



SOLIS HOLDINGS LIMITED

守益控股有限公司

(incorporated in the Cayman Islands with limited liability)
Stock Code: 2227

Interim Report

2020

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Corporate Information

EXECUTIVE DIRECTORS

Mr. Tay Yong Hua (*Chairman*)
Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing)
(*appointed on 23 June 2020*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheung Garnok
Dr. Guan Huan Fei
Mr. Jacobsen William Keith

AUDIT COMMITTEE

Mr. Cheung Garnok (*Chairman*)
Dr. Guan Huan Fei
Mr. Jacobsen William Keith

REMUNERATION COMMITTEE

Mr. Jacobsen William Keith (*Chairman*)
Mr. Tay Yong Hua
Mr. Cheung Garnok

NOMINATION COMMITTEE

Dr. Guan Huan Fei (*Chairman*)
Mr. Cheung Garnok
Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing)
(*appointed on 23 June 2020*)

CORPORATE GOVERNANCE COMMITTEE

Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing)
(*Chairman*) (*appointed on 23 June 2020*)
Mr. Jacobsen William Keith
Dr. Guan Huan Fei

COMPANY SECRETARY

Mr. Lee Kwok Lun

AUTHORIZED REPRESENTATIVES

Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing)
(*appointed on 23 June 2020*)
Mr. Lee Kwok Lun

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

85 Tagore Lane
Singapore 787527

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1002-03, 10/F.,
Perfect Commercial Building
No. 20 Austin Avenue, Tsim Sha Tsui
Kowloon, Hong Kong

INDEPENDENT AUDITORS

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

PRINCIPAL BANKERS

Standard Chartered Bank (Singapore) Limited
8 Marina Boulevard
Marina Bay Financial Centre Tower 1
Singapore 018981

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

Corporate Information *(continued)*

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

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148 Electric Road
North Point
Hong Kong

STOCK CODE

2227

COMPANY WEBSITE

www.TheSolisGrp.com

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group is a design and build mechanical and electrical (“M&E”) engineering contractor in Singapore and our scope of services comprises (i) designing of M&E systems, which involves the design for functionality and connectedness of various building systems; and (ii) building and installation of the M&E systems. The Group has been established for over 30 years and specialises in electrical engineering, and the projects are in relation to new building developments and major additions and alterations (“A&A”) works, which include private residential, mixed residential and commercial developments and institutional buildings.

The financial year 2020 so far has proven to be a very challenging and difficult year as the whole world is experiencing an unprecedented crisis caused by the Coronavirus Disease 2019 (“COVID-19”) which subsequently developed to a global pandemic. It has led to severe contraction in economic activities both in Singapore and globally, due to the combination of supply chain disruptions, travel restrictions imposed in many countries and a sudden decline in demand. The Ministry of Trade and Industry of Singapore reported on 11 August 2020 that the Singapore economy contracted by 13.2% on a year-on-year basis in the second quarter, worsening from the 0.3% contraction in the previous quarter. Specifically, the construction sector contracted by 59.3% year-on-year, deteriorating from the 1.2% contraction in the previous quarter.

In order to control the spread of COVID-19, many countries have implemented strict public health measures, including lockdowns and border closures to limit the movement of people. The Singapore Government had also imposed Circuit Breaker Measures in which non-essential businesses were suspended since 7 April 2020. To comply with the Circuit Breaker Measures, the Group has implemented its business continuity plans, including work from home arrangements for certain key functions. The Group’s construction activities were also suspended which led to extensive disruption to the normal operations of the Group, which adversely impacted the Group’s revenue and financial performance.

Going forward, there remain significant uncertainties in the global economy. First, a major resurgence of COVID-19 infections could lead to significant tightening of public health measures or a re-imposition of nationwide lockdowns across the economies which could result in an even sharper and more protracted period of economic slowdown in these economies. Second, there are risks arising from geopolitical tensions and anti-globalisation sentiments, which could result in further disruptions to global supply chains. All these could in turn weigh on global trade and the global economic recovery.

In the meantime, the Group is monitoring the situation closely and will maintain operational and financial prudence amidst a challenging economy. We will work with the relevant Singapore Government authorities and customers to mitigate any potential issues and continue to manage its expenditure, review the business strategy constantly and look for opportunities in a cautious and prudent manner.

For the six months ended 30 June 2020 (the “Period”), the Group’s revenue decreased by 81.6% to approximately S\$2.5 million as compared to approximately S\$13.6 million recorded in the corresponding period last year.

The decrease in revenue was mainly attributable to the completion of several projects in the second half of 2019. The outstanding and newly awarded projects were delayed resulting to significantly less construction activities performed due to the COVID-19 pandemic and Circuit Breaker Measures imposed. Our gross profit decreased by approximately S\$1.8 million or 128.6%, from approximately S\$1.4 million for the six months ended 30 June 2019 to a gross loss of approximately S\$0.4 million for the Period.

Management Discussion and Analysis *(continued)*

Ongoing projects

As at 30 June 2020, the Group have eight ongoing projects with an aggregate contract sum of approximately S\$47.4 million, of which approximately S\$10.1 million had been recognised as revenue as at 30 June 2020. The remaining balance will be recognised as our revenue in accordance with the stage of completion.

Newly awarded projects

During the six months ended 30 June 2020, the Group has secured two newly awarded contracts with an aggregate contract value of approximately S\$18.6 million. The awarded projects will commence in July 2020 and September 2020 respectively and are expected to be completed within the next six months to 24 months from their dates of commencement.

FINANCIAL HIGHLIGHT AND REVIEW

	For the six months ended 30 June		
	2020 S\$' million	2019 S\$' million	Change %
Revenue	2.5	13.6	-81.6
Gross (loss) profit	(0.4)	1.4	-128.6
Gross (loss) profit margin	(16.0%)	10.3%	-26.3
Net loss	(2.3)	(0.8)	187.5
Loss per share (S\$ cents)	(0.25)	(0.10)	156.7

Management Discussion and Analysis (continued)

REVENUE

The Group derived revenue from our design and/or build and installation of M&E systems for both private sector and public sector projects.

	For the six months ended 30 June					
	2020			2019		
	Number of projects with revenue contribution	S\$ million	% of total revenue	Number of projects with revenue contribution	S\$ million	% of total revenue
Private sector projects	2	0.4	16.0	4	7.0	51.5
Public sector projects	3	2.1	84.0	4	6.6	48.5
Total	5	2.5	100.0	8	13.6	100.0

Our revenue decreased by approximately S\$11.1 million or 81.6%, from approximately S\$13.6 million for the six months ended 30 June 2019 to approximately S\$2.5 million for the Period. Such decrease was mainly attributable to the completion of several projects in the second half of 2019. Further, the outstanding and newly awarded projects were delayed resulting to significantly less construction activities performed due to the COVID-19 pandemic and Circuit Breaker Measures imposed during the Period.

COST OF SERVICES

Our cost of services decreased by approximately S\$9.3 million or 76.2%, from approximately S\$12.2 million for the six months ended 30 June 2019 to approximately S\$2.9 million for the Period, which was in line with the decrease in revenue for the same Period.

GROSS (LOSS) PROFIT AND GROSS (LOSS) PROFIT MARGIN

Our gross profit decreased by approximately S\$1.8 million or 128.6%, from approximately S\$1.4 million for the six months ended 30 June 2019 to a gross loss of approximately S\$0.4 million for the Period. The gross loss is mainly attributable to the combined effect of (i) one completed public sector project in which revenue was previously certified in prior years but during the Period, it was amended and certified as omitted, hence led to the reduction in revenue; and (ii) delays in customers' approval of progress claims due to the COVID-19 pandemic and Circuit Breaker Measures imposed during the period. Our gross profit margin decreased from approximately 10.3% for the six months ended 30 June 2019 to a gross loss margin of approximately 16.2% for the Period.

Management Discussion and Analysis *(continued)*

OTHER INCOME AND OTHER GAINS

The other income and other gains of the Group increased by approximately S\$0.3 million or 75.0%, from approximately S\$0.4 million for the six months ended 30 June 2019 to approximately S\$0.7 million for the Period. Such increase was mainly due to the government subsidies granted from the Singapore Government to assist business defraying the cost caused by the COVID-19 pandemic.

ADMINISTRATIVE EXPENSES

The administrative expenses of the Group decreased by approximately S\$0.2 million or 7.7%, from approximately S\$2.6 million for the six months ended 30 June 2019 to approximately S\$2.4 million for the Period. Such decrease was mainly attributable to the decrease in dormitory rental expense as the dormitory of the Group's previously acquired property was used to accommodate some of our foreign workers.

FINANCE COSTS

The finance costs of the Group comprised interest expenses on obligations under finance leases for our motor vehicles and bank borrowing. Our finance costs were S\$Nil for the six months ended 30 June 2020 as the bank borrowing was fully repaid in April 2019 and the repayment term of the finance leases for our motor vehicles were completed in October 2019.

INCOME TAX EXPENSES

There was no income tax expenses as the Group recorded losses for both Periods.

LOSS FOR THE PERIOD

Loss for the Period increased by approximately 187.5% to approximately S\$2.3 million from approximately S\$0.8 million for the six months ended 30 June 2019.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (six months ended 30 June 2019: Nil).

Management Discussion and Analysis *(continued)*

LIQUIDITY AND FINANCIAL RESOURCES

The Group practiced prudent financial management and maintained a strong and sound financial position during the Period. As of 30 June 2020, the Group had cash and bank balances of approximately S\$15.8 million (31 December 2019: approximately S\$16.1 million) and available unutilised banking facilities of approximately S\$6.8 million (31 December 2019: approximately of S\$6.8 million). The current ratio and gearing ratio were approximately 2.6 times (31 December 2019: approximately 4.3 times) and Nil% (31 December 2019: Nil%) respectively.

PLEDGE OF ASSETS

As at 30 June 2020, the Group had pledged fixed deposits of approximately S\$0.2 million (31 December 2019: approximately S\$0.2 million) to secure the banking facilities granted to the Group. The Group's two owned properties with a fair value amounted to approximately S\$20.5 million (31 December 2019: approximately S\$20.5 million) were also pledged for mortgage to secure the bank facilities as at 30 June 2020 and 31 December 2019.

EXPOSURE TO FOREIGN EXCHANGE RATE RISKS

The Group transacts mainly in Singapore dollars, which is the functional currency of all the Group's operating subsidiaries. However, the Group retains some listing proceeds in Hong Kong dollars amounting to approximately S\$1.6 million (31 December 2019: approximately S\$1.6 million) that are exposed to foreign exchange rate risks.

The Group will continue to monitor its foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL STRUCTURE

During the Period, there has been no change to the capital structure of the Company. The Company's capital comprises ordinary shares and capital reserves. The Group finances its working capital, capital expenditures and other liquidity requirements through a combination its cash and cash equivalents, cash flows generated from operations, bank facilities, and net proceeds from the Share Offer.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 30 June 2020, the Group did not have any material contingent liabilities and capital commitments (31 December 2019: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 16 January 2020, the Company acquired 49% of the issued share capital of D.D. Resident Co., Ltd., a limited liability company incorporated in Thailand, at a consideration of HK\$58,000,000. For details, please refer to the announcement of the Company dated 21 January 2020.

The goodwill reported in the interim results for the six months ended 30 June 2020 is based on provisional accounting of the business combination. During the measurement period, there might be retrospective adjustments to the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. There might also be additional assets or liabilities recognised if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period shall not exceed one year from the acquisition date.

Management Discussion and Analysis *(continued)*

SIGNIFICANT INVESTMENTS HELD AND PRINCIPAL PROPERTIES

Save for those disclosed in relation to the investment in listed equity shares and properties held by the Group, as at 30 June 2020, the Group did not have any other investment in equity interest in any other company.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2020, the Group had a total of 178 employees (six months ended 30 June 2019: 237 employees), including executive Directors. Total staff costs (including Directors' emoluments) were approximately S\$2.5 million for the Period as compared to approximately S\$3.9 million for six months ended 30 June 2019.

The Group's employees are remunerated according to their job scope, responsibilities, and performance. On top of basic salaries, employees are also entitled to discretionary bonuses depending on their respective performance and the profitability of the Group. The Group's foreign workers are typically employed on two-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.

The emoluments of Directors and senior management were reviewed by the remuneration committee of the Company, having regard to salaries paid by comparable companies, experience, responsibilities and performance of the Group, and approved by the Board.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

The Group does not have any other plans for material investments and capital assets as at 30 June 2020.

Other Information

USE OF LISTING PROCEEDS

The net proceeds from the listing, after deducting listing related expenses, were approximately HK\$132.2 million (approximately S\$24.0 million), out of which approximately S\$12.5 million has been utilised as at 30 June 2020.

The future plan and scheduled use of proceeds as disclosed in the prospectus of the Company dated 28 November 2017 (the “Prospectus”) were based on the best estimation of future market conditions made by the Group at the time of preparing the Prospectus, while the proceeds were applied with consideration of the actual development of business and market.

The net proceeds were subsequently amended in the announcement dated 3 August 2020 have been applied as follows:

Use of net proceeds	Planned use of net proceeds as disclosed in the Prospectus	Remaining net proceeds available as at 31 December 2019	Adjusted use of net proceeds as stated in the announcement of the Company		Total remaining net proceeds available as at 30 June 2020
			dated 3 August 2020	Utilised during the six months ended 30 June 2020	
	S\$' million	S\$' million	S\$' million	S\$' million	S\$' million
Increase our workforce	4.0	2.1	2.1	0.5	1.6
Purchase of machinery and equipment, and lorries	1.5	1.3	0.5	–	0.5
Purchase of additional property	10.0	1.2	–	–	–
Expand our internal competencies	6.9	6.9	1.8	–	1.8
Build our competencies in BIM	0.5	0.5	0.5	–	0.5
General working capital	1.1	–	7.1	–	7.1
Total	24.0	12.0	12.0	0.5	11.5

RELATED PARTIES TRANSACTIONS

During the Period, details of the significant related party transactions undertaken in the normal course of business are set out in the note 16 to the Interim consolidated financial statements, and none of which constitutes a disclosable connected transaction as defined under the Listing Rules.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Save for the service contract/letter of appointment with the Directors, no other transactions, arrangements or contracts that is significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had, directly or indirectly, a material interest subsisted at the end of the Period or at any time during the Period.

SHARE OPTION SCHEME

The Company has conditionally adopted the share option scheme (“Share Option Scheme”), which was approved by written resolutions passed by its sole Shareholder on 14 November 2017 and became unconditional on 11 December 2017. The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules.

Other Information *(continued)*

The purpose of the Share Option Scheme is to give the eligible persons an opportunity to have a personal stake in the Company and help motivate them to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executives (including executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group), to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions with a payment of HK\$1.00 upon each grant of options offered.

The exercise price of the share option will be not less than the highest of:

- (a) the nominal value of a share;
- (b) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the offer date; and
- (c) the average closing price of a share as stated in the Stock Exchange's daily quotations sheets for the 5 Business Days (as defined in the Listing Rules) immediately preceding the offer date.

The Share Option Scheme shall be valid and effective for a period of ten years from 14 November 2017 to 13 November 2027, after which no further options will be granted or offered.

The maximum number of shares in respect of which options may be granted shall not exceed 10% of the number of shares of Company in issue from time to time. Unless further shareholders' approval has been obtained pursuant to the conditions set out in the Share Option Scheme, no person shall be granted an option which, if all the options granted to the person (including both exercised and outstanding options) in any 12 months period up to the date of grant are exercised in full, would result in such person's maximum entitlement exceeding 1% of the number of issued shares of Company.

As at 30 June 2020 and up to the date of this report, there was no option outstanding, granted, cancelled, exercised or lapsed.

Details of the principal terms of the Share Option Scheme are set out in paragraph headed "Share Option Scheme" in section headed "Statutory and General Information" in Appendix V to the Prospectus.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE

Apart from the Share Option Scheme, at no time during the Period was the Company or any associated corporation a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercise any such rights.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

The Company has not redeemed any of its shares during the Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the Period.

Other Information *(continued)*

DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2020, the interests or short positions of Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong (the "SFO"))) which were 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 they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to standards of dealing by Directors contained in the Listing Rules, were as follows:

(I) Long Position in the Ordinary Shares and Underlying Shares of the Company

(i) Interests in the Company

Interests in ordinary shares

Name of director	Personal interests	Family interests	Corporate interests	Total interests in ordinary shares	Total interests in underlying shares	Aggregate interests	% of the Company's issued voting shares
Mr. Tay Yong Hua ^{Note 1}	20,000,000	-	529,792,000	549,792,000	-	549,792,000	60.05%
Mr. Tay Yong Meng ^{Note 2}	-	-	529,792,000	529,792,000	-	529,792,000	57.86%
Mr. Kenneth Teo Swee Cheng ^{Note 3}	-	-	529,792,000	529,792,000	-	529,792,000	57.86%

Notes:

- Mr. Tay Yong Hua holds 90% shares in HMK Investment Holdings Limited ("HMK") and he is therefore deemed to be interested in the 529,792,000 Shares held by HMK under the SFO.
- Mr. Tay Yong Meng holds 6% shares in HMK and he is therefore deemed to be interested in the 529,792,000 Shares held by HMK under the SFO.
- Mr. Kenneth Teo Swee Cheng holds 4% shares in HMK and he is therefore deemed to be interested in the 529,792,000 Shares held by HMK under the SFO.

(ii) Interests in the associated corporation

Name of directors	Name of associated corporation	Capacity/Nature	No. of shares held	% of the issued voting shares of associate corporation
Mr. Tay Yong Hua	HMK	Beneficial owner	90	90%
Mr. Tay Yong Meng	HMK	Beneficial owner	6	6%
Mr. Kenneth Teo Swee Cheng	HMK	Beneficial owner	4	4%

Save as disclosed above, as at 30 June 2020, none of the directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to standards of dealing by Directors contained in the Listing Rules.

Other Information *(continued)*

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2020, the following persons/entities (not being Directors or chief executive of our Company) have an interest or a short position in the Shares or the underlying Shares which were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, were as follows:

Long position in the ordinary shares and underlying shares of the Company

Name of shareholders	Capacity	Number of shares held	% of the Company's issued voting shares
HMK ^(Note 1)	Beneficial owner	529,792,000	57.86%
Ms. Lim Sim Swee ("Mrs. Tay") ^(Note 2)	Deemed interest by virtue of interest held by spouse	549,792,000	60.05%
Glory Sun Credit Limited ("GSCL") ^(Note 3)	Beneficial owner	519,792,000	56.77%
Stellar Result Limited ("SRL") ^(Note 3)	Interest in a controlled corporation	519,792,000	56.77%
Glory Sun Financial Holdings Limited ("GSFHL") ^(Note 3)	Interest in a controlled corporation	519,792,000	56.77%
Great Sphere Developments Limited ("GSDL") ^(Note 3)	Interest in a controlled corporation	519,792,000	56.77%
Glory Sun Financial Group Limited ("GSFGL") ^(Note 3)	Interest in a controlled corporation	519,792,000	56.77%
Tinmark Development Limited ("TDL") ^(Note 3)	Interest in a controlled corporation	519,792,000	56.77%
Bao Xin Development Limited ("BXDL") ^(Note 3)	Interest in a controlled corporation	519,792,000	56.77%
Bao Xin International Group Limited ("BXIGL") ^(Note 3)	Interest in a controlled corporation	519,792,000	56.77%
Yao Jianhui ("Mr Yao") ^(Note 3)	Interest in a controlled corporation	519,792,000	56.77%
Zheng MingQiang ("Mr Zheng")	Beneficial owner	67,073,714	7.33%

Other Information *(continued)*

Notes:

1. The 529,792,000 shares are beneficially held by HMK which is owned as to 90% by Mr. Tay Yong Hua, 6% by Mr. Tay Yong Meng and 4% by Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing), and they are deemed to be interested in 529,792,000 Shares held by HMK by virtue of the SFO.
2. Mrs. Tay, the spouse of Mr. Tay Yong Hua, is deemed to be interested in the interests held by Mr. Tay Yong Hua under the SFO.
3. As set out in the announcement of the Company dated 22 May 2020, HMK was involved in a dispute (the “Dispute”) which relates to a deed of mortgage dated 19 June 2019 executed by HMK in favour of a lender (the “Lender”), pursuant to which 519,792,000 Shares (the “Pledged Shares”) held by HMK were pledged as security and HMK has acted as third-party guarantor in respect of certain loans made by the Lender to an independent third party. The Lender has purportedly taken action to enforce the security interest in Pledged Shares, and appointed receivers and managers over the Pledged Shares. In this connection, according to the corporate substantial shareholder notices filed on 29 April 2020 by each of GSCL, SRL, GSFHL, GSDL, GSFGL, TDL, BXDL and BXIGL and the individual substantial shareholder notice filed on 29 April 2020 by Mr. Yao, the 519,792,000 Shares are beneficially held by GSCL. Based on the corporate substantial shareholder notices filed up to 30 June 2020, GSCL is wholly owned by SRL, which is in turn wholly owned by GSFHL, which is in turn wholly owned by GSDL, which is in turn wholly owned by GSFGL, which is in turn owned by TDL and BXDL. BXDL is in turn wholly owned by BXIGL, which is in turn wholly owned by Mr. Yao through TDL. Accordingly, GSCL, SRL, GSFHL, GSDL, GSFGL, TDL, BXDL, BXIGL and Mr. Yao are deemed to be interested in all Shares held by GSCL.

Reference is also made to the announcements of the Company dated 10 August 2020 and 10 September 2020 in relation to, among others, HMK, Mr Tay Yong Hua and the Lender have entered into a deed of partial settlement and amendment deed to settle the Dispute, and subject to the payment of certain settlement amount to the Lender, the Lender agrees to procure the appointment of the receivers and managers to be revoked. As at the date of this report, the Company has not been advised by HMK or the receivers of any proposed change of the ownership of the Pledged Shares which may or may not involve a change of the controlling shareholder of the Company. For relevant details, please refer to the announcements of the Company dated 22 May 2020, 12 June 2020, 10 July 2020, 9 August 2020, 10 August 2020 and 10 September 2020.

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

COMPETITION AND CONFLICT OF INTERESTS

Except for the interests in the Group, none of the directors, the substantial shareholders or the management shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict of interests with the Group during the Period.

CORPORATE GOVERNANCE

The Group is committed to maintaining high corporate governance standards to safeguard the interest of shareholders and to enhance corporate value and accountability. The Company's corporate governance practices are based on the principles and code provisions as set out in the corporate governance codes (the “CG Code”) as contained in Appendix 14 of the Listing Rules.

The Board considers that the Company has complied with all the applicable principles and code provisions as set out in the CG Code during the Period.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors (the “Model Code”) on terms no less exacting than the required standard of dealings as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company for the Period.

Other Information *(continued)*

The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision A.6.4 of the CG Code. No incident of non-compliance with the Model Code by the Company's relevant employees has been noted during the Period after making reasonable enquiry.

AUDIT COMMITTEE

The Company established an Audit Committee on 14 November 2017 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix 14 to the Listing Rules. The Company has updated the written terms of reference of audit committee on 16 November 2018 in compliance with the new CG Code with effect from 1 January 2019. The revised terms of reference of the audit committee are available on the websites of the Company and the Stock Exchange.

The responsibility of the audit committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company's financial reporting, risk management and internal control principles and procedures, and to provide advice and comments to the Board. The members meet regularly with the external auditor and/or the Company's senior management for the review, supervision and discussion of the Company's financial reporting, risk management and internal control procedures and ensure that the board and the management have discharged their duties to have an effective risk management and internal control systems.

During the Period, the audit committee comprises three independent non-executive Directors, namely Mr. Cheung Garnok (Chairman), Dr. Guan Huan Fei and Mr. Jacobsen William Keith. None of them is a former partner of the Company's existing auditing firm. Mr. Cheung Garnok, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the audit committee.

The financial information in this report has not been audited by the auditor of the Company, but the audit committee has reviewed the unaudited consolidated results of the Group for the Period and is of the opinion that such results complied with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors of the Company, the Company has maintained the prescribed public float under the Listing Rules of at least 25% of the Company's total number of issued shares which was held by the public during the Period.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the Period.

By Order of the Board

Solis Holdings Limited

Tay Yong Hua

Executive Chairman and Executive Director

Singapore, 28 August 2020

Consolidated Statement of Profit and Loss and Other Comprehensive Income

For the six months ended 30 June 2020

The board (the “Board”) of directors (the “Directors”) of Solis Holdings Limited (the “Company”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2020, together with the comparative figures for the six months ended 30 June 2019. The Group’s interim results for the six months ended 30 June 2020 are unaudited, but have been reviewed by the audit committee of the Company.

	Note	Six months ended 30 June	
		2020 S\$’000 (Unaudited)	2019 S\$’000 (Unaudited)
Revenue	4	2,505	13,627
Cost of services		(2,911)	(12,227)
Gross (loss) profit		(406)	1,400
Other income	5	646	352
Other gains	5	19	–
Administrative expenses		(2,416)	(2,569)
Finance costs	6	–	(12)
Share of loss of an associate		(162)	–
Loss before taxation		(2,319)	(829)
Income tax expense	7	–	–
Loss for the period	8	(2,319)	(829)
Other comprehensive expense, net of income tax			
Items that will not reclassified subsequently to profit or loss:			
Deficit on changes in fair value of financial asset at fair value through other comprehensive income		(27)	(9)
		(27)	(9)
Total comprehensive expense for the period		(2,346)	(838)
Loss for the year attributable to:			
Owners of the Company		(2,319)	(829)
Non-controlling interests		–	–
		(2,319)	(829)
Total comprehensive expense for the period attributable to:		(2,346)	(838)
Owners of the Company		(2,346)	(838)
Non-controlling interests		–	–
		(2,346)	(838)
Basic and diluted loss per share (S\$ cents)	9	(0.25)	(0.10)

Consolidated Statement of Financial Position

As at 30 June 2020

	<i>Note</i>	31 December 2020 S\$'000 (Unaudited)	31 December 2019 S\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		25,541	25,880
Investment property		4,226	4,226
Intangible assets		195	195
Financial asset at fair value through other comprehensive income		123	150
Interest in an associate		828	–
Goodwill		9,079	–
		39,992	30,451
Current assets			
Trade receivables	<i>10</i>	2,255	2,951
Other receivables, deposits and prepayments	<i>11</i>	227	222
Contract assets		2,692	2,828
Amounts due from ultimate holding company		–	8
Pledged fixed deposits	<i>12</i>	210	210
Bank balances and cash	<i>12</i>	15,571	15,888
		20,955	22,107
Current liabilities			
Trade payables and trade accruals	<i>13</i>	1,034	1,843
Other payables and accrued expenses	<i>14</i>	2,922	2,760
Contract liabilities		4,097	556
Income tax payable		–	34
		8,053	5,193
Net current assets		12,902	16,914
Total assets less current liabilities		52,894	47,365
Net assets		52,894	47,365
Capital, reserves and non-controlling interests			
Share capital	<i>15</i>	1,585	1,454
Reserves		51,312	45,914
Equity attributable to owners of the Company		52,897	47,368
Non-controlling interests		(3)	(3)
Total equity		52,894	47,365

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020

	Share capital S\$'000	Share premium S\$'000	Retained earnings S\$'000	Merger reserve S\$'000	Revaluation reserve for intangible assets S\$'000	Revaluation reserve for financial asset at fair value through other comprehensive income S\$'000	Revaluation reserve for property, plant and equipment S\$'000	Attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
Balance at 1 January 2019 (audited)	1,454	26,697	16,301	1,500	13	147	9,576	55,688	-	55,688
<i>Total comprehensive expense for the period:</i>										
Loss for the period	-	-	(829)	-	-	-	-	(829)	-	(829)
Other comprehensive expense for the period	-	-	-	-	-	(9)	-	(9)	-	(9)
Balance at 30 June 2019 (unaudited)	1,454	26,697	15,472	1,500	38	151	9,576	54,850	-	54,850

	Share capital S\$'000	Share premium S\$'000	Retained earnings S\$'000	Merger reserve S\$'000	Revaluation reserve for intangible assets S\$'000	Revaluation reserve for financial asset at fair value through other comprehensive income S\$'000	Revaluation reserve for property, plant and equipment S\$'000	Attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
Balance at 1 January 2020 (audited)	1,454	26,697	8,737	1,500	24	134	8,822	47,368	(3)	47,365
<i>Total comprehensive expense for the period:</i>										
Loss for the period	-	-	(2,319)	-	-	-	-	(2,319)	-	(2,319)
Other comprehensive expense for the period	-	-	-	-	-	(27)	-	(27)	-	(27)
Issue of shares under the Share Offer	131	7,744	-	-	-	-	-	7,875	-	7,875
Balance at 30 June 2020 (unaudited)	1,585	34,441	6,418	1,500	24	107	8,822	52,897	(3)	52,894

Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

	Note	Six months ended 30 June	
		2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Operating activities			
Loss before taxation		(2,319)	(829)
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment		267	290
Gain on disposal of property, plant and equipment	5	(19)	–
Interest income	5	(64)	(177)
Interest expense	6	–	12
Dividend income	5	–	(2)
Share of loss of an associate		162	–
Unrealised exchange loss (gain)		(66)	12
Operating cash flows before movements in working capital		(2,039)	(694)
<i>Movements in working capital:</i>			
Trade receivables		696	(100)
Other receivables, deposits and prepayments		(5)	238
Contract assets		136	1,449
Amount due from ultimate holding company		8	–
Trade payables and trade accruals		(809)	2,492
Other payables and accrued expenses		162	(925)
Contract liabilities		3,541	153
Cash generated from operations		1,690	2,613
Income tax paid		(34)	(181)
Net cash from operating activities		1,656	2,432
Investing activities			
Purchase of property, plant and equipment		(44)	(473)
Proceeds from disposal of property, plant and equipment		135	–
Dividend received		–	2
Interest received	5	(64)	176
Placement of fixed deposit		(5,000)	–
Interest in an associate		(10,069)	–
Net cash used in investing activities		(14,914)	(295)

Consolidated Statement of Cash Flows *(continued)*

For the six months ended 30 June 2020

	Note	Six months ended 30 June	
		2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Financing activities			
Repayments of bank borrowings		–	(1,342)
Repayments of obligations under finance leases		–	(44)
Interest paid	6	–	(12)
Issue of shares		7,875	–
Net cash from (used in) financing activities		7,875	(1,398)
Net (decrease) increase in cash and cash equivalents		(5,383)	739
Effect of foreign exchange rate changes on the balance of cash held in foreign currency		66	(12)
Cash and cash equivalents at beginning of the year		15,888	18,339
Cash and cash equivalents at end of the period (Note 12)		10,571	19,066

Notes to Consolidated Financial Statements

1 GENERAL

The Company was incorporated in the Cayman Islands and registered as an exempt company with limited liability on 21 June 2017 under the Cayman Companies Law. Its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business in Hong Kong is at Rooms 1002-03, 10th Floor, Perfect Commercial Building, No. 20 Austin Avenue, Tsim Sha Tsui, Kowloon, Hong Kong. The head office and principal place of business of the Group in Singapore is at 85 Tagore Lane, Singapore 787527. The shares of the Company (“Shares”) have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 11 December 2017.

The Company is a subsidiary of HMK Investment Holdings Limited (“HMK”), a company incorporated in the British Virgin Islands (“BVI”) which is also the Company’s ultimate holding company. Mr. Tay Yong Hua, Mr. Tay Yong Meng and Mr. Kenneth Teo Swee Cheng (“Mr. Kenneth Teo”) jointly controls the ultimate holding company and are the controlling shareholders of Solis Holdings Limited and its subsidiaries (the “Group”) (together referred to as the “Controlling Shareholders”).

The Company is an investment holding company and the principal activities of its operating subsidiary is principally engaged in the provision of installations of mechanical and electrical systems.

The functional currency of the Company is Singapore dollars (“S\$”), which is also the functional currency of its subsidiaries.

2 BASIS OF ACCOUNTING

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”) and the applicable disclosures required by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties, intangible assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period.

3 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

At the date of this report, the Group has applied the following amendments to IFRSs that have been issued for the financial year beginning on or after 1 January 2020:

Amendments to IFRS 3	Definition of a Business
Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards

The application of the new and amendments to IFRSs and Interpretations in the current period has had no material impact on the Group’s financial performance and positions for the current period and prior years and/or on the disclosures set out in these consolidated financial statements.

Notes to Consolidated Financial Statements *(continued)*

3 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

New and amendments of IFRSs in issue but not yet effective

At the date of this report, the Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ³

¹ Effective for annual periods beginning on or after 1 January 2021.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2022.

The directors of the Company anticipate that the application of the new and amendments to IFRSs listed above will have no material impact on the consolidated financial position and performance as well as disclosure in foreseeable future.

4 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the construction contract revenue for the installations of mechanical and electrical systems.

Information is reported to the executive directors of the Group, being the chief operating decision makers, for the purposes of resource allocation and performance assessment. They would review the overall results and financial position of the Group as a whole prepared based on same accounting policies. Accordingly, the Group has only one single operating segment and only disclosures on services, major customers and geographical information of this single segment are presented.

An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2020	2019
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Revenue from:		
Installations of mechanical and electrical systems	2,505	13,627

Notes to Consolidated Financial Statements *(continued)*

4 REVENUE AND SEGMENT INFORMATION *(continued)*

Information about major customers

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

	Six months ended 30 June	
	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Customer A	485	3,369
Customer B	N/A*	2,669
Customer C	N/A*	2,625
Customer D	N/A*	2,550
Customer E	1,516	N/A*
Customer F	504	N/A*

* The corresponding revenue did not contribute over 10% of the total revenue of the Group in the respective financial periods.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2020 and 30 June 2019 are as follows:

	Six months ended 30 June	
	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Installations of mechanical and electrical systems	37,302	7,539

The directors of the Company expect that the transaction price allocated to the unsatisfied performance contracts will be recognised as revenue varying from 1 to 2 years according to the contract period.

Geographical information

The Group principally operates in Singapore, which is also the place of domicile. All revenue was 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 Consolidated Financial Statements *(continued)*

5 OTHER INCOME AND OTHER GAINS

	Six months ended 30 June	
	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Other income		
Interest income	64	177
Government grants	507	40
Dividend income	–	2
Rental income	75	133
	646	352
Other gains		
Gain on disposal of property, plant and equipment	19	–

6 FINANCE COSTS

	Six months ended 30 June	
	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Interest expense:		
– Obligations under finance leases	–	1
– Bank borrowings	–	11
	–	12

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Tax expense comprises:		
Current tax	–	1
– Singapore corporate income tax (“CIT”)	–	–

Singapore CIT is calculated at 17% of the estimated assessable profits eligible.

Notes to Consolidated Financial Statements *(continued)*

8 LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended 30 June	
	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Depreciation of property, plant and equipment	267	290
Auditor's remuneration	80	75
<i>Directors' remuneration (including contributions to CPF)</i>	678	599
Other staff costs		
– Salaries and other benefits	1,744	3,176
– Contributions to CPF	96	101
Total staff costs <i>(Note a)</i>	2,518	3,876
Subcontractor costs recognised as cost of services	99	1,706

Note:

a. Staff costs of S\$945,000 (six months ended 30 June 2019: S\$2,584,000) are included in cost of services.

9 LOSS PER SHARE

	Six months ended 30 June	
	2020 (Unaudited)	2019 (Unaudited)
Loss attributable to the owners of the Company (S\$'000)	(2,319)	(829)
Weighted average number of ordinary shares in issue	915,600	840,000
Basic and diluted loss per share (S\$ cents)	(0.25)	(0.10)

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

Diluted loss per share is the same as the basic loss per share because the Group has no dilutive securities that are convertible into shares during the periods ended 30 June 2020 and 2019.

Notes to Consolidated Financial Statements *(continued)*

10 TRADE RECEIVABLES

	30 June 2020 S\$'000 (Unaudited)	31 December 2019 S\$'000 (Audited)
Trade receivables	2,255	2,951

The Group grants credit terms to customers typically up to 35 days from the invoice date for trade receivables (31 December 2019: 35 days).

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

	30 June 2020 S\$'000 (Unaudited)	31 December 2019 S\$'000 (Audited)
1 to 30 days	155	1,646
31 to 60 days	–	1,305
61 to 90 days	–	–
More than 90 days	2,100	–
	2,255	2,951

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

The Group applied lifetime expected credit losses ("ECL") (simplified approach) to provide the expected credit losses as prescribed by IFRS 9.

As part of the Group's credit risk management, the ECL on trade receivables are assessed individually for debtors with significant balances. Assessment are done based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The directors of the Company considered that there is no loss allowance required for trade receivables as at 30 June 2020 and 31 December 2019.

Notes to Consolidated Financial Statements *(continued)*

11 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2020 S\$'000 (Unaudited)	31 December 2019 S\$'000 (Audited)
Deposits	111	121
Prepayments	112	98
Advances to staff	4	3
	227	222

The Group applied 12-month ECL to provide the expected credit losses as prescribed by IFRS 9.

As part of the Group's credit risk management, the Group determines the ECL on other receivables and deposits based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The directors of the Company considered that there is no loss allowance required for other receivables and deposits as at 30 June 2020 and 31 December 2019.

12 PLEDGED FIXED DEPOSITS/BANK BALANCES AND CASH

	30 June 2020 S\$'000 (Unaudited)	31 December 2019 S\$'000 (Audited)
Pledged fixed deposits <i>(Note a)</i>	210	210
Cash on hand	9	8
Cash at bank <i>(Note b)</i>	10,562	15,880
Fixed deposit <i>(Note c)</i>	5,000	-
Total bank balances and cash	15,571	15,888
Less: Fixed deposit	(5,000)	-
Cash and cash equivalents in the statement of cash flows	10,571	15,888

Notes to Consolidated Financial Statements *(continued)*

12 PLEDGED FIXED DEPOSITS/BANK BALANCES AND CASH *(continued)*

Note:

- The balance represents fixed deposits with an original maturity of 12 months for the purpose of securing the line of credit of S\$5,780,000 granted to the Group as at 30 June 2020 and 31 December 2019. The balances are rolled forward on their maturity in March each year, and carry interest of 0.25% per annum (31 December 2019: 0.25% per annum).
- Bank balances carry interest at prevailing market rate of approximately 0.10% per annum (31 December 2019: 0.10% per annum).
- The balance represents fixed deposit with an original maturity of 3 months (31 December 2019: Nil) and carry interest of 0.64% per annum (31 December 2019: Nil% per annum).

13 TRADE PAYABLES AND TRADE ACCRUALS

	30 June 2020 S\$'000 (Unaudited)	31 December 2019 S\$'000 (Audited)
Trade payables	757	1,771
Trade accruals	277	72
	1,034	1,843

The credit period on purchases from suppliers and subcontractors is between 30 to 90 days or payable upon delivery. The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period/year:

	30 June 2020 S\$'000 (Unaudited)	31 December 2019 S\$'000 (Audited)
Within 90 days	392	1,397
91 days to 120 days	365	374
	757	1,771

Notes to Consolidated Financial Statements *(continued)*

14 OTHER PAYABLES AND ACCRUED EXPENSES

	30 June 2020 S\$'000 (Unaudited)	31 December 2019 S\$'000 (Audited)
Accrued operating expenses	610	1,149
Other payables (<i>Note a</i>)	2,312	1,611
	2,922	2,760

Note:

- a. Included in other payables is S\$Nil (31 December 2019: S\$1,416,000) in relation the amounts payable for the purchase of property, plant and equipment.

15 SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Authorised share capital of the Company:		
At 1 January 2019, 31 December 2019 (audited) and 30 June 2020 (unaudited)	10,000,000,000	100,000
	Number of shares	Share capital S\$'000
Issued and fully paid of the Company:		
At 1 January 2019 and 31 December 2019 (audited)	840,000,000	1,454
Issue of shares under the Share Offer (<i>Note a</i>)	75,600,000	131
	Number of shares	Share capital S\$'000
At 30 June 2020 (unaudited)	915,600,000	1,585

Note:

- a. On 21 January 2020, the Company issued and allotted 75,600,000 new ordinary shares by way of placing at a price of HK\$0.60 per share for cash consideration of approximately HK\$45,360,000 (approximately S\$7,875,000) of which S\$131,000 was credited to share capital and the balance of S\$7,744,000 was credited to the share premium account.

Notes to Consolidated Financial Statements *(continued)*

16 RELATED PARTY TRANSACTIONS

Other than compensation of key management personnel as disclosed below, there are no known transactions with related parties during both periods.

Compensation of key management personnel

The remunerations of the five highest paid individuals, including the 3 directors and 2 individuals, over the periods are as below:

	Six months ended 30 June	
	2020 (Unaudited)	2019 (Unaudited)
Salaries and allowances	614	636
Contribution to retirement benefit scheme	26	26
Total compensation	640	662