Shuang Yun Holdings Limited
雙運控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1706)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The board (the "**Board**") of directors (the "**Directors**") of Shuang Yun Holdings Limited (the "**Company**") is pleased to present the audited results of the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") for the year ended 31 December 2021 together with comparative figures for the corresponding period in 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Note	***S$***	*S$*
Revenue	*3*	**78,415,848**	65,445,959
Cost of services		**(66,511,841)**	(55,891,892)
Gross profit		**11,904,007**	9,554,067
Other income	*4*	**1,876,533**	2,803,568
Other gains	*5*	**333,414**	247,885
Administrative expenses		**(9,556,370)**	(9,626,575)
Profit from operations		**4,557,584**	2,978,945
Finance costs	*6*	**(2,479,015)**	(2,406,395)
Profit before tax		**2,078,569**	572,550
Income tax expense	*7*	**(113,026)**	–

	Note	2021 S$	2020 S$
Profit for the year	*8*	**1,965,543**	572,550
Other comprehensive income after tax:			
Item that will not be reclassified to profit or loss:			
Loss on revaluation of properties		**(143,621)**	(467,827)
Other comprehensive income for the year, net of tax		**(143,621)**	(467,827)
Total comprehensive income for the year attributable to owners of the Company		**1,821,922**	104,723
Earnings per share			
Basic and diluted *(cents per share)*	*10*	**0.20**	0.06

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2021

	Note	2021 S$	2020 S$
Non-current assets			
Property, plant and equipment		**11,305,265**	14,339,338
Investment properties		**2,315,000**	2,180,000
Right-of-use assets		**8,913,362**	11,553,920
		22,533,627	28,073,258
Current assets			
Trade receivables	*11*	**80,760,558**	75,839,314
Other receivables, deposits and prepayments		**682,912**	3,943,346
Contract assets		**37,682,800**	27,918,103
Bank deposits		**200,000**	200,000
Bank balances and cash		**5,389,225**	5,381,293
		124,715,495	113,282,056
Current liabilities			
Trade and other payables	*12*	**20,178,968**	23,647,505
Contract liabilities		**26,163**	1,465,194
Lease liabilities		**4,394,258**	4,280,079
Bank borrowings		**53,447,488**	44,845,902
Loan from the ultimate parent		**3,680,000**	–
Current tax liabilities		**857,356**	687,077
		82,584,233	74,925,757
Net current assets		**42,131,262**	38,356,299
Total assets less current liabilities		**64,664,889**	66,429,557

	2021	2020
	S$	*S$*
Non-current liabilities		
Lease liabilities	**5,229,411**	8,505,016
Bank borrowings	**1,856,731**	1,542,302
Deferred tax liabilities	**540,300**	1,165,714
	7,626,442	11,213,032
NET ASSETS	**57,038,447**	55,216,525
Capital and reserves		
Share capital	**17,381,244**	17,381,244
Share premium	**5,130,991**	5,130,991
Reserves	**34,526,212**	32,704,290
TOTAL EQUITY	**57,038,447**	55,216,525

NOTES

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**"). IFRSs comprise International Financial Reporting Standards ("**IFRS**"), International Accounting Standards ("**IAS**"), and Interpretations. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

(a) Application of new and revised IFRSs

The Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phrase 2
Amendments to IFRS 16	COVID-19 Related Rent Concessions

Except as described below, the application of the amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Interest Rate Benchmark Reform – Phrase 2

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates ("**IBOR reform**").

The application of the amendments had no impact on the consolidated financial statements.

Amendment to IFRS 16, COVID-19 Related Rent Concessions

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("**COVID-19 Related Rent Concessions**") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The Group has adopted the amendments and applied the practical expedient to all qualifying COVID-19 Related Rent Concessions granted to the Group during the year. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred. There is no impact on the opening balance of equity at 1 January 2021.

(b) New and revised IFRSs in issue but not yet effective

The Group has not applied any new and revised IFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2021. These new and revised IFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendment to IFRS 16 COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to IFRS 3 Business Combination – Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 Property Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRSs 2018 – 2020 Cycle	1 January 2022
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Segment information is reported to the Controlling Shareholders, being the chief operating decision maker ("**CODM**") of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews revenue by nature of services, i.e. provision of road construction services and provision of construction ancillary services, and profit for the year as a whole. No further detailed analysis of the Group's results by type of services nor assets and liabilities is regularly provided to the CODM for review. Accordingly, only entity wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 Operating Segments.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by service line for the year is as follows:

	2021	2020
	S$	*S$*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by service lines		
– Revenue from road construction services	**30,966,946**	19,909,187
– Revenue from construction ancillary services	**47,448,902**	45,536,772
	78,415,848	65,445,959
By timing of recognition		
Over time	**78,415,848**	65,445,959

(b) Major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2021	2020
	S$	*S$*
Customer A	**18,861,310**	11,187,402
Customer B	**16,142,056**	9,603,325
Customer C	**12,282,742**	13,716,880
Customer D	**7,952,395**	8,059,526
Customer E	**N/A**	15,936,218

(c) Geographical information

The Group principally operates in Singapore. All revenue are derived from Singapore based on the location of services delivered and substantially all of the Group's non-current assets are located in Singapore.

4. OTHER INCOME

	2021	2020
	S$	*S$*
Claims for prolongation costs	**125,378**	–
Government grants	**1,429,295**	2,457,434
Rental income	**283,429**	287,306
Bank interest income	**10,976**	3,555
Sundry income	**27,455**	55,273
	1,876,533	2,803,568

5. OTHER GAINS

	2021	2020
	S$	*S$*
Gain on disposal of property, plant and equipment and right-of-use assets	**198,414**	247,885
Gain on fair value change of investment properties	**135,000**	–
	333,414	247,885

6. FINANCE COSTS

	2021	2020
	S$	*S$*
Interests on bank borrowings	**2,018,123**	1,792,441
Interest expenses on lease liabilities	**460,892**	613,954
	2,479,015	2,406,395

7. INCOME TAX EXPENSE

	2021	2020
	S$	*S$*
Current year:		
Singapore corporate income tax ("**CIT**")	**664,980**	–
Under provision in prior years	**44,044**	–
	709,024	–
Deferred tax	**(595,998)**	–
	113,026	–

Singapore CIT is calculated at 17% of the estimated assessable profit, all determined based on financial year end date of respective group companies. The Group is not eligible for CIT rebate in 2021 (2020: rebate of 25% of the assessable profit, capped at S$15,000). Singapore incorporated companies can also enjoy 75% tax exemption on the first S$10,000 of chargeable income and a further 50% tax exemption on the next S$190,000 of chargeable income for both 2020 and 2021.

8. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2021	2020
	S$	*S$*
Auditors' remuneration		
– Audit service	**152,500**	150,000
– Non-audit services	**12,200**	15,000
Cost of materials recognised as an expense	**38,114,364**	38,334,663
Subcontractor costs recognised as cost of services	**11,715,349**	4,937,775
Depreciation of property, plant and equipment	**2,865,219**	3,805,088
Depreciation of right-of-use assets	**2,623,021**	2,512,150
Gain on disposal of property, plant and equipment and right-of-use assets	**(198,414)**	(247,885)
Gain on fair value change of investment properties	**(135,000)**	–
Direct operating expenses incurred for investment properties that generated rental income during the year	**13,640**	15,736

Cost of services includes staff costs and depreciation of approximately S$13,497,463 (2020: S$10,236,423) which are included in the amounts disclosed separately above.

9. DIVIDENDS

No dividend has been paid or declared by the Company during the year (2020: S$Nil).

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following:

	2021	2020
	S$	*S$*
Earnings for the purpose of basic earnings per share	**1,965,543**	572,550
Weighted average number of shares for the purpose of basic and diluted earnings per share	**1,000,000,000**	1,000,000,000

No diluted earnings per share has been presented as there was no potential ordinary shares outstanding for the years ended 31 December 2021 and 2020.

11. TRADE RECEIVABLES

	2021	2020
	S$	*S$*
Trade debtors from contracts with customers	**3,420,539**	4,865,885
Less: Allowance for trade receivables	**(68,567)**	(68,567)
	3,351,972	4,797,318
Unbilled revenue *(Note)*	**77,408,586**	71,041,996
	80,760,558	75,839,314

Note: Unbilled revenue relates to maintenance services rendered and yet to invoice the customer as at end of reporting period.

The average credit terms to customers is approximately 30 days from the invoice date for trade receivables. The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2021	2020
	S$	*S$*
Less than 30 days	**1,683,446**	1,559,743
31 days to 60 days	**660,842**	300,059
61 days to 90 days	**216,910**	1,385,292
More than 90 days	**790,774**	1,552,224
	3,351,972	4,797,318

All trade receivables were denominated in S$.

12. TRADE AND OTHER PAYABLES

	2021	2020
	S$	*S$*
Trade payables	**14,065,988**	18,184,777
Retention payables	**1,406,466**	702,287
Accruals	**2,417,790**	3,020,868
Other payables		
GST payables	**421,981**	46,350
Payroll payables	**1,183,805**	957,190
Others	**682,938**	736,033
	20,178,968	23,647,505

The ageing analysis of trade payables, based on the invoice date, is as follows:

	2021	2020
	S$	*S$*
Within 90 days	**9,049,471**	13,624,581
91 days to 180 days	**1,770,937**	468,637
Over 180 days	**3,245,580**	4,091,559
	14,065,988	18,184,777

All trade payables were denominated in S$.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Our Group is a Singapore based contractor engaged in road works services and construction ancillary services. The road works services provided comprise of mainly: (i) road construction services (i.e. new road construction, road widening, and construction of road-related facilities); and (ii) construction ancillary services (e.g. road pavement and marking maintenance works, and road upgrading services).

INDUSTRY REVIEW

Although the COVID-19 vaccination programmes are well underway across major economies in the world, an end to the pandemic is far from assured with the emergence of new COVID-19 variants which will possibly impede the global economic recovery. In construction industry, manpower shortages have adversely affected the pace of construction activities and dampened output in the sector. The industry is expected to continue to record high growth in 2021, though this will be due to the large contractions in the corresponding period in 2020, with the output of the industry in 2021 expected to be 10.5% lower than in 2019.

The Government recognises the challenges faced by the construction sector, and has implemented several measures to alleviate the tight manpower situation in the sector. These measures include making it easier for construction firms to retain their existing workers, and helping them to bring in new workers. Firms in the sector have also taken the lead to bring in more workers safely through a tightened end-to-end process. The Government remains committed to working with firms in the sector to meet the manpower needs of key ongoing projects.

As Building and Construction Authority (BCA) continue to transit to a COVID-19 resilient nation, and in line with the national move to simplify and rationalise COVID-19 rules, BCA will be streamlining the COVID-19 requirements for the Construction Sector. And with effect from 15 March 2022, construction companies will no longer need to apply to BCA for approval of resumption and/or commencement of works and deployment of personnel to construction worksites and supply works premises. This will allow all construction worksite activities to start once the requisite permits and approvals have been obtained from the Commissioner of Building Control, similar to pre-COVID times.

FINANCIAL REVIEW

Revenue

Our Group's revenue for the year ended 31 December 2021 was approximately S$78.4 million, representing a growth of approximately 19.9% as compared to that of approximately S$65.4 million for the same period of previous year. The increase in revenue was mainly attributable to that our construction work has gradually recovered from the impact of COVID-19.

Gross profit

Our Group's gross profit increased from approximately S$9.6 million for the year ended 31 December 2020 to approximately S$11.9 million for the year ended 31 December 2021, representing a increase of approximately 24%. The increase in gross profit is attributable to the low base effects as most construction works were suspended during the Circuit Breaker last year.

Our Group's gross profit margin increased from approximately 14.6% for the year ended 31 December 2020 to approximately 15.2% for the year ended 31 December 2021.

Other income

Other income decreased from approximately S$2.8 million for the year ended 31 December 2020 to approximately S$1.9 million for the year ended 31 December 2021. Such decrease was mainly due to the decrease in government grants for the year ended 31 December 2021.

Administrative expenses

Administrative expenses were remained at approximately S$9.6 million for the year ended 31 December 2020 and 2021.

Finance costs

Finance costs increased from approximately S$2.4 million for the year ended 31 December 2020 to approximately S$2.5 million for the year ended 31 December 2021.

Income tax expense

Our Group's income tax expense was S$0.1 million for the year ended 31 December 2021, which was primarily due to the increase in the profit before tax from approximately S$0.6 million for the year ended 31 December 2020 to approximately S$2.1 million for the year ended 31 December 2021.

Profit for the year

Profit after tax increased from approximately S$0.6 million for the year ended 31 December 2020 to approximately S$2.0 million for the year ended 31 December 2021 due to the combined effect of the aforesaid factors.

USE OF NET PROCEEDS FROM THE LISTING

We have published the "Change In Use of Proceeds" announcement on the websites of the Company and the Stock Exchange on 19 October 2021.

For reasons set out in the paragraph headed "Reasons for and Benefits of the Change in Use of Proceeds" of the announcement, the Board has resolved to change the use of net proceeds from the Global Offering as follows: approximately 31.8% of the net proceeds from the Global Offering in an amount of approximately HK$34.8 million, which were originally allocated for build-up asphalt plant, will be re-allocated to supplement the operation of the Company. The use of net proceeds from the Global Offering in the revised manner and used during the year is set out as follows:

Use of proceeds	Net proceeds *(in HK$ million)*	Percentage of net proceeds *(%)*	Utilisation as at 31 December 2020 *(in HK$ million)*	Remaining balance of the net proceeds as at 31 December 2020 *(in HK$ million)*	Revised allocation of the net proceeds *(in HK$ million)*	Revised percentage of net proceeds *(%)*	Remaining balance of the net proceeds after revised allocation *(in HK$ million)*	Amount utilised for the year *(in HK$ million)*	Amount remaining *(in HK$ million)*
– Purchase equipment and machinery to strengthen market position	**15.0**	**13.7**	**15.0**	**–**	**15.0**	**13.7**	**–**	**–**	**–**
– Acquire a property for	**73.8**	**67.4**	**34.0**	**39.8**	**39.0**	**35.6**	**5.0**	**–**	**5.00**
(i) out ancillary office;	7.5	10.1	–	7.5	–	–	–		
(ii) dormitory for our foreign workers;	3.5	4.8	–	3.5	–	–	–		
(iii) workshop to prepare asphalt premix for our own usage; and	23.3	31.6	12.5	10.8	12.5	32.1	–		
(iv) our machinery warehouse	39.5	53.5	21.5	18.0	26.5	67.9	5.0		
– Increase manpower for market expansion and competing for more projects	**8.1**	**7.4**	**8.1**	**–**	**8.1**	**7.4**	**–**	**–**	**–**
– Upgrade of information technology system	**2.0**	**1.8**	**2.0**	**–**	**2.0**	**1.8**	**–**	**–**	**–**
– Working capital	**10.6**	**9.7**	**10.6**	**–**	**33.4**	**30.5**	**22.8**	**22.80**	**–**
– Repayment of financial liabilities	**–**	**–**	**–**	**–**	**12.0**	**10.6**	**12.0**	**12.00**	**–**
	109.5	**100.0**	**69.7**	**39.8***	**109.5**	**100.0**	**39.8**	**34.80**	**5.00**

Note: any discrepancies in this table between totals and sums of amounts listed herein are due to rounding.

*: Which included HK$16.7 million have refunded from the construction of an asphalt plant.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

From the end of year 2019, the COVID-19 pandemic continues to spread around the world disrupting large parts of the global economy and forcing some countries to completely shut down all but the essential services. Singapore Government announced circuit breaker measure in March 2020 and the circuit breaker period were extended to 1 June 2020, to date the country is still combating the impact of COVID-19 pandemic. It remains uncertain how long the COVID-19 crisis will last. However, what is certain is that Singapore construction industry is still facing significant manpower shortages, supply chain constraints, and escalating construction costs all attributable to the global pandemic. Thousands of foreign workers in Singapore have been infected with COVID-19, accounting for the majority of the country's 2020 cases. As part of the government's circuit breaker measures, all construction works were ceased in April 2020 to further reduce the spread of the virus until 3rd quarter 2020. This year 2021, the Group is catching up on the construction work progresses, however the efficiency and effectiveness of the work are worse off than Pre-COVID mainly due to the aforesaid factors.

Though the directors are confident in the long-term outlook of the construction industry in Singapore, in view of the reduced support in the funding for the construction works by bank facilities, exhaust of construction material and the materials price increase, limited manpower due to COVID-19, and the price for new tenders remains very competitive.

And the relatively long investment return cycle in the acquisition of a property, and global economic disruption due to COVID-19, the Company intends to centralize the spare funds and optimize the utilization of the financial resources.

Having considered the above, the Directors are of the view that the unutilized net proceeds originally allocated to acquisition of a property can now be better utilized for benefit for the Group in the short to medium term by being re-allocated of 31.8% of the net proceeds to the followings:

a) To re-allocate of 11% of net proceeds to repay bank borrowings to improve the Group's financial position in order to enhance the tender success rate, and

b) To re-allocate of 20.8% of net proceeds to working capital to support ongoing construction projects that have been delayed due to COVID-19, and newly awarded construction projects with a total contract value of approximately HK$188 million in 2021, to support project operations and ensure the smooth progress of the projects, hereby guaranteeing our profit margin. That will also promote the healthy development of the Group's business and be able to flexibly respond to changes in the Singapore construction market in the future.

c) The Group will continue to research and monitor the market, according to the Group's future development needs, we will resume to carry out the original property acquisition plan at an appropriate time in the future, thereby further expanding our business.

The Board is of the view that the reallocation is in line with the business strategy of the Group and will not adversely affect the operation and business of the Group and is in the best interest of the Company and the Shareholders as a whole.

TIMELINE IN THE USE OF PROCEEDS

It remains uncertain how long the COVID-19 crisis will last. However, what is certain is that Singapore construction industry is still facing manpower shortages, supply chain constraints, and escalating construction costs. Under this uncertain circumstance, we estimate that we can consume the balance of net proceeds brought forward from issue of equity securities in previous financial year, after the construction industry in Singapore recovered from the impact of COVID-19, according to the intentions disclosed in the prospectus.

REASONS FOR THE DELAYED USE OF PROCEEDS

The unutilised proceeds are pertaining to acquire a property and build-up an asphalt plant.

The reasons for the delayed use of proceeds are as follows:

The owner's price for our target property is much higher than the market price. The Board of directors decided not to acquire the property and will look for more suitable property.

From the end of the year 2019, the COVID-19 pandemic to spread around the world disrupting large parts of the global economy. Although the COVID-19 vaccination programmes are well underway across major economies in the world, an end to the pandemic is far from assured with the emergence of new COVID-19 variants which will possibly impede the global economic recovery.

Manpower shortages, supply chain constraints and escalating construction costs have adversely affected the pace of construction activities and dampened output. Those factors will increase the Group's project costs and also increase the Group's financial pressure.

We were newly awarded construction projects with a total contract value of approximately HK$188 million during year 2021. To ensure the smooth progress of the projects, guarantee our profit margin and be able to flexibly respond to changes in Singapore construction market, the Board intends to retain the balance proceeds raised from IPO and will wait and see the development of the epidemic, and rationally use financial resources to deal with this uncertain.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group considers that a stringent quality assurance system and strong commitment to work's quality, safety, occupational health and environmental management are crucial in delivering quality works to the customers on a timely basis. Therefore, the Group has implemented a stringent management system to regulate the work's quality, safety and environmental management standards, which comply with international standards. During the year ended 31 December 2021, the Group has satisfied the requirements of ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 accreditation for the quality management system, environmental management system and occupational safety and health management system respectively. Details of our environmental policies and performance are set out in the section headed "Environmental, Social and Governance Report" in the annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

Our Group's operations are mainly carried out by the Company's subsidiaries incorporated in Singapore while the Company itself is incorporated in the Cayman Islands with its shares listed on Stock Exchange. Our Group's establishment and operations accordingly shall comply with relevant laws and regulations in the Cayman Islands, Hong Kong and Singapore. During the year ended 31 December 2021 and up to the date of this announcement, there is no material breach of or non-compliance with the applicable law and regulations by our Group that has a significant impact on the business and operations of our Group.

PROSPECTS

According to the press release by the Building and Construction Authority (BCA), the value of certified progress payments is projected to increase to between S$29 billion to S$32 billion for 2022, from the preliminary estimate of about S$26 billion for 2021, to account for a steady level of construction demand and backlog from the pandemic.

As for the medium term, the BCA expects total construction demand to reach between S$25 billion and S$32 billion per year from 2023 to 2026, also led by the public sector.

BCA expects about half the public construction demand to come from civil engineering works. It noted that major developments in the pipeline include MRT projects, the Toa Payoh Integrated Development and new hospital developments.

CONTINGENT LIABILITIES

Our Group did not have any material contingent liabilities as at 31 December 2021.

CAPITAL COMMITMENTS

As at 31 December 2021, the Group did not have any material capital commitments.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Our Group's cash and cash equivalents balances remained relatively stable at approximately S$5.6 million as at 31 December 2021 and 2020. As at 31 December 2021, the total interest-bearing loans of our Group was approximately S$55.3 million, representing an increase of approximately S$8.9 million as compared to approximately S$46.4 million for the year ended 31 December 2020. The current ratio remained at approximately 1.5 times for the year ended 31 December 2020 and 2021, while the gearing ratio was increased from approximately 1.1 time for the year ended 31 December 2020 to approximately 1.2 time for the year ended 31 December 2021. Our Group's equity balance increased to approximately S$57.0 million as at 31 December 2021 as compared to approximately S$55.2 million as at 31 December 2020, which was attributable to the profits recorded for the year.

EMPLOYEES AND REMUNERATION POLICIES

Our Group had 412 employees as at 31 December 2021 and 366 employees as at 31 December 2020. Remuneration is determined by reference to prevailing market terms and in accordance with the job scope, responsibilities, and performance of each individual employee. The remuneration of the Directors is decided by the Board upon the recommendation from the remuneration committee of our Company having regard to our Group's operating results, individual performance and comparable market statistics. Our Company has adopted a share option scheme pursuant to which the Directors and eligible employees of our Group are entitled to participate. The local employees are also entitled to discretionary bonus depending on their respective performances and the profitability of our 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.

CHARGES OF ASSETS

The borrowings as at 31 December 2021 was secured by the legal mortgages of our Group's buildings on leasehold land with carrying amount of approximately S$3.0 million and the Group's investment properties with carrying amount of approximately S$2.3 million.

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 December 2021, our Group did not have significant financial assets or financial liabilities denominated in foreign currency which are not the functional currency of respective group entities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Our Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2021.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2021, our Group did not hold any significant investment.

FINAL DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 31 December 2021.

CORPORATE GOVERNANCE

The Company complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the year except for the following deviation:

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Tan Chai Ling (alias Mr. Chen Zhilong) is currently the chairman of the Board and chief executive officer (the "**CEO**") of the Group who is primarily responsible for the day-to-day management of the Group's business. The Board considers that vesting the roles of the chairman of the Board and the CEO in the same person facilitates the execution of the business strategies and decision making, and maximizes the effectiveness of the Group's operation. The Board also believes that the presence of three independent non-executive Directors provides added independence to the Board. The Board will review the structure from time to time and consider an adjustment should it become appropriate.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's audited financial results for the year ended 31 December 2021 and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group with no disagreement by the audit committee of the Company.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.shuangyunholdings.com. The annual report of the Company for the year ended 31 December 2021 will be despatched to the shareholders of the Company and made available on the above websites in due course.

By Order of the Board
Shuang Yun Holdings Limited
Tan Chai Ling
(alias Chen Zhilong)
Chairman and Executive Director

Hong Kong, 31 March 2022

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Tan Chai Ling (alias Mr. Chen Zhilong), Ms. Alynda Tan Hue Hong and Ms. Chong Sook Fern (alias Ms. Zhang Shufen); and three independent non-executive Directors, namely Mr. Siu Man Ho Simon, Prof. Pong Kam Keung and Mr. Yau Chung Hang.