

Wei Yuan Holdings Limited



(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1343

2022
INTERIM REPORT

Contents

Corporate Information	2
Condensed Consolidated Statement of Comprehensive Income	4
Condensed Consolidated Statement of Financial Position	6
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	9
Notes to the Condensed Consolidated Interim Financial Statements	11
Management Discussion and Analysis	55
Other Information	64

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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Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Corporate Information

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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95 Queensway
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
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Hutchins Drive
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Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor
Services Limited
Shops 1712–1716
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183 Queen's Road East
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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 2022

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 2022 together with comparative figures for the corresponding period in 2021 as follows:

	Notes	For the six months ended 30 June	
		2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Revenue	4	52,471	44,445
Cost of sales		(45,567)	(38,464)
Gross profit		6,904	5,981
Other income and other gains, net	5	1,222	1,042
Administrative expenses		(5,216)	(4,490)
Reversal/(allowance) for impairment of trade receivables and contract assets		47	(249)
Operating profit	6	2,957	2,284
Finance income	8	7	5
Finance costs	8	(525)	(516)
Share of loss of joint ventures, net of tax	13	(301)	(217)
Profit before income tax		2,138	1,556
Income tax expense	9	(659)	(314)
Profit for the period		1,479	1,242
Profit for the period attributable to:			
Equity holders of the Company		1,220	947
Non-controlling interests		259	295
		1,479	1,242

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Currency translation differences		16	31
Share of other comprehensive income of a joint venture		74	–
Other comprehensive income for the period, net of tax		90	31
Total comprehensive income for the period attributable to:			
Equity holders of the Company		1,310	978
Non-controlling interests		259	295
		1,569	1,273
Earnings per share (expressed in Singapore cents per share)			
Basic and diluted	10	0.11	0.09

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 2022

	Notes	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	22,587	23,596
Right-of-use assets	23	3,696	4,058
Investment properties	12	1,985	1,985
Investments in joint ventures	13	3,857	4,084
Other financial assets	14	87	87
Deferred income tax assets		61	171
		32,273	33,981
Current assets			
Inventories	16	1,403	1,395
Trade receivables	17	7,087	4,855
Contract assets	18	70,876	58,477
Deposits, prepayments and other receivables	19	3,305	3,102
Pledged bank deposits	20	400	556
Cash at bank and on hand	20	7,581	15,069
		90,652	83,454
Current liabilities			
Trade and retention payables	21	15,175	13,126
Accruals, other payables and provisions	22	5,142	4,787
Contract liabilities	18	1,665	1,559
Current income tax liabilities		884	568
Bank borrowings	24	38,968	37,396
Lease liabilities	23	611	676
		62,445	58,112
Net current assets		28,207	25,342
Total assets less current liabilities		60,480	59,323

Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Non-current liabilities			
Deferred income tax liabilities		125	175
Bank borrowings	24	1,892	2,063
Lease liabilities	23	3,193	3,469
Provisions	22	791	706
		6,001	6,413
Net assets			
		54,479	52,910
EQUITY			
Equity attributable to owners of the Company			
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		357	267
Retained earnings		23,183	21,963
		51,929	50,619
Non-controlling interest		2,550	2,291
Total equity			
		54,479	52,910

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 2022

	Attributable to equity holders of the companies comprising the Group							Non-controlling interest	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 2022	1,915	15,475	586	10,413	267	21,963	50,619	2,291	52,910
Profit for the period	-	-	-	-	-	1,220	1,220	259	1,479
Exchange difference arising on translation	-	-	-	-	16	-	16	-	16
Share of other comprehensive income of a joint venture, net of tax	-	-	-	-	74	-	74	-	74
At 30 June 2022 (Unaudited)	1,915	15,475	586	10,413	357	23,183	51,929	2,550	54,479
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
At 30 June 2021 (Unaudited)	1,915	15,475	586	10,413	233	21,363	49,985	2,000	51,985

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 2022

	For the six months ended 30 June	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net cash (used in)/generated from operations	(6,338)	3,792
Income tax paid	(284)	(649)
Interest received	7	5
Net cash (used in)/generated from operating activities	(6,615)	3,148
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	127	87
Purchase of property, plant and equipment	(1,176)	(938)
Loan to related party	–	(600)
Changes in pledged bank deposits	156	(633)
Net cash used in investing activities	(893)	(2,084)
Cash flows from financing activities		
Interest paid	(514)	(506)
Proceeds from bank borrowings	22,497	18,447
Repayments of bank borrowings	(21,109)	(23,398)
Repayments of obligations under leases	(341)	(399)
Net cash generated from/(used in) financing activities	533	(5,856)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Net decrease in cash and cash equivalents	(6,975)	(4,792)
Cash and cash equivalents at beginning of the period	13,459	8,059
Exchange difference for bank balance not denominated in S\$	—*	(3)
Cash and cash equivalents at end of the period	6,484	3,264
Analysis of the balances of cash and cash equivalents		
Cash and cash equivalents	7,581	5,175
Bank overdrafts	(1,097)	(1,911)
	6,484	3,264

* Less than S\$1,000

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 principal place of business is 37 Kranji Link, Singapore 728643.

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 (“**NTK**”), Mr. Ng Tian Fah (“**NTF**”), Ms. Ng Mei Lian, 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 2022 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 2021.

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 annual financial statements for the year ended 31 December 2021, except for the application of new and amendments to IFRSs effective as of 1 January 2022. 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 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 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, 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.

For the six months ended 30 June 2022, there were 2 customers (six months ended 30 June 2021: 3) which individually contributed to over 10% of the Group's total revenue. Revenue generated from these customers for the six months ended 30 June 2022 and 2021 are summarised below:

	For the six months ended 30 June	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Customer 1	29,269	14,431
Customer 2	8,396	12,288
Customer 3	3,185	7,023

Notes to the Condensed Consolidated Interim Financial Statements

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	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Revenue from contract works	47,520	40,345
Road milling and resurfacing services	3,151	3,294
Ancillary support and other services	1,080	329
Sale of goods and milled waste	720	477
	52,471	44,445

	For the six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Revenue recognised:		
Over time	51,751	43,968
At point in time	720	477
	52,471	44,445

Notes to the Condensed Consolidated Interim Financial Statements

5 OTHER INCOME AND OTHER GAINS, NET

	For the six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Other income:		
Rental income from investment properties	33	12
Rental income from a property (Note (a))	164	43
Government grants (Note (b))	812	881
Others	106	64
	1,115	1,000
Other gain, net:		
Loss on foreign exchange difference — net	—*	(1)
Gain on disposal of property, plant and equipment, net	116	43
Loss on write off of property, plant and equipment, net	(9)	—*
	107	42
	1,222	1,042

* Less than S\$1,000

Notes:

- (a) The property comprises a portion that is held to earn rentals. The management views that the portion could not be sold separately and the portion held for rentals income is insignificant. The property is mainly used as warehouse of the Group, therefore is classified as properties, plant and equipment.
- (b) For the six months ended 30 June 2022, government grants mainly included Foreign Worker Levy Rebate of approximately S\$553,000 (six months ended 30 June 2021: S\$273,000) from the Singapore Government for supporting the development of construction industry and will cease after June 2022. 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 2021: Same).

Notes to the Condensed Consolidated Interim Financial Statements

6 OPERATING PROFIT

Operating profit for the period is stated after charging the following:

	For the six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Raw material and consumables used (Note (a))	6,230	6,108
Subcontracting charges (Note (a))	19,629	13,901
Site expense (Note (a))	1,492	1,919
Auditor's remuneration:		
— Audit services	102	92
— Non-audit services (Note (b))	—	42
Depreciation of property, plant and equipment	2,690	2,689
Depreciation of right-of-use assets	362	411
Employee benefit expenses, including directors' emoluments (Note 7)	13,573	11,633
Insurance expenses	543	560
Expenses relating to short term leases and low value assets (Note 23)	38	2
(Reversal)/provision for onerous contract	(310)	6

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.

Notes to the Condensed Consolidated Interim Financial Statements

7 EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

	For the six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Wages, salaries and bonuses	12,760	10,996
Retirement benefit costs — defined contribution plans (Note)	451	396
Staff benefits	362	241
	13,573	11,633
Cost of sales	10,356	9,398
Administrative expenses	3,217	2,235
	13,573	11,633

Note:

Defined contribution plan represent central provident fund ("CPF") which 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, 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	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Finance income		
Interests from:		
— Bank deposits	7	5
— Pledged bank deposits	—*	—*
	7	5
Finance costs		
Interests on:		
— Bank borrowings	435	465
— Lease liabilities	79	41
— Unwinding of discount of reinstatement costs	11	10
	525	516

* Less than S\$1,000

Notes to the Condensed Consolidated Interim Financial Statements

9 INCOME TAX EXPENSE

	For the six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Current tax		
— Current period — Singapore (Note (d))	600	229
— Over provision in prior years	—	(15)
Deferred tax		
— Current period	59	100
Income tax expense	659	314

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 2022 (six months ended 30 June 2021: 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 2022 (six months ended 30 June 2021: 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 2022 (six months ended 30 June 2021: 17%).

Notes to the Condensed Consolidated Interim Financial Statements

10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit 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	
	2022 (Unaudited)	2021 (Unaudited)
Earnings:		
Profit for the period attributable to the equity holders of the Company (\$'000)	1,220	947
Number of shares:		
Weighted average number of ordinary shares (in thousand)	1,064,000	1,064,000

For the six months ended 30 June 2022, the number of shares used for the purpose of calculating basic earnings per share represents the weighted average of 1,064,000,000 ordinary shares in issue during the period (six months ended 30 June 2021: Same).

Notes to the Condensed Consolidated Interim Financial Statements

11 PROPERTY, PLANT AND EQUIPMENT

	Freehold properties S\$'000	Properties (Note) 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
Period ended 30 June 2022 (Unaudited)							
Opening net book amount	-	15,395	3,361	187	4,494	159	23,596
Addition	-	-	1,063	39	595	4	1,701
Written off	-	-	-*	(1)	(8)	-	(9)
Disposal	-	-	(7)	(4)	-*	-	(11)
Depreciation	-	(653)	(655)	(102)	(1,251)	(29)	(2,690)
Closing net book amount	-	14,742	3,762	119	3,830	134	22,587
At 30 June 2022							
Cost	-	23,622	13,816	1,140	15,895	842	55,315
Accumulated depreciation	-	(8,880)	(10,054)	(1,021)	(12,065)	(708)	(32,728)
Net book amount	-	14,742	3,762	119	3,830	134	22,587
Year ended 31 December 2021 (Audited)							
Opening net book amount	1,486	7,350	3,259	124	4,929	184	17,332
Addition	-	9,283	1,657	198	2,195	34	13,367
Transferred to investment properties (Note 12)	(1,445)	-	-	-	-	-	(1,445)
Written off	-	-	-	-*	(1)	-	(1)
Disposal	-	-	(39)	(4)	(90)	-	(133)
Depreciation	(41)	(1,238)	(1,516)	(131)	(2,539)	(59)	(5,524)
Closing net book amount	-	15,395	3,361	187	4,494	159	23,596
At 31 December 2021							
Cost	-	23,622	13,412	1,107	15,573	838	54,552
Accumulated depreciation	-	(8,227)	(10,051)	(920)	(11,079)	(679)	(30,956)
Net book amount	-	15,395	3,361	187	4,494	159	23,596

* Less than S\$1,000

Notes to the Condensed Consolidated Interim Financial Statements

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Note:

As at 30 June 2022, these properties are held by the Group with underlying leasehold land under the lease terms of approximately 14 to 35 years (31 December 2021: Same). The relevant leasehold land is classified as right-of-use assets (Note 23).

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	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Cost of sales	2,394	2,246
Administrative expenses	296	443
	2,690	2,689

As at 30 June 2022, the properties of the Group with net carrying amount of approximately S\$14,742,000 (31 December 2021: S\$15,395,000) was pledged to secure the bank borrowings of the Group (note 24).

As at 30 June 2022, motor vehicles and plant and machinery with carrying amount of approximately S\$2,183,000 and S\$1,700,000 respectively (31 December 2021: S\$2,452,000 and S\$2,179,000 respectively) were held by the Group under finance lease. The related assets were pledged as security for the related financing (Note 24).

Notes to the Condensed Consolidated Interim Financial Statements

12 INVESTMENT PROPERTIES

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Beginning of the period/year	1,985	380
Transferred from property, plant and equipment (Note 11)	–	1,445
Net fair value gain recognised in profit or loss	–	160
End of the period/year	1,985	1,985

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 2021. 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 31 December 2022.

During the year ended 31 December 2020, the Group occupied one of the investment properties for the purpose of migrant workers' temporary living quarters as part of the temporary containment measures during COVID-19 pandemic. Such change in use has been approved by the Singapore Ministry of Manpower and therefore accounted the properties as owner-occupied properties (Note 11). The directors of the Company would decide to continuously occupy the properties for other administrative purposes after the expiry of the permit for workers' temporary living quarters in March 2021.

During the year ended 31 December 2021, the Group eventually transferred the aforesaid property with a carrying value of S\$1,445,000 from property, plant and equipment to investment properties in respect to the improving leasing market and the location of non-temporary new operating lease. The property was rented to a third party instead of occupying the property for other administrative purpose in October 2021. The management considers the change in fair value at the date of change in use was insignificant to recognise.

As at 30 June 2022, the investment property of the Group with fair value of approximately S\$1,985,000 (31 December 2021: Same) was pledged to secure the bank borrowing of the Group (Note 24).

Notes to the Condensed Consolidated Interim Financial Statements

12 INVESTMENT PROPERTIES (CONTINUED)

The investment property are leased to certain independent third party (Note 5). The following amounts were recognised in the condensed consolidated statement of comprehensive income:

	For the six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Rental income	33	12
Direct operating expenses	(31)	(7)
	2	5

Details of the Group's investment properties as at 30 June 2022 (31 December 2021: Same) are as follows:

Location	Description/ existing use	Tenure
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 Statements

13 INVESTMENTS IN JOINT VENTURES

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Beginning of period/year	4,084	4,669
Share of loss for the period/year, net of tax	(301)	(616)
Share of other comprehensive income for the period/year, net of tax	74	31
End of the period/year	3,857	4,084

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 a subsidiary 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 2022 (Unaudited)	As at 31 December 2021 (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 2022 (31 December 2021: 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 interim financial statements.

	SWG and its subsidiaries	
	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Summarised statement of financial position		
Current assets	7,072	7,059
Non-current assets	7,297	7,380
Current liabilities	(4,236)	(3,812)
Non-current liabilities	(840)	(749)
Net assets	9,293	9,878
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	1,490	1,635
Current financial liabilities (excluding trade and other payables and provisions)	(264)	(294)
Non-current financial liabilities (excluding trade and other payables and provisions)	(840)	(749)

Notes to the Condensed Consolidated Interim Financial Statements

13 INVESTMENTS IN JOINT VENTURES (CONTINUED)

	SWG and its subsidiaries For the six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Summaries statement of comprehensive income		
Revenue	3,169	2,499
Loss for the period	(770)	(637)
Loss for the period attributable to:		
— Equity owners of joint ventures	(722)	(589)
— Non-controlling interest	(48)	(48)
	(770)	(637)
Other comprehensive income:		
Item that may be reclassified subsequently to profit or loss		
Currency translation differences	186	69
Other comprehensive income for the period, net of tax	186	69

Notes to the Condensed Consolidated Interim Financial Statements

13 INVESTMENTS IN JOINT VENTURES (CONTINUED)

	SWG and its subsidiaries	
	For the six months	
	ended 30 June	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Total comprehensive loss for the period attributable to:		
— Equity owners of joint ventures	(536)	(520)
— Non-controlling interest	(48)	(48)
	(584)	(568)
The above loss for the period includes the followings:		
Depreciation and amortisation	(250)	(242)
Interest expense	(11)	(12)
Income tax expense	(17)	(14)

Notes to the Condensed Consolidated Interim Financial Statements

13 INVESTMENTS IN JOINT VENTURES (CONTINUED)

	Futurus Construction Pte. Ltd.	
	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Summarised statement of financial position		
Current assets	137	404
Non-current assets	35	49
Current liabilities	(19)	(269)
Non-current liabilities	–	(1)
Net assets	153	183
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	96	121
Current financial liabilities (excluding trade and other payables and provisions)	(12)	(20)
Non-current financial liabilities (excluding trade and other payables and provisions)	–	(1)

Notes to the Condensed Consolidated Interim Financial Statements

13 INVESTMENTS IN JOINT VENTURES (CONTINUED)

	Futurus Construction Pte. Ltd.	
	For the six months	
	ended 30 June	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Summaries statement of comprehensive income		
Revenue	253	18
Loss for the period	(30)	(23)
Other comprehensive income for the period	—	—
Total comprehensive loss for the period	(30)	(23)
Total comprehensive loss for the period		
attributable to:		
— Equity owners of joint ventures	(30)	(23)
— Non-controlling interest	—	—
	(30)	(23)
The above loss for the period includes the followings:		
Depreciation and amortisation	(22)	(23)
Interest expense	—*	—*
Income tax expense	—	—

* Less than S\$1,000

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 investment in joint ventures recognised in the unaudited condensed consolidated interim financial statements:

	SWG and its subsidiaries	
	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Opening net assets	9,878	11,446
Loss for the period/year	(584)	(1,568)
Closing net assets	9,294	9,878
Net assets attributable to a non-controlling interests of the joint ventures	(198)	(150)
Net assets attributable to the other joint venture partners	5,695	6,017
Net assets attributable to the Group	3,797	4,011
	9,294	9,878

Notes to the Condensed Consolidated Interim Financial Statements

13 INVESTMENTS IN JOINT VENTURES (CONTINUED)

	Futurus Construction Pte. Ltd.	
	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Opening net assets	183	191
Loss for the period/year	(30)	(8)
Closing net assets	153	183
Net assets attributable to the other joint venture partners	92	110
Net assets attributable to the Group	61	73
	153	183

Notes to the Condensed Consolidated Interim Financial Statements

14 OTHER FINANCIAL ASSETS

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Financial assets measured at FVTPL		
— Key management insurance contract	87	87

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\$391,200. 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 65th 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 25th policy year 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 65th 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 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Financial assets		
Carried at fair value:		
Other financial assets	87	87
Carried at amortised cost:		
Trade receivables	7,087	4,855
Deposit and other receivables, excluding prepayments and good and services tax receivables	2,240	1,340
Pledged bank deposits	400	556
Cash at bank and on hand	7,581	15,069
	17,308	21,820
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and retention payables	15,175	13,126
Accruals and other payables, excluding staff cost payables, provisions and good and services payables	791	849
Bank borrowings	40,860	39,459
Lease liabilities	3,804	4,145
	60,630	57,579

Notes to the Condensed Consolidated Interim Financial Statements

16 INVENTORIES

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Raw materials and consumables	1,403	1,395

The cost of inventories recognised as expense and included in “cost of sales” amounted to approximately S\$6,230,000 for the six months ended 30 June 2022 (six months ended 30 June 2021: S\$6,108,000).

No inventories were written off during the six months ended 30 June 2022 (six months ended: 30 June 2021: Nil).

17 TRADE RECEIVABLES

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Trade receivables		
— Third parties	7,573	5,166
Less: Allowance for impairment of trade receivables	(486)	(311)
Trade receivable — net	7,087	4,855

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:

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Less than 30 days	6,104	3,107
31–60 days	564	758
61–90 days	211	806
91–120 days	42	44
121–365 days	392	196
More than 1 year	260	255
	7,573	5,166

Notes to the Condensed Consolidated Interim Financial Statements

18 CONTRACT ASSETS/(LIABILITIES)

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Retention sum for contract works	969	875
Unbilled revenue of contracts	70,506	58,423
	71,475	59,298
Less: Allowance for impairment	(599)	(821)
Contract assets	70,876	58,477
Contract liabilities	(1,665)	(1,559)
Retention held by customers expected to be settled: To be recovered within 12 months	969	875

All contract assets and contract liabilities are mainly from contract works and road milling and resurfacing services. The changes in the contract assets and contract liabilities for the year were resulted from the pace of the progress of certain projects and the timing of approval for progress billing application for certain projects.

Notes to the Condensed Consolidated Interim Financial Statements

18 CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

Retention sum for contract works are settled in accordance with the terms of the respective contracts. In the unaudited condensed consolidated statement of financial position, retention sum for contract works were classified as current assets based on operating cycle. Prior to expiration of defect liability period, these 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.

Contract assets represent 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.

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

Revenue recognised in relation to contract liabilities:

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Revenue recognised in current period/year that was included in the contract liabilities balance at the beginning of the period/year	(1,559)	–

Notes to the Condensed Consolidated Interim Financial Statements

18 CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

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

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied	145,619	161,907
Expected to be recognised within one year	87,399	88,684
Expected to be recognised after one year	58,220	73,223
	145,619	161,907

19 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
<i>Current</i>		
Other receivables		
— Third parties	59	15
Loan to a joint venture (Note 27(b)(i))	600	600
Deposits (Note (a))	1,581	725
Prepayments (Note (b))	1,065	1,762
	3,305	3,102

Notes to the Condensed Consolidated Interim Financial Statements

19 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Notes:

- (a) As at 30 June 2022, deposits mainly composed of deposits paid for project expenses, rental deposits for properties and motor vehicles (31 December 2021: Same).
- (b) As at 30 June 2022, prepayments composed of prepaid project insurance and performance bond insurance (31 December 2021: Same).

20 CASH AT BANK AND ON HAND AND PLEDGED BANK DEPOSITS

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Cash at banks	7,505	14,984
Cash on hand	76	85
	7,581	15,069
Pledged bank deposits	400	556
	7,981	15,625

As at 30 June 2022, bank deposits of approximately S\$400,000 (31 December 2021: S\$556,000) were mainly pledged for bank borrowings of the Group with maturity of three months (31 December 2021: one year). Such bank deposits carry interest at market rates which range from 0.02% to 1.20% (31 December 2021: 0.02% to 0.30%) per annum.

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 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Trade payables		
— Third parties	14,933	13,081
— Related parties (Note 27(b)(ii))	11	30
	14,944	13,111
Retention payable		
— Third party	231	15
	15,175	13,126

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 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Less than 30 days	11,311	10,755
31–60 days	1,879	768
61–90 days	715	520
91–120 days	226	399
121–365 days	776	635
More than one year	37	34
	14,944	13,111

Notes to the Condensed Consolidated Interim Financial Statements

22 ACCRUALS, OTHER PAYABLES AND PROVISIONS

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
<i>Current</i>		
Other payables	211	127
Accruals for operating expenses	3,833	2,852
Deposits received — refundable	218	214
Goods and services tax payables	247	651
Provisions	633	943
	5,142	4,787
<i>Non-current</i>		
Provisions	791	706

Current provision mainly represented provision for leave entitlement onerous contract. Non-current provision represented provision for repair works to be incurred after the completion of contract works and provision for reinstatement costs for a property with a fixed land lease classify as property, plant and equipment (Note 11).

Notes to the Condensed Consolidated Interim Financial Statements

22 ACCRUALS, OTHER PAYABLES AND PROVISIONS (CONTINUED)

Movement in provisions classified as current liabilities are as follows:

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Provision for leave entitlement		
Beginning of period/year	633	258
Provision made	–	375
End of period/year	633	633
Provision for onerous contract		
Beginning of period/year	310	–
Provision made	–	310
Provision reversed	(310)	–
End of period/year	–	310
	633	943

The provision for onerous contract represented the unavoidable costs of fulfilling certain contract work with customer that were in excess of the economic benefits expected to be received under the contract.

As at 31 December 2021, the management considers that the provision for onerous contract of approximately S\$310,000 relates to the estimated cost of contract works agreed to be carried out for two projects over the economic benefit to be obtained from them, being unavoidable of meeting the contract obligations.

As at 30 June 2022, the anticipated expenditure are incurred throughout the performance of contract works.

Notes to the Condensed Consolidated Interim Financial Statements

22 ACCRUALS, OTHER PAYABLES AND PROVISIONS (CONTINUED)

Movements in provision classified as non-current liabilities are as follows:

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Provision for repair works on contract works		
Beginning of period/year	328	182
Provision made	74	146
End of period/year	402	328
Provision for reinstatement costs		
Beginning of period/year	378	357
Unwinding of discount (Note 8)	11	21
End of period/year	389	378
	791	706

23 LEASES

The Group leases land and office equipment. Rental contracts are typically made for fixed periods of 2 to 35 years (31 December 2021: Same). 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 reassesses the right-to-use assets when the lease payment is 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.

Notes to the Condensed Consolidated Interim Financial Statements

23 LEASES (CONTINUED)

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to 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.

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

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
<i>Right-of-use assets</i>		
Land	3,652	4,009
Office equipment	44	49
	3,696	4,058
<i>Lease liabilities</i>		
Current	611	676
Non-current	3,193	3,469
	3,804	4,145

No additions to the right-of-use assets for the six months ended 30 June 2022 (31 December 2021: S\$3,507,000). Additions during the year ended 31 December 2021 mainly composed of the right-of-use asset with initial recognition amount of approximately S\$2,435,000 for a new land lease entered into regarding to the newly acquired property, set out in Note 11 to these unaudited condensed consolidated interim financial statements, for approximately 35 years. Incremental borrowing rate of 4.56% per annum for the lease at the lease commencement date was adopted by the management for the determination of present value of lease payments.

The weighted average lease's incremental borrowing rates applied by the Group ranged from 2.35% to 4.56% (31 December 2021: Same) per annum.

Notes to the Condensed Consolidated Interim Financial Statements

23 LEASES (CONTINUED)

(ii) Amounts recognised in the unaudited condensed consolidated statement of comprehensive income

	For the six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Depreciation charge of right-to-use assets		
Land	358	410
Office equipment	4	1
	362	411
Interest expense (included in finance costs)	79	41
Expenses relating to short-term leases and low value assets	38	2
	117	43

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

	For the six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Cost of sales	325	383
Administrative expenses	37	28
	362	411

The total cash outflow for leases, excluding expenses relating to short term leases and low value assets, in six months ended 30 June 2022 were approximately S\$420,000 (six months ended 30 June 2021: S\$440,000).

Notes to the Condensed Consolidated Interim Financial Statements

24 BANK BORROWINGS

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Bank overdrafts	1,097	1,610
Borrowings from bank — secured	39,763	37,849
	40,860	39,459

As at 30 June 2022, the Group's bank borrowings with carrying amount of approximately S\$24,405,000 (31 December 2021: S\$20,493,000) were variable-rate borrowings which carried annual interest ranging from 1.44% to 4.35% (31 December 2021: 1.42% to 3.10%) per annum.

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

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Within 1 year or on demand	38,968	37,396
After 1 year but within 2 years	991	1,055
After 2 years but within 5 years	901	1,008
	40,860	39,459

As at 30 June 2022, the Group's bank borrowings were secured by the investment property, self-occupied properties, pledged deposits and corporate guarantee by the Company (31 December 2021: Same).

The weighted average interest rate was 1.85% as at 30 June 2022 (31 December 2021: 2.29%).

Notes to the Condensed Consolidated Interim Financial Statements

25 SHARE CAPITAL

	Par value HK\$	No. of shares	Share capital HK\$'000
Authorised:			
At 31 December 2021 (Audited)	0.01	2,000,000,000	20,000
At 30 June 2022 (Unaudited)	0.01	2,000,000,000	20,000
	No. of shares	HK\$'000	SS'000
Issued and fully paid:			
At 31 December 2021 (Audited)	1,064,000,000	10,640	1,915
At 30 June 2022 (Unaudited)	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 2022 (six months ended 30 June 2021: 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 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 six months ended 30 June 2022:

Name of the related party	Relationship with the Group through:
Geenet Pte Ltd	Significant influence by Mr. Ng Choon Wee, son of NTS
Eastern Green Power Pte Ltd	Significant influence by NTS
Konnection Engineering Pte. Ltd. ("Konnection") (formerly known as Komasi Construction Pte Ltd) (Note)	Significant influence by Mr. Ng Choon Tat, son of NTS
Futurus Construction Pte Ltd	Joint venture of the Group
SWG Alliance Pte Ltd	Joint venture of the Group
Tong Seng Concrete Products Trading Pte Ltd	Wholly owned subsidiary by a joint venture of the Group

Note:

Mr. Ng Choon Tat, transferred entire of his equity interests in Konnection to third parties on 17 November 2021. After the transfer of share, significant influence by Mr. Ng Choon Tat was lost, therefore, it is no longer a related party of the Group. Disclosure of related party transaction for the current period covered the period in which key management personnel had significant influence over, both the Group and Konnection until significant influence was lost (i.e. from 1 January 2021 up to 16 November 2021).

Notes to the Condensed Consolidated Interim Financial Statements

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

	For the six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Contract work revenue to Eastern Green Power Pte Ltd (Note (i))	–	52
Sale of goods to Futurus Construction Pte Ltd Geenet Pte Ltd	1 1	–* 1
Ancillary support services to Eastern Green Power Pte Ltd (Note (i)) Futurus Construction Pte Ltd Konnection	– 16 –	4 19 5
Sub-contracting charges from Futurus Construction Pte Ltd Konnection	(12) –	(15) (2,754)
Raw materials and consumables from Eastern Green Power Pte Ltd (Note (i)) Tong Seng Concrete Products Trading Pte Ltd	– (24)	(10) (33)
Transportation and vehicle expenses from Futurus Construction Pte Ltd Konnection	(12) –	(4) (4)
Other operating expenses from Geenet Pte Ltd	(13)	(8)

* Less than S\$1,000

Notes to the Condensed Consolidated Interim Financial Statements

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

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.

(b) Balances with related parties

	As at 30 June 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
(i) <i>Loans to a joint venture — Non-trade</i> SWG Alliance Pte Ltd	600	600
(ii) <i>Trade payables</i>		
Futurus Construction Pte Ltd	6	25
Geenet Pte Ltd	4	2
Tong Seng Concrete Products Trading Pte Ltd	1	23
	11	30

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\$ during the six months ended 30 June 2022 (31 December 2021: Same).

All receivables and payable 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 2022, the Group's bank borrowings were secured by corporate guarantee by the Company (31 December 2021: Same).
- (e) As at 30 June 2022, 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 an insurance company provided by the directors of the Company NTS, NTF and NTK (31 December 2021: corporate guarantees by the Company, in exception to personal guarantees to two insurance companies provided by the directors of the Company NTS, NTF and NTK) 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.

28 CONTINGENCIES

The Group had performance bonds for guarantees of completion of projects issued by insurance companies and banks amounting to approximately \$13,158,000 as at 30 June 2022 (31 December 2021: S\$12,917,000).

The Group had security bonds made under section 12 of Employment of Foreign Manpower (Work Passes) Regulations amounting to S\$1,660,000 as at 30 June 2022 (31 December 2021: S\$1,660,000).

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)

(a) Directors' emoluments

The remunerations of the directors for the six months ended 30 June 2022 is set out below:

	Fee S\$'000	Salaries S\$'000	Discretionary bonuses S\$'000	Retirement benefit — defined contribution plans S\$'000	Total S\$'000
For the six months ended 30 June 2022					
<i>Executive directors</i>					
Ng Tian Soo	10	290	—	4	304
Ng Tian Fah	—	245	—	6	251
<i>Independent non-executive directors</i>					
Gary Ng Sin Tong	10	—	—	—	10
Lee Wing Yin Jessica	10	—	—	—	10
George Christopher Holland	10	—	—	—	10
	40	535	—	10	585

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 2021 is set out below:

	Fee S\$'000	Salaries S\$'000	Discretionary bonuses S\$'000	Retirement benefit — defined contribution plans S\$'000	Total S\$'000
For the six months ended 30 June 2021					
<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

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 executive director.

* The discretionary bonus is an incentive based on individual performance which has been determined and approved by the remuneration committee.

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)

(b) Directors' retirement benefits

During the six months ended 30 June 2022, 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 2021: 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 2022 (six months ended 30 June 2021: 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 2022 (six months ended 30 June 2021: 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 2022 (six months ended 30 June 2021: 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 2022 (six months ended 30 June 2021: Nil).

30 SUBSEQUENT EVENTS

There are no significant events affecting the Company and its subsidiaries which have occurred after the six months ended 30 June 2022 and up to the date of this report.

Management Discussion and Analysis

INDUSTRY OVERVIEW

The civil engineering utilities market in Singapore is expected to improve marginally for 2022 and compared to 2021. According to the Ministry of Trade and Industry Singapore (“MTI”) announced on 11 August 2022, the construction sector grew by 3.3% year-on-year in the second quarter of 2022, extending the 2.4% expansion in the previous quarter. Construction activity picked up during the quarter, supported in part by the relaxation of border restrictions on the inflow of migrant workers. However, the performance of the construction sector in 2022 is expected to remain below its pre-pandemic level due to continued labour shortages as the inflow of migrant workers would take time to recover.

BUSINESS REVIEW AND PROSPECT

The core business and revenue structure of the Group have remained unchanged for the six months ended 30 June 2022. 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. Although the prospects of construction demand are expected to improve marginally compared to last year, there is still a severe shortage of manpower and the recent spike in COVID-19 cases in the local community. Supply chains are disrupted due to huge backlogs in shipping ports around the world. Construction material prices are also on an upward trajectory and prices for raw materials have risen substantially since the onset of the pandemic. In addition, the current interest rate environment is expected to raise the Group’s cost of borrowing and consequently affect its overall margins. These unfavourable factors have adversely affected the operations of the Group in Singapore.

Business strategies of the Group remained unchanged for the six months ended 30 June 2022. Looking ahead, the Group will (i) closely monitor the development of the COVID-19 and assess its impact on its operations continuously; (ii) continue to leverage its solid track record and proven expertise to tender for public and private sector projects; (iii) prioritise cash conservation; (iv) adopt tighten cost control measures; (v) actively participate in tendering for new projects to strengthen the Group’s market position; and (vi) exercise caution when exploring business opportunities during this period.

Management Discussion and Analysis

ONGOING PROJECTS

As at 30 June 2022, the Group had 38 ongoing projects, including 36 ongoing power cable installation projects and two telecommunication cable installation projects with an aggregated contract sum of approximately S\$284.1 million, of which approximately S\$138.5 million has been recognised as revenue up to 30 June 2022 (31 December 2021: 34 ongoing projects, including 28 ongoing power cable installation projects, four telecommunication cable installation projects and two ongoing cable installation projects with an aggregated contract sum of approximately S\$335.2 million). The remaining balance will be recognised as Group's revenue in subsequent periods in accordance with the stage of completion.

FINANCIAL REVIEW

Below is the financial review for the six months ended 30 June 2022 compared to six months ended 30 June 2021.

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 2022 and 2021.

	For the six months ended 30 June	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)
Revenue from contract works		
— Power	44,719	39,270
— Telecommunication	2,801	1,075
Subtotal	47,520	40,345
Road milling and resurfacing services	3,151	3,294
Ancillary support and other services	1,080	329
Sales of goods and milled waste	720	477
Total	52,471	44,445

Management Discussion and Analysis

Our revenue increased by approximately S\$8.2 million from approximately S\$44.4 million for the six months ended 30 June 2021 to approximately S\$52.5 million for the six months ended 30 June 2022, representing an increase of approximately 18.5%. This increase was mainly attributable to:

- (i) increase in revenue from contract works by approximately S\$7.2 million with combined effects of (a) construction work has gradually recovered from the impact of COVID-19; (b) the increase in revenue from power cable installation projects by approximately S\$5.5 million was mainly due to substantial progress of projects with revenue recognised for the six months ended 30 June 2022 compared to 30 June 2021; and (c) the increase in revenue from telecommunication cable installation projects by approximately S\$1.7 million was due to substantial progress of two of the projects with revenue recognised for the six months ended 30 June 2022 compared to 30 June 2021;
- (ii) slight increase in revenue from road milling and resurfacing services by approximately S\$0.1 million;
- (iii) increase in revenue from ancillary support and other services by approximately S\$0.7 million due to increased revenue from leasing of vehicles; and
- (iv) slight increase in revenue from sales of goods and milled waste by approximately S\$0.2 million.

Cost of sales

Our costs of sales increased by approximately S\$7.1 million from approximately S\$38.5 million for the six months ended 30 June 2021 to approximately S\$45.6 million for the six months ended 30 June 2022, representing an increase of approximately 18.5%, primarily as a result of the increase in cost of sales was in line with the increase in revenue as discussed above and increase in subcontracting charges incurred for certain projects undertaken during the period.

Gross profit and gross profit margin

The Group's gross profit increased by approximately S\$0.9 million from approximately S\$6.0 million for the six months ended 30 June 2021 to approximately S\$6.9 million for the six months ended 30 June 2022, while the Group's gross profit margin remained relatively stable at approximately 13.5% for the six months ended 30 June 2021 and approximately 13.2% for the six months ended 30 June 2022. The increase in gross profit was mainly due to the increase in revenue of our Group attributable to reasons elaborated above.

Management Discussion and Analysis

Other income and other gains, net

Other income and other gains, net increased by approximately S\$0.2 million from approximately S\$1.0 million for the six months ended 30 June 2021 to approximately S\$1.2 million for the six months ended 30 June 2022 was mainly attributable to the rental income from a property of approximately S\$0.1 million.

Administrative expenses

Our administrative expenses increased by approximately S\$0.7 million from approximately S\$4.5 million for the six months ended 30 June 2021 to approximately S\$5.2 million for the six months ended 30 June 2022. Such increase was mainly attributable to the increase in employee benefit costs by approximately S\$1.0 million.

Reversal/(allowance) for impairment of trade receivables and contract assets

An allowance for impairment of trade receivables and contract assets decreased by approximately S\$0.3 million from approximately S\$0.2 million for the six months ended 30 June 2021 to reversal of impairment of trade receivables and contract assets at approximately S\$47,000 for the six months ended 30 June 2022. Such decrease was mainly attributable to (i) reversal of allowance for expected credit loss of contract assets by approximately S\$0.2 million for the six months ended 30 June 2022; and (ii) increase in allowance for impairment of trade receivables by approximately S\$0.1 million in relation to increase in trade receivable that were aged over 150 days for the six months ended 30 June 2022.

Finance income

The finance income was relatively stable at approximately S\$7,000 and S\$5,000 for the six months ended 30 June 2022 and 2021, respectively, which mainly represented interest income from bank deposits and fixed deposits.

Finance costs

The finance costs mainly represented interest expense relating to bank borrowings, lease liabilities and unwinding of discount of reinstatement costs. Finance costs for the six months ended 30 June 2022 was approximately S\$525,000 which relatively constant with that of the six months ended 30 June 2021 of approximately S\$516,000.

Income tax expense

Income tax expense increased by approximately S\$0.3 million for the six months ended 30 June 2022 compared to six months ended 30 June 2021. Such increase was mainly due to the increase in assessable profit.

Management Discussion and Analysis

Profit for the period

As a result of the foregoing, our Group recorded a net profit of approximately S\$1.5 million for the six months ended 30 June 2022 as compared to the net profit of approximately S\$1.2 million for the six months ended 30 June 2021, representing an increase of approximately S\$0.3 million.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The shares of the Company were successfully listed on 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 generated from our business operations, equity contribution from the shareholders and borrowings. As at 30 June 2022, the Company’s issued share capital was HK\$10,640,000 and the number of issued shares of the Company was 1,064,000,000 ordinary shares of HK\$0.01 each.

As at 30 June 2022, the Group maintained a healthy liquidity position with net current asset balance and cash at bank and on hand of approximately S\$28.2 million (31 December 2021: S\$25.3 million) and approximately S\$7.6 million (31 December 2021: S\$15.1 million) respectively. The Group’s cash and cash equivalents were denominated in Singapore dollars and Hong Kong 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 at all times.

Management Discussion and Analysis

Borrowings

As at 30 June 2022, the Group had total borrowings (including bank borrowings and lease liabilities) of approximately S\$44.7 million (31 December 2021: S\$43.6 million) which were denominated in Singapore dollars. The Group's borrowings have not been hedged by any interest rate financial instruments. Details of the maturity profile and interest rate of the borrowings are set out in Note 24 to the condensed consolidated interim financial statements.

Gearing ratio

Gearing ratio is calculated as total borrowings (including bank borrowings and lease liabilities) divided by the total equity at the end of the respective period.

As at 30 June 2022, our gearing ratio was approximately 82.0% (31 December 2021: 82.4%). The decrease in our gearing ratio as at 30 June 2022 was mainly due to the increase in equity.

Net debt to total capital ratio

Net debt to total capital ratio is calculated as net debts (i.e. lease liabilities, bank borrowings and net of cash at bank and on hand and pledged bank deposits) divided by total capital (i.e. net debts and total equity) as at the end of the respective period.

As at 30 June 2022, our net debt to total capital ratio was approximately 40.2% (31 December 2021: 34.6%). The increase in our net debt to total capital ratio was mainly due to the decrease in cash at bank and on hand and pledged bank deposits.

Pledge of assets

As at 30 June 2022, the Group's investment properties of approximately S\$2.0 million (31 December 2021: S\$2.0 million), self-occupies properties of approximately S\$14.7 million (31 December 2021: S\$15.4 million) and bank deposits of approximately S\$0.4 million (31 December 2021: S\$0.6 million) were pledged for bank borrowings.

Management Discussion and Analysis

CAPITAL EXPENDITURES AND COMMITMENTS

During the six months ended 30 June 2022, the Group incurred capital expenditures of approximately S\$1.7 million (six months ended 30 June 2021: S\$11.7 million), primarily due to purchases of property, plant and equipment and motor vehicles.

As at 30 June 2022, our Group had capital expenditure contracted for as end of the reporting period but not recognised in the unaudited condensed consolidated interim financial statements in respect of purchases of property, plant and equipment and motor vehicles of approximately S\$0.5 million (31 December 2021: S\$0.3 million).

CONTINGENCIES

As at 30 June 2022, our Group had performance bonds of guarantees of completion of projects issued by insurance companies and banks amounting to approximately S\$13.2 million (31 December 2021: S\$12.9 million).

As at 30 June 2022, our Group had security bonds made under section 12 of Employment of Foreign Manpower (Work Passes) Regulations amounting to approximately S\$1.7 million (31 December 2021: S\$1.7 million).

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

Management Discussion and Analysis

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES COMPANIES OR JOINT VENTURES

During the six months ended 30 June 2022, the Group did not have any significant investments held, material acquisitions or disposals of subsidiaries and associated companies or joint ventures.

Financial instruments

Our major financial instruments include trade receivables, deposits and other receivables excluding prepayments, cash at bank and on hand, pledged bank deposits, bank 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 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 Hong Kong dollars amounting to approximately HK\$12,000 as at 30 June 2022 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.

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2022, we had 595 full time employees (31 December 2021: 587) 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 2022 amounted to approximately S\$13.6 million (six months ended 30 June 2021: S\$11.6 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.

RETIREMENT BENEFIT COSTS

Payments made to Central Provident Fund ("CPF") are recognised as expense when employees have rendered service entitling them to the contributions.

During the six months ended 30 June 2022, there were no contribution forfeited by the Group on behalf of its employees who left the plan prior to vesting fully in such contribution, nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 30 June 2022, no forfeited contributions were available for utilisation by the Group to reduce the existing level of contributions.

EVENT AFTER REPORTING PERIOD

There are no significant events affecting the Company and its subsidiaries which have occurred after the six months ended 30 June 2022 and up to the date of this report.

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 2022, the interests and short positions of the Directors and chief executives 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 HK\$0.01 each of the Company (the "Shares")

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 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.

Other Information

(b) Long positions in the shares of associated corporations

Name of Director	Name of associated corporation	Nature of interest	Number of shares held	Percentage of interest in associated corporation
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 2022, none of the Directors or chief executives 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 as set out in Appendix 10 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 2022, 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%

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 2022, 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 of 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 2022. 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 of the Company.

CORPORATE GOVERNANCE

During the six months ended 30 June 2022, 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 option has been granted, exercised, lapsed or cancelled under the Share Option Scheme since its adoption 18 February 2020 and during the six months ended 30 June 2022, and there is no outstanding share option as at 30 June 2022.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time for the six months period ended 30 June 2022 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire such rights 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 2022.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group’s unaudited interim results for the six months ended 30 June 2022 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 2022 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, 24 August 2022