

BHCC HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1552



2023

Interim Report

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Yang Xinping
Ms. Han Yuying

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chan Bee Leng
Mr. Ooi Soo Liat
Mr. Kwong Choong Kuen
(Huang Zhongquan)

COMPANY SECRETARY

Ms. Chan So Fun
Solicitor, Hong Kong

AUTHORISED REPRESENTATIVES

Ms. Chan So Fun
Mr. Yang Xinping

AUDIT COMMITTEE

Ms. Chan Bee Leng (*Chairwoman*)
Mr. Ooi Soo Liat
Mr. Kwong Choong Kuen
(Huang Zhongquan)

REMUNERATION COMMITTEE

Mr. Ooi Soo Liat (*Chairman*)
Ms. Chan Bee Leng
Mr. Kwong Choong Kuen
(Huang Zhongquan)
Ms. Han Yuying

NOMINATION COMMITTEE

Mr. Kwong Choong Kuen
(Huang Zhongquan) (*Chairman*)
Ms. Chan Bee Leng
Mr. Ooi Soo Liat
Mr. Yang Xinping

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

No. 1 Tampines North Drive 3
#08-01
BHCC SPACE
Singapore 528499

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1205, 12th Floor
Far East Consortium Building
121 Des Voeux Road Central
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F
148 Electric Road
North Point
Hong Kong

CORPORATE INFORMATION

AUDITORS

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

PRINCIPAL BANKERS

DBS Bank Ltd
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

Maybank Singapore Limited
2 Battery Road
Maybank Tower
Singapore 049907

COMPANY WEBSITE

www.bhcc.com.sg

STOCK CODE

1552

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “Board”) of directors (the “Directors”) of BHCC Holding Limited (the “Company”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2023 (the “Period”), together with the comparative figures for the corresponding period in 2022 (the “Previous Period”).

BUSINESS REVIEW

The Group is principally engaged as a main contractor in the provision of building and construction works, and properties investment including the leasing of industrial properties in Singapore. The Group is also specialised in reinforcement concrete works which it has undertaken on a selected basis in the subcontractor projects.

FINANCIAL REVIEW

The Group’s revenue for the Period was approximately S\$143.3 million, representing a growth of approximately 52.4% as compared to that of approximately S\$94.0 million for the Previous Period. The increase was mainly due to more construction activities performed during the Period comparing with the Previous Period. Revenue from building and construction works accounted for approximately 99.2% (Previous Period: approximately 99.0%) or approximately S\$142.2 million (Previous Period: approximately S\$93.1 million) of the Group’s total revenue. Revenue from property investment contributed approximately 0.8% (Previous Period: approximately 1.0%) or approximately S\$1.1 million (Previous Period: approximately S\$0.9 million).

Profit attributable to owners of the Company for the Period amounted to approximately S\$3.9 million (Previous Period: loss attributable to owners of the Company of approximately S\$11.4 million).

The Board is of the view that the financial position of the Group remains sound as sufficient reserve and liquidity are maintained.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

As at 30 June 2023, the Group has provided performance bonds and security bonds for foreign workers in favour of the customers amounting to approximately S\$45.9 million.

CAPITAL COMMITMENTS

As at 30 June 2023, the Group had no commitment in respect of acquisition of property, plant and equipment.

PROSPECTS

Looking ahead, the global growth on economic activity will decelerate in 2023 due to various uncertain factors such as rising interest rates, high inflation and the impact of the geopolitical conflicts. Singapore's economic growth is expected to slow in 2023, however, the construction industry is expected to strengthen, due to largely planned public housing projects. The Ministry of Trade and Industry Singapore ("MTI") revealed that the 2023 GDP growth forecast for Singapore has been narrowed to "0.5 to 1.5 per cent", from "0.5 to 2.5 per cent". Growth in the construction sector came in at 6.8 per cent year-on-year, similar to the 6.9 per cent recorded in the preceding quarter. Both public and private sector construction output rose during the quarter. On a quarter-on-quarter seasonally-adjusted basis, the sector grew by 2.7 per cent, improving from the 0.3 per cent growth in the first quarter.

With the gradual recovery of the construction industry, the Group's revenue rose to approximately \$143.3 million during the six months ended 30 June 2023, an increase of 52.4% from the Previous Period.

The Group believes that with its healthy project order books, the Group will be able to continue building on its competitive strengths and devise plans to achieve its long-term business objectives.

The Company expects to:

- (a) expand the Group's business and strengthen the Group's market position in the construction industry in Singapore;
- (b) pursue higher value contracts; and
- (c) enhance and expand the Group's workforce to keep up with the Group's business expansion.

MANAGEMENT DISCUSSION AND ANALYSIS

RECENT DEVELOPMENT

In terms of building technologies, the Group has actively used BIM in its projects, upgraded BIM functionally from 3D to 5D and is gradually moving towards the utilization of Integrated Digital Delivery in conjunction with other smart office technologies such as the Office Automation System.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's cash and cash equivalents balances as at 30 June 2023 amounted to approximately S\$33.3 million, representing an increase of approximately S\$3.4 million as compared to approximately S\$29.9 million as at 31 December 2022.

As at 30 June 2023, the Group's indebtedness comprised bank borrowings of approximately S\$13.5 million (2022: approximately S\$14.7 million), hire purchase financing of approximately S\$0.1 million (2022: approximately S\$0.2 million), and lease liabilities of approximately S\$0.2 million (2022: approximately S\$0.3 million). As at 30 June 2023, the gearing ratio (calculated by dividing total debts by equity attributable to owners of the company) of the Group was 0.33 times as compared to 0.40 times as at 31 December 2022.

The Group's equity balance increased to approximately S\$41.3 million as at 30 June 2023 from that of approximately S\$37.4 million as at 31 December 2022.

The Group has certain bank balances denominated in HK\$ and US\$ other than the functional currency of respective group entities as at 30 June 2023, which exposes the Group to foreign currency risk. The Group manages the risk by closely monitoring the movement of the foreign currency rate.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 384 employees as at 30 June 2023 (Previous Period: 356 employees). Remuneration is determined by reference to prevailing market terms and in accordance with the job scope, responsibilities, and performance of each individual employee.

The Company has adopted a share option scheme pursuant to which the Directors and employees of the Group are entitled to participate. The local employees are also entitled to discretionary bonus depending on their respective performances and the profitability of the Group. The foreign workers are typically employed on a one-year basis depending on the period of their work permits, and subject to renewal based on their performance, and are remunerated according to their work skills.

OTHER INFORMATION

DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES

As at 30 June 2023, the interests and short positions of Directors in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance) as recorded in the register required to be kept under section 352 of the SFO, or as 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, are as follows:

DIRECTORS' INTEREST IN THE SHARES OF THE COMPANY

Director	Number of shares/Position	Percentage of shareholding	Capacity
Mr. Yang Xinping ("Mr. Yang")	409,050,000 (Note 1) Long position	51.13125%	Interest in controlled corporation
Ms. Han Yuying ("Ms. Han")	136,350,000 (Note 2) Long position	17.04375%	Interest in controlled corporation

Notes:

1. These shares are held by Huada Developments Limited ("Huada Developments"). The issued share capital of Huada Developments is legally and beneficially owned as to 80% by Mr. Yang and 20% by his spouse, Ms. Chao Jie. Mr. Yang is deemed to be interested in the shares of the Company in which Huada Developments is interested under Part XV of the SFO.
2. These shares are held by Eagle Soar Global Limited ("Eagle Soar"). The entire issued share capital of Eagle Soar is legally and beneficially owned by Ms. Han. Ms. Han is deemed to be interested in the shares of the Company in which Eagle Soar is interested under Part XV of the SFO.

OTHER INFORMATION

DIRECTORS' INTEREST IN THE SHARES OF HUADA DEVELOPMENTS, AN ASSOCIATED CORPORATION OF THE COMPANY

Director	Capacity/ nature of interest	Number of shares in Huada Developments	Percentage of shareholding in Huada Development
Mr. Yang	Beneficial owner	80	80%

Save as disclosed above, as at 30 June 2023, none of the Directors or the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be 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 he/she is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2023, so far as the Directors are aware, the interest and short positions of the persons, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO are as follows:

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTEREST IN THE COMPANY

Shareholder	Number of shares/Position	Percentage of shareholding	Capacity
Huada Developments (Note 1)	409,050,000 Long position	51.13125%	Beneficial owner
Ms. Chao Jie (Note 1)	409,050,000 Long position	51.13125%	Interest of spouse
Eagle Soar (Note 2)	136,350,000 Long position	17.04375%	Beneficial owner
Mr. Liu Hai (Note 2)	136,350,000 Long position	17.04375%	Interest of spouse
Wai Tian Holdings Limited (Note 3)	54,600,000 Long position	6.825%	Beneficial owner
Mr. Zhan Lixiong ("Mr. Zhan") (Note 3)	54,600,000 Long position	6.825%	Interest in controlled corporation
Ms. Zheng Dan (Note 3)	54,600,000 Long position	6.825%	Interest of spouse

Notes:

1. The issued share capital of Huada Developments is legally and beneficially owned as to 80% by Mr. Yang and 20% by Ms. Chao Jie. Mr. Yang is deemed to be interested in the Shares in which Huada Developments is interested in under Part XV of the SFO. Ms. Chao Jie is the spouse of Mr. Yang. She is deemed to be interested in the Shares in which Mr. Yang is interested in under Part XV of the SFO.
2. The entire issued share capital of Eagle Soar is legally and beneficially owned by Ms. Han. Ms. Han is deemed to be interested in the Shares in which Eagle Soar is interested in under Part XV of the SFO. Mr. Liu Hai is the spouse of Ms. Han. He is deemed to be interested in the Shares in which Ms. Han is interested in under Part XV of the SFO.
3. The entire issued share capital of Wai Tian Holdings Limited is legally and beneficially owned by Mr. Zhan. Mr. Zhan is deemed to be interested in the Shares in which Wai Tian Holdings Limited is interested in under Part XV of the SFO. Ms. Zheng Dan is the spouse of Mr. Zhan. Ms. Zheng Dan is deemed to be interested in the Shares in which Mr. Zhan is interested in under Part XV of the SFO.

OTHER INFORMATION

Save as disclosed above, as at 30 June 2023, the Directors are not aware of any other persons or corporations (other than the Directors and chief executive of the Company) who/which had any interests or short positions in the shares or underlying shares of the Company or any of its associated companies 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 required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

On 17 August 2017, the then shareholders of the Company approved and conditionally adopted a share option scheme (the "Share Option Scheme") to enable the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group. No option has been granted since its adoption on 17 August 2017, and there is no outstanding share option as at 30 June 2023. As at 30 June 2023, a maximum of 80,000,000 Shares, being 10% of the total number of Shares in issue as at the listing date of the Company, may be issued upon exercise of all 80,000,000 share options available to be granted under the Share Option Scheme.

PLEDGE OF ASSETS

The bank borrowings as at 30 June 2023 were secured against the leasehold land and leasehold property of the Group with carrying amount of approximately S\$18.9 million.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period.

OTHER INFORMATION

CORPORATE GOVERNANCE

The Company is committed to fulfilling its responsibilities to its shareholders (the “Shareholders”) and protecting and enhancing Shareholders’ value through good corporate governance.

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. During the Period, the Company did not have a position of the title “chief executive officer”. Mr. Yang Xinping, chairman of the Board, has been playing a leading role in both the overall strategic planning and day-to-day management of the business of the Group.

Having considered the current composition of the Board which comprises two executive Directors and three independent non-executive Directors, and that all major decisions are made with prior consultation with the members of the Board, the Board is of the view that the role of chief executive is jointly undertaken and sufficiently balanced amongst the members of the Board.

The Board considers that the current structure facilitates the implementation of the Group’s business strategies, maximises the effectiveness of the Group’s operation and will not impair the balance of power and authority of the Board. Nonetheless, the Board will review the structure of management from time to time and ensure that appropriate action be taken as and when appropriate.

Save for the deviation from Code Provision C.2.1 of the CG Code, the Company has adopted the CG Code contained in Appendix 14 of the Listing Rules, and has complied with all applicable code provisions as set out in the CG Code during the Period.

OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct governing the Directors' securities transactions. All the Directors have confirmed, upon specific enquiries made by the Company, that they have complied with the Model Code during the Period.

DIVIDEND

The Board takes into account the Group's overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Board does not recommend payment of any dividend in respect of the Period (Previous Period: Nil).

AUDIT COMMITTEE

The audit committee (the "Audit Committee") of the Company was established on 17 August 2017 with written terms of reference in compliance with the CG Code. The written terms of reference of the Audit Committee are published on the respective websites of the Stock Exchange and the Company. It comprises three independent non-executive Directors, namely Ms. Chan Bee Leng, Mr. Kwong Choong Kuen (Huang Zhongquan) and Mr. Ooi Soo Liat. Ms. Chan Bee Leng is the chairwoman of the Audit Committee.

The Audit Committee has reviewed the accounting standards and policies adopted by the Group and the interim report including the unaudited interim condensed consolidated financial information of the Group for the Period. The Audit Committee is of the view that the unaudited interim condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory provisions, and sufficient disclosures have already been made.

EVENTS AFTER THE REPORTING PERIOD

In July 2023, the Group set up a newly incorporated subsidiary. The principal activity of the newly incorporated subsidiary is that of real estate developers.

Saved as disclosed above, the Directors confirmed that there are no significant events after the Period.

By order of the Board
BHCC Holding Limited
Mr. Yang Xinping
Chairman and Executive Director

Singapore, 30 August 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Notes	Six months ended 30 June	
		2023 S\$ Unaudited	2022 S\$ Unaudited
Revenue	5	143,253,645	94,022,889
Cost of services		(137,835,029)	(104,541,945)
Gross profit/(loss)		5,418,616	(10,519,056)
Other income	6a	287,334	449,992
Other gains and losses	6b	78,723	226,878
Selling expenses		(1,800)	(1,800)
Administrative expenses		(1,465,196)	(1,297,029)
Finance costs	7	(338,414)	(172,170)
Profit/(Loss) before taxation		3,979,263	(11,313,185)
Income tax expense	8	(80,865)	(51,990)
Profit/(Loss) and other comprehensive income for the period	9	3,898,398	(11,365,175)
Profit/(Loss) attributable to:			
Owners of the Company		3,898,398	(11,365,175)
Basic earnings/(losses) per share (S\$ cents)	11	0.49	(1.42)

See accompanying notes to interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	30 June 2023 S\$ Unaudited	31 December 2022 S\$ Audited
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	13,472,898	14,135,387
Intangible assets	13	380,000	380,000
Investment properties	14	15,095,290	15,461,624
Right-of-use assets		338,536	275,237
Deposits paid		49,600	–
Other assets		83,304	76,316
		29,419,628	30,328,564
Current assets			
Trade receivables	15	9,702,699	6,427,685
Other receivables and deposits		5,994,727	10,845,556
Other assets		77,078	63,234
Contract assets	16	45,559,730	44,897,865
Amount due from shareholders	18	–	182
Cash and cash equivalents	19	33,332,116	29,893,541
		94,666,350	92,128,063
Current liabilities			
Trade and other payables	20	(67,087,575)	(67,630,565)
Contract liabilities	16	(360,159)	–
Provision for onerous contracts	17	(898,900)	(1,842,337)
Lease liabilities		(203,945)	(168,376)
Borrowings	21	(11,922,351)	(2,401,800)
Income tax payable		(171,589)	(190,714)
		(80,644,519)	(72,233,792)
Net current assets		14,021,831	19,894,271
Total assets less current liabilities		43,441,459	50,222,835

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	30 June 2023 S\$ Unaudited	31 December 2022 S\$ Audited
Non-current liabilities			
Deposits	20	(266,886)	(251,254)
Lease liabilities		(145,579)	(120,683)
Borrowings	21	(1,727,768)	(12,448,070)
		(2,140,233)	(12,820,007)
Net assets			
		41,301,226	37,402,828
EQUITY			
Capital and reserves			
Share capital	22	1,389,830	1,389,830
Reserves		39,911,396	36,012,998
Equity attributable to owners of the Company			
		41,301,226	37,402,828

See accompanying notes to interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2023

	Share capital S\$	Share premium S\$	Merger reserve S\$	Capital reserve S\$	Accumulated profits/ losses S\$	Total S\$
Balance at 1 January 2022 (audited)	1,389,830	14,176,517	10,678,440	4,976,188	14,975,362	46,196,337
Total comprehensive loss for the period						
Loss for the period	-	-	-	-	(11,365,175)	(11,365,175)
Balance at 30 June 2022 (unaudited)	1,389,830	14,176,517	10,678,440	4,976,188	3,610,187	34,831,162
Balance at 1 January 2023 (audited)	1,389,830	14,176,517	10,678,440	4,976,188	6,181,853	37,402,828
Total comprehensive profit for the period						
Profit for the period	-	-	-	-	3,898,398	3,898,398
At 30 June 2023 (unaudited)	1,389,830	14,176,517	10,678,440	4,976,188	10,080,251	41,301,226

See accompanying notes to interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Six months ended 30 June	
	2023	2022
	S\$ Unaudited	S\$ Unaudited
Operating activities		
Profit/(Loss) before taxation	3,979,263	(11,313,185)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	830,903	781,833
Depreciation of right-of-use assets	97,470	101,676
Depreciation of investment properties	366,334	366,334
Gain on disposal of property, plant and equipment	(31,556)	–
Provision for onerous contracts	(943,438)	3,079,270
Finance costs	338,414	172,170
Interest income	(186,782)	(8,257)
Unrealised exchange gain	(47,167)	(226,878)
Operating cash flows before working capital changes	4,403,441	(7,047,037)
<i>Movements in working capital:</i>		
Trade receivables	(3,275,014)	2,585,563
Other receivables and deposits	4,959,281	(8,034,519)
Other assets	(20,832)	113,130
Contract assets	(661,865)	(2,236,389)
Trade and other payables	(523,740)	1,926,182
Contract liabilities	360,159	(68,495)
Cash generated from/(used in) operations	5,241,430	(12,761,565)
Income tax paid	(99,990)	(260,975)
Net cash generated from/(used in) operating activities	5,141,440	(13,022,540)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Six months ended 30 June	
	2023	2022
	S\$ Unaudited	S\$ Unaudited
Investing activities		
Placement of pledged deposits	(1,132,920)	–
Purchase of property, plant and equipment	(168,413)	(387,389)
Proceeds from disposal of property, plant and equipment	31,556	–
Interest received	28,912	8,257
Net cash used in investing activities	(1,240,865)	(379,132)
Financing activities		
Interest paid	(342,032)	(167,128)
Repayments of borrowings	(1,199,751)	(1,167,196)
Repayments of lease liabilities	(100,304)	(93,740)
Net cash used in financing activities	(1,642,087)	(1,428,064)
Net increase/(decrease) in cash and cash equivalents	2,258,488	(14,829,736)
Cash and cash equivalents at beginning of the period	29,893,541	36,153,800
Effect of foreign exchange rate changes on the balance of cash	47,167	226,878
Cash and cash equivalents at end of the period (Note 19)	32,199,196	21,550,942

See accompanying notes to interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

1 GENERAL

BHCC Holding Limited (the “Company”) was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 21 February 2017 and the address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY 1-1111, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong, the “Companies Ordinance”) on 20 March 2017 and its registered principal place of business in Hong Kong is Unit 1205, 12th Floor Far East Consortium Building 121 Des Voeux Road Central, Hong Kong. The head office and principal place of business of the Company is at No.1, Tampines North Drive 3, #08-01, BHCC SPACE, Singapore 528499. The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 12 September 2017.

Upon the entering into of the concert party deed, Huada Developments Limited (“Huada Developments”), Mr. Yang Xinping, his spouse Ms. Chao Jie (“Mrs. Yang”), Eagle Soar Global Limited (“Eagle Soar”) and Ms. Han Yuying became a group of controlling shareholders of BHCC Holding Limited and its subsidiaries (the “Group”) (together referred to as the “Controlling Shareholders”). The Company is under common control by the Controlling Shareholders.

The Company is an investment holding company and the principal activities of its operating subsidiaries are the provision of building construction services (“Building and Construction Works”) and property investment including leasing of industrial properties (“Property Investment”).

The interim condensed consolidated financial statements are presented in Singapore Dollars (“S\$”), which is also the functional currency of the Company.

The interim condensed consolidated financial statements are approved by the board (the “Board”) of directors (the “Directors”) of the Company on 30 August 2023.

2 BASIS OF PREPARATION

This interim condensed consolidated financial statement of the Group for the six months ended 30 June 2023 has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS34”).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 December 2022, which has been prepared in accordance with International Financial Reporting Standards (“IFRS”).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

3 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

New and amended IFRSs that are effective for the current year

In the current year, the Group has applied the amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (“IASB”) that are effective for an annual period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these interim condensed consolidated financial statements.

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these interim condensed consolidated financial statements, the Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective, which are relevant to the Group:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current ¹
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to IAS 1	Non-current Liabilities with Covenants ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²

¹ Effective for annual periods beginning on or after 1 January 2024.

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

The directors of the Company anticipate that the application of the new and amendments to IFRSs will have no material impact on the Group’s consolidated financial position and performance as well as disclosures in the period of their initial adoption.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group’s management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Construction contracts

The Group recognizes contract revenue and profit of a construction contract during the course of construction by reference to the progress towards complete satisfaction of a performance obligation at the end of the reporting period. Progress towards complete satisfaction is measured based on the input method, where the revenue and profit recognized in a year is dependent, amongst others, on the assessment of the Group's efforts or inputs to the construction project (i.e. contract cost incurred for work performed) relative to the expected inputs to the construction project (i.e. estimated total budgeted contract cost committed for the project).

Estimated construction revenue is determined with reference to the terms of the relevant contracts. Contract costs which mainly comprise sub-contracting charges and costs of materials are estimated by the management on the basis of quotations from time to time provided by the major subcontractors or suppliers involved and the experience of the management. Notwithstanding that management reviews and revises the estimates of both contract revenue and costs for the construction contract as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

Management reviews the construction contracts for foreseeable losses whenever there is an indication that the estimated contract revenue is lower than the estimated total contract costs. Where necessary, provision for onerous contracts is recognised. The actual outcomes in terms of total contract costs or contract revenue may be higher or lower than estimated at the end of each reporting period, which would affect the revenue and profit recognized future years as an adjustment to the amounts recorded to date.

The carrying amounts of contract assets and contract liabilities arising from construction contracts, as well as provision for onerous contracts, are disclosed in Notes 16 and 17 to the interim condensed consolidated financial statements.

Estimated impairment of trade receivables, other receivables and deposits, and contract assets (Notes 15 and 16)

The Group recognises lifetime ECL for trade receivables and contract assets. For other receivables and deposits, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, then the Group would recognise lifetime ECL. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

The carrying amounts of trade receivables and contract assets are disclosed in Notes 15 and 16 to the interim condensed consolidated financial statements respectively.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

5 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of building and construction works, by the Group to external customers; and Property Investment, being rental income from investment properties held by the Group.

An analysis of the Group's revenue for the six months ended 30 June 2023 and 2022 is as follows:

(i) Disaggregation of revenue from contracts with customers and leases

	For the six months ended 30 June	
	2023 S\$ Unaudited	2022 S\$ Unaudited
Types of services		
Building and Construction Works		
— Main Contractor Projects	110,479,556	91,152,618
— Subcontractor Projects	31,674,164	1,936,028
Revenue from contracts with customers	142,153,720	93,088,646
Rental from Property Investment	1,099,925	934,243
Segment revenue (Note 5(iv))	143,253,645	94,022,889
Timing of revenue recognition		
Revenue from contracts with customers recognised over time	142,153,720	93,088,646
Fixed lease payments recognised on straight-line basis over lease term	1,099,925	934,243

(ii) Performance obligations for contracts with customers

The Group derives its revenue from provision of Building and Construction Works over time using the input method.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

- (iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The following table shows the aggregate amount of the transaction price allocated to performance obligations that is unsatisfied as at the end of each reporting period:

	As at 30 June	
	2023 S\$ Unaudited	2022 S\$ Unaudited
Main Contractor Projects		
— Within one year	245,821,768	264,249,460
— More than one year but not more than two years	89,679,701	203,344,462
— More than two years but not more than five years	–	68,030,413
	335,501,469	535,624,335
Subcontractor Projects		
— Within one year	21,779,294	7,986,442
	357,280,763	543,610,777

During the Period, majority of the construction contracts for services provided to external customers lasts over 12 months (Previous Period: over 12 months).

- (iv) Segment information

Information is reported to the Executive Directors, being the chief operating decision makers (“CODM”) of the Group, for the purposes of resource allocation and performance assessment. The CODMs review segment revenue and results attributable to each segment, which is measured by reference to the respective segments’ gross profit. The Group has two operating segments as follows:

- Building and Construction Works: Engage in provision of building and construction works via main contractor and subcontractor projects to public and private sectors.
- Property Investment: Leasing of industrial properties.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(iv) Segment information (Continued)

No analysis of the Group's assets and liabilities is regularly provided to the CODMs for review.

	For the six months ended 30 June	
	2023 S\$ Unaudited	2022 S\$ Unaudited
Segment revenues		
Building and Construction Works	142,153,720	93,088,646
Property Investment	1,099,925	934,243
	143,253,645	94,022,889
Segment results		
Building and Construction Works	4,746,308	(10,871,447)
Property Investment	672,308	352,391
	5,418,616	(10,519,056)
Unallocated:		
Other income	287,334	449,992
Other gains and losses	78,723	226,878
Selling expenses	(1,800)	(1,800)
Administrative expenses	(1,465,196)	(1,297,029)
Finance costs	(338,414)	(172,170)
Profit/(Loss) before taxation	3,979,263	(11,313,185)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(v) Geographical information

The Group principally operates in Singapore. All revenue is derived from Singapore based on the location of services delivered and the Group's property, plant and equipment are all located in Singapore.

(vi) Information about the major customers

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

	For the six months ended 30 June	
	2023 S\$ Unaudited	2022 S\$ Unaudited
Customer A	111,304,230	82,924,424
Customer B	30,316,809	N/A*

Revenue from customers A to B above is from the Building and Construction works segment.

* Revenue did not contribute over 10% of total revenue of the Group for the period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

6 a. OTHER INCOME

	For the six months ended 30 June	
	2023 S\$ Unaudited	2022 S\$ Unaudited
Government grants (Note)	14,460	399,953
Service income on secondment of labour and subcontracting fee, net	17,440	–
Interest income	186,782	8,257
Others	68,652	41,782
	287,334	449,992

Note: Government grants recognised during the Period mainly include Wage Credit Scheme (“WCS”) and Government-Paid Childcare Leave (“GPCL”). Government grants in the Previous Period mainly include COVID-19-related support by the Singapore government to help companies tide through this period of economic uncertainty, such as the Foreign Worker Levy (“FWL”) rebates and the Jobs Support Scheme (“JSS”).

All government grants recognised are incentives as compensation of expenses or losses already incurred or as immediate financial support to the Company with no future related costs and no relation to any assets received upon fulfilling the conditions attached to them.

b. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2023 S\$ Unaudited	2022 S\$ Unaudited
Gain arising on disposal of property, plant and equipment	31,556	–
Exchange gain, unrealised	47,167	226,878
	78,723	226,878

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

7 FINANCE COSTS

	For the six months ended 30 June	
	2023 S\$ Unaudited	2022 S\$ Unaudited
Interest on:		
Bank borrowings	334,553	164,106
Lease liabilities	3,861	8,064
	338,414	172,170

8 INCOME TAX EXPENSE

	For the six months ended 30 June	
	2023 S\$ Unaudited	2022 S\$ Unaudited
Tax expense comprises:		
Current tax		
— Singapore corporate income tax ("CIT")	80,865	51,990
	80,865	51,990

Singapore CIT is calculated at 17% (YA2023: 17%) of the estimated assessable profit eligible for 75% (YA2023: 75%) tax exemption on the first S\$10,000 (YA2023: S\$10,000) of normal chargeable income and further 50% (YA2023: 50%) tax exemption on the next S\$190,000 (YA2023: S\$190,000) of normal chargeable income.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

9 PROFIT/(LOSS) FOR THE PERIOD

Profit/(Loss) for the period has been arrived at after charging:

	For the six months ended 30 June	
	2023 S\$ Unaudited	2022 S\$ Unaudited
Depreciation of property, plant and equipment (Note a)	830,903	781,833
Depreciation of investment properties (Note a)	366,334	366,334
Depreciation of right-of-use assets (Note a)	97,470	101,676
Provision for onerous contracts	(943,438)	3,079,270
Directors' remuneration	464,070	465,066
Other staff costs		
— Salaries and other benefits	6,036,807	5,277,687
— Contributions to Central Provident Fund	216,142	199,828
Total staff costs (Note b)	6,717,019	5,942,581
Cost of materials recognised as cost of services	43,942,284	31,593,078
Subcontractor costs recognised as cost of services	81,519,877	56,058,523

Notes:

- Depreciation of S\$857,742 (Previous Period: S\$811,206) are included in cost of services.
- Staff costs of S\$6,263,645 (Previous Period: S\$5,660,067) are included in cost of services.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

10 DIVIDENDS

No dividend was paid or declared by the Company or group entities during the six months ended 30 June 2023 and 30 June 2022.

11 EARNINGS/(LOSS) PER SHARE

	For the six months ended 30 June	
	2023 S\$ Unaudited	2022 S\$ Unaudited
Profit/(Loss) attributable to the owners of the Company (S\$)	3,898,398	(11,365,175)
Weighted average number of ordinary shares in issue	800,000,000	800,000,000
Basic earnings/(loss) per share (S\$ cents)	0.49	(1.42)

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

No diluted earnings/(loss) per share were presented as there were no potential ordinary shares in issue for 2023 and 2022.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

12 PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery S\$	Computers S\$	Motor vehicles S\$	Furniture and fittings S\$	Leasehold land and property S\$	Total S\$
Cost:						
At 1 January 2022 (audited)	4,933,400	345,989	2,139,896	279,467	16,244,054	23,942,806
Additions	892,286	26,000	-	-	-	918,286
At 31 December 2022 (audited)	5,825,686	371,989	2,139,896	279,467	16,244,054	24,861,092
Additions	50,697	10,800	106,916	-	-	168,413
Disposals	(4,300)	-	(145,634)	-	-	(149,934)
At 30 June 2023 (unaudited)	5,872,083	382,789	2,101,178	279,467	16,244,054	24,879,571
Accumulated depreciation:						
At 1 January 2022 (audited)	4,050,636	344,627	1,532,245	189,455	3,000,837	9,117,800
Charge for the year	481,880	6,417	255,408	13,140	851,060	1,607,905
At 31 December 2022 (audited)	4,532,516	351,044	1,787,653	202,595	3,851,897	10,725,705
Charge for the period	267,556	5,233	126,383	6,201	425,530	830,903
Disposals	(4,300)	-	(145,634)	-	-	(149,934)
At 30 June 2023 (unaudited)	4,795,772	356,277	1,768,402	208,796	4,277,427	11,406,674
Carrying amount:						
At 31 December 2022 (audited)	1,293,170	20,945	352,243	76,872	12,392,157	14,135,387
At 30 June 2023 (unaudited)	1,076,311	26,512	332,777	70,671	11,966,627	13,472,898

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

13 INTANGIBLE ASSETS

The intangible assets represent the club memberships in Singapore Island Country Club that are held for long-term purposes. The memberships are stated at cost less impairment. They have indefinite useful lives and are not mortised.

14 INVESTMENT PROPERTIES

	As at 30 June 2023 S\$ Unaudited	As at 31 December 2022 S\$ Audited
Cost:		
At beginning and end of the period/year	18,712,955	18,712,955
Accumulated depreciation:		
At beginning of the period/year	3,251,331	2,518,665
Charge for the period/year	366,334	732,666
At end of the period/year	3,617,665	3,251,331
Carrying amount:		
At end of the period/year	15,095,290	15,461,624

As at 30 June 2023, investment properties of the Group comprises of (i) freehold properties consist of five strata title light industrial units located at 11 Irving Place, Singapore 369551, leased out mainly as offices or warehouses; and (ii) leasehold property at Tampines North Drive 3, Singapore 528499 with a tenure of 18.4 years.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

15 TRADE RECEIVABLES

	As at 30 June 2023 S\$ Unaudited	As at 31 December 2022 S\$ Audited
Trade receivables	9,468,955	6,193,941
Unbilled revenue (Note a)	233,744	233,744
	9,702,699	6,427,685

Note a: Unbilled revenue are those accrued revenue which the construction certification is issued by the customers before year end but no billing has been raised to customers. The Group's rights to the unbilled revenue are unconditional.

The Group grants credit terms to customers typically between 0 to 45 days (2022: 0 to 45 days) from the invoice date for trade receivables. The following is an analysis of trade receivables by invoice date at the end of each reporting period:

	As at 30 June 2023 S\$ Unaudited	As at 31 December 2022 S\$ Audited
Within 60 days	9,421,455	6,142,441
181 days to 365 days	–	1,500
Above 365 days	47,500	50,000
	9,468,955	6,193,941

Before accepting any new customer, the Group assesses the potential customer's credit quality and defined credit limit to each customer on an individual basis. Limits attributed to customers are reviewed periodically.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

15 TRADE RECEIVABLES (CONTINUED)

The Group applies the simplified approach to provide the expected credit losses prescribed by IFRS 9.

As part of the Group's credit risk management, the Group assesses the impairment for its customers based on different group of customers which share common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The directors of the Company considered that the ECL for trade receivables is insignificant as at 30 June 2023 and 31 December 2022.

16 CONTRACT ASSETS/LIABILITIES

The following is the analysis of the contract assets and contract liabilities:

	As at 30 June 2023 S\$ Unaudited	As at 31 December 2022 S\$ Audited
Contract assets	45,559,730	44,897,865
Contract liabilities	(360,159)	–

Contract assets and contract liabilities arising from same contract are presented on net basis.

As at 1 January 2022, contract assets amounted to S\$37,550,240 and contract liabilities amounted to S\$244,848.

Contract assets

Amounts represent the Group's rights to considerations from customers for the provision of construction services, which arise when: (i) the Group completed the relevant services under such contracts; and (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 12 months (defect liability period) after completion of the relevant works. Any amount previously recognized as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

16 CONTRACT ASSETS/LIABILITIES (CONTINUED)

Contract assets (Continued)

The Group's contract assets are analysed as follows:

	As at 30 June 2023 S\$ Unaudited	As at 31 December 2022 S\$ Audited
Construction contracts — current		
Retention receivables	3,060,969	2,262,629
Others*	42,498,761	42,635,237
	45,559,730	44,897,865

* Included in others is revenue not yet billed to the customers. The Group has completed the relevant services under such contracts but yet to be certified by representatives appointed by the customers.

Changes of contract assets were mainly due to: (1) the amount of retention receivables in accordance with the number of ongoing and completed contracts under the defect liability period; and (2) in the size and number of contract works that the relevant services were completed but yet to be certified by representatives appointed by the customers at the end of each reporting period.

The Group's contract assets are the retention receivables to be settled, based on the expiry of the defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, at the end of the reporting period. The balances are classified as current as they are expected to be received within the Group's normal operating cycle.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for the trade receivables are a reasonable approximation of the loss rates for the contract assets. Based on the management's assessment, it is considered that the ECL for contract assets is insignificant as at 30 June 2023 and 31 December 2022.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

16 CONTRACT ASSETS/LIABILITIES (CONTINUED)

Contract liabilities

The contract liabilities represents the Group's obligation to transfer services to customers for which the Group has received consideration (or an amount of consideration is due) from the customers. Contract liabilities as at 30 June 2023 mainly relates to advances received from customers.

The Group's contract liabilities are analysed as follows:

	As at 30 June 2023 S\$ Unaudited	As at 31 December 2022 S\$ Audited
Construction contracts — current	(360,159)	–

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	As at 30 June 2023 S\$ Unaudited	As at 31 December 2022 S\$ Audited
Revenue recognized that was included in the contract liabilities balance at the beginning of the period/year	–	244,848

None of the revenue recognised during the period relates to performance obligations that were satisfied in prior periods.

17 PROVISION FOR ONEROUS CONTRACTS

As at 30 June 2023, the Group recorded S\$898,900 (2022: S\$1,842,337) provision for the unavoidable costs of fulfilling certain construction contracts with customers, which were in excess of the economic benefits expected to be received under the contracts. The provision for the onerous contracts is expected to be utilised at the end of the respective contract terms.

18 AMOUNTS DUE FROM SHAREHOLDERS

During the six months ended 30 June 2023, the outstanding balance has been fully repaid. The balance as at 31 December 2022 is non-trade nature, unsecured, non-interest bearing and repayable on demand.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

19 BANK BALANCES AND CASH AND PLEDGED DEPOSITS

	As at 30 June 2023 S\$ Unaudited	As at 31 December 2022 S\$ Audited
Bank balances and cash	33,332,116	29,893,541
Less: pledged deposit for performance bond (Note a)	1,132,920	–
Cash and cash equivalents in the statement of cash flows	32,199,196	29,893,541

Note a: As at 30 June 2023, the Group has pledged a deposit of S\$1,132,920 for a performance bond which initially matured on 31 July 2023.

Subsequent to 30 June 2023, the pledged deposit has been auto renewed for a further 3 months and will mature on 31 October 2023, as the performance bond has been extended.

20 TRADE AND OTHER PAYABLES

	As at 30 June 2023 S\$ Unaudited	As at 31 December 2022 S\$ Audited
Trade payables	31,428,701	39,863,885
Trade accruals	32,893,906	24,356,086
Accrued operating expenses	64,322,607	64,219,971
Other payables	3,480	241,546
GST payable	1,177,691	33,861
Interest payable	23,136	26,754
Accrued payroll costs	624,815	2,869,544
Deposits	737,105	144,211
Others	198,741	94,678
	67,087,575	67,630,565
Non-current deposits	266,886	251,254

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

20 TRADE AND OTHER PAYABLES (CONTINUED)

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

	As at 30 June 2023 S\$ Unaudited	As at 31 December 2022 S\$ Audited
Within 90 days	30,398,091	37,112,236
91 to 180 days	1,030,610	2,692,858
181 days to 365 days	–	36,893
Over 1 year but not more than 2 years	–	2,460
More than 2 years	–	19,438
	31,428,701	39,863,885

The credit period on purchases from suppliers and subcontractors is between 0 to 60 days (2022: 0 to 60 days) or payable upon delivery.

21 BORROWINGS

	As at 30 June 2023 S\$ Unaudited	As at 31 December 2022 S\$ Audited
Bank loan — secured (Notes a, b)	13,526,682	14,657,728
Other borrowings — secured (Note c)	123,438	192,142
	13,650,120	14,849,870
Analysed as:		
Carrying amount repayable within one year	11,922,351	2,401,800
Carrying amount repayable more than one year, but not exceeding two years	1,296,304	11,373,687
Carrying amount repayable more than two years, but not exceeding five years	431,465	1,074,383
	13,650,120	14,849,870
Less: Amount due within one year shown under current liabilities	(11,922,351)	(2,401,800)
Amount shown under non-current liabilities	1,727,768	12,448,070

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

21 BORROWINGS (CONTINUED)

Notes:

- a. As at 30 June 2023, a loan with an outstanding balance of approximately S\$10.6 million (2022: S\$11.1 million) was secured by the legal mortgage over the Group's mixed commercial and industrial development property carrying interest rate of 1.25% over the bank's Cost of Funds or 1.25% over the applicable SWAP Offer Rate as determined by the bank on the day of transaction, whichever is higher. It is also secured by a corporate guarantee provided by the Company.
- b. As at 30 June 2023, a five-year temporary bridging loan with an outstanding balance of approximately S\$3.0 million (2022: S\$3.6 million) carries a fixed interest rate of 2%. It is secured by a corporate guarantee provided by the Company.
- c. The Group purchased certain copiers, equipment, and motor vehicles via hire purchase agreements, constituting in-substance purchases with financing arrangements. The motor vehicles under hire purchase financing arrangements are secured by personal guarantees provided by the Company's directors.

22 SHARE CAPITAL

	Number of shares	Par value HK\$	Share capital HK\$
Authorised share capital of the Company: At 1 January 2022, 31 December 2022 and 30 June 2023	5,000,000,000	0.01	50,000,000
		Number of shares	Share capital S\$
Issued and fully paid of the Company At 1 January 2022, 31 December 2022 and 30 June 2023	800,000,000		1,389,830

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

23 OPERATING LEASE COMMITMENTS

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with lease terms of between less than a year to five years, mostly with a one to three years extension option. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Maturity analysis of operating lease payments:

	As at 30 June 2023 S\$ Unaudited	As at 31 December 2022 S\$ Audited
Within one year	1,947,243	1,628,511
In the second year	1,022,026	839,897
In the third year	195,590	303,479
Total	3,164,859	2,771,887

The following table presents the amounts reported in profit or loss:

	For the six months ended 30 June	
	2023 S\$ Unaudited	2022 S\$ Unaudited
Lease income on operating leases (Note 5(i))	1,099,925	934,243

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

24 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these interim condensed consolidated financial statements. Related companies refer to entities in which directors of the Group and his/her spouse have beneficial interest in.

The Group had no transactions with related companies for the six months ended 30 June 2023 and 30 June 2022.

Compensation of key management personnel

The remuneration of directors and other members of key management during the Period were as follows:

	For the six months ended 30 June	
	2023 S\$ Unaudited	2022 S\$ Unaudited
Short term benefits	720,700	739,330
Post-employment benefits	29,700	31,172
Total compensation	750,400	770,502

25 PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company as at 30 June 2023 are set out below.

Name	Place of incorporation/operation	Paid up issued capital	Group's effective interest	Held by the Company	Principal activities
Lion Metro	BVI	US\$1	100%	100%	Investment holding
BHCC Construction	Singapore	S\$15,000,000	100%	-	Provision of building construction services
Wan Yoong	Singapore	S\$30,000	100%	-	Property development and investment holding
BHCC Space	Singapore	S\$1,000,000	100%	-	Property development and investment holding

None of the subsidiaries had issued any debt securities at the end of the Period.