------------------|
| Within 90 days                        | 6,763,910                                    | 8,685,458                                      |
| 91 to 180 days                        | 409,326                                      | 343,530                                        |
| 181 days to 365 days                  | 151,554                                      | 43,107                                         |
| Over 1 year but not more than 2 years | 24,819                                       | 26,266                                         |
| More than 2 years                     | 3,507                                        | 1,586                                          |
|                                       | <b>7,353,116</b>                             | <b>9,099,947</b>                               |

The credit period on purchases from suppliers and subcontractors is between 30 to 60 days (2019: 30 to 60 days) or payable upon delivery.

## 20 BORROWINGS

|                                                                                | As at<br>30 June<br>2020<br>S\$<br>Unaudited | As at<br>31 December<br>2019<br>S\$<br>Audited |
|--------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------|
| Bank loan — secured                                                            | <b>20,066,877</b>                            | <b>20,736,518</b>                              |
| Analysed as:                                                                   |                                              |                                                |
| Carrying amount repayable within one year                                      | <b>1,354,539</b>                             | <b>1,337,171</b>                               |
| Carrying amount repayable more than one year,<br>but not exceeding two years   | <b>1,364,903</b>                             | <b>1,348,851</b>                               |
| Carrying amount repayable more than two years,<br>but not exceeding five years | <b>12,670,934</b>                            | <b>13,142,351</b>                              |
| Carrying amount repayable more than five years                                 | <b>4,676,501</b>                             | <b>4,908,145</b>                               |
|                                                                                | <b>20,066,877</b>                            | <b>20,736,518</b>                              |
| Amount due within one year shown under current liabilities                     | <b>(1,354,539)</b>                           | <b>(1,337,171)</b>                             |
| Amount shown under non-current liabilities                                     | <b>18,712,338</b>                            | <b>19,399,347</b>                              |

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 20 BORROWINGS (CONTINUED)

- (i) As at 30 June 2020, a loan with an outstanding balance of S\$6.4 million (2019: S\$6.6million) was secured by the legal mortgage over the Group's freehold properties carrying fixed interest rates fixed at 1.98% per annum for the first three years and a prevailing three-month SIBOR plus 1.88% and 3.00% per annum for the fourth and fifth year and subsequently years thereafter respectively. The loan is in its fifth year as at 30 June 2020.
- (ii) As at 30 June 2020, a loan with an outstanding balance of S\$13.6 million (2019: S\$14.2 million) was secured by the legal mortgage over the Group's mixed commercial and industrial development property carrying interest rate of 1.25% over the bank's Cost of Funds or 1.25% over the applicable SWAP Offer Rate as determined by the bank on the day of transaction, whichever is higher.

## 21 SHARE CAPITAL

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 12 September 2017 by way of placing of 100,000,000 shares and public offer of 100,000,000 shares at the price of HK\$0.50 per share ("Share Offer").

|                                                                                  | Number of<br>shares | Par value<br>HK\$ | Share capital<br>HK\$ |
|----------------------------------------------------------------------------------|---------------------|-------------------|-----------------------|
| Authorised share capital of the Company:<br>At 31 December 2019 and 30 June 2020 | 5,000,000,000       | 0.01              | 50,000,000            |

|                                                                              | Number of<br>shares | Share capital<br>S\$ |
|------------------------------------------------------------------------------|---------------------|----------------------|
| Issued and fully paid of the Company<br>At 31 December 2019 and 30 June 2020 | 800,000,000         | 1,389,830            |

## 22 OPERATING LEASE COMMITMENTS

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with lease terms of between less than a year to five years, mostly with a 1 to 3 year extension option. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 22 OPERATING LEASE COMMITMENTS (CONTINUED)

Maturity analysis of operating lease payments:

|                    | 30 June<br>2020<br>S\$<br>Unaudited | 31 December<br>2019<br>S\$<br>Audited |
|--------------------|-------------------------------------|---------------------------------------|
| Within one year    | 1,367,975                           | 1,366,680                             |
| In the second year | 883,287                             | 1,050,457                             |
| In the third year  | 192,683                             | 444,845                               |
| In the fourth year | 38,400                              | 39,600                                |
| In the fifth year  | 9,600                               | 28,800                                |
| Total              | 2,491,915                           | 2,930,382                             |

The following table presents the amounts reported in profit or loss:

|                                  | For the six months ended 30 June |                          |
|----------------------------------|----------------------------------|--------------------------|
|                                  | 2020<br>S\$<br>Unaudited         | 2019<br>S\$<br>Unaudited |
| Lease income on operating leases | 751,300                          | 193,395                  |

## 23 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these consolidated financial statements. Related companies refer to entities in which directors of the Group and his/her spouse have beneficial interest in.

Apart from disclosure elsewhere in these interim condensed consolidated financial statements, the Group entered into the following transactions with related companies:

|                                                                                        | For the six months ended 30 June |                          |
|----------------------------------------------------------------------------------------|----------------------------------|--------------------------|
|                                                                                        | 2020<br>S\$<br>Unaudited         | 2019<br>S\$<br>Unaudited |
| Progress billing for provision of building and construction works to a related company | —                                | 294,216                  |
| Rental expense to related companies                                                    | —                                | 42,780                   |

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

## 23 RELATED PARTY TRANSACTIONS (CONTINUED)

### Compensation of key management personnel

The remuneration of directors and other members of key management during the Period were as follows:

|                          | For the six months ended 30 June |                          |
|--------------------------|----------------------------------|--------------------------|
|                          | 2020<br>S\$<br>Unaudited         | 2019<br>S\$<br>Unaudited |
| Short term benefits      | 612,550                          | 636,930                  |
| Post-employment benefits | 29,058                           | 28,956                   |
| Total compensation       | 641,608                          | 665,886                  |

## 24 PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company as at 30 June 2020 are set out below.

| Name              | Place of incorporation/<br>operation | Paid up<br>issued capital | Group's<br>effective<br>interest | Held by the<br>Company | Principal activities                        |
|-------------------|--------------------------------------|---------------------------|----------------------------------|------------------------|---------------------------------------------|
| Lion Metro        | BVI                                  | US\$1                     | 100%                             | 100%                   | Investment holding                          |
| BHCC Construction | Singapore                            | S\$15,000,000             | 100%                             | –                      | Provision of building construction services |
| Wan Yoong         | Singapore                            | S\$30,000                 | 100%                             | –                      | Property development and investment holding |
| BHCC Space        | Singapore                            | S\$1,000,000              | 100%                             | –                      | Property development                        |

None of the subsidiaries had issued any debt securities at the end of the Period.

By order of the Board  
**BHCC Holding Limited**  
**Yang Xinping**  
*Chairman and executive Director*

Singapore, 28 August 2020

*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 Mr. Ooi Soo Liat, Ms. Chan Bee Leng and Mr. Kwong Choong Kuen (Huang Zhongquan).*