

# Wei Yuan Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1343

**2021**  
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

Ms. Fung Mei Ling

## AUTHORISED REPRESENTATIVES

Mr. Ng Tian Soo

Ms. Fung Mei Ling

## AUDITOR

Moore Stephens CPA Limited  
Certified Public Accountants  
801-806 Silvercord, Tower 1  
30 Canton Road, Tsimshatsui  
Kowloon, Hong Kong

## 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

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Cayman Islands

**HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE**

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Singapore 728643

**PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

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United Centre  
95 Queensway  
Hong Kong

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

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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**

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**INVESTOR RELATIONS CONTACT**

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**STOCK CODE**

1343

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

The board (the “**Board**”) of directors (the “**Directors**”) of Wei Yuan Holdings Limited (the “**Company**”) is pleased to present the unaudited interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2021 together with comparative figures for the corresponding period in 2020 as follows:

	Notes	For the six months ended 30 June	
		2021 S\$'000 (Unaudited)	2020 S\$'000 (Unaudited)
Revenue	4	44,445	23,188
Cost of sales		(38,464)	(21,962)
<b>Gross profit</b>		<b>5,981</b>	1,226
Other income and other gains, net	5	1,042	1,633
Administrative expenses		(4,490)	(6,306)
Allowance for impairment of trade receivables and contract assets		(249)	(312)
<b>Operating profit/(loss)</b>	6	<b>2,284</b>	(3,759)
Finance income	8	5	4
Finance costs	8	(516)	(511)
Share of loss of joint ventures, net of tax	13	(217)	(315)
<b>Profit/(loss) before income tax</b>		<b>1,556</b>	(4,581)
Income tax expense	9	(314)	(336)
<b>Profit/(loss) for the period</b>		<b>1,242</b>	(4,917)
<b>Profit/(loss) for the period attributable to:</b>			
Equity holders of the Company		947	(4,775)
Non-controlling interests		295	(142)
		<b>1,242</b>	(4,917)

## Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

	Note	For the six months ended 30 June	
		2021 S\$'000 (Unaudited)	2020 S\$'000 (Unaudited)
<b>Other comprehensive income:</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Currency translation differences		31	394
<b>Other comprehensive income for the period, net of tax</b>		<b>31</b>	<b>394</b>
<b>Total comprehensive income/(loss) for the period attributable to:</b>			
Equity holders of the Company		978	(4,381)
Non-controlling interests		295	(142)
		<b>1,273</b>	<b>(4,523)</b>
<b>Earnings/(loss) per share (expressed in Singapore cents per share)</b>			
Basic and diluted	10	<b>0.09</b>	(0.49)

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

## Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	26,271	17,332
Right-of-use assets	23	5,245	1,427
Investment property	12	380	380
Investments in joint ventures	13	4,452	4,669
Other financial assets	14	86	86
Deposit	19	–	715
Deferred income tax assets		117	117
		<b>36,551</b>	<b>24,726</b>
<b>Current assets</b>			
Inventories	16	1,272	908
Trade receivables	17	9,982	5,621
Contract assets	18	59,271	56,266
Deposits, prepayments and other receivables	19	4,704	5,502
Pledged bank deposits	20	840	207
Cash and cash equivalents	20	5,175	8,059
		<b>81,244</b>	<b>76,563</b>
<b>Current liabilities</b>			
Trade and retention payables	21	12,342	10,037
Accruals, other payables and provisions	22	3,289	3,566
Contract liabilities	18	1,933	–
Current income tax liabilities		229	664
Bank and other borrowings	24	39,797	32,861
Lease liabilities	23	798	657
		<b>58,388</b>	<b>47,785</b>
<b>Net current assets</b>		<b>22,856</b>	<b>28,778</b>
<b>Total assets less current liabilities</b>		<b>59,407</b>	<b>53,504</b>

## Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
<b>Non-current liabilities</b>			
Deferred income tax liabilities		112	12
Bank and other borrowings	24	2,175	1,418
Lease liabilities	23	4,512	823
Provisions	22	623	539
		<b>7,422</b>	<b>2,792</b>
<b>Net assets</b>			
		<b>51,985</b>	<b>50,712</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	25	1,915	1,915
Share premium		15,475	15,475
Revaluation reserve		586	586
Other reserve		10,413	10,413
Exchange reserve		233	202
Retained earnings		21,363	20,416
		<b>49,985</b>	<b>49,007</b>
Non-controlling interests		2,000	1,705
<b>Total equity</b>			
		<b>51,985</b>	<b>50,712</b>

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

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Attributable to equity holders of the Company							Non-Controlling interests	Total
	Share capital	Share premium	Revaluation reserve	Other reserve	Exchange reserve	Retained earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2021	1,915	15,475	586	10,413	202	20,416	49,007	1,705	50,712
Profit for the period	-	-	-	-	-	947	947	295	1,242
Other comprehensive income for the period, net of tax	-	-	-	-	31	-	31	-	31
<b>Total comprehensive income for the period</b>	-	-	-	-	31	947	978	295	1,273
At 30 June 2021 (Unaudited)	1,915	15,475	586	10,413	233	21,363	49,985	2,000	51,985
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 Company</b>									
Elimination of share capital pursuant to the Reorganisation	(5,850)	-	-	5,850	-	-	-	-	-
Share issue pursuant to the Capitalisation	1,436	(1,436)	-	-	-	-	-	-	-
Share issue pursuant to the Listing	479	22,503	-	-	-	-	22,982	-	22,982
Listing expenses charged to share premium	-	(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

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

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	For the six months ended 30 June	
	2021 S\$'000 (Unaudited)	2020 S\$'000 (Unaudited)
<b>Cash flows from operating activities</b>		
Net cash generated from/(used in) operations	3,792	(2,638)
Income tax paid	(649)	(342)
Interest received	5	4
<b>Net cash generated from/(used in) operating activities</b>	<b>3,148</b>	<b>(2,976)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	87	102
Purchase of property, plant and equipment	(938)	(1,288)
Loan to a related party	(600)	–
Repayment of loan from a related party	–	2,200
Investment in joint venture	–	(4,400)
Changes in pledged bank deposits	(633)	(932)
<b>Net cash used in investing activities</b>	<b>(2,084)</b>	<b>(4,318)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(506)	(501)
Proceeds from issuance of new shares upon listing	–	22,982
Proceeds from bank and other borrowings	18,447	23,323
Repayments of bank and other borrowings	(23,398)	(15,636)
Repayments of obligations under leases	(399)	(365)
Payment of listing expenses directly attributable to issue of shares	–	(5,591)
<b>Net cash (used in)/generated from financing activities</b>	<b>(5,856)</b>	<b>24,212</b>

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	For the six months ended 30 June	
	2021 S\$'000 (Unaudited)	2020 S\$'000 (Unaudited)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,792)</b>	16,918
Cash and cash equivalents at beginning of the period	8,059	(834)
Exchange difference for bank balance not denominated in S\$	(3)	–
<b>Cash and cash equivalents at end of the period</b>	<b>3,264</b>	16,084
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash and cash equivalents	5,175	16,084
Bank overdrafts	(1,911)	–
	<b>3,264</b>	16,084

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 Statements

## 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**”) are principally engaged 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 (“**BVI**”) and the ultimate controlling parties of the Group are Mr. Ng Tian Soo (“**NTS**”), Mr. Ng Tian Kew, Mr. Ng Tian Fah, Ms. Ng Mei Lian (“**NML**”), and Mr. Chai Kwee Lim (collectively the “**Controlling Shareholders**”).

These unaudited condensed consolidated interim financial statements is presented in Singapore Dollar (“**S\$**”). All values are rounded to the nearest thousand except when otherwise indicated.

## 2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2021 is prepared in accordance with International Accounting Standard (“**IAS**”) 34, “Interim Financial Reporting” issued by the International Accounting Standards Board and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The unaudited condensed consolidated interim financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2020.

The accounting policies and methods of computation adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2020, except for the application of new or amendments to IFRSs effective as of 1 January 2021. The application of the new or 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 the unaudited condensed consolidated interim financial statements.

## Notes to the Condensed Consolidated Interim Financial Statements

### 2 BASIS OF PREPARATION (CONTINUED)

The Group has not early applied the new or 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, the directors of the Company do not anticipate any significant impact on the Group's financial position and results of operations.

### 3 SEGMENT INFORMATION

The Chief Operating Decision-Maker (the "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 to be included in a single operating segment.

The Group is principally engaged in the general construction of civil engineering projects through the 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 Statements

**3 SEGMENT INFORMATION (CONTINUED)**

For the six months ended 30 June 2021, there were 3 customers (six months ended 30 June 2020: 3) which individually contributed to over 10% of the Group's total revenue. During the period, the revenue contributed from those customers are as follows:

	For the six months ended 30 June	
	2021 S\$'000 (Unaudited)	2020 S\$'000 (Unaudited)
Customer 1	14,431	9,293
Customer 2	12,288	3,518
Customer 3	7,023	3,677

**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	
	2021 S\$'000 (Unaudited)	2020 S\$'000 (Unaudited)
Revenue from contract works	40,345	20,736
Road milling and resurfacing services	3,294	1,901
Ancillary support and other services	329	363
Sale of goods and milled waste	477	188
	44,445	23,188
Revenue recognised:		
Over time	43,968	23,000
At point in time	477	188
	44,445	23,188

## Notes to the Condensed Consolidated Interim Financial Statements

## 5 OTHER INCOME AND OTHER GAINS, NET

	For the six months ended 30 June	
	2021 S\$'000 (Unaudited)	2020 S\$'000 (Unaudited)
Other income:		
Rental income from investment property	12	12
Rental income from leasehold property	43	–
Government grants (Note (a))	881	1,477
COVID-19 related rent concessions (Note (b))	–	50
Others	64	84
	<b>1,000</b>	<b>1,623</b>
Other gains, net:		
Loss on foreign exchange difference — net	(1)	–*
Gain on disposal of property, plant and equipment, net	43	10
Loss on write off of property, plant and equipment, net	–*	–
	<b>42</b>	<b>10</b>
	<b>1,042</b>	<b>1,633</b>

\* Less than S\$1,000

Notes:

- (a) For the six months ended 30 June 2021, government grants mainly included Foreign Worker Levy Rebate and Job Support Scheme (“JSS”) from the Singapore Government for supporting the development of construction industry. In particular, JSS provided wage support to employers to retain their local employees during COVID-19 pandemic. These incentives are granted in the form of cash payout and there were not unfulfilled conditions or contingencies relating to these grants (six months ended 30 June 2020: Same).
- (b) It represented the waiver of lease payments granted by the lessors due to the direct consequence of the COVID-19 for the six months ended 30 June 2020. Certain lessors of leased properties offered two months’ rental waiver during the Circuit Breaker period. The Group applied the practical expedient for lessees to elect not to assess whether a COVID-19-related rent concession is a lease modification and accounted for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS 16 Leases if the changes are not a lease modification.

## Notes to the Condensed Consolidated Interim Financial Statements

**6 OPERATING PROFIT/(LOSS)**

Operating profit/(loss) for the period is stated after charging the following:

	<b>For the six months ended 30 June</b>	
	<b>2021 S\$'000 (Unaudited)</b>	<b>2020 S\$'000 (Unaudited)</b>
Raw material and consumables used (Note (a))	<b>6,108</b>	2,746
Subcontracting charges (Note (a))	<b>13,901</b>	6,225
Write down of inventories (Note (a))	–	3
Auditor's remuneration:		
— Audit services	<b>92</b>	74
— Non-audit services (Note (b))	<b>42</b>	46
Depreciation of property, plant and equipment	<b>2,689</b>	2,278
Depreciation of right-of-use assets	<b>411</b>	377
Employee benefit expenses, including directors' emoluments (Note 7)	<b>11,633</b>	9,450
Expenses relating to short term leases and low value assets (Note 23(ii))	<b>2</b>	26
Insurance expenses	<b>560</b>	599
Listing expenses	–	964
Provision for onerous contract (Note (c))	<b>6</b>	–

Notes:

- (a) Amounts included in cost of sales.
- (b) Non-audit services represented the agreed-upon-procedures services provided relating to interim results for the six months ended 30 June 2021 (six months ended 30 June 2020: Same).
- (c) The provision represented the estimate of unavoidable costs of fulfilling certain contract work with customer that were in excess of the economic benefits expected to be received under the contract.

## Notes to the Condensed Consolidated Interim Financial Statements

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

	<b>For the six months ended 30 June</b>	
	<b>2021 S\$'000 (Unaudited)</b>	<b>2020 S\$'000 (Unaudited)</b>
Wages, salaries and bonuses	<b>10,996</b>	8,794
Retirement benefit costs — defined contribution plans (Note)	<b>396</b>	454
Staff benefits	<b>241</b>	202
	<b>11,633</b>	9,450
Cost of sales	<b>9,398</b>	6,911
Administrative expenses	<b>2,235</b>	2,539
	<b>11,633</b>	9,450

Note:

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.

## Notes to the Condensed Consolidated Interim Financial Statements

## 8 FINANCE INCOME AND FINANCE COSTS

	For the six months ended 30 June	
	2021 S\$'000 (Unaudited)	2020 S\$'000 (Unaudited)
<b>Finance income</b>		
Interests from:		
— Bank deposits	5	3
— Pledged bank deposits	—*	1
	5	4
<b>Finance costs</b>		
Interests on:		
— Bank and other borrowings	465	463
— Lease liabilities	41	38
— Unwinding of discount of reinstatement costs	10	10
	516	511

\* Less than S\$1,000

## Notes to the Condensed Consolidated Interim Financial Statements

## 9 INCOME TAX EXPENSE

	For the six months ended 30 June	
	2021 S\$'000 (Unaudited)	2020 S\$'000 (Unaudited)
<b>Current tax</b>		
— Current period — Singapore (Note (d))	229	173
— (Over)/under provision in prior years	(15)	21
<b>Deferred tax</b>		
— Current period	100	12
— Under provision in prior year	—	130
<b>Income tax expense</b>	<b>314</b>	<b>336</b>

Notes:

- (a) 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.
- (b) No provision for income tax in BVI has been made as the Company's subsidiaries had no assessable income in BVI during the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).
- (c) Hong Kong profits tax had not been provided for as the Company and its subsidiaries had no assessable profit in Hong Kong during the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).
- (d) The Group mainly operates in Singapore. Income tax had been provided at the applicable tax rate of 17% of Singapore on the estimated assessable profits during the six months ended 30 June 2021 (six months ended 30 June 2020: 17%).

## Notes to the Condensed Consolidated Interim Financial Statements

**10 EARNINGS/(LOSS) PER SHARE**

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

	For the six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
<b>Earnings/(loss):</b>		
Profit/(loss) for the period attributable to the equity holders of the Company (S\$'000)	947	(4,775)
<b>Number of shares:</b>		
Weighted average number of ordinary shares in issue (in thousand)	1,064,000	982,601

Diluted earnings/(loss) per share amount was the same as the basic earnings/(loss) per share as there were no potential ordinary shares outstanding during the six months ended 30 June 2021 (six months ended 30 June 2020: Same).

## Notes to the Condensed Consolidated Interim Financial Statements

## 11 PROPERTY, PLANT AND EQUIPMENT

	Freehold properties S\$'000	Leasehold properties 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>Period ended 30 June 2021</b>							
Opening net book amount	1,486	7,350	3,259	124	4,929	184	17,332
Addition	-	9,283	1,060	84	1,245	-	11,672
Written off	-	-	-	-*	-	-	-*
Disposal	-	-	(36)	(4)	(4)	-	(44)
Depreciation	(24)	(586)	(780)	(46)	(1,224)	(29)	(2,689)
Closing net book amount	1,462	16,047	3,503	158	4,946	155	26,271
<b>At 30 June 2021</b>							
Cost	1,510	23,622	12,896	1,001	15,213	804	55,046
Accumulated depreciation	(48)	(7,575)	(9,393)	(843)	(10,267)	(649)	(28,775)
Net book amount	1,462	16,047	3,503	158	4,946	155	26,271
<b>Year ended 31 December 2020</b>							
Opening net book amount	-	8,387	3,310	146	5,333	176	17,352
Addition	-	-	1,396	77	1,799	60	3,332
Transferred from investment properties (Note 12)	1,510	-	-	-	-	-	1,510
Written off	-	-	-	-	(1)	-	(1)
Disposal	-	-	(141)	-	(69)	-	(210)
Depreciation	(24)	(1,037)	(1,306)	(99)	(2,133)	(52)	(4,651)
Closing net book amount	1,486	7,350	3,259	124	4,929	184	17,332
<b>At 31 December 2020</b>							
Cost	1,510	14,339	12,241	932	14,048	804	43,874
Accumulated depreciation	(24)	(6,989)	(8,982)	(808)	(9,119)	(620)	(26,542)
Net book amount	1,486	7,350	3,259	124	4,929	184	17,332

\* Less than S\$1,000

## Notes to the Condensed Consolidated Interim Financial Statements

**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 income as follow:

	For the six months ended 30 June	
	2021 S\$'000 (Unaudited)	2020 S\$'000 (Unaudited)
Cost of sales	2,246	1,671
Administrative expenses	443	607
	<b>2,689</b>	<b>2,278</b>

As at 30 June 2021, the properties of the Group with net carrying amount of approximately S\$17,509,000 (31 December 2020: S\$8,836,000) was pledged to secure the bank borrowings of the Group (Note 24).

As at 30 June 2021, motor vehicles and plant and machinery with carrying amount of approximately S\$2,367,000 and S\$2,483,000 respectively (31 December 2020: S\$2,049,000 and S\$2,439,000 respectively) were held by the Group under finance lease. The related assets were pledged as security for the related financing (Note 24).

**12 INVESTMENT PROPERTY**

	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
Beginning of the period/year	380	1,910
Transferred to property, plant and equipment (Note 11)	–	(1,510)
Net fair value loss recognised in profit or loss	–	(20)
End of the period/year	<b>380</b>	<b>380</b>

## Notes to the Condensed Consolidated Interim Financial Statements

**12 INVESTMENT PROPERTY (CONTINUED)**

Independent valuations of the Group's investment property were performed by Knight Frank Pte Ltd, a qualified valuer, to determine the fair value of the investment property as at 31 December 2020. For the purpose of interim report, management expects that the fair value of investment property did not materially change and full year valuation will be performed for the financial year ending for 31 December 2021.

As at 30 June 2021, the investment property of the Group with fair value of approximately S\$380,000 (31 December 2020: S\$380,000) was pledged to secure the bank borrowings of the Group (Note 24).

As at 30 June 2021, the Group had no un-provided contractual obligations for future repairs and maintenance of its investment property (31 December 2020: Nil).

The investment property is leased to third party (Note 5). The following amounts were recognised in profit and loss:

	<b>For the six months ended 30 June</b>	
	<b>2021 S\$'000 (Unaudited)</b>	<b>2020 S\$'000 (Unaudited)</b>
Rental income	12	12
Direct operating expenses	(7)	(6)
	<b>5</b>	<b>6</b>

Details of the Group's investment property 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

## Notes to the Condensed Consolidated Interim Financial Statements

**13 INVESTMENTS IN JOINT VENTURES**

	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
Beginning of the period/year	4,669	661
Addition capital investment	–	4,400
Share of post-acquisition loss of joint ventures	(217)	(392)
End of the period/year	4,452	4,669

Set out below are the joint ventures of the Group. These joint ventures have share capital consisting solely of ordinary shares, which are held indirectly through the subsidiaries of 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 2021 (Unaudited)	As at 31 December 2020 (Audited)
SWG Alliance Pte. Ltd. ("SWG") and its subsidiaries (Note i)	Singapore	40	40
Futurus Construction Pte. Ltd. (Note ii)	Singapore	40	40

Notes:

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

## Notes to the Condensed Consolidated Interim Financial Statements

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

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 2021 (31 December 2020: Same).

Summaries financial information in respect of the Group's joint ventures is set out below. The summarised financial information below represents amount shown in the joint venture's financial statements prepared in accordance with IFRSs.

All the joint ventures are accounted for using the equity method in these unaudited condensed consolidated financial statements.

	<b>SWG Alliance Pte. Ltd. and its subsidiaries and Futurus Construction Pte. Ltd.</b>	
	<b>As at 30 June 2021 S\$'000 (Unaudited)</b>	As at 31 December 2020 S\$'000 (Audited)
Summarised statement of financial position		
Current assets	7,135	6,068
Non-current assets	8,036	7,921
Current liabilities	(3,351)	(1,548)
Non-current liabilities	(774)	(804)
Net assets	<b>11,046</b>	11,637

## Notes to the Condensed Consolidated Interim Financial Statements

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

**SWG Alliance Pte. Ltd. and  
its subsidiaries and Futurus  
Construction Pte. Ltd.  
For the six months  
ended 30 June**

	<b>2021 S\$'000 (Unaudited)</b>	<b>2020 S\$'000 (Unaudited)</b>
Summaries statement of comprehensive income		
Revenue	2,517	1,688
<b>Loss after tax</b>	<b>(660)</b>	<b>(856)</b>
<b>Other comprehensive income</b>	<b>69</b>	<b>9</b>
<b>Loss and other comprehensive loss, net of tax</b>	<b>(591)</b>	<b>(847)</b>
<b>Attributable to:</b>		
— Equity owners of joint ventures	<b>(543)</b>	<b>(787)</b>
— Non-controlling interests	<b>(48)</b>	<b>(60)</b>
	<b>(591)</b>	<b>(847)</b>

## Notes to the Condensed Consolidated Interim Financial Statements

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

Reconciliation of summarised financial information to the carrying amount of the investments in joint ventures recognised in the unaudited condensed consolidated financial statements:

	<b>SWG Alliance Pte. Ltd. and its subsidiaries and Futurus Construction Pte. Ltd.</b>	
	<b>As at 30 June 2021 S\$'000 (Unaudited)</b>	<b>As at 31 December 2020 S\$'000 (Audited)</b>
Opening net assets	11,637	1,728
Issuance of new shares	–	11,000
Loss for the year	(591)	(1,091)
Closing net assets	11,046	11,637
Net assets attributable to non-controlling interests of joint ventures	(84)	(35)
Net assets attributable to joint venture partners	6,678	7,003
Net assets attributable to the Group	4,452	4,669
	11,046	11,637

## Notes to the Condensed Consolidated Interim Financial Statements

## 14 OTHER FINANCIAL ASSETS

	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
Financial assets measured at FVTPL		
— Key management insurance contract	86	86

In 2018, the Group entered into a life insurance policy with an insurance company to insure one of the senior management of the Company. The total sum insured is approximately S\$391,000. The Group is the policy holder and beneficiary of the policy. The Group has paid a one-off premium of S\$109,000 in 2018. The Group can terminate the policy at any time and receive cash back based on the cash value of the policy at the date of withdrawal (“**Cash Value**”), which is determined by the gross premium paid at inception plus accumulated guaranteed interest earned and minus insurance premium charged. If such withdrawal is made at any time during the first to the 65<sup>th</sup> policy year, as appropriate, a pre-determined specified surrender charge would be imposed.

The insurance company will pay the Group an interest on the outstanding Cash Value at the prevailing interest rate fixed by the insurance company and a minimum guaranteed interest of 0.8% per annum up to the 25<sup>th</sup> policy year is guaranteed by the insurance company and accumulated in the surrender value until the termination of the policy.

As represented by the directors of the Company, the Group will not terminate the policies nor withdraw cash prior to the 65<sup>th</sup> policy year for the insurance policy and the expected life of the policies remained unchanged from the initial recognition.

The life insurance policy is denominated in S\$.

## Notes to the Condensed Consolidated Interim Financial Statements

## 15 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
<b>Financial assets</b>		
Carried at fair value:		
Other financial assets	86	86
Carried at amortised cost:		
Trade receivables	9,982	5,621
Deposits and other receivables, excluding prepayments and good and services tax receivables	1,907	2,207
Pledged bank deposits	840	207
Cash and cash equivalents	5,175	8,059
	<b>17,904</b>	<b>16,094</b>
<b>Financial liabilities</b>		
Carried at amortised cost:		
Trade and retention payables	12,342	10,037
Accruals and other payables and provision excluding provisions	2,036	956
Bank and other borrowings	41,972	34,279
Lease liabilities	5,310	1,480
	<b>61,660</b>	<b>46,752</b>

## Notes to the Condensed Consolidated Interim Financial Statements

**16 INVENTORIES**

	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
Raw materials and consumables	1,272	908

The cost of inventories recognised as expense and included in “cost of sales” amounted to approximately S\$6,108,000 for the six months ended 30 June 2021 (six months ended 30 June 2020: S\$2,746,000).

No inventories were written off during the six months ended 30 June 2021 (six months ended 30 June 2020: S\$3,000).

**17 TRADE RECEIVABLES**

	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
Trade receivables		
— Third parties	10,436	5,692
— Related parties (Note 27(b)(i))	—*	179
	10,436	5,871
Less: Allowance for impairment	(454)	(250)
Trade receivable — net	9,982	5,621

\* Less than S\$1,000

The Group’s credit terms granted to third-party customers is generally 30 to 45 days.

## Notes to the Condensed Consolidated Interim Financial Statements

**17 TRADE RECEIVABLES (CONTINUED)**

The ageing analysis of the trade receivables at gross amount, presented based on invoice date at the end of the reporting period, was as follows:

	<b>As at 30 June 2021 S\$'000 (Unaudited)</b>	As at 31 December 2020 S\$'000 (Audited)
Less than 30 days	6,759	3,939
31–60 days	2,847	1,162
61–90 days	113	67
91–120 days	179	130
121–365 days	101	186
More than 1 year	437	387
	<b>10,436</b>	5,871

As at 30 June 2021, included in the Group's trade receivables are debtors with aggregate carrying amount of approximately S\$1,480,000 (31 December 2020: S\$1,683,000) which are past due as at the reporting date. Out of the past due balances, aggregate carrying amount of approximately S\$23,000 (31 December 2020: S\$240,000) has been past due over 150 days and is not considered as in default as they have no history of defaulting on repayments. The Group does not hold any collateral over the balances.

## Notes to the Condensed Consolidated Interim Financial Statements

**18 CONTRACT ASSETS/(LIABILITIES)**

	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
Contract assets		
— Retention sum for contract works (Note (a))	464	693
— Unbilled revenue of contracts (Note (b))	58,976	55,697
	59,440	56,390
Less: Allowance for impairment	(169)	(124)
	59,271	56,266
Retention held customers expected to be settled:		
To be recovered within 12 months	464	693
Contract liabilities		
— Advances from customers of contracts	(1,933)	—

## Notes:

- (a) Retention sum for contract works are settled in accordance with the terms of the respective contracts. At the end of the reporting period, retention sum for contract works were classified as current assets based on operating cycle. Prior to expiration of defect liability period, are classified as contract assets, which ranges from one to five years from the date of the practical completion of the construction. The relevant amount of contract asset is unsecured and interest-free and reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed-upon specifications and such assurance cannot be purchased separately. 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.
- (b) The balance represented the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

## Notes to the Condensed Consolidated Interim Financial Statements

**18 CONTRACT ASSETS/(LIABILITIES) (CONTINUED)**

The Group classifies these contract assets as current because the Group expects to realise them within one year in its normal operating cycle.

**(i) Significant change in contract assets**

The increase in contract assets during the financial period ended 30 June 2021 was attributed to more projects having substantial progress of the contract activities ahead of the agreed payment schedule.

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

	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
Revenue recognised during the period/year that was included in the contract liabilities balance at the beginning of the period/year	–	7

**(iii) Unsatisfied performance obligation:**

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

	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
Aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied	195,024	216,558
Expected to be recognised within one year	90,915	78,701
Expected to be recognised after one year	104,109	137,857
	195,024	216,558

## Notes to the Condensed Consolidated Interim Financial Statements

**19 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
<i>Current</i>		
Other receivables		
— Third parties	59	783
— Related party (Note 27(b)(ii))	6	–
Loan to a related party (Note 27(b)(iii))	600	–
Deposits (Note (a))	1,242	1,424
Prepayments (Note (b))	2,635	3,117
Good and services tax receivable	162	178
	<b>4,704</b>	<b>5,502</b>
<i>Non-current</i>		
Deposit (Note (c))	–	715

## Notes:

- (a) As at 30 June 2021, deposits mainly composed of rental deposits for properties and motor vehicles, and deposits paid for project expenses (31 December 2020: Same).
- (b) As at 30 June 2021, prepayments composed of prepaid project insurance and performance bond insurance (31 December 2020: Same).
- (c) As at 31 December 2020, non-current deposit represented deposit paid for acquisition of property.

## Notes to the Condensed Consolidated Interim Financial Statements

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

	<b>As at 30 June 2021 S\$'000 (Unaudited)</b>	As at 31 December 2020 S\$'000 (Audited)
Cash at banks	5,090	7,976
Cash on hand	85	83
Cash and cash equivalents	5,175	8,059
Pledged bank deposits	840	207
	<b>6,015</b>	8,266

As at 30 June 2021, bank deposits of approximately S\$840,000 (31 December 2020: S\$207,000) were mainly pledged for bank borrowings of the Group with maturity of one year (31 December 2020: one year). Such bank deposits carry interest at market rates which range from 0.02% to 0.30% (31 December 2020: 0.02% to 1.28%) per annum.

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

	<b>As at 30 June 2021 S\$'000 (Unaudited)</b>	As at 31 December 2020 S\$'000 (Audited)
Cash and cash equivalents in the unaudited condensed consolidated statement of financial position	5,175	8,059
Less: Bank overdrafts (Note 24)	<b>(1,911)</b>	–
Cash and cash equivalents in the unaudited condensed consolidated statement of cash flows	<b>3,264</b>	8,059

## Notes to the Condensed Consolidated Interim Financial Statements

**21 TRADE AND RETENTION PAYABLES**

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

	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
Trade payables		
— Third parties	9,375	7,949
— Related parties (Note 27(b)(iv))	2,891	2,088
	<b>12,266</b>	10,037
Retention payable		
— Related party (Note 27(b)(v))	76	—
	<b>12,342</b>	10,037

The ageing analysis of the trade payables, presented based on invoice date at the end of the reporting period, was as follows:

	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
Less than 30 days	8,841	6,209
31–60 days	1,195	1,838
61–90 days	1,018	587
91–120 days	176	500
121–365 days	970	854
More than one year	66	49
	<b>12,266</b>	10,037

## Notes to the Condensed Consolidated Interim Financial Statements

**22 ACCRUALS, OTHER PAYABLES AND PROVISIONS**

	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
<i>Current</i>		
Other payables	372	271
Accruals for operating expenses	2,553	2,941
Deposits received — refundable	100	96
Provisions	264	258
	<b>3,289</b>	<b>3,566</b>
<i>Non-current</i>		
Provisions	623	539

Current provision mainly represented provision for leave entitlement and onerous contract (Note 6(c)). Non-current provision represented provision for repair works to be incurred after the completion of contract works and provision for reinstatement costs for a leasehold property classified as property, plant and equipment (Note 11).

Movement in provisions are as follows:

	As at 30 June 2021 S\$'000 (Unaudited)	As at 31 December 2020 S\$'000 (Audited)
Beginning of the period/year	797	568
Provision made	80	209
Unwinding of discount (Note 8)	10	20
End of the period/year	<b>887</b>	<b>797</b>

## Notes to the Condensed Consolidated Interim Financial Statements

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

	<b>As at 30 June 2021 S\$'000 (Unaudited)</b>	As at 31 December 2020 S\$'000 (Audited)
<i>Right-of-use assets</i>		
Land	5,190	1427
Office equipment	55	–
	<b>5,245</b>	1,427
<i>Lease liabilities</i>		
Current	798	657
Non-current	4,512	823
	<b>5,310</b>	1,480

Additions to the right-of-use assets for the six months ended 30 June 2021 were approximately S\$4,229,000 (31 December 2020: S\$503,000).

## Notes to the Condensed Consolidated Interim Financial Statements

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

	<b>For the six months ended 30 June</b>	
	<b>2021 S\$'000 (Unaudited)</b>	<b>2020 S\$'000 (Unaudited)</b>
<b>Depreciation charge of right-to-use assets</b>		
Land	410	370
Office equipment	1	7
	<b>411</b>	<b>377</b>
Interest expense (included in finance costs) (Note 8)	41	38
Expenses relating to short-term leases and low value assets	2	26
	<b>43</b>	<b>64</b>

## Notes to the Condensed Consolidated Interim Financial Statements

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

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

	<b>For the six months ended 30 June</b>	
	<b>2021 S\$'000 (Unaudited)</b>	<b>2020 S\$'000 (Unaudited)</b>
Cost of sales	<b>383</b>	362
Administrative expenses	<b>28</b>	15
	<b>411</b>	377

The total cash outflow for leases, excluding expenses relating to short term leases and low value assets, in six months ended 30 June 2021 were approximately S\$440,000 (six months ended 30 June 2020: S\$365,000).

**(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 35 years (31 December 2020: 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 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 Statements

**24 BANK AND OTHER BORROWINGS**

	<b>As at 30 June 2021 S\$'000 (Unaudited)</b>	As at 31 December 2020 S\$'000 (Audited)
Bank overdrafts (Note 20)	1,911	–
Borrowings — secured	39,963	34,181
Borrowing from third party — unsecured	98	98
	<b>41,972</b>	34,279

As at 30 June 2021, the Group's bank borrowings with carrying amount of approximately S\$21,449,000 (31 December 2020: S\$26,081,000) were variable-rate borrowings which carried annual interest ranging from 1.42% to 3.10% (31 December 2020: 1.54% to 6.25%) per annum.

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

	<b>As at 30 June 2021 S\$'000 (Unaudited)</b>	As at 31 December 2020 S\$'000 (Audited)
Within 1 year or on demand	39,797	32,861
After 1 year but within 2 years	1,025	718
After 2 years but within 5 years	1,150	700
	<b>41,972</b>	34,279

As at 30 June 2021, the Group's bank borrowings were secured by the investment property (Note 12) and the properties of the Group (Note 11), pledged deposits (Note 20) and corporate guarantee by the Company (31 December 2020: investment property and the properties of the Group, pledged deposits and joint and several personal guarantees by the directors of the Company and its subsidiaries and corporate guarantee by the Company).

## Notes to the Condensed Consolidated Interim Financial Statements

**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 2.33% as at 30 June 2021 (31 December 2020: 2.43%).

**25 SHARE CAPITAL**

	Par value HK\$	No. of shares	Share capital HK\$'000
<b>Authorised:</b>			
At 31 December 2020	0.01	2,000,000,000	20,000
At 30 June 2021	0.01	2,000,000,000	20,000
	No. of shares	HK\$'000	S\$'000
<b>Issued and fully paid:</b>			
At 31 December 2020	1,064,000,000	10,640	1,915
At 30 June 2021	1,064,000,000	10,640	1,915

**26 DIVIDENDS**

The Board does not recommend the payment of an interim dividend for six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

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

## Notes to the Condensed Consolidated Interim Financial Statements

**27 RELATED PARTY TRANSACTIONS**

For the purposes of the unaudited condensed consolidated interim financial statements, 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.

The directors are of the view that the following companies were related parties that had transactions or balances with the Group during the reporting period:

<b>Name of the related party</b>	<b>Relationship with the Group through:</b>
WG International (BVI) Limited	Ultimate holding company
Geenet Pte Ltd	Significant influence by Mr. Ng Choon Wee, son of NTS
Konnection Engineering Pte. Ltd. (formerly known as Komasi Construction Pte Ltd)	Significant influence by Mr. Ng Choon Tat, son of NTS
Eastern Green Power Pte Ltd	Significant influence by NTS
D Trenchless Engineering Company Pte Ltd (Note)	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
SWG Resources Sdn Bhd	Wholly owned subsidiary by joint venture of the Group
Tong Seng Concrete Products Trading Pte Ltd	Wholly owned subsidiary by joint venture of the Group

Note:

D Trenchless Engineering Company Pte Ltd has been struck off from the Register of Companies pursuant to Section 344A of the Companies Act, Chapter 50 of Singapore, with effect from 8 April 2021.

## Notes to the Condensed Consolidated Interim Financial Statements

**27 RELATED PARTY TRANSACTIONS (CONTINUED)****(a) Transactions with related parties**

	<b>For the six months ended 30 June</b>	
	<b>2021 S\$'000 (Unaudited)</b>	<b>2020 S\$'000 (Unaudited)</b>
Contract work revenue to Eastern Green Power Pte Ltd (Note (i))	<b>52</b>	–
Ancillary support services to Eastern Green Power Pte Ltd (Note (i))	<b>4</b>	21
Futurus Construction Pte Ltd	<b>19</b>	–*
Konnection Engineering Pte. Ltd.	<b>5</b>	–*
Sub-contracting charges from Futurus Construction Pte Ltd	<b>(15)</b>	(44)
Konnection Engineering Pte. Ltd.	<b>(2,754)</b>	(460)
Raw materials and consumables from Eastern Green Power Pte Ltd (Note (i))	<b>(10)</b>	–
Tong Seng Concrete Products Trading Pte Ltd	<b>(33)</b>	–
Transportation and vehicle expenses from Futurus Construction Pte Ltd	<b>(4)</b>	(2)
Konnection Engineering Pte. Ltd.	<b>(4)</b>	–
Other operating expenses from Geenet Pte Ltd	<b>(8)</b>	–

Note:

- (i) This related party is a company is owned as to 34.3% by NTS, an executive Director and one of the Controlling Shareholders, and such related party transaction constitutes connected transactions as defined in Chapter 14A of the Listing Rules. However, this is exempted from the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Rule 14A.33 of the Listing Rules.

## Notes to the Condensed Consolidated Interim Financial Statements

**27 RELATED PARTY TRANSACTIONS (CONTINUED)****(b) Balances with related parties**

	<b>As at 30 June 2021 S\$'000 (Unaudited)</b>	As at 31 December 2020 S\$'000 (Audited)
(i) Trade receivable		
Eastern Green Power Pte Ltd	–	179
SWG Resources Sdn Bhd	–*	–*
	–*	179
(ii) Other receivable		
WG International (BVI) Limited	6	–
(iii) Loan to a related party — Non-trade		
SWG Alliance Pte Ltd	600	–

\* Less than S\$1,000

## Notes to the Condensed Consolidated Interim Financial Statements

**27 RELATED PARTY TRANSACTIONS (CONTINUED)****(b) Balances with related parties (Continued)**

	<b>As at 30 June 2021 S\$'000 (Unaudited)</b>	<b>As at 31 December 2020 S\$'000 (Audited)</b>
(iv) Trade payables		
D Trenchless Engineering Company Pte Ltd	–	5
Konnection Engineering Pte. Ltd.	<b>2,879</b>	1,966
Futurus Construction Pte Ltd	<b>6</b>	67
Geenet Pte Ltd	–	19
Tong Seng Concrete Products Trading Pte Ltd	<b>6</b>	31
	<b>2,891</b>	2,088
(v) Retention payable		
Konnection Engineering Pte. Ltd.	<b>76</b>	–

## Notes to the Condensed Consolidated Interim Financial Statements

### 27 RELATED PARTY TRANSACTIONS (CONTINUED)

- (c) All balances with related parties were unsecured, interest-free, repayable on demand and denominated in S\$ as at 30 June 2021 (31 December 2020: Same).

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

All 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 31 December 2020, the Group's bank borrowings were secured by joint and several personal guarantees by the directors of the Company and its subsidiaries and corporate guarantee by the Company.

As at 30 June 2021, guarantees provided by related parties have been entirely replaced with corporate guarantees by the Company.

- (e) As at 31 December 2020, the Group's performance bonds issued by insurance companies and bank were secured by several personal guarantees by the directors of the Company and its subsidiaries.

As at 30 June 2021, the Group's performance bonds issued by insurance companies and bank were replaced with corporate guarantees by the Company, in exception to personal guarantees to two insurance companies provided by the directors of the Company as the discharge is delayed even though consents received from insurance companies in principle prior to Listing.

(f) **Key management compensation**

Key management includes both executive and non-executive directors of the Group. The compensation paid or payable to key management was disclosed in Note 29 to the unaudited condensed consolidated interim financial statements.

## Notes to the Condensed Consolidated Interim Financial Statements

**28 CONTINGENCIES**

The Group had performance bonds for guarantees of completion of projects issued by insurance companies and banks amounting to approximately \$12,683,000 as at 30 June 2021 (31 December 2020: S\$13,860,000).

The Group had security bonds made under section 12 of Employment of Foreign Manpower (Work Passes) Regulations amounting to S\$1,745,000 as at 30 June 2021 (31 December 2020: S\$1,890,000).

**29 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 2021 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 2021</b>					
<i>Executive directors</i>					
Ng Tian Soo	10	270	21	5	306
Ng Tian Fah	–	228	18	9	255
<i>Independent non-executive directors</i>					
Gary Ng Sin Tong	10	–	–	–	10
Lee Wing Yin Jessica	10	–	–	–	10
George Christopher Holland	10	–	–	–	10
	40	498	39	14	591

## Notes to the Condensed Consolidated Interim Financial Statements

## 29 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)

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</b>					
<b>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	7	–	–	–	7
Lee Wing Yin Jessica	7	–	–	–	7
George Christopher Holland	7	–	–	–	7
	21	474	167	17	679

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. The directors' emoluments shown above are for their services as of the Company.

Ng Tian Soo is the chairman and executive director of the Company and his emoluments disclosed above include those for services rendered by him as the chairman and managing director.

**29 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)**

**(b) Directors' retirement benefits**

During the six months ended 30 June 2021, 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 2020: 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 2021 (six months ended 30 June 2020: 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 2021 (six months ended 30 June 2020: 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 27, 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 2021 (six months ended 30 June 2020: Nil).

**(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 six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

## Notes to the Condensed Consolidated Interim Financial Statements

### **30 SUBSEQUENT EVENTS**

Saved as disclosed elsewhere in this report, subsequent to 30 June 2021, the following subsequent event took place:

On 3 August 2021, Wee Guan Logistics Pte Ltd, a wholly owned dormant subsidiary of the Company which has not been carrying on business nor is in operation, has submitted an application to the Accounting and Corporate Regulatory Authority for its name to be struck off the register pursuant to Section 344A of the Companies Act, Chapter 50.

The striking off application is not expected to have any material impact on the unaudited condensed consolidated net tangible assets and earnings per share of the Group for the six months ended 30 June 2021.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above matter.

# Management Discussion and Analysis

## INDUSTRY OVERVIEW

The civil engineering utilities market in Singapore remained challenging in 2021 with implementation of measures and restrictions post Circuit Breaker (the “**Circuit Breaker**”) in phased approaches for Singapore to resume activities safely in the fight against Novel Coronavirus (“**COVID-19**”). According to the Ministry of Trade and Industry Singapore (“**MTI**”) announced on 11 August 2021, the Singapore’s GDP growth forecast for 2021 to “6.0% to 7.0%”, from “4.0% to 6.0%”. The Singapore economy expanded by 14.7% on a year-on-year basis in the second quarter of 2021, faster than the 1.5% growth in the previous quarter. The strong growth was largely due to the low base in the same period last year when GDP fell by 13.3% as a result of the Circuit Breaker measures implemented from 7 April 2020 to 1 June 2020, as well as the sharp fall in external demand amidst the COVID-19 pandemic. In absolute terms, GDP remained 0.6% below its pre-pandemic level in the second quarter of 2019.

## BUSINESS REVIEW AND PROSPECT

The core business and revenue structure of the Group have remained unchanged for the six months ended 30 June 2021. 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.

The Group expects operating conditions in the construction sector to remain challenging in 2021. Although the Group has recorded a revenue growth of approximately 91.7% from approximately S\$23.2 million for the six months ended 30 June 2020 to approximately S\$44.4 million for the six months ended 30 June 2021, and the prospects of construction demand are expected to improve marginally compared to last year, the construction sector is expected to continue to be limited by manpower deployment challenges and higher cost and time resources needed to comply with precautionary restrictive measures such as border entry approval for foreign employees, rostered routine swab testing, staggered rest days, safe accommodation and transportation arrangement. Border control measures implemented in Singapore and overseas also disrupted supply chain for materials and equipment while additional quarantine and movement restrictions on inflow of foreign workers from higher-risk countries gave rise to manpower shortages.

Despite the challenging environment, business strategies of the Group remained unchanged for 2021. The Group will continue to leverage its solid track record and proven expertise to tender for public and private sector projects. The Group continues to prioritise cash conservation and cost control, and will exercise caution when exploring business opportunities during this COVID-19 period.

## Management Discussion and Analysis

### ONGOING PROJECTS

As at 30 June 2021, the Group had 20 (six months ended 30 June 2020: 26) ongoing projects, including 17 ongoing power cable installation projects, two telecommunication cable installation projects and one ongoing cable installation project with an aggregated contract sum of approximately S\$324.7 million, of which approximately S\$129.6 million has been recognised as revenue up to 30 June 2021. 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 2021 as compared to the six months ended 30 June 2020.

#### 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 2021 and 2020.

	For the six months ended 30 June	
	2021 S\$'000 (Unaudited)	2020 S\$'000 (Unaudited)
Revenue from contract works		
— Power	39,270	20,018
— Telecommunication	1,075	718
Subtotal	40,345	20,736
Road milling and resurfacing services	3,294	1,901
Ancillary support and other services	329	363
Sales of goods and milled waste	477	188
Total	44,445	23,188

## Management Discussion and Analysis

Our revenue increased by approximately S\$21.2 million from approximately S\$23.2 million for the six months ended 30 June 2020 to approximately S\$44.4 million for the six months ended 30 June 2021, representing an increase of approximately 91.7%. This increase was mainly attributable to:

- (i) increase in revenue from contract works by approximately S\$19.6 million with combined effects of (a) elevated set of safe distancing measures implemented by the Singapore Government from 7 April 2020 to 1 June 2020 where our Group experienced disruption in the corresponding period in 2020 while construction activities with strict measures and restrictions had resumed during the six months ended 30 June 2021; (b) the increase in revenue from power cable installation projects by approximately S\$19.3 million was mainly due to substantial progress of projects with revenue recognised for the six months ended 30 June 2021 compared to the six months ended 30 June 2020; and (c) the increase in revenue from telecommunication cable installation projects by approximately S\$0.3 million was due to substantial progress of one of the project with revenue recognised for the six months ended 30 June 2021 compared to the six months ended 30 June 2020;
- (ii) increase in revenue from road milling and resurfacing services by approximately S\$1.4 million due to reason elaborated in (i)(a) above; and
- (iii) increase in revenue from sales of goods and milled waste by approximately S\$0.3 million.

### Cost of sales

Our cost of sales increased by approximately S\$16.5 million from approximately S\$22.0 million for the six months ended 30 June 2020 to approximately S\$38.5 million for the six months ended 30 June 2021, representing an increase of approximately 75.1%, which was mainly attributable to the increase in revenue as discussed above. The less-than-proportionate increase in cost of sales as compared to the revenue growth was mainly because (a) the Group had to pay wages for direct labours during the Circuit Breaker period; and (b) additional costs were incurred for the adoption and implementation of additional safe and controlled restart measures for our employees before resumption of the Group's operating activities during the six months ended 30 June 2020.

### Gross profit and gross profit margin

The Group's gross profit increased by approximately S\$4.8 million from approximately S\$1.2 million for the six months ended 30 June 2020 to approximately S\$6.0 million for the six months ended 30 June 2021, while the Group's gross profit margin increased from approximately 5.3% for the six months ended 30 June 2020 to approximately 13.5% for the six months ended 30 June 2021. The increase in gross profit and gross profit margin was mainly due to the increase in revenue of our Group attributable to the reasons elaborated above and the less-than-proportionate increase in cost of sales as discussed above.

## Management Discussion and Analysis

### Other income and other gains, net

Other income and other gains, net decreased by approximately S\$0.6 million from approximately S\$1.6 million for the six months ended 30 June 2020 to approximately S\$1.0 million for the six months ended 30 June 2021. This decrease was mainly attributable to the decrease in grants received on Foreign Worker Levy Rebates and Job Support Scheme from the Singapore Government.

### Administrative expenses

Our administrative expenses decreased by approximately S\$1.8 million from approximately S\$6.3 million for the six months ended 30 June 2020 to approximately S\$4.5 million for the six months ended 30 June 2021. Such decrease was mainly attributable to (a) decrease in the one-off listing expenses of approximately S\$1.0 million incurred for the six months ended 30 June 2020; and (b) decrease in employee benefit costs by approximately S\$0.3 million.

### Finance income

The finance income was relatively stable at approximately S\$5,000 and S\$4,000 for the six months ended 30 June 2021 and 2020, respectively, which mainly represented interest income from bank deposits and fixed deposits.

### 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\$5,000 for the six months ended 30 June 2021 compared to the six months ended 30 June 2020 as a result of the increase in bank and other borrowings from approximately S\$34.3 million as at 31 December 2020 to approximately S\$42.0 million as at 30 June 2021.

### Income tax expense

Income tax expense decreased by approximately S\$22,000 for the six months ended 30 June 2021 compared to the six months ended 30 June 2020. This was due to the combine effects of (a) the increase in income tax expense of approximately S\$20,000 for the six months ended 30 June 2021, which is in line with the increase in assessable profit; and (b) the decrease of deferred tax of approximately S\$42,000.

### Profit for the period

As a result of the foregoing, our Group recorded a net profit of approximately S\$1.2 million for the six months ended 30 June 2021 as compared to the net loss of approximately S\$4.9 million for the six months ended 30 June 2020, representing an increase of approximately S\$6.1 million.

## Management Discussion and Analysis

### LIQUIDITY AND CAPITAL RESOURCES

The shares of the Company were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (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 2021, the Group maintained a healthy liquidity position with net current asset balance and cash and cash equivalents of approximately S\$22.9 million (31 December 2020: S\$28.8 million) and approximately S\$5.2 million (31 December 2020: S\$8.1 million) respectively. 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 2021, the Group had total borrowings (including bank and other borrowings and lease liabilities) of approximately S\$47.3 million (31 December 2020: S\$35.8 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 2021, our gearing ratio was approximately 91.0% (31 December 2020: 70.5%). The increase in our gearing ratio as at 30 June 2021 was mainly due to the additions of bank and other borrowings and lease liabilities at approximately S\$11.5 million in relation to an acquisition of the property located at 123 Pioneer Road Singapore 639596 on Lot 2440N of Mukim 7 which was completed on 7 April 2021.

## 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 2021, our net debt to total capital ratio was approximately 44.3% (31 December 2020: 35.2%). The increase in our net debt to total capital ratio was mainly due to the increase in bank and other borrowings and lease liabilities.

### Capital expenditures

During the six months ended 30 June 2021, the Group incurred capital expenditures of approximately S\$11.7 million (six months ended 30 June 2020: S\$1.3 million), primarily due to purchases of property, plant and equipment and motor vehicles.

### Contingencies

As at 30 June 2021, our Group had performance bonds for guarantees of completion of projects issued by insurance companies and bank amounting to approximately S\$12.7 million (31 December 2020: S\$13.9 million).

As at 30 June 2021, our Group also had security bonds made under section 12 of Employment of Foreign Manpower (Work Passes) Regulations amounting to approximately S\$1.7 million (31 December 2020: S\$1.9 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 2021, the Group's investment property of approximately S\$0.4 million (31 December 2020: S\$0.4 million), properties of approximately S\$17.5 million (31 December 2020: S\$8.8 million) and bank deposits of approximately S\$0.8 million (31 December 2020: S\$0.2 million) were pledged for bank borrowings.

### Future plan for material investments and capital assets

Save as disclosed in this report and the Company's prospectus dated 25 February 2020 (the "Prospectus"), the Group did not have any plans for material investments and capital assets as at the date of this report.

### Significant investments, acquisitions and disposals

During the six months ended 30 June 2021, the Group did not have any significant investments, acquisitions or disposals.

## Management Discussion and Analysis

### Financial instruments

Our major financial instruments include trade receivables, deposits and other receivables excluding prepayments, cash and cash equivalents, pledged bank deposits, bank and other borrowings, lease liabilities, trade and retention 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 cost 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 the share offer denominated in Hong Kong dollars amounting to approximately HK\$0.6 million as at 30 June 2021 that are exposed to foreign currency risks. The Group will continue to monitor its foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

### EMPLOYEES AND REMUNERATION POLICIES

As at the 30 June 2021, we had 564 full time employees (31 December 2020: 609) who were directly employed by us and based in Singapore. Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes for the six months ended 30 June 2021 amounted to approximately S\$11.6 million (six months ended 30 June 2020: S\$9.5 million).

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.

The emoluments of the Directors have been reviewed by the Remuneration Committee of the Company, having regard to the performance of Directors and market standards, and approved by the Board. The Company has conditionally adopted a share option scheme on 18 February 2020 as an additional incentive to employees (full-time and part-time), directors, consultants, advisers, substantial shareholders, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group. From the date of adoption of the share option scheme and up to 30 June 2021, no share options have been granted under the scheme.

## Management Discussion and Analysis

### EVENTS AFTER THE REPORTING PERIOD

On 3 August 2021, Wee Guan Logistics Pte Ltd, a wholly owned dormant subsidiary of the Company which has not been carrying on business nor is in operation, has submitted an application to the Accounting and Corporate Regulatory Authority for its name to be struck off the register pursuant to Section 344A of the Companies Act, Chapter 50.

The striking off application is not expected to have any material impact on the unaudited condensed consolidated net tangible assets and earnings per share of the Group for the six months ended 30 June 2021.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above matter.

### 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 2021 is set out below:

	Net proceeds from share offer	Actual use of net proceeds from the date of listing to 30 June 2021	Unutilised balance as at 30 June 2021
	S\$'000	S\$'000	S\$'000
Strengthening our financial position	10,082	10,082	–
Recruitment of staff	2,712	2,074	638
<b>Total</b>	<b>12,794</b>	<b>12,156</b>	<b>638</b>

During the six months ended 30 June 2021, all use of proceeds were in accordance with the intentions previously disclosed in the Prospectus and the annual report of the Company for the year ended 31 December 2020, while the remaining net proceeds are expected to be used by 31 December 2021 as planned. As at 30 June 2021, 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 2021 (six months ended 30 June 2020: Nil).

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 2021, 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 as set out in Appendix 10 (the "Model Code") 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 (Note)	Interest in controlled corporation	798,000,000	75%
Mr. Ng Tian Fah (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 WG INTERNATIONAL (BVI) LIMITED ("WGI (BVI)") which is beneficially owned as to 33% by Mr. Ng Tian Soo ("Mr. Ng TS"), 28% by Mr. Ng Tian Fah ("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 2021, 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.

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

As at 30 June 2021, 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

Name of shareholder	Nature of interest	Number of Shares held	Percentage of issued share capital
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%

## 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 2021, 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 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 2021. 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 the Directors' dealings in securities.

## CORPORATE GOVERNANCE

During the six months ended 30 June 2021, 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.

## Other Information

### 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.

### DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed “DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS” and “SHARE OPTION SCHEME” in this report, at no time for the six months period ended 30 June 2021 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.

### 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 2021.

### AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group’s unaudited interim results for the six months ended 30 June 2021 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 condensed consolidated interim financial statements for the six months ended 30 June 2021 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, 25 August 2021