

# Wei Yuan Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1343

2020  
INTERIM  
REPORT

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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Ng Tian Soo (*Chairman*)

Mr. Ng Tian Fah (*Chief Executive Officer*)

### Independent non-executive Directors

Mr. Gary Ng Sin Tong

(alias Mr. Gary Huang Chendong)

Ms. Lee Wing Yin Jessica

Mr. George Christopher Holland

## AUDIT COMMITTEE

Ms. Lee Wing Yin Jessica (*Chairman*)

Mr. Gary Ng Sin Tong

(alias Mr. Gary Huang Chendong)

Mr. George Christopher Holland

## REMUNERATION COMMITTEE

Mr. Gary Ng Sin Tong (*Chairman*)

(alias Mr. Gary Huang Chendong)

Mr. Ng Tian Fah

Ms. Lee Wing Yin Jessica

## NOMINATION COMMITTEE

Mr. Ng Tian Soo (*Chairman*)

Mr. Gary Ng Sin Tong

(alias Mr. Gary Huang Chendong)

Mr. George Christopher Holland

## COMPANY SECRETARY

Mr. Cheung Ka Chun

## AUTHORISED REPRESENTATIVES

Mr. Ng Tian Soo

Mr. Cheung Ka Chun

## COMPLIANCE ADVISER

Grande Capital Limited

Room 2701, 27/F

Tower One, Admiralty Center

18 Harcourt Road

Admiralty

Hong Kong

## PRINCIPAL BANKERS

Maybank Singapore Limited

2 Battery Road

Maybank Tower

Singapore 049907

Standard Chartered Bank (Singapore) Limited

8 Marina Boulevard

Marina Bay Financial Centre Tower 1

Level 29

Singapore 018981

United Overseas Bank Limited

80 Raffles Place

UOB Plaza

Singapore 048624

## REGISTERED OFFICE

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

## Corporate Information

### **HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE**

37 Kranji Link  
Singapore 728643

### **PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Unit B, 17/F  
United Centre  
95 Queensway  
Hong Kong

### **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS**

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### **BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG**

Computershare Hong Kong Investor  
Services Limited  
Shops 1712–1716  
17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

### **CORPORATE WEBSITE**

<http://www.weiyuanholdings.com>

### **INVESTOR RELATIONS CONTACT**

E-mail: [info@weiyuanholdings.com](mailto:info@weiyuanholdings.com)

### **STOCK CODE**

1343

# Condensed Consolidated Statement of Comprehensive (Loss)/Income

For the six months ended 30 June 2020

	Notes	For the six months ended 30 June	
		2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Revenue	4	23,188	26,433
Cost of sales	6	(21,962)	(18,950)
<b>Gross profit</b>		<b>1,226</b>	<b>7,483</b>
Other income and other gains/(losses), net	5	1,633	121
Administrative expenses	6	(6,306)	(5,007)
Allowance for impairment of receivables		(312)	(95)
<b>Operating (loss)/profit</b>		<b>(3,759)</b>	<b>2,502</b>
Finance income	8	4	6
Finance costs	8	(511)	(331)
Share of loss of joint ventures, net of tax	13	(315)	(359)
<b>(Loss)/profit before income tax</b>		<b>(4,581)</b>	<b>1,818</b>
Income tax expense	9	(336)	(322)
<b>(Loss)/profit for the period</b>		<b>(4,917)</b>	<b>1,496</b>
<b>(Loss)/profit for the period attributable to:</b>			
Equity holders of the Company		(4,775)	1,391
Non-controlling interests		(142)	105
		(4,917)	1,496
<b>(Loss)/earnings per share (expressed in Singapore cents per share)</b>			
<b>Basic and diluted</b>	10	(0.49)	0.17

# Condensed Consolidated Statement of Comprehensive (Loss)/Income

For the six months ended 30 June 2020

	For the six months ended 30 June	
	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
<b>(Loss)/profit for the period</b>	<b>(4,917)</b>	1,496
<b>Other comprehensive income:</b>		
<b>Item that may be reclassified subsequently to profit or loss</b>		
Currency translation differences	394	–
<b>Other comprehensive income for the period, net of tax</b>	<b>394</b>	–
<b>Total comprehensive (loss)/income for the period</b>	<b>(4,523)</b>	1,496
<b>Total comprehensive (loss)/income for the period attributable to:</b>		
Equity holders of the Company	(4,381)	1,391
Non-controlling interests	(142)	105
	<b>(4,523)</b>	1,496

# Condensed Consolidated Statement of Financial Position

As at 30 June 2020

	Notes	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	16,270	17,352
Right-of-use assets	23	1,711	1,749
Investment properties	12	1,910	1,910
Investments in joint ventures	13	4,746	661
Other investment	14	86	86
Deferred income tax assets		64	206
		<b>24,787</b>	21,964
<b>Current assets</b>			
Inventories	16	1,115	785
Contract assets	18	37,916	41,052
Trade and retention receivables	17	3,590	7,724
Deposits, prepayments and other receivables	19	5,121	5,763
Pledged bank deposits	20	1,976	1,044
Cash and cash equivalents	20	16,084	3,389
		<b>65,802</b>	59,757
<b>Total assets</b>		<b>90,589</b>	81,721

## Condensed Consolidated Statement of Financial Position

As at 30 June 2020

	Notes	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	25	1,915	5,850
Share premium	26	15,476	–
Retained earnings	26	19,465	24,240
Revaluation reserve	26	586	586
Other reserve	26	10,413	4,563
Exchange reserve	26	394	–
		<b>48,249</b>	<b>35,239</b>
Non-controlling interests		1,515	1,657
<b>Total equity</b>		<b>49,764</b>	<b>36,896</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank and other borrowings	24	2,136	2,642
Lease liabilities	23	1,039	1,143
Provisions	22	456	337
		<b>3,631</b>	<b>4,122</b>
<b>Current liabilities</b>			
Trade payables	21	4,917	10,075
Accruals, other payables and provisions	22	2,578	5,036
Contract liabilities	18	214	7
Current income tax liabilities		1,869	2,017
Bank and other borrowings	24	26,889	22,918
Lease liabilities	23	727	650
		<b>37,194</b>	<b>40,703</b>
<b>Total liabilities</b>		<b>40,825</b>	<b>44,825</b>
<b>Total equity and liabilities</b>		<b>90,589</b>	<b>81,721</b>

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020

	Attributable to equity holders of the companies comprising the Group								
	Share capital S\$'000	Share premium S\$'000	Revaluation reserve S\$'000	Other reserve S\$'000	Exchange reserve S\$'000	Retained earnings S\$'000	Total S\$'000	Non-Controlling interests S\$'000	Total S\$'000
At 1 January 2020	5,850	-	586	4,563	-	24,240	35,239	1,657	36,896
Loss for the period	-	-	-	-	-	(4,775)	(4,775)	(142)	(4,917)
Other comprehensive income for the period, net of tax	-	-	-	-	394	-	394	-	394
<b>Total comprehensive loss for the period</b>	-	-	-	-	394	(4,775)	(4,381)	(142)	(4,523)
<b>Transaction with equity holders of the companies comprising the Group, recognised in equity:</b>									
Elimination of share capital pursuant to the Reorganisation	(5,850)	-	-	5,850	-	-	-	-	-
Share issue pursuant to the Capitalisation (Note 25)	1,436	(1,436)	-	-	-	-	-	-	-
Share issue pursuant to the Listing (Note 25)	479	22,503	-	-	-	-	22,982	-	22,982
Listing expenses charged to share premium (Note 25)	-	(5,591)	-	-	-	-	(5,591)	-	(5,591)
At 30 June 2020 (Unaudited)	1,915	15,476	586	10,413	394	19,465	48,249	1,515	49,764

	Attributable to equity holders of the companies comprising the Group						
	Share capital S\$'000	Revaluation reserves S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total S\$'000
At 1 January 2019	5,850	586	4,563	18,671	29,670	1,702	31,372
Total comprehensive income for the period	-	-	-	1,391	1,391	105	1,496
<b>Transaction with equity holders of the companies comprising the Group, recognised in equity:</b>							
Dividends (Note 27)	-	-	-	(1,200)	(1,200)	-	(1,200)
At 30 June 2019 (Unaudited)	5,850	586	4,563	18,862	29,861	1,807	31,668

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

	<b>For the six months ended 30 June</b>	
	<b>2020 S\$'000 (Unaudited)</b>	<b>2019 S\$'000 (Unaudited)</b>
Net cash (used in)/generated from operations	(2,638)	733
Income tax paid	(342)	(836)
Interest received	4	6
<b>Net cash used in operating activities</b>	<b>(2,976)</b>	<b>(97)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	102	17
Purchase of property, plant and equipment	(1,288)	(1,497)
Repayment from related party	2,200	2,000
Investment in joint venture	(4,400)	–
Changes in pledged bank deposits	(932)	(1,112)
<b>Net cash used in investing activities</b>	<b>(4,318)</b>	<b>(592)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(501)	(322)
Proceeds from issue of new shares	22,982	–
Dividend paid	–	(1,200)
Proceeds from borrowings	23,323	4,541
Repayments of borrowings	(15,636)	(6,147)
Repayments of obligations under leases	(365)	(251)
Listing expenses directly attributable to issue of shares	(5,591)	–
<b>Net cash generated from/(used in) financing activities</b>	<b>24,212</b>	<b>(3,379)</b>

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

	For the six months ended 30 June	
	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>16,918</b>	(4,068)
Cash and cash equivalents at beginning of the period	(834)	4,353
Cash and cash equivalents at end of the period	<b>16,084</b>	285
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash and cash equivalents	16,084	3,116
Bank overdrafts	–	(2,831)
	<b>16,084</b>	285

The above unaudited condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Condensed Consolidated Interim Financial Information

## 1 GENERAL INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands on 15 May 2019 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) principally engage in carrying out civil engineering projects in Singapore. The ultimate holding company of the Company is WG International (BVI) Limited (“**WGI BVI**”), a company incorporated in the British Virgin Islands and the ultimate controlling parties of the Group are Mr. Ng Tian Soo (“**NTS**”), Mr. Ng Tian Kew (“**NTK**”), Mr. Ng Tian Fah (“**NTF**”), Ms. Ng Mei Lian (“**NML**”), and Mr. Chai Kwee Lim (“**CKL**”) (collectively the “**Controlling Shareholders**”).

On 25 February 2020, the Company issued prospectus and launched a share offer of 266,000,000 shares at price of HK\$0.48 per share (the “**Offer Price**”). The Company’s ordinary shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 March 2020.

These unaudited condensed consolidated interim financial information is presented in Singapore Dollar (“**S\$**”) unless otherwise stated.

## 2 BASIS OF PREPARATION

These unaudited condensed consolidated interim financial information for the six months ended 30 June 2020 is prepared in accordance with International Accounting Standard (“**IAS**”) 34, “Interim Financial Reporting” issued by the International Accounting Standards Board and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

These unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s combined financial statements for the year ended 31 December 2019.

## Notes to the Condensed Consolidated Interim Financial Information

### 2 BASIS OF PREPARATION (CONTINUED)

The accounting policies and methods of computation adopted in the preparation of these unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's combined financial statements for the year ended 31 December 2019, except for the application of new and amendments to IFRSs effective as of 1 January 2020. The application of the new and amendments to IFRSs in the current period has had no material impact on the Group's financial performance and position for the current and prior periods and/or the disclosures set out in these condensed consolidated financial statements.

The Group has not early applied the new and amendments to IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the related impact to the Group of that are relevant to the Group. According to the preliminary assessment made by the directors of the Company, the management does not anticipate any significant impact on the Group's financial position and results of operations.

### 3 SEGMENT INFORMATION

The Chief Operating Decision Maker ("CODM") has been identified as the executive directors of the Group who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM assesses the performance based on profit after income tax and considers all businesses as one operating segment.

The Group is principally engaged in the general construction of civil engineering projects through operating companies in Singapore. Information reported to the CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results of the operating companies as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

All of the Group's activities, other than those of certain joint ventures, are carried out in Singapore and all of the Group's assets and liabilities are located in Singapore. Accordingly, no analysis by geographical basis was presented.

## Notes to the Condensed Consolidated Interim Financial Information

**3 SEGMENT INFORMATION (CONTINUED)**

For the six months ended 30 June 2020, there were 3 customers (six months ended 30 June 2019: 2) which individually contributed to over 10% of the Group's total revenue. During the period, the revenues contributed from those customers are as follows:

	For the six months ended 30 June	
	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Customer 1	3,677	9,930
Customer 2	9,293	N/A
Customer 3	3,518	2,909

**4 REVENUE**

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following streams of revenue:

	For the six months ended 30 June	
	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Revenue from contract works	20,736	21,851
Road milling and resurfacing services	1,901	3,601
Ancillary support and other services	363	412
Sale of goods and milled waste	188	569
	<b>23,188</b>	26,433
Revenue recognised:		
Over time	23,000	25,864
At point in time	188	569
	<b>23,188</b>	26,433

## Notes to the Condensed Consolidated Interim Financial Information

**5 OTHER INCOME AND OTHER GAINS/(LOSSES), NET**

	<b>For the six months ended 30 June</b>	
	<b>2020 S\$'000 (Unaudited)</b>	<b>2019 S\$'000 (Unaudited)</b>
Other income:		
Rental income from investment properties	12	12
Government grants (Note)	1,527	163
Others	84	69
	<b>1,623</b>	<b>244</b>
Other gains/(losses), net:		
Loss on foreign exchange difference — net	—*	(17)
Gain/(loss) on disposal of property, plant and equipment, net	10	(106)
	<b>10</b>	<b>(123)</b>
	<b>1,633</b>	<b>121</b>

\* Less than S\$1,000

Note:

Government grants mainly include Childcare Leave Scheme, Foreign Worker Levy Rebate, Job Support Scheme, Skill Connect Funding, Special Employment Credit, Wages Credit Scheme and Workforce Training Scheme. These incentives are granted in the form of cash payout and there were not unfulfilled conditions or contingencies relating to these grants.

## Notes to the Condensed Consolidated Interim Financial Information

**6 EXPENSES BY NATURE**

Expenses included in costs of sales and administrative expenses are analysed as follows:

	<b>For the six months ended 30 June</b>	
	<b>2020 S\$'000 (Unaudited)</b>	<b>2019 S\$'000 (Unaudited)</b>
Raw material and consumables used	2,746	3,560
Subcontracting charges	6,225	3,284
Auditor's remuneration:		
— Audit services	120	61
Depreciation (Notes 11 and 23)	2,655	2,450
Employee benefit expenses, including directors' emoluments (Note 7)	9,450	8,734
Entertainment expenses	66	37
Insurance expenses	599	185
Legal and professional fees	1,495	263
Expenses relating to short term leases and low value assets (Note 23)	26	27
Site expenses	802	960
Transportation expenses	1,848	1,343
Repair and maintenance expenses	218	399
Write down of inventories	3	—
Listing expenses	964	1,834
Others	1,051	820
<b>Total cost of sales and administrative expenses</b>	<b>28,268</b>	<b>23,957</b>
Cost of sales	21,962	18,950
Administrative expenses	6,306	5,007
	<b>28,268</b>	<b>23,957</b>

## Notes to the Condensed Consolidated Interim Financial Information

**7 EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS**

	For the six months ended 30 June	
	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Wages, salaries and bonuses	8,794	8,120
Retirement benefit costs — defined contribution plans (Note i)	454	371
Staff benefits	202	243
	<b>9,450</b>	<b>8,734</b>

- (i) Central Provident Fund (“**CPF**”) is a mandatory social security savings scheme funded by contributions from employers and employees. Pursuant to the Central Provident Fund Act, Chapter 36 of Singapore (the “**CPF Act**”), an employer is obliged to make CPF contributions with 5% to 20% of wage for all employees who are Singapore citizens or permanent residents of Singapore. CPF contributions are not applicable for foreigners. The Group has no further obligation to retirement benefits of its employees once the contributions have been paid.

Employee benefit expenses have been included in the unaudited condensed consolidated statement of comprehensive (loss)/income as follows:

	For the six months ended 30 June	
	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Cost of sales	6,911	7,041
Administrative expenses	2,539	1,693
	<b>9,450</b>	<b>8,734</b>

## Notes to the Condensed Consolidated Interim Financial Information

## 8 FINANCE INCOME AND FINANCE COSTS

	For the six months ended 30 June	
	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
<b>Finance income</b>		
Interests from:		
— Bank deposits	—*	—*
— Pledged bank deposits	4	6
	4	6
<b>Finance costs</b>		
Interests on:		
— Bank and other borrowings	463	296
— Lease liabilities (Note 23)	38	26
— Unwinding of discount of reinstatement costs	10	9
	511	331

\* Less than S\$1,000

## Notes to the Condensed Consolidated Interim Financial Information

**9 INCOME TAX EXPENSE**

Singapore corporate income tax had been provided at the applicable tax rate of 17% (six months ended 30 June 2019: 17%) on the estimated assessable profits during the financial period.

Hong Kong profits tax had not been provided for as the Group had no assessable profit in Hong Kong during the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

Under the current laws of Cayman Islands, the Company is not subject to tax on income or capital gain. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.

No provision for income tax in BVI has been made as the Group has no assessable income in BVI during the financial period.

The amount of income tax expense charged/(credited) to the unaudited condensed consolidated statement of comprehensive (loss)/income represents:

	<b>For the six months ended 30 June</b>	
	<b>2020</b>	2019
	<b>S\$'000</b>	S\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Income tax</b>		
— Current period	173	421
— Under provision in prior year	21	–
<b>Deferred tax</b>		
— Current period	12	(99)
— Under provision in prior year	130	–
<b>Income tax expense</b>	<b>336</b>	322

## Notes to the Condensed Consolidated Interim Financial Information

**10 (LOSS)/EARNINGS PER SHARE****(a) Basic (loss)/earnings per share**

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to the Company's owners by the weighted average number of ordinary shares in issue during the period.

The weighted average number of ordinary shares in issue for the purpose of calculating basic and diluted earnings per share for the six months ended 30 June 2019 has been adjusted for the effect of capitalisation issue of 798,000,000 shares pursuant to the resolution dated 18 February 2020 and subsequently became effective on 25 February 2020.

The results for the six months ended 30 June 2019 were prepared on a combined basis and the reorganisation of the Group was completed on 12 February 2020.

	<b>For the six months ended 30 June</b>	
	<b>2020 (Unaudited)</b>	2019 (Unaudited)
(Loss)/profit attributable to the equity holders of the Company (S\$'000)	<b>(4,775)</b>	1,391
Weighted average number of ordinary shares in issue (in thousand)	<b>982,601</b>	798,000
Basic and diluted (loss)/earnings per share in Singapore cents	<b>(0.49)</b>	0.17

## Notes to the Condensed Consolidated Interim Financial Information

**11 PROPERTY, PLANT AND EQUIPMENT**

	Property S\$'000	Motor vehicles S\$'000	Computers, office equipment and furniture and fittings S\$'000	Plant and machinery S\$'000	Renovation S\$'000	Total S\$'000
<b>End of financial period 30 June 2020</b>						
Opening net book amount	8,387	3,310	146	5,333	176	17,352
Addition	–	662	34	584	8	1,288
Disposal	–	(92)	–	–	–	(92)
Depreciation	(518)	(654)	(56)	(1,026)	(24)	(2,278)
Closing net book amount	7,869	3,226	124	4,891	160	16,270
<b>At 30 June 2020</b>						
Cost	14,339	12,036	889	13,033	752	41,049
Accumulated depreciation	(6,470)	(8,810)	(765)	(8,142)	(592)	(24,779)
Net book amount	7,869	3,226	124	4,891	160	16,270
<b>Year ended 31 December 2019</b>						
Opening net book amount	9,424	2,953	168	5,833	210	18,588
Addition	–	1,793	103	1,543	22	3,461
Disposal	–	(141)	(2)	(124)	–	(267)
Depreciation	(1,037)	(1,295)	(123)	(1,919)	(56)	(4,430)
Closing net book amount	8,387	3,310	146	5,333	176	17,352
<b>At 31 December 2019</b>						
Cost	14,339	11,821	855	12,457	744	40,216
Accumulated depreciation	(5,952)	(8,511)	(709)	(7,124)	(568)	(22,864)
Net book amount	8,387	3,310	146	5,333	176	17,352

## Notes to the Condensed Consolidated Interim Financial Information

**11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Depreciation of the Group's property, plant and equipment has been charged to the unaudited condensed consolidated statement of comprehensive (loss)/income as follow:

	<b>For the six months ended 30 June</b>	
	<b>2020 S\$'000 (Unaudited)</b>	2019 S\$'000 (Unaudited)
Cost of sales	1,671	1,613
Administrative expenses	607	642
	<b>2,278</b>	2,255

As at 30 June 2020, the Group's borrowings are secured by mortgage of property and investment properties of the Group (Note 24) (31 December 2019: Same).

**12 INVESTMENT PROPERTIES**

	<b>As at 30 June 2020 S\$'000 (Unaudited)</b>	As at 31 December 2019 S\$'000 (Audited)
<b>Cost</b>		
Beginning of the period/year	1,910	1,960
Net fair value loss recognised in profit or loss	–	(50)
End of the period/year	<b>1,910</b>	1,910

Independent valuations of the Group's investment properties were performed by Knight Frank Petty Limited, a qualified valuer, to determine the fair value of the investment properties as at 31 December 2019. For the purpose of interim report, management expects that the fair value of investment properties did not materially change and full year valuation will be done for the financial year ended 31 December 2020.

## Notes to the Condensed Consolidated Interim Financial Information

**12 INVESTMENT PROPERTIES (CONTINUED)**

Fair value loss were charged to other gains, net.

As at 30 June 2020, all investment properties were mortgaged to secure the Group's bank borrowing (Note 24) (31 December 2019: Same).

As at 30 June 2020, the Group had no un-provided contractual obligations for future repairs and maintenance of its investment properties (31 December 2019: Nil).

As at the date of this report, one of the Group's investment properties, 31 Mandai Estate, #05-04/05 Innovation Place, Singapore, 729933 had been transferred to property, plant and equipment with commencement of owner occupation as employee's temporary living quarters as approved by Ministry of Manpower Singapore.

The following amounts were recognised in profit and loss:

	<b>For the six months ended 30 June</b>	
	<b>2020 S\$'000 (Unaudited)</b>	<b>2019 S\$'000 (Unaudited)</b>
Rental income	12	12
Direct operating expenses	(6)	(5)
	<b>6</b>	<b>7</b>

Details of the Group's investment properties are as follows:

<b>Location</b>	<b>Description/ existing use</b>	<b>Tenure</b>
25 Woodlands Industrial Park E1 #02-01 Admiralty Industrial Park, Singapore 757743	A flatted factory unit	60 years lease commencing from 9 January 1995
31 Mandai Estate, #05-04/05 Innovation Place, Singapore 729933	2 amalgamated flatted factory units	Freehold

## Notes to the Condensed Consolidated Interim Financial Information

**13 INVESTMENTS IN JOINT VENTURES**

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
Beginning of the period/year	661	986
Addition	4,400	–
Share of post-acquisition loss of joint ventures	(315)	(325)
End of the period/year	4,746	661

## Notes to the Condensed Consolidated Interim Financial Information

**13 INVESTMENTS IN JOINT VENTURES (CONTINUED)**

Set out below are the joint ventures of the Group throughout the six months ended 30 June 2020 and financial year ended 31 December 2019. These joint ventures have share capital consisting solely of ordinary shares, which are held directly by certain companies comprising the Group. The country of incorporation is also its principal place of business.

Name of entity	Place of business/ country of incorporation	% of ownership interest	
		As at 30 June 2020 (Unaudited)	As at 31 December 2019 (Audited)
SWG Alliance Pte. Ltd. and its subsidiaries (Note i)	Singapore	40	40
Futurus Construction Pte. Ltd. (Note ii)	Singapore	40	40

Notes:

- (i) SWG Alliance Pte. Ltd. is an investment holding company. The principal activities of its subsidiaries are manufacture of precast concrete, cement or artificial stone articles, asphalt products, and quarry products.
- (ii) Futurus Construction Pte. Ltd. is currently intended to engage in the business of distribution and leasing of machinery and equipment relating to the civil engineering industry.

The Group had no commitment to provide funding, if called, to these joint ventures and there were no contingent liabilities relating to the Group's interests in these joint ventures for the six months ended 30 June 2020 (31 December 2019: Same).

## Notes to the Condensed Consolidated Interim Financial Information

**13 INVESTMENTS IN JOINT VENTURES (CONTINUED)**

Set out below is the summarised financial information of joint ventures:

	<b>SWG Alliance Pte. Ltd. and its subsidiaries and Futurus Construction Pte. Ltd.</b>	
	<b>As at 30 June 2020 S\$'000 (Unaudited)</b>	As at 31 December 2019 S\$'000 (Audited)
Current assets	<b>7,631</b>	6,581
Non-current assets	<b>9,582</b>	8,614
Current liabilities	<b>(4,788)</b>	(12,915)
Non-current liabilities	<b>(544)</b>	(552)
Net assets	<b>11,881</b>	1,728

## Notes to the Condensed Consolidated Interim Financial Information

## 13 INVESTMENTS IN JOINT VENTURES (CONTINUED)

	<b>SWG Alliance Pte. Ltd. and its subsidiaries and Futurus Construction Pte. Ltd. For the six months ended 30 June</b>	
	<b>2020 S\$'000 (Unaudited)</b>	2019 S\$'000 (Unaudited)
Revenue	<b>1,688</b>	1,661
<b>Loss after tax</b>	<b>(856)</b>	(941)
<b>Other comprehensive income/(loss)</b>	<b>9</b>	(1)
<b>Loss after tax and total comprehensive loss, net of tax</b>	<b>(847)</b>	(942)
<b>Attributable to:</b>		
— Equity owners of joint ventures	<b>(787)</b>	(898)
— Non-controlling interest	<b>(60)</b>	(44)
	<b>(847)</b>	(942)

## Notes to the Condensed Consolidated Interim Financial Information

**13 INVESTMENTS IN JOINT VENTURES (CONTINUED)****Reconciliation of summarised financial information**

	<b>SWG Alliance Pte. Ltd. and its subsidiaries and Futurus Construction Pte. Ltd.</b>	
	<b>As at 30 June 2020 S\$'000 (Unaudited)</b>	As at 31 December 2019 S\$'000 (Audited)
Opening net assets	1,728	2,564
Addition	11,000	–
Contribution from a non-controlling interest	–	66
Loss for the period/year	(847)	(902)
Closing net assets	11,881	1,728
Net assets attributable to a non-controlling interests of joint ventures	15	75
Net assets attributable to joint venture partners	7,120	992
Net assets attributable to the Group	4,746	661
	11,881	1,728

## Notes to the Condensed Consolidated Interim Financial Information

**14 OTHER INVESTMENT**

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
Key management insurance contract	86	86
Movement of other investment are as follows:		
Beginning of the period/year	86	85
Changes in cash surrender value of key management insurance contracts	–	1
End of the period/year	86	86

The key management insurance contract was denominated in S\$.

## Notes to the Condensed Consolidated Interim Financial Information

## 15 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
<b>Financial assets</b>		
Carried at amortised cost:		
Trade and retention receivables	3,590	7,724
Other receivables, excluding prepayments and good and services tax receivables	1,023	3,471
Pledged bank deposits	1,976	1,044
Cash and cash equivalents	16,084	3,389
	<b>22,673</b>	15,628
<b>Financial liabilities</b>		
Financial liabilities at amortised cost:		
Trade payables	4,917	10,075
Accruals and other payables, excluding staff cost payables, good and services tax payable and provisions	922	2,537
Bank and other borrowings	29,025	25,560
Lease liabilities	1,766	1,793
	<b>36,630</b>	39,965

## Notes to the Condensed Consolidated Interim Financial Information

**16 INVENTORIES**

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
Raw materials and consumables	1,115	785

The cost of inventories recognised as expense and included in “cost of sales” amounted to approximately S\$2,746,000 for the six months ended 30 June 2020 (six months ended 30 June 2019: S\$3,560,000).

During the six months ended 30 June 2020, raw materials with cost of approximately S\$3,000 were written off (31 December 2019: Nil).

**17 TRADE AND RETENTION RECEIVABLES**

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
Trade receivables		
— Third parties	2,907	6,340
— Related parties (Note 28(b)(i))	2	16
	2,909	6,356
Less: Allowance for impairment of receivables	(524)	(234)
Trade receivable — net	2,385	6,122
Retention sum for contract works	1,205	1,602
	3,590	7,724

## Notes to the Condensed Consolidated Interim Financial Information

**17 TRADE AND RETENTION RECEIVABLES (CONTINUED)**

The Group's credit terms granted to third-party customers other than retention sum for contract works is generally 30 to 45 days. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion or the expiry of the defect liability period.

The ageing analysis of the trade receivables, based on invoice date, was as follows:

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
Less than 30 days	1,982	3,243
31–60 days	19	2,406
61–90 days	53	181
91–120 days	220	37
121–365 days	321	271
More than 1 year	314	218
	<b>2,909</b>	<b>6,356</b>

Movement in the allowance for impairment of trade receivables was as follows:

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
Beginning of the period/year	234	211
Impairment made	312	45
Impairment utilised	(22)	(22)
End of the period/year	<b>524</b>	<b>234</b>

## Notes to the Condensed Consolidated Interim Financial Information

**17 TRADE AND RETENTION RECEIVABLES (CONTINUED)**

The Group applied the simplified approach to provide for expected credit losses.

As at 30 June 2020, the carrying amounts of trade and retention receivables approximated their fair values (31 December 2019: Same).

Retention sum for contract works are settled in accordance with the terms of the respective contracts. In the statement of financial position, retention sum for contract works were classified as current assets based on operating cycle. The analysis of the retention sum for contract works based on the terms of contracts were as follows:

	<b>As at 30 June 2020 S\$'000 (Unaudited)</b>	As at 31 December 2019 S\$'000 (Audited)
To be recovered within 12 months	<b>1,205</b>	1,602

**18 CONTRACT ASSETS/(LIABILITIES)**

	<b>As at 30 June 2020 S\$'000 (Unaudited)</b>	As at 31 December 2019 S\$'000 (Audited)
Contract assets	<b>37,916</b>	41,052
Contract liabilities	<b>(214)</b>	(7)
Contract assets — net	<b>37,702</b>	41,045

## Notes to the Condensed Consolidated Interim Financial Information

**18 CONTRACT ASSETS/(LIABILITIES) (CONTINUED)****(i) Significant change in contract assets**

The decrease in contract assets during the financial period ended 30 June 2020 was attributed to agreed payment schedule and lower revenue recognition as a result of elevated set of safe distancing measures (“**Circuit Breaker**”) implemented by the Singapore Government to combat the pandemic of Novel Coronavirus (“**COVID-19**”).

**(ii) Revenue recognised in relation to contract liabilities:**

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
Revenue recognised in current period/year that was included in the contract liabilities balance at the beginning of the period/year	7	13

**(iii) Unsatisfied performance obligation:**

Unsatisfied performance obligations resulting from fixed-price long-term contracts were analysed as follows:

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
Aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied	251,258	271,671

## Notes to the Condensed Consolidated Interim Financial Information

**18 CONTRACT ASSETS/(LIABILITIES) (CONTINUED)****(iii) Unsatisfied performance obligation: (Continued)**

	<b>As at 30 June 2020 S\$'000 (Unaudited)</b>	As at 31 December 2019 S\$'000 (Audited)
Expected to be recognised within one year	151,862	128,406
Expected to be recognised after one year	99,396	143,265
	<b>251,258</b>	271,671

**19 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

	<b>As at 30 June 2020 S\$'000 (Unaudited)</b>	As at 31 December 2019 S\$'000 (Audited)
Other receivables		
— Third parties	121	258
— Related parties (Note 28(b)(ii))	—	434
Loans to related parties (Note 28(b)(iii))	—	2,200
Deposits	902	579
Prepayments	4,098	2,216
Good and services tax receivable	—	76
	<b>5,121</b>	5,763

The carrying amounts of deposits and other receivables of the Group approximated their fair values (31 December 2019: Same).

## Notes to the Condensed Consolidated Interim Financial Information

**20 CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS**

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
Cash at banks	16,003	3,337
Cash on hand	81	52
	<b>16,084</b>	3,389
Pledged bank deposits (Note (i))	1,976	1,044
	<b>18,060</b>	4,433

- (i) As at 30 June 2020, bank deposits of approximately S\$1,976,000 was pledged for borrowings of the Group (31 December 2019: S\$1,044,000).

The carrying amounts of cash and cash equivalents and pledged bank deposits were denominated in the following currencies:

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
Singapore Dollar	17,183	4,431
United States Dollar	2	2
Hong Kong Dollar	875	–
	<b>18,060</b>	4,433

## Notes to the Condensed Consolidated Interim Financial Information

**20 CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS (CONTINUED)**

Cash and cash equivalents included the following for the purpose of the statement of cash flows:

	<b>As at 30 June 2020 S\$'000 (Unaudited)</b>	As at 31 December 2019 S\$'000 (Audited)
Cash and cash equivalents in the unaudited condensed consolidated statement of financial position	<b>16,084</b>	3,389
Less: Bank overdrafts (Note 24)	–	(4,223)
Cash and cash equivalents in the unaudited condensed consolidated statement of cash flows	<b>16,084</b>	(834)

For the six months ended 30 June 2020, cash at banks generated interests at prevailing market interest rates ranged from 0.02% to 1.28% (31 December 2019: 0.02% to 1.28%).

**21 TRADE PAYABLES**

The average credit period granted for trade purchase was 30 days.

	<b>As at 30 June 2020 S\$'000 (Unaudited)</b>	As at 31 December 2019 S\$'000 (Audited)
Trade payables		
— Third parties	<b>4,240</b>	8,724
— Related parties (Note 28(b)(iv))	<b>677</b>	1,351
	<b>4,917</b>	10,075

## Notes to the Condensed Consolidated Interim Financial Information

**21 TRADE PAYABLES (CONTINUED)**

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

	<b>As at 30 June 2020 S\$'000 (Unaudited)</b>	As at 31 December 2019 S\$'000 (Audited)
Less than 30 days	1,710	2,931
31–60 days	724	3,703
61–90 days	795	2,193
91–120 days	832	389
121–365 days	807	609
More than one year	49	250
	<b>4,917</b>	10,075

As at 30 June 2020, the carrying amounts of trade payables approximated their fair values (31 December 2019: Same).

## Notes to the Condensed Consolidated Interim Financial Information

## 22 ACCRUALS, OTHER PAYABLES AND PROVISIONS

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
<i>Current</i>		
Other payables	465	1,949
Accruals for operating expenses	1,395	2,848
Deposits received — refundable	54	8
Good and services tax payable	434	–
Provisions	230	231
	<b>2,578</b>	5,036
<i>Non-current</i>		
Provisions	456	337

The carrying amounts of accruals and other payables were denominated in the following currencies:

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
Singapore Dollar	1,441	3,150
Hong Kong Dollar	419	1,521
United States Dollar	–	126
	<b>1,860</b>	4,797

## Notes to the Condensed Consolidated Interim Financial Information

**22 ACCRUALS, OTHER PAYABLES AND PROVISIONS (CONTINUED)**

Current provisions mainly represented provisions for leave entitlement and provision for repair works to be incurred after the completion of contract works. Non-current provisions represented provision for reinstatement costs.

Movement in provisions are as follows:

	<b>As at 30 June 2020 S\$'000 (Unaudited)</b>	As at 31 December 2019 S\$'000 (Audited)
Beginning of the period/year	568	442
Provision made	108	107
Unwinding of discount (Note 8)	10	19
End of the period/year	<b>686</b>	568

## Notes to the Condensed Consolidated Interim Financial Information

**23 LEASES****(i) Amounts recognised in the unaudited condensed consolidated statement of financial position**

	<b>As at 30 June 2020 S\$'000 (Unaudited)</b>	As at 31 December 2019 S\$'000 (Audited)
<i>Right-of-use assets</i>		
Land	1,706	1,737
Office equipment	5	12
	<b>1,711</b>	1,749
<i>Lease liabilities</i>		
Current	727	650
Non-current	1,039	1,143
	<b>1,766</b>	1,793

Additions to the right-of-use assets for the financial period 30 June 2020 were approximately S\$338,000 (31 December 2019: S\$1,195,000).

## Notes to the Condensed Consolidated Interim Financial Information

**23 LEASES (CONTINUED)****(ii) Amounts recognised in the unaudited condensed consolidated statement of comprehensive (loss)/income**

	<b>For the six months ended 30 June</b>	
	<b>2020 S\$'000 (Unaudited)</b>	<b>2019 S\$'000 (Unaudited)</b>
<b>Depreciation charge of right-to-use assets</b>		
Land	370	184
Office equipment	7	11
	<b>377</b>	<b>195</b>
Interest expense (included in finance costs) (Note 8)	38	26
Expenses relating to short-term leases and low value assets	26	27
	<b>64</b>	<b>53</b>

Depreciation of the Group's right-to-use assets has been charged to the unaudited condensed consolidated statement of comprehensive (loss)/income as follow:

	<b>For the six months ended 30 June</b>	
	<b>2020 S\$'000 (Unaudited)</b>	<b>2019 S\$'000 (Unaudited)</b>
Cost of sales	362	175
Administrative expenses	15	20
	<b>377</b>	<b>195</b>

## Notes to the Condensed Consolidated Interim Financial Information

**23 LEASES (CONTINUED)**

The total cash outflow for leases, excluding expenses relating to short term leases and low value assets, in six months ended 30 June 2020 were approximately S\$365,000 (six months ended 30 June 2019: S\$251,000).

**(iii) The Group's leasing activities and how these are accounted for**

The Group leases land and office equipment. Rental contracts are typically made for fixed periods of 2 to 13 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for other borrowing purposes.

Variable leases payment of land, initially measured using the rate at the commencement date, will be revised based on market rent prevailing every year but each increase shall not exceed 5.5% of the annual rent for each immediate preceding year. The Group reassess the right-to-use assets when the lease payment are revised.

Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to unaudited condensed consolidated statement of comprehensive (loss)/income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

## Notes to the Condensed Consolidated Interim Financial Information

**24 BANK AND OTHER BORROWINGS**

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
Bank overdrafts (Note 20)	–	4,223
Borrowings — secured	28,927	21,239
Borrowing from third party — unsecured	98	98
	<b>29,025</b>	25,560

The Group's borrowings, after taking into account of repayable on demand clause, were repayable as follows:

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
Within 1 year or on demand	26,889	22,918
After 1 year but within 2 years	1,127	1,479
After 2 years but within 5 years	1,009	1,163
	<b>29,025</b>	25,560

As at 30 June 2020, the Group's bank borrowings are secured by legal charges on investment properties (Note 12) and property of the Group (Note 11), pledged deposit (Note 20) and joint and several personal guarantees by the directors and corporate guarantee by the Company. At the date of this report, the remaining existing personal guarantees are in process to be replaced with corporate guarantee by the Company. Due to the pandemic and internal procedures of respective financial institutions, the discharge are delayed even though the Company has received consents in principle prior to Listing.

As at 30 June 2020, the carrying amounts of bank borrowings approximated their fair values (31 December 2019: Same).

## Notes to the Condensed Consolidated Interim Financial Information

**24 BANK AND OTHER BORROWINGS (CONTINUED)**

Borrowing from third party represents loan from a non-controlling interest and was unsecured, interest free and repayable on demand.

The weighted average interest rate was 3.04% as at 30 June 2020 (31 December 2019: 3.92%).

**25 SHARE CAPITAL**

	No. of shares	Share capital HK\$'000	
<b>Authorised:</b>			
At 15 May 2019 (date of incorporation) and 31 December 2019	38,000,000	380	
Increase on 18 February 2020	1,962,000,000	19,620	
At 30 June 2020	2,000,000,000	20,000	
	No. of shares	HK\$'000	S\$'000
<b>Issued and fully paid:</b>			
At 15 May 2019 (date of incorporation) and 31 December 2019	100	—*	—*
Issue of shares pursuant to the Group Reorganisation	100	—*	—*
Share issued under the Capitalisation Issue	797,999,800	7,980	1,436
Share issued under the Share Offer	266,000,000	2,660	479
At 30 June 2020	1,064,000,000	10,640	1,915

\* Less than HK\$1,000 and S\$1,000

## Notes to the Condensed Consolidated Interim Financial Information

### 25 SHARE CAPITAL (CONTINUED)

Notes:

- (i) Combined share capital as at 31 December 2019 amounted to S\$5,850,000 represented the combined share capital of the companies comprising the Group, after elimination of intra-group investments.
- (ii) On 12 February 2020, the Controlling Shareholders collectively transferred all of their respective shareholdings in WG (BVI) Limited ("**WG BVI**"), the then holding company of the other companies comprising the Group, to the Company. In consideration for such transfer of shares, an aggregate of 100 shares of the Company was issued, allotted and credited as fully paid to WGI BVI.

Upon completion of such share transfer, the Company became the holding company of all companies comprising the Group.

- (iii) On 18 February 2020, the authorised share capital of the Company was increased from HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each to HK\$20,000,000 divided into 2,000,000,000 shares of HK\$0.01 each by the creation of an additional 1,962,000,000 shares.
- (iv) On 12 March 2020, 797,999,800 shares of HK\$0.01 each were allotted and issued at par to the shareholders in proportion to their then shareholdings of the Company as at 18 February 2020 by capitalisation of an amount of HK\$7,979,998 (equivalent to approximately S\$1,436,000) standing to the credit of the share premium account of the Company.
- (v) On 12 March 2020, the Company issued 266,000,000 shares at HK\$0.48 each through an initial public offering of shares and raised gross cash proceeds of approximately HK\$128 million (equivalent to approximately S\$22,982,000) (before listing expenses). The Company's shares were listed on the Stock Exchange on 12 March 2020.

## Notes to the Condensed Consolidated Interim Financial Information

## 26 RESERVES

	Share premium S\$'000	Revaluation reserve S\$'000	Other reserve S\$'000	Exchange reserve S\$'000	Retained earnings S\$'000	Total S\$'000
At 1 January 2020	–	586	4,563	–	24,240	29,389
Loss for the period	–	–	–	–	(4,775)	(4,775)
Other comprehensive income for the period, net of tax	–	–	–	394	–	394
<b>Total comprehensive loss for the period</b>	–	–	–	394	(4,775)	(4,381)
<b>Transaction with equity holders of the companies comprising the Group, recognised in equity:</b>						
Elimination of share capital pursuant to the Reorganisation (Note 25)	–	–	5,850	–	–	5,850
Share issue pursuant to the Capitalisation (Note 25)	(1,436)	–	–	–	–	(1,436)
Share issue pursuant to the Listing (Note 25)	22,503	–	–	–	–	22,503
Listing expenses charged to share premium (Note 25)	(5,591)	–	–	–	–	(5,591)
At 30 June 2020 (Unaudited)	15,476	586	10,413	394	19,465	46,334

	Revaluation reserve S\$'000	Other reserve S\$'000	Retained earnings S\$'000	Total S\$'000
At 1 January 2019	586	4,563	18,671	23,820
Total comprehensive income for the year	–	–	6,769	6,769
<b>Transaction with equity holders of the companies comprising the Group, recognised in equity:</b>				
Dividend	–	–	(1,200)	(1,200)
At 31 December 2019 (Audited)	586	4,563	24,240	29,389

## Notes to the Condensed Consolidated Interim Financial Information

**27 DIVIDENDS**

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
Dividends	–	1,200

Dividends declared during the year ended 31 December 2019 represented dividends declared by the companies now comprising the Group to the then equity holders of those companies for the year ended 31 December 2019, after elimination of intra-group dividends.

The Board does not recommend the payment of an interim dividend for six months ended 30 June 2020.

No dividend has been paid or declared by the Company since its incorporation.

**28 RELATED PARTY TRANSACTIONS**

For the purposes of the unaudited condensed consolidated interim financial information, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operational decisions. Related parties may be individuals (being members of key management personnel, significant equity holders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

## Notes to the Condensed Consolidated Interim Financial Information

**28 RELATED PARTY TRANSACTIONS (CONTINUED)**

The directors are of the view that the following companies were related parties that had transactions or balances with the Group during the six months ended 30 June 2020:

<b>Name of the related party</b>	<b>Relationship with the Group through:</b>
Geenet Pte Ltd	Significant influence by Mr. Ng Choon Wee, son of NTS
Komasi Construction Pte Ltd	Significant influence by Mr. Ng Choon Tat, son of NTS
Eastern Green Power Pte Ltd	Significant influence by NTS
Ecobore Sdn Bhd	Significant influence by NTS
D Trenchless Engineering Company Pte Ltd	Controlled by Mr. Chen Teck Men, spouse of NML
Futurus Construction Pte Ltd	Joint venture of the Group
SWG Alliance Pte Ltd	Joint venture of the Group

**(a) Transactions with related parties**

	<b>For the six months ended 30 June</b>	
	<b>2020</b> <b>S\$'000</b> <b>(Unaudited)</b>	<b>2019</b> <b>S\$'000</b> <b>(Unaudited)</b>
Ancillary support services to: Eastern Green Power Pte Ltd	<b>21</b>	29
Sub-contracting charges from Futurus Construction Pte Ltd	<b>(44)</b>	–
Komasi Construction Pte Ltd	<b>(460)</b>	(18)

## Notes to the Condensed Consolidated Interim Financial Information

## 28 RELATED PARTY TRANSACTIONS (CONTINUED)

## (b) Balances with related parties

	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
(i) Trade and retention receivables		
Geenet Pte Ltd	–	2
Eastern Green Power Pte Ltd	2	14
	2	16
(ii) Other receivables		
Ecobore Sdn Bhd	–	434
(iii) <i>Loans to related parties — Non-trade</i>		
SWG Alliance Pte Ltd	–	2,200
	As at 30 June 2020 S\$'000 (Unaudited)	As at 31 December 2019 S\$'000 (Audited)
(iv) Trade payables		
D Trenchless Engineering Company Pte Ltd	5	5
Komasi Construction Pte Ltd	665	1,336
Futurus Construction Pte Ltd	3	10
Geenet Pte Ltd	4	–
	677	1,351

## Notes to the Condensed Consolidated Interim Financial Information

**28 RELATED PARTY TRANSACTIONS (CONTINUED)**

- (c) All balances with related parties were unsecured, interest-free, repayable on demand and denominated in S\$ during the six months ended 30 June 2020 (31 December 2019: Same).

All other receivables are trade in nature and will be settled in accordance with the terms of the arrangement.

Transactions with related parties were conducted in the normal course of business at prices and at terms as agreed by the transacting parties.

- (d) As at 30 June 2020, the Group's bank borrowings were secured by joint and several personal guarantees by directors and corporate guarantee by the Company. The Group's performance bonds issued by insurance companies were secured by personal guarantees by directors. At the date of this report, the remaining existing personal guarantees are in process to be replaced with corporate guarantee by the Company. Due to the pandemic and internal procedures of respective financial institutions, the discharge are delayed eventhough the Company has received consents in principle prior to Listing.

(e) **Key management compensation**

Key management includes executive and non-executive directors of the Group. The compensation paid or payable to key management was disclosed in Note 30 to the combined financial statements.

**29 CONTINGENCIES**

The Group had performance bonds for guarantees of completion of projects issued by insurance companies amounting to approximately \$13,709,000 as at 30 June 2020 (31 December 2019: S\$13,709,000).

The Group had security bonds made under section 12 of Employment of Foreign Manpower (Work Passes) Regulations amounting to approximately S\$2,025,000 as at 30 June 2020 (31 December 2019: S\$2,045,000).

## Notes to the Condensed Consolidated Interim Financial Information

### 30 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HONG KONG LISTING RULES)

#### (a) Directors' emoluments

The remunerations of the directors for the six months ended 30 June 2020 is set out below:

	Fee S\$'000	Salaries and benefits in kind S\$'000	Bonuses S\$'000	Retirement benefit costs — defined contribution plans S\$'000	Total S\$'000
<b>For the six months ended 30 June 2020</b>					
<i>Executive directors</i>					
Ng Tian Soo	–	257	87	6	350
Ng Tian Fah	–	217	80	11	308
<i>Independent non-executive directors</i>					
Gary Ng Sin Tong (alias Gary Huang Chendong)	7	–	–	–	7
Lee Wing Yin Jessica	7	–	–	–	7
George Christopher Holland	7	–	–	–	7
	21	474	167	17	679

The remunerations of the directors for the six months ended 30 June 2019 is set out below:

#### For the six months ended 30 June 2019

<i>Executive directors</i>					
Ng Tian Soo	–	207	29	8	244
Ng Tian Fah	–	139	23	11	173
	–	346	52	19	417

## Notes to the Condensed Consolidated Interim Financial Information

**30 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HONG KONG LISTING RULES) (CONTINUED)****(a) Directors' emoluments (Continued)**

Gary Ng Sin Tong (alias Gary Huang Chendong), Lee Wing Yin Jessica and George Christopher Holland were appointed as independent non-executive Directors on 18 February 2020.

**(b) Directors' retirement benefits**

During the six months ended 30 June 2020, no retirement benefits were paid to or receivable by any director in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking (six months ended 30 June 2019: Nil).

**(c) Directors' termination benefits**

No payment was made to directors as compensation for early termination of the appointment during the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

**(d) Consideration provided to third parties for making available directors' services**

No payment was made to third parties for making available directors' services during the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

**(e) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by, and entities connected with, such directors**

Save as disclosed in Note 28, there were no other loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

## Notes to the Condensed Consolidated Interim Financial Information

### 30 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HONG KONG LISTING RULES) (CONTINUED)

#### (f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the months ended 30 June 2020 (six months ended 30 June 2019: Nil).

### 31 SUBSEQUENT EVENTS

Saved as disclosed elsewhere in this report, subsequent to 30 June 2020, the following subsequent event took place:

- (i) Since January 2020, Singapore and Malaysia has reported certain confirmed cases of COVID-19. The Singapore government has implemented Circuit Breaker from 7 April 2020 to 1 June 2020 and Malaysia government has implemented Movement Control Order ("MCO") from 18 March 2020 to 9 June 2020 which called for closure of all non-essential services. The outbreak of COVID-19 is affecting the usual business environment of both Singapore and Malaysia, the two jurisdictions in which the Group operates and our operations did not immediately resume to its normal level even such control has since been lifted. Our Group continues to closely monitor the development of the pandemic and evaluate the impact on the financial position and operating results of the Group.

# Management Discussion and Analysis

## INDUSTRY OVERVIEW

The civil engineering utilities market in Singapore is severely affected by the pandemic of Novel Coronavirus (“**COVID-19**”). According to the forecasts published by the Ministry of Trade and Industry Singapore (“**MTI**”) on 11 August 2020, the MTI narrowed Singapore’s GDP growth forecast for 2020 to “-7.0 to -5.0 per cent”, from “-7.0 to -4.0 per cent”.

## BUSINESS REVIEW AND PROSPECTS

The core business and revenue structure of the Group have remained unchanged for the six months ended 30 June 2020. The Group’s operations, other than those of certain joint ventures, are located in Singapore and our revenue and profit from operations are solely derived from contract works rendered within Singapore. The Group is actively involved as a main contractor or subcontractor in both private and public sector projects and the revenue was principally derived from (i) contract works in relation to the installation of power cables, telecommunication cables (including ISP works and OSP works) and sewerage pipelines by applying methods such as open cut excavation or trenchless methods; (ii) road milling and resurfacing services; (iii) ancillary and other support services; and (iv) sales of goods and milled waste.

All construction activities, including those of the Group, were suspended in April to June 2020 under elevated set of safe distancing measures (the “**Circuit Breaker**”) implemented by the Singapore Government to contain the outbreak. While a controlled restart of some construction activities has since been permitted, the pace of resumption has been slow. In addition, the Group is required to comply with government measures such as the safe worksite requirements prior to resuming work, and conducting regular swab tests on its workers after resumption. It is expected that the Group will be incurring additional costs for complying with these requirements going forward. Along with the uncertainty and other challenges brought about by the pandemic, the Group expects its performance for the year ended 31 December 2020 to be adversely affected.

The Group will continue to leverage its solid track record and proven expertise to tender for public and private sector projects. However, there might be delays for tenders for major public infrastructure projects in view of the pandemic.

The Group will actively monitor the situation to ensure smooth and safe development of its projects, while leveraging government grants to moderate the financial impact of the delay. The Group has made cash conservation and cost control a top priority, and will exercise caution when exploring business opportunities during this COVID-19 period.

## Management Discussion and Analysis

### ONGOING PROJECTS

As at 30 June 2020, the Group had 26 (30 June 2019: 20) ongoing projects, including 22 ongoing power cable installation projects, two telecommunication cable installation projects and two ongoing cable installation projects with an aggregated contract sum of approximately S\$329.6 million, of which approximately S\$78.3 million has been recognised as revenue up to 30 June 2020. The remaining balance will be recognised as our revenue in accordance with the respective stage of completion.

### FINANCIAL REVIEW

Below is the financial review for the six months ended 30 June 2020 as compared to six months ended 30 June 2019.

#### Revenue

The following table sets out the breakdown of the Group's revenue by goods and services types for the six months ended 30 June 2020 and 2019.

	For the six months ended 30 June	
	2020 S\$'000 (Unaudited)	2019 S\$'000 (Unaudited)
Revenue from contract works		
— Power	20,018	18,861
— Telecommunication	718	2,497
— Sewerage	—	493
Subtotal	20,736	21,851
Road Milling and resurfacing services	1,901	3,601
Ancillary support and other services	363	412
Sales of goods and milled waste	188	569
Total	23,188	26,433

## Management Discussion and Analysis

Our revenue decreased by approximately S\$3.2 million from approximately S\$26.4 million for the six months ended 30 June 2019 to approximately S\$23.2 million for the six months ended 30 June 2020, representing a decrease of approximately 12.3%. This decrease was mainly attributable to:

- (1) decrease in revenue from contract works by approximately S\$1.1 million with combined effects of (i) the increase in revenue from power cable installation projects by approximately S\$1.2 million was mainly due to substantial progress of five projects with revenue recognised for the six months ended 30 June 2020 before the implementation of Circuit Breaker compared to 30 June 2019; (ii) the decrease in revenue from telecommunication cable installation projects by approximately S\$1.8 million was due to decreased revenue recognition in one of the projects for the six months ended 30 June 2020 due to the respective project stage as contracted; and (iii) the decrease in revenue from sewerage due to completion of sewerage projects during the year ended 31 December 2019;
- (2) decrease in revenue from road milling and resurfacing services by approximately S\$1.7 million due to Circuit Breaker measures implemented by the Singapore Government; and
- (3) slight decrease in revenue from sales of goods and milled waste by approximately S\$0.4 million.

### Costs of sales

Our costs of sales increased by approximately S\$3.0 million from approximately S\$19.0 million for the six months ended 30 June 2019 to approximately S\$22.0 million for the six months ended 30 June 2020, representing an increase of approximately 15.9%, primarily as a result of (a) increase in subcontracting charges incurred for certain projects undertaken during the period; (b) the Group had to pay wages for direct labours during the Circuit Breaker period; and (c) additional costs were incurred in the adoption and implementation of additional safe and controlled restart measures for our employees before resumption of the Group's operating activities.

## Management Discussion and Analysis

### Gross profit and gross profit margin

The Group's gross profit decreased by approximately S\$6.3 million from approximately S\$7.5 million for the six months ended 30 June 2019 to approximately S\$1.2 million for the six months ended 30 June 2020, while the Group's gross profit margin decreased from approximately 28.3% for the six months ended 30 June 2019 to approximately 5.3% for the six months ended 30 June 2020.

The significant decrease in gross profit margin is mainly due to (a) Circuit Breaker implemented by the Singapore Government where our Group experienced disruption which our operations did not immediately resume to its normal level even after Circuit Breaker was lifted which led to decrease in the revenue; (b) our Group had to pay wages for our direct labours during the Circuit Breaker period while such costs could not generate any corresponding project revenue during the Circuit Breaker period; and (c) additional costs were incurred in the adoption and implementation of additional safe and controlled restart measures for our employees before resumption of the Group's operating activities.

### Other income and other gains/(losses), net

Other income and other gains/(losses), net increased by approximately S\$1.5 million from approximately S\$0.1 million for the six months ended 30 June 2019 to approximately S\$1.6 million for the six months ended 30 June 2020 was mainly attributable to the grants received from the Singapore Government such as Foreign Worker Levy Rebates and Job Support Scheme.

### Administrative expenses

Our administrative expenses increased by approximately S\$1.3 million from approximately S\$5.0 million for the six months ended 30 June 2019 to approximately S\$6.3 million for the six months ended 30 June 2020. Such increase was mainly attributable to the net effects of (a) increase in legal and professional fees by approximately S\$1.2 million in relation to additional compliance cost incurred after the shares of Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"); (b) increase in employee benefit costs by approximately S\$0.8 million; and (c) our Group had incurred the one-off listing expenses of approximately S\$1.0 million and S\$1.8 million for the six months ended 30 June 2020 and 2019, respectively.

## Management Discussion and Analysis

### Allowance for impairment of receivables

An allowance for impairment of receivables increased by approximately S\$0.2 million from approximately S\$0.1 million for the six months ended 30 June 2019 to approximately S\$0.3 million for the six months ended 30 June 2020. Such increase was mainly due to the increase in trade receivables that were aged over 120 days and recognition of allowance for expected credit loss for the six months ended 30 June 2020.

### Finance income

The finance income mainly represented interest income from bank deposits and fixed deposits. It decreased by approximately S\$2,000 during the six months ended 30 June 2020 mainly due to maturity of such fixed deposits during the period.

### Finance costs

The finance costs mainly represented interest expense relating to our bank and other borrowings, lease liabilities and unwinding of discount of reinstatement costs. It increased by approximately S\$0.2 million from approximately S\$0.3 million for the six months ended 30 June 2019 to approximately S\$0.5 million for the six months ended 30 June 2020 as a result of the increase in bank and other borrowings from approximately S\$25.6 million as at 31 December 2019 to approximately S\$29.0 million as at 30 June 2020.

### Income tax expense

Income tax expenses increased by approximately S\$14,000 for the six months ended 30 June 2020 compared to six months ended 30 June 2019, against a backdrop in the decrease of profit before tax of approximately S\$1.8 million for the six months ended 30 June 2019 to loss before income tax of approximately S\$4.6 million for the six months ended 30 June 2020.

This was due to the combined effects of (a) the decrease in income tax expense of approximately S\$0.2 million for the six months ended 30 June 2020, which is in line with the decrease in revenue and gross profit; and (b) the increase of deferred taxation of approximately S\$0.2 million.

### (Loss)/profit for the period

As a result of the foregoing, the Group recorded a net loss for the six months ended 30 June 2020 of approximately S\$4.9 million as compared to the net profit of approximately S\$1.5 million for the six months ended 30 June 2019, representing a decrease of approximately S\$6.4 million.

## Management Discussion and Analysis

### LIQUIDITY AND CAPITAL RESOURCES

The shares of the Company were successfully listed on the Stock Exchange on 12 March 2020 and there has been no change in capital structure of the Group since then.

Our liquidity requirements are primarily attributable to our working capital for our business operations. Our principal sources of liquidity comprises of cash and cash equivalents, cash generated from our operations, net proceeds from the share offer and borrowings.

As at 30 June 2020, the Group maintained a healthy liquidity position with net current asset balance and cash and cash equivalents of approximately S\$28.6 million (31 December 2019: S\$19.1 million) and approximately S\$16.1 million (31 December 2019: S\$3.4 million) respectively. The increase in cash and cash equivalents of approximately S\$12.7 million as at 30 June 2020 compared to 31 December 2019 was mainly due to the listing proceeds received from share offer. The Group's cash and cash equivalents were denominated in Singapore dollars, Hong Kong dollars and United States dollars.

Our Group aims to maintain flexibility in funding by utilising committed credit lines available and interest bearing borrowing, and regularly monitors the current and expected liquidity requirements to ensure that we maintain sufficient financial resources to meet our liquidity requirements.

### Borrowings

As at 30 June 2020, the Group had total borrowings (including bank and other borrowings and lease liabilities) of approximately S\$30.8 million (31 December 2019: S\$27.4 million) which were denominated in Singapore dollars. The Group's borrowings have not been hedged by any interest rate financial instruments.

### Gearing ratio

Gearing ratio is calculated as total borrowings (including bank and other borrowings and lease liabilities) divided by the total equity as at the reporting dates.

As at 30 June 2020, our gearing ratio was approximately 61.9% (31 December 2019: 74.1%). The decrease in our gearing ratio as at 30 June 2020 was mainly due to the increase in equity as the shares of the Company have been listed on the Stock Exchange on 12 March 2020.

## Management Discussion and Analysis

### Net debt to total capital ratio

Net debt to total capital ratio is calculated as net debts (i.e. lease liabilities, bank and other borrowings and net of cash and cash equivalents and pledged bank deposits) divided by total capital (i.e. net debts and total equity) as at the reporting dates.

As at 30 June 2020, our net debt to total capital ratio was approximately 20.4% (31 December 2019: 38.3%). The decrease in our net debt to total capital ratio was due mainly due to the increase in equity as the shares of the Company have been listed on the Stock Exchange on 12 March 2020.

### Capital expenditures

During the six months ended 30 June 2020, the Group incurred capital expenditures of approximately S\$1.3 million (six months ended 30 June 2019: S\$1.5 million), primarily due to purchases of plant and equipment and motor vehicles.

### Contingencies

As at 30 June 2020, our Group had performance bonds of guarantees for completion of projects issued by insurance companies amounting to approximately S\$13.7 million (31 December 2019: S\$13.7 million).

As at 30 June 2020, our Group also had security bonds made under section 12 of Employment of Foreign Manpower (Work Passes) Regulations amounting to approximately S\$2.0 million (31 December 2019: S\$2.0 million).

### Off-balance sheet arrangements and commitments

Our Directors confirm that as at the date of this report, other than the above contingencies, we did not have any off-balance sheet arrangements or commitments.

### Pledge of assets

As at 30 June 2020, the Group's investment properties of approximately S\$1.9 million (31 December 2019: S\$1.9 million), property of approximately S\$7.9 million (31 December 2019: S\$8.4 million) and bank deposits of approximately S\$2.0 million (31 December 2019: S\$1.0 million) were pledged for bank borrowings.

### Future plan for material investments and capital assets

Saved as disclosed in the Prospectus, the Group did not have any plans for material investments and capital assets as at the date of this report.

## Management Discussion and Analysis

### Significant investments, acquisitions and disposals

During the six months ended 30 June 2020, the Group did not have any significant investments, acquisitions or disposals, except for the reorganisation of the Group with details set forth in the Company's prospectus dated 25 February 2020 (the "**Prospectus**") and increase in investment in one of our joint ventures, SWG Alliance Pte. Ltd. by approximately S\$4.4 million with no change in percentage of ownership interest.

### Financial instruments

Our major financial instruments include trade receivables, other receivables excluding prepayments, cash and cash equivalents, pledged bank deposits, borrowings, trade payables and other payables excluding non-financial liabilities. Our management manages such exposure to ensure appropriate measures are implemented on a timely and effective manner.

### Foreign exchange exposure

The headquarters and principal place of business of the Group is in Singapore with our revenue and costs of sales mainly denominated in Singapore dollars, which is the functional currency of all the Group's operating companies.

However, as the shares of the Company have been listed on the Stock Exchange on 12 March 2020, the Group retains portion of listing proceeds from share offer denominated in Hong Kong dollars amounting to approximately HK\$4.6 million that are exposed to fluctuations in 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.

### EMPLOYEES AND REMUNERATION POLICIES

As at the 30 June 2020, we had 617 full time employees (31 December 2019: 622) who were directly employed by us and based in Singapore.

We offer remuneration package to our employees which includes salary, bonuses and allowance. Generally, we consider employees' salaries based on each of their qualifications, position and seniority. Our Company has an annual review system to appraise the performance of our employees, which constitutes the grounds of our decision as to the salary raises, bonuses and promotions.

## Management Discussion and Analysis

### SIGNIFICANT EVENT AFTER REPORTING PERIOD

Since January 2020, Singapore and Malaysia has reported certain confirmed cases of COVID-19. The Singapore Government has implemented Circuit Breaker from 7 April 2020 to 1 June 2020 and Malaysia government has implemented Movement Control Order (“MCO”) from 18 March 2020 to 9 June 2020 which called for closure of all non-essential services. The outbreak of COVID-19 is affecting the usual business environment of both Singapore and Malaysia, the two jurisdictions in which the Group operates and our operations did not immediately resume to its normal level even such control has since been lifted. Our Group continues to closely monitor the development of the pandemic and evaluate the impact on the financial position and operating results of the Group.

### USE OF PROCEEDS FROM SHARE OFFER

The net proceeds from the share offer were approximately HK\$71.0 million (equivalent to approximately S\$12.8 million) after deducting underwriting commissions and all related expenses. An analysis of the utilisation of the net proceeds from the share offer from the date of listing to 30 June 2020 is set out below:

	Net proceeds from share offer S\$'000	Actual use of net proceeds from the date of listing to 30 June 2020 S\$'000	Unutilised balance as at 30 June 2020 S\$'000
Strengthening our financial position	10,082	3,436	6,646
Recruitment of staff	2,712	64	2,648
<b>Total</b>	<b>12,794</b>	<b>3,500</b>	<b>9,294</b>

During the six months ended 30 June 2020, all use of proceeds were in accordance with the intentions previously disclosed in the Prospectus and there was no material change or delay in the use of proceeds. As at 30 June 2020, all of the unused proceeds were deposited in the licensed banks in Singapore and Hong Kong.

## Management Discussion and Analysis

### **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2020.

The declaration and payment of future dividends will be subject to the decision of the Board having regard to various factors, including but not limited to our operation and financial performance, profitability, business development, prospects, capital requirements, and economic outlook. It is also subject to any applicable laws. The historical dividend payments may not be indicative of future dividend trends. We do not have any predetermined dividend payout ratio.

## Other Information

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance 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 entered in the register referred to therein or which were required to be 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 were as follows:

#### (a) Long positions in the shares of the Company

Name of Director	Nature of interest	Number of Shares held	Percentage of issued share capital
Mr. Ng Tian Soo ("Mr. Ng TS") (Note)	Interest in controlled corporation	798,000,000	75%
Mr. Ng Tian Fah ("Mr. Ng TF") (Note)	Interest in controlled corporation	798,000,000	75%

Note: 798,000,000 shares of HK\$0.01 each of the Company ("Shares") are held by WGI INTERNATIONAL (BVI) LIMITED ("WGI (BVI)") which is beneficially owned as to 33% by Mr. Ng TS, 28% by Mr. Ng TF, 28% by Mr. Ng Tian Kew ("Mr. Ng TK"), 9% by Ms. Ng Mei Lian ("Ms. Ng ML") and 2% by Mr. Chai Kwee Lim ("Mr. Chai KL"). Pursuant to the concert parties confirmatory deed entered on 23 July 2019, Mr. Ng TS, Mr. Ng TF, Mr. Ng TK, Ms. Ng ML and Mr. Chai KL become parties acting in concert and they are deemed to be interested in the Shares held by WGI (BVI) pursuant to the SFO.

**(b) Long positions in the shares of associated corporations**

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Nature of interest</b>	<b>Number of shares held</b>	<b>Percentage of interest in associated corporation</b>
Mr. Ng TS (Note)	WGI (BVI)	Beneficial owner	16,500	33%
Mr. Ng TF (Note)	WGI (BVI)	Beneficial owner	14,000	28%

Note: The Company is owned as to 75% by WGI (BVI). WGI (BVI) is beneficially owned as to 33% by Mr. Ng TS, 28% by Mr. Ng TF, 28% by Mr. Ng TK, 9% by Ms. Ng ML and 2% by Mr. Chai KL.

Save as disclosed above, as at 30 June 2020, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of 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 or 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 entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

## Other Information

**SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY**

As at 30 June 2020, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

**Long positions in the shares of the Company**

<b>Name of shareholder</b>	<b>Nature of interest</b>	<b>Number of Shares held</b>	<b>Percentage of issued share capital</b>
WGI (BVI) (Note 1)	Beneficial owner	798,000,000	75%
Mr. Ng TS (Note 1)	Interest in controlled corporation	798,000,000	75%
Mr. Ng TF (Note 1)	Interest in controlled corporation	798,000,000	75%
Mr. Ng TK (Note 1)	Interest in controlled corporation	798,000,000	75%
Ms. Ng ML (Note 1)	Interest in controlled corporation	798,000,000	75%
Mr. Chai KL (Note 1)	Interest in controlled corporation	798,000,000	75%
Ms. Pang Kip Moi (Note 2)	Interest of spouse	798,000,000	75%
Ms. Phang May Lan (Note 3)	Interest of spouse	798,000,000	75%
Ms. Tang Siaw Tien (Note 4)	Interest of spouse	798,000,000	75%
Mr. Chen Teck Men (Note 5)	Interest of spouse	798,000,000	75%

## Other Information

### Notes:

1. 798,000,000 Shares are held by WGI (BVI) which is beneficially owned as to 33% by Mr. Ng TS, 28% by Mr. Ng TF, 28% by Mr. Ng TK, 9% by Ms. Ng ML and 2% by Mr. Chai KL. Pursuant to the concert parties confirmatory deed entered on 23 July 2019, Mr. Ng TS, Mr. Ng TF, Mr. Ng TK, Ms. Ng ML and Mr. Chai KL become parties acting in concert and they are deemed to be interested in the Shares held by WGI (BVI) pursuant to the SFO.
2. Ms. Pang Kip Moi is the spouse of Mr. Ng TS. Accordingly, Ms. Pang Kip Moi is deemed, or taken to be, interested in all the Shares that Mr. Ng TS is interested in by virtue of the SFO.
3. Ms. Phang May Lan is the spouse of Mr. Ng TF. Accordingly, Ms. Phang May Lan is deemed, or taken to be, interested in all the Shares that Mr. Ng TF is interested in by virtue of the SFO.
4. Ms. Tang Siaw Tien is the spouse of Mr. Ng TK. Accordingly, Ms. Tang Siaw Tien is deemed, or taken to be, interested in all the Shares that Mr. Ng TK is interested in by virtue of the SFO.
5. Mr. Chen Teck Men is the spouse of Ms. Ng ML. Accordingly, Mr. Chen Teck Men is deemed, or taken to be, interested in all the Shares that Ms. Ng ML is interested in by virtue of the SFO.

Save as disclosed above, as at 30 June 2020, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company 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 maintained by the Company pursuant to Section 336 of the SFO.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions (the "**Securities Dealing Code**"). Specific enquiry has been made with all the Directors and all of them confirmed that they have complied with the Model Code and the Securities Dealing Code during the six months ended 30 June 2020. The Company will from time to time reiterate and provide reminders to the Directors regarding the procedures, rules and requirements to be complied with by them in relation to Directors' dealings in securities.

## Other Information

### CORPORATE GOVERNANCE

During the six months ended 30 June 2020, the Company complied with the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 of the Listing Rules.

The Company reviews its corporate governance practices regularly to ensure compliance with the CG Code.

### SHARE OPTION SCHEME

The shareholders of the Company approved and conditionally adopted a share option scheme on 18 February 2020 (the “**Share Option Scheme**”) to enable the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group. The Share Option Scheme took effect on 12 March 2020. No share options have been granted, exercised, lapsed or cancelled under the Share Option Scheme since then and up to the date of this report.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2020.

### DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed “DIRECTORS AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS” and “SHARE OPTION SCHEME” in this report, at no time during the period from the listing date and up to the date of this report was the Company or any of its subsidiaries a party to any arrangements 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.

### AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group’s unaudited interim results for the six months ended 30 June 2020 and the accounting principles and practices adopted by the Group and discussed risk management, internal control and financing reporting matters with the management of the Company including a review of the unaudited financial statements for the six months ended 30 June 2020 with no disagreement by the audit committee of the Company.

By Order of the Board  
**Wei Yuan Holdings Limited**  
**Ng Tian Soo**  
*Chairman and Executive Director*

Singapore, 28 August 2020