

# BHCC HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1552



2021 Interim  
Report

# CONTENTS

Corporate Information	2
Management Discussion and Analysis	3
Other Information	5
Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	9
Interim Condensed Consolidated Statement of Financial Position	10
Interim Condensed Consolidated Statement of Changes in Equity	12
Interim Condensed Consolidated Statement of Cash Flows	13
Notes to the Interim Condensed Consolidated Financial Statements	15





# 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  
OUE 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 2021 (the "Period"), together with the comparative figures for the corresponding period in 2020 (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\$53.6 million, representing a growth of approximately 48.1% as compared to that of approximately S\$36.2 million for the Previous Period. The increase was mainly due to more construction activities performed during the Period comparing with the Previous Period which included suspension of all construction work in Singapore for four months to curb COVID-19 transmission. Revenue from building and construction works accounted for approximately 94.6% (Previous Period: approximately 98.1%) or approximately S\$50.7 million (Previous Period: approximately S\$35.5 million) of the Group's total revenue. Revenue from operation of temporary dormitories contributed approximately 3.9% (Previous Period: Nil) or approximately S\$2.1 million (Previous Period: Nil). Details of the operation of temporary dormitories are included in Note 5 to the interim condensed consolidated financial statements. Revenue from property investment contributed approximately 1.5% (Previous Period: approximately 1.9%) or approximately S\$0.8 million (Previous Period: approximately S\$0.8 million).

Profit attributable to owners of the Company for the Period amounted to approximately S\$0.2 million (Previous Period: loss of approximately S\$0.4 million).

## CONTINGENT LIABILITIES

As at 30 June 2021, 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 2021, 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 Building Information Modeling ("BIM") and Enterprise Resource Planning software.



# Management Discussion and Analysis

## RECENT DEVELOPMENT

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

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

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's cash and cash equivalents balances as at 30 June 2021 amounted to approximately S\$29.0 million, representing a decrease of approximately S\$5.5 million as compared to approximately S\$34.5 million as at 31 December 2020.

As at 30 June 2021, the Group's indebtedness comprised bank borrowings of approximately S\$17.7 million.

The Group's equity balance increased to approximately S\$45.5 million as at 30 June 2021 from that of approximately S\$45.3 million as at 31 December 2020 due to the profit 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 2021, 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 354 employees as at 30 June 2021 (Previous Period: 341 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 2021, 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 Xiping ("Mr. Yang")	409,050,000 (Note 1) Long position	51.13125%	Interest in controlled corporation
Ms. Han Yuying ("Ms. Han")	136,350,000 (Note 2) 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/ nature of interest	Number of shares in Huada Developments	Percentage of shareholding in Huada Development
Mr. Yang	Beneficial owner	80	80%

Save as disclosed above, as at 30 June 2021, 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 2021, 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 shares/Position	Percentage of shareholding	Capacity
Huada Developments (Note 1)	409,050,000 Long position	51.13125%	Beneficial owner
Ms. Chao Jie (Note 1)	409,050,000 Long position	51.13125%	Interest of spouse
Eagle Soar (Note 2)	136,350,000 Long position	17.04375%	Beneficial owner
Mr. Liu Hai (Note 2)	136,350,000 Long position	17.04375%	Interest of spouse
Wai Tian Holdings Limited (Note 3)	54,600,000 Long position	6.825%	Beneficial owner
Mr. Zhan Lixiong ("Mr. Zhan") (Note 3)	54,600,000 Long position	6.825%	Interest in controlled corporation
Ms. Zheng Dan (Note 3)	54,600,000 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. 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.
2. 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. 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.
3. 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. 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.



## Other Information

Save as disclosed above, as at 30 June 2021, 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 2021.

### PLEDGE OF ASSETS

The borrowings as at 30 June 2021 was secured against the leasehold land, leasehold property, and investment properties of the Group with carrying amount of approximately S\$21.6 million.

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

### PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

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

### CORPORATE GOVERNANCE

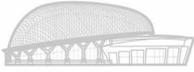
The Company is committed to fulfilling its responsibilities to its shareholders (the "Shareholders") and protecting and enhancing Shareholders' value through good corporate governance.

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

The Company has adopted the corporate governance code (the "CG Code") contained in Appendix 14 of the 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.

### CHANGE IN INFORMATION OF DIRECTOR

Mr. Kwong Choong Kuen (Huang Zhongquan) has been appointed as an independent non-executive director of Solis Holdings Limited, a company whose shares are listed on the main board of the Stock Exchange (stock code: 2227) since 23 June 2021 and he ceased to be an independent non-executive director of C&N Holdings Limited with effective from 23 August 2021.

### EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the Period.

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

Singapore, 27 August 2021



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

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 S\$ Unaudited	2020 S\$ Unaudited
<b>Revenue</b>	5	53,565,805	36,241,451
Cost of services		(52,443,166)	(35,554,555)
<b>Gross profit</b>		1,122,639	686,896
Other income	6a	738,663	204,311
Other gains and losses	6b	162,716	516,375
Selling expenses		(15,548)	(46,899)
Administrative expenses		(1,478,947)	(1,459,787)
Finance costs	7	(192,656)	(311,581)
<b>Profit/(Loss) before taxation</b>		336,867	(410,685)
Income tax (expense)/credit	8	(122,428)	13,706
<b>Profit/(Loss) and other comprehensive income for the period</b>	9	214,439	(396,979)
<b>Profit/(Loss) attributable to:</b>			
Owners of the Company		214,439	(396,979)
<b>Basic and diluted earnings/(losses) per share (S\$ cents)</b>	11	0.03	(0.05)

See accompanying notes to interim condensed consolidated financial statements.



# Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	30 June 2021 S\$ Unaudited	31 December 2020 S\$ Audited
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	14,990,287	15,633,419
Intangible assets	13	380,000	175,000
Investment properties	14	16,560,624	16,926,958
Right-of-use assets		300,276	403,078
Deposits paid for performance bond		748,696	748,696
Other assets		37,972	291,745
		<b>33,017,855</b>	<b>34,178,896</b>
<b>Current assets</b>			
Trade receivables	15	4,777,025	4,082,455
Other receivables and deposits		3,656,325	4,623,799
Other assets		132,099	158,389
Contract assets	16	23,524,023	33,251,977
Amount due from related companies	17a	–	280,866
Amount due from shareholders	17b	182	182
Cash and cash equivalents	18	28,993,704	34,465,110
Investments	19	10,011,996	10,005,169
		<b>71,095,354</b>	<b>86,867,947</b>
<b>Current liabilities</b>			
Trade and other payables	20	(40,088,248)	(50,001,193)
Contract liabilities	16	(174,390)	(81,131)
Amount due to related companies	17c	–	(11,341)
Lease liabilities		(186,528)	(187,158)
Borrowings	21	(1,261,533)	(1,596,330)
Income tax payable		(2,081)	(548,926)
		<b>(41,712,780)</b>	<b>(52,426,079)</b>
<b>Net current assets</b>		<b>29,382,574</b>	<b>34,441,868</b>
<b>Total assets less current liabilities</b>		<b>62,400,429</b>	<b>68,620,764</b>



# Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	30 June 2021 S\$ Unaudited	31 December 2020 S\$ Audited
<b>Non-current liabilities</b>			
Deposits	20	(225,115)	(86,150)
Lease liabilities		(107,844)	(201,589)
Borrowings	21	(16,467,316)	(22,920,007)
Deferred tax liabilities		(95,230)	(122,533)
		<b>(16,895,505)</b>	<b>(23,330,279)</b>
<b>Net assets</b>			
		<b>45,504,924</b>	<b>45,290,485</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	22	1,389,830	1,389,830
Reserves		44,115,094	43,900,655
Equity attributable to owners of the Company		<b>45,504,924</b>	<b>45,290,485</b>

See accompanying notes to interim condensed consolidated financial statements.



# Interim Condensed Consolidated Statement of Changes in Equity

As at 30 June 2021

	Share capital S\$	Share premium S\$	Merger reserve S\$	Capital reserve S\$	Accumulated profits S\$	Total S\$
<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>Balance at 30 June 2020 (unaudited)</b>	1,389,830	14,176,517	10,678,440	4,976,188	10,892,923	42,113,898
<b>Balance at 1 January 2021 (audited)</b>	1,389,830	14,176,517	10,678,440	4,976,188	14,069,510	45,290,485
Total comprehensive income for the period						
Profit for the period	-	-	-	-	214,439	214,439
<b>At 30 June 2021 (unaudited)</b>	1,389,830	14,176,517	10,678,440	4,976,188	14,283,949	45,504,924

See accompanying notes to interim condensed consolidated financial statements.



# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021 S\$ Unaudited	2020 S\$ Unaudited
<b>Operating activities</b>		
Profit (Loss) before taxation	336,867	(410,685)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	733,068	790,012
Depreciation of right-of-use assets	102,803	184,817
Depreciation of investment properties	366,334	366,334
Gain on disposal of property, plant and equipment	(8,000)	-
Fair value gain on investments in money market fund	(6,827)	-
Finance costs	192,656	311,581
Interest income	(22,025)	(70,376)
Unrealised exchange gain	(147,889)	(516,375)
Operating cash flows before working capital changes	1,546,987	655,308
<i>Movements in working capital:</i>		
Trade receivables	(694,570)	5,004,715
Other receivables and deposits	967,474	(2,181,789)
Other assets	75,063	75,466
Contract assets	9,727,954	7,308,044
Amounts due from related companies	280,866	-
Trade and other payables	(9,766,204)	(10,530,876)
Contract liabilities	93,259	2,506,807
Amount due to related companies	(11,341)	-
Cash generated from operations	2,219,488	2,837,675
Income tax paid	(696,575)	(463,444)
<b>Net cash from operating activities</b>	<b>1,522,913</b>	<b>2,374,231</b>



## Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021 S\$ Unaudited	2020 S\$ Unaudited
<b>Investing activities</b>		
Purchase of property, plant and equipment	(89,936)	–
Proceeds from disposal of property, plant and equipment	8,000	–
Interest received	22,025	61,740
Addition to right-of-use assets	–	(85,131)
<b>Net cash used in investing activities</b>	<b>(59,911)</b>	<b>(23,391)</b>
<b>Financing activities</b>		
Interest paid	(200,432)	(320,278)
Repayments of borrowings	(6,787,488)	(669,641)
Repayments of leases liabilities	(94,375)	(172,808)
<b>Net cash used in financing activities</b>	<b>(7,082,295)</b>	<b>(1,162,727)</b>
Net (decrease) increase in cash and cash equivalents	(5,619,293)	1,188,113
Cash and cash equivalents at beginning of the period	33,476,340	27,157,425
Effect of foreign exchange rate changes on the balance of cash	147,887	516,375
<b>Cash and cash equivalents at end of the period (Note 18)</b>	<b>28,004,934</b>	<b>28,861,913</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 2021

## 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”).

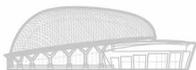
The interim condensed consolidated financial statements are presented in Singapore Dollars (“S\$”), which is also the functional currency of the Company.

The interim condensed consolidated financial statements are approved by the board (the “Board”) of directors (the “Directors”) of the Company on 27 August 2021.

## 2 BASIS OF PREPARATION

This interim condensed consolidated financial statements of the Group for the six months ended 30 June 2021 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 2020, 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 2021

## 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 revised IFRSs that have been issued but are not yet effective, which are relevant to the Group:

Amendments to IFRS 3	Reference to Conceptual Framework <sup>1</sup>
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use <sup>1</sup>
Amendments to IFRSs	Annual Improvements to IFRS Standards 2018–2020 <sup>1</sup>
Amendments to IAS 37	Onerous contracts — Cost of Fulfilling a Contract <sup>1</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>2</sup>
Amendments to IAS 8	Definition of Accounting Estimates <sup>2</sup>

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

2 Effective for annual 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 2021

## 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 and contract assets. For other receivables and deposits, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, then the Group would recognise lifetime ECL. Assessment is done 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 and contract assets, are disclosed in Notes 15 and 16 to the interim condensed consolidated financial statements respectively.



# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 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; Property Investment, being rental income from investment properties held by the Group; and Operation of Temporary Dormitories.

The Group has been engaged by the Singapore government to operate one completed temporary dormitory for a period of one year starting from October 2020, with the option to extend at the discretion of the government. The Group will maintain and operate the temporary dormitory, and bear all expenditure. The Group will co-share 50% of any profits with the government, while any net loss will be borne by the Group. The related bed rental revenue from operation of the temporary dormitories have been recognised under the "Operation of Temporary Dormitories" segment.

An analysis of the Group's revenue for the six months ended 30 June 2021 and 2020 is as follows:

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

	For the six months ended 30 June	
	2021 S\$ Unaudited	2020 S\$ Unaudited
<b>Types of services</b>		
Building and Construction Works		
— Main Contractor Projects	47,132,343	31,255,995
— Subcontractor Projects	3,539,898	4,234,156
Revenue from contracts with customers	50,672,241	35,490,151
Rental from Property Investment	798,222	751,300
Rental from Operation of Temporary Dormitories	2,095,342	—
Segment revenue (Note 5(iv))	53,565,805	36,241,451
<b>Timing of revenue recognition</b>		
Over time	53,565,805	36,241,451

### (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 2021

## 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	
	2021 S\$ Unaudited	2020 S\$ Unaudited
Main Contractor Projects		
— Within one year	95,317,220	200,502,460
— More than one year but not more than two years	60,276,475	93,603,810
— More than two years but not more than five years	38,307,894	3,552,431
	193,901,589	297,658,701
Subcontractor Projects		
— Within one year	3,881,984	6,341,742
	197,783,573	304,000,443

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 three 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.
- Operation of Temporary Dormitories: Bed leasing of dormitories.



## Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

### 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	
	2021 S\$ Unaudited	2020 S\$ Unaudited
<b>Segment revenues</b>		
Building and Construction Works	50,672,241	35,490,151
Property Investment	798,222	751,300
Operation of Temporary Dormitories	2,095,342	–
	<b>53,565,805</b>	<b>36,241,451</b>
<b>Segment results</b>		
Building and Construction Works	715,380	301,733
Property Investment	188,075	385,163
Operation of Temporary Dormitories	219,184	–
	<b>1,122,639</b>	<b>686,896</b>
<b>Unallocated:</b>		
Other income	738,663	204,311
Other gains and losses	162,716	516,375
Selling expenses	(15,548)	(46,899)
Administrative expenses	(1,478,947)	(1,459,787)
Finance costs	(192,656)	(311,581)
Profit (Loss) before taxation	<b>336,867</b>	<b>(410,685)</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 2021

## 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	
	2021 S\$ Unaudited	2020 S\$ Unaudited
Customer A	26,955,970	19,631,204
Customer B	5,480,505	7,992,717
Customer C	14,695,868	—*

Revenue from customers A to 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 2021

### 6 a. OTHER INCOME

	For the six months ended 30 June	
	2021 S\$ Unaudited	2020 S\$ Unaudited
Government grants (Note)	576,262	110,961
Service income on secondment of labour and subcontracting fee, net	38,134	10,210
Interest income	22,025	70,376
Others	102,242	12,764
	<b>738,663</b>	<b>204,311</b>

Note: Government grants in 2021 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 and the Jobs Support Scheme ("JSS").

Other government grants recognised during the Period include the Productivity Innovation Project Scheme ("PIP"), Wage Credit Scheme ("WCS") and Government-Paid Childcare Leave ("GPCL"), similar to the 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	
	2021 S\$ Unaudited	2020 S\$ Unaudited
Gain arising on disposal of property, plant and equipment	8,000	-
Fair value gain on investments in money market fund	6,827	-
Exchange gain, unrealised	147,889	516,375
	<b>162,716</b>	<b>516,375</b>



# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 7 FINANCE COSTS

	For the six months ended 30 June	
	2021 S\$ Unaudited	2020 S\$ Unaudited
Interest on:		
Bank borrowings	189,204	307,557
Lease liabilities	3,452	4,024
	<b>192,656</b>	<b>311,581</b>

## 8 INCOME TAX EXPENSE/(CREDIT)

	For the six months ended 30 June	
	2021 S\$ Unaudited	2020 S\$ Unaudited
Tax expense/(credit) comprises:		
Current tax		
— Singapore corporate income tax ("CIT")	149,731	34,040
Deferred tax	(27,303)	(47,746)
	<b>122,428</b>	<b>(13,706)</b>

Singapore CIT is calculated at 17% (YA2021: 17%) of the estimated assessable profit eligible for 75% (YA2021: 75%) tax exemption on the first S\$10,000 (YA2021: S\$10,000) of normal chargeable income and further 50% (YA2021: 50%) tax exemption on the next S\$190,000 (YA2021: S\$190,000) of normal chargeable income.



## Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

### 9 PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	For the six months ended 30 June	
	2021 S\$ Unaudited	2020 S\$ Unaudited
Depreciation of property, plant and equipment (Note a)	733,068	790,012
Depreciation of investment properties (Note a)	366,334	366,334
Depreciation of right-of-use assets (Note a)	102,803	184,817
Directors' remuneration	464,622	450,970
Other staff costs		
— Salaries and other benefits	4,604,362	4,377,824
— Contributions to Central Provident Fund	195,444	204,245
<b>Total staff costs (Note b)</b>	<b>5,264,428</b>	<b>5,033,039</b>
Cost of materials recognised as cost of services	9,957,573	8,490,091
Subcontractor costs recognised as cost of services	29,649,917	15,892,797

Notes:

- a. Depreciation of S\$762,463 (Previous Period: S\$888,268) are included in cost of services.
- b. Staff costs of S\$4,839,150 (Previous Period: S\$4,717,451) 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 2021 and 30 June 2020.



# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 11 EARNINGS/(LOSS) PER SHARE

	For the six months ended 30 June	
	2021 S\$ Unaudited	2020 S\$ Unaudited
Profit/(Loss) attributable to the owners of the Company (S\$)	214,439	(396,979)
Weighted average number of ordinary shares in issue	800,000,000	800,000,000
Basic and diluted earnings/(loss) per share (S\$ cents)	0.03	(0.05)

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

Diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share because the Group has no dilutive securities that are convertible into shares for the six months ended 30 June 2021 and 30 June 2020.



## Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

### 12 PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery S\$	Computers S\$	Motor vehicles S\$	Furniture and fittings S\$	Leasehold land and property S\$	Total S\$
<b>Cost:</b>						
<b>At 1 January 2020</b>	4,332,979	345,989	1,921,266	278,058	16,244,054	23,122,346
Additions	70,675	–	215,131	1,409	–	287,215
Disposals	–	–	(91,204)	–	–	(91,204)
<b>At 31 December 2020</b>	4,403,654	345,989	2,045,193	279,467	16,244,054	23,318,357
Additions	89,936	–	–	–	–	89,936
<b>At 30 June 2021</b>	4,493,590	345,989	2,045,193	279,467	16,244,054	23,408,293
<b>Accumulated depreciation:</b>						
<b>At 1 January 2020</b>	3,320,619	315,706	1,093,914	142,032	1,298,717	6,170,988
Charge for the year	416,306	25,489	282,665	29,634	851,060	1,605,154
Disposals	–	–	(91,204)	–	–	(91,204)
<b>At 31 December 2020</b>	3,736,925	341,195	1,285,375	171,666	2,149,777	7,684,938
Charge for the period	168,895	2,689	127,061	8,893	425,530	733,068
<b>At 30 June 2021</b>	3,905,820	343,884	1,412,436	180,559	2,575,307	8,418,006
<b>Carrying amount:</b>						
At 31 December 2020	666,729	4,794	759,818	107,801	14,094,277	15,633,419
At 30 June 2021	587,770	2,105	632,757	98,908	13,668,747	14,990,287



## Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

### 13 INTANGIBLE ASSETS

The intangible assets represent the club memberships in Singapore Island Country Club that are held for long-term purposes. The memberships are stated at cost less impairment. They have indefinite useful life and is not amortised.

### 14 INVESTMENT PROPERTIES

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
<b>Cost:</b>		
At beginning and end of the period/year	18,712,955	18,712,955
<b>Accumulated depreciation:</b>		
At beginning of the period/year	1,785,997	1,053,329
Charge for the period/year	366,334	732,668
At end of the period/year	2,152,331	1,785,997
<b>Carrying amount:</b>		
At end of the period/year	16,560,624	16,926,958

As at 30 June 2021, investment properties of the Group comprises of (i) freehold properties consist of five (2020: 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 2021

### 15 TRADE RECEIVABLES

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
Trade receivables	4,543,281	3,808,577
Unbilled revenue (Note a)	233,744	273,878
	<b>4,777,025</b>	<b>4,082,455</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 0 to 45 days (2020: 0 to 45 days) from the invoice date for trade receivables. The following is an analysis of trade receivables by invoice date at the end of each reporting period:

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
Within 60 days	4,468,570	3,551,723
61 days to 90 days	26,867	–
91 days to 180 days	47,844	41,856
181 days to 365 days	–	179,902
Above 365 days	–	35,096
	<b>4,543,281</b>	<b>3,808,577</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 periodically.



# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 15 TRADE RECEIVABLES (CONTINUED)

The Group applies the simplified approach to provide the expected credit losses prescribed by IFRS 9.

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

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

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
Less than 60 days	26,773	110,326
61 to 90 days	26,867	–
91 to 180 days	47,844	41,856
More than 180 days	–	214,998
	<b>101,484</b>	<b>367,180</b>

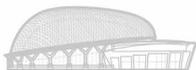
The directors of the Company considered that the ECL for trade receivables is insignificant as at 30 June 2021 and 31 December 2020.

## 16 CONTRACT ASSETS/LIABILITIES

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

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
Contract assets	23,524,023	33,251,977
Contract liabilities	(174,390)	(81,131)

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 2021

## 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 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
Construction contracts — current		
Retention receivables	3,130,327	3,341,137
Others*	20,393,696	29,910,840
	<b>23,524,023</b>	<b>33,251,977</b>

\* 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 2021.

There were provisions made for contract losses amounting to S\$9,547 recorded during the six months ended 30 June 2021 (2020: S\$28,449).



## Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

### 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 2021 mainly relates to advances received from customers.

The Group's contract liabilities are analysed as follows:

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
Construction contracts — current	(174,390)	(81,131)

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

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
Revenue recognised that was included in the contract liabilities balance at the beginning of the period/year	81,131	—

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



## Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

### 17 AMOUNTS DUE FROM/TO RELATED COMPANIES/SHAREHOLDERS

#### a. Amount due from related companies

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
No-Trade related Within 91 days to 180 days from invoice date	–	280,866

The balance as at 31 December 2020 is unsecured, non-interest bearing, and with credit terms of 45 days.

#### b. Amounts due from shareholders

The balance as at 30 June 2021 and 31 December 2020 is non-trade nature, unsecured, non-interest bearing and repayable on demand.

#### c. Amount due to related companies

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
No-Trade related Within 30 days from invoice date	–	11,341

The balance as at 31 December 2020 is unsecured, non-interest bearing, and with credit terms of 60 days.



# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 18 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
Cash and bank balances	28,993,704	34,465,110
Less: pledged deposit for performance bond (Note A)	(988,770)	(988,770)
Cash and cash equivalents in the statement of cash flows	<b>28,004,934</b>	33,476,340

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

## 19 INVESTMENTS

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
Financial assets mandatorily measured at FVTPL: Money market fund in S\$	<b>10,011,996</b>	10,005,169

The Group invested in 9,752,577 units of a S\$ money market fund as a tool to earn higher returns on its bank balances as compared to short-term time deposits. The money market fund invests in highly liquid and short-term investments, intended to offer investors a relatively low-risk investment option with a return comparable to that of S\$ short-term deposits. With no fixed maturity, this net asset value (NAV) fund has no restrictions on redemption (i.e. the investment can be realised at any time with proceeds calculated at the then-NAV per unit).

Money market fund investments are classified as FVTPL and any gain or loss component is included in the fair value movement recognised in profit or loss. For the six months ended 30 June 2021, a gain of S\$6,827 (Note 6b) has been recognised in profit or loss.



## Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

### 20 TRADE AND OTHER PAYABLES

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
Trade payables	21,765,180	23,408,300
Trade accruals	15,036,876	23,442,496
	<b>36,802,056</b>	<b>46,850,796</b>
Accrued operating expenses	35,135	227,563
Other payables		
GST payable	627,353	200,161
Interest payable	9,379	17,155
Accrued payroll costs	1,523,124	1,816,820
Deferred grant income	162,106	241,695
Deposits	904,756	521,765
Others	24,339	125,238
	<b>40,088,248</b>	<b>50,001,193</b>
Non-current deposits	225,115	86,150

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

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
Within 90 days	18,953,092	19,867,156
91 to 180 days	2,511,537	3,323,400
181 days to 365 days	167,012	148,072
Over 1 year but not more than 2 years	109,184	66,205
More than 2 years	24,355	3,467
	<b>21,765,180</b>	<b>23,408,300</b>

The credit period on purchases from suppliers and subcontractors is between 30 to 60 days (2020: 30 to 60 days) or payable upon delivery.



## Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

### 21 BORROWINGS

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
Bank loan — secured (Notes a, b, c)	17,615,556	24,386,875
Other borrowings — secured (Note d)	113,293	129,462
	<b>17,728,849</b>	<b>24,516,337</b>
Analysed as:		
Carrying amount repayable within one year	1,261,533	1,596,330
Carrying amount repayable more than one year, but not exceeding two years	2,309,015	2,647,346
Carrying amount repayable more than two years, but not exceeding five years	14,158,301	15,774,254
Carrying amount repayable more than five years	—	4,498,407
	<b>17,728,849</b>	<b>24,516,337</b>
Less: Amount due within one year shown under current liabilities	<b>(1,261,533)</b>	<b>(1,596,330)</b>
Amount shown under non-current liabilities	<b>16,467,316</b>	<b>22,920,007</b>

#### Notes:

- a. As at 31 December 2020, a loan with an outstanding balance of S\$6.3 million was secured by the legal mortgage over the Group's freehold properties carrying 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 the subsequent years thereafter respectively. It was also secured by a joint corporate guarantee provided by the Company and a fellow subsidiary. During the six month ended 30 June 2021, the Group has fully repaid the outstanding balance of the loan.
- b. As at 30 June 2021, a loan with an outstanding balance of approximately S\$12.6 million (2020: S\$13.1 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. It is also secured by a corporate guarantee provided by the Company.
- c. As at 30 June 2021, a five-year temporary bridging loan with an outstanding balance of approximately S\$5 million (2020: S\$5 million) carries a fixed interest rate of 2%. It is secured by a corporate guarantee provided by the Company.
- d. The Group purchased certain copiers and a motor vehicle via hire purchase agreement, constituting in-substance purchases with financing arrangements.



## Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

### 22 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 shares	Par value HK\$	Share capital HK\$
Authorised share capital of the Company:			
At 31 December 2020 and 30 June 2021	5,000,000,000	0.01	50,000,000
	Number of shares	Share capital S\$	
Issued and fully paid of the Company			
At 31 December 2020 and 30 June 2021		800,000,000	1,389,830

### 23 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.

Maturity analysis of operating lease payments:

	As at 30 June 2021 S\$ Unaudited	As at 31 December 2020 S\$ Audited
Within one year	1,413,412	1,304,507
In the second year	695,332	665,061
In the third year	285,322	93,009
In the fourth year	9,089	28,800
Total	2,403,155	2,091,377



# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 23 OPERATING LEASE COMMITMENTS (CONTINUED)

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

	For the six months ended 30 June	
	2021 S\$ Unaudited	2020 S\$ Unaudited
Lease income on operating leases	798,222	751,300

## 24 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.

The Group had no transactions with related companies for the six months ended 30 June 2021 and 30 June 2020.

### 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	
	2021 S\$ Unaudited	2020 S\$ Unaudited
Short term benefits	671,730	612,550
Post-employment benefits	21,252	29,058
Total compensation	692,982	641,608



## Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

### 25 PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company as at 30 June 2021 are set out below.

<b>Name</b>	<b>Place of incorporation/ operation</b>	<b>Paid up issued capital</b>	<b>Group's effective interest</b>	<b>Held by the Company</b>	<b>Principal activities</b>
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.