



BENG SOON MACHINERY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1987

2023 INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Tan Chee Beng

(Chairman and Chief Executive Officer)

Ms. Tang Ling Ling

Mr. Tan Wei Leong

Mr. Cheung Kam Fai

Mr. Ngan Kin Fung

Independent Non-Executive Directors

Mr. Wee Chorng Kien

Mr. Leung Yau Wan John

Mr. Leung Kee Wai

AUDIT COMMITTEE

Mr. Leung Yau Wan John *(Chairman)*

Mr. Wee Chorng Kien

Mr. Leung Kee Wai

NOMINATION COMMITTEE

Mr. Tan Chee Beng *(Chairman)*

Mr. Wee Chorng Kien

Mr. Leung Kee Wai

REMUNERATION COMMITTEE

Mr. Leung Yau Wan John *(Chairman)*

Mr. Tan Chee Beng

Ms. Tang Ling Ling

Mr. Wee Chorng Kien

Mr. Leung Kee Wai

COMPANY SECRETARY

Mr. Wong Chi Wai

AUTHORISED REPRESENTATIVES

Mr. Tan Chee Beng

Mr. Wong Chi Wai

AUDITOR

McMillan Woods (Hong Kong) CPA Limited
Certified public accountants

Registered Public Interest Entity Auditor

24/F., Siu On Centre

188 Lockhart Road, Wanchai

Hong Kong

LEGAL ADVISOR

Seyfarth Shaw

Suite 3701, Edinburgh Tower

The Landmark

15 Queen's Road Central

Central, Hong Kong

REGISTERED OFFICE

Windward 3, Regatta Office Park,

PO Box 1350, Grand Cayman

KY1-1108

Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

21 Tuas South Street 7

Singapore 637111

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

12/F., Ruttonjee House
Ruttonjee Centre
11 Duddell Street
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park,
PO Box 1350, Grand Cayman
KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre,
16 Harcourt Road,
Hong Kong

PRINCIPAL BANKERS

DBS Bank Ltd
12 Marina Boulevard
#43 MBFC Tower 3
Singapore 018982

United Overseas Bank Limited
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Singapore 649886

STOCK CODE

1987

LISTING DATE

8 November 2019

COMPANY'S WEBSITE

<http://www.bsm.com.sg/>

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL OVERVIEW AND BUSINESS REVIEW

The Group is an established and leading demolition services provider in Singapore and has been running the demolition business in Singapore for more than 30 years in both the public and private sectors. It primarily focuses on the demolition of various types of buildings and structures, including power stations, chemical plants, high rise commercial and residential properties, bridges and marine structures in Singapore. To a lesser extent, the Group also leases and sells machinery. The shares of the Company (the “**Shares**”) were successfully listed on the Main Board of the Hong Kong Stock Exchange Limited (the “**Stock Exchange**”) on 8 November 2019 (the “**Listing**”). The Listing has not only benefited the Group with easier access to capital and fund raising, but also implied recognition of the Group’s leading position in the demolition services industry and has enhanced the Group’s visibility and prestige.

The Group is also registered with the Contractors Registration System administered by the Building and Construction Authority of Singapore, which is the pre-requisite to tender for construction or construction related projects in Singapore’s public sector. The Group obtained a Class 2 General Builder Licence, a single grade under CR03 “Demolition” workhead (the “**Single Grade Licence**”), C3 grade under CW01 “General Building” workhead and C1 grade under CW02 “Civil Engineering workhead (collectively the “**Licences**”), which allows it to tender and undertake various public and private sector demolition projects. Amongst the Licences obtained, the Single Grade Licence allows the Group to undertake general public demolition projects of an unlimited tender/contract value.

MANAGEMENT DISCUSSION AND ANALYSIS

During 1H2023, on top of variation orders from past projects, the Group completed two demolition projects of which was Power Station and factory building project.

The following table sets out details of the completed projects by the Group during 1H2023:

Customer	Description of Works	Completion Date	Aggregated Recognized Revenue since the Project's Commencement <i>(Singapore Dollars ("S\$")'000)</i>
Customer A ^(note 1)	Demolition works at Power Station	28 February 2023	8,267
Customer B ^(note 2)	Demolition of factory building	15 June 2023	2,828

Notes:

1. Customer A is a company incorporated in Singapore specializing in electricity production.
2. Customer B is a company incorporated in Singapore specializing in other business support activities.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2023, the Group had eight demolition projects in progress, of which two were commercial building projects, two were factory building projects, one was chemical plant project, one oil refinery project, one crane disposal work, and one industrial building project.

The following sets out details of demolition projects which remained in progress as at 30 June 2023:

Customer	Description of Works	Expected Completion Date	Aggregated Recognized Revenue since the Project's Commencement <i>S\$'000</i>
Customer C <i>(note 1)</i>	Demolition of Commercial Building	1 August 2023	22,453
Customer D <i>(note 2)</i>	Demolition of Commercial Building	11 September 2023	1,054
Customer E <i>(note 3)</i>	Demolition of Factory Building	30 November 2023	874
Customer F <i>(note 4)</i>	Demolition of Factory Building	1 February 2024	261
Customer G <i>(note 5)</i>	Demolition of Chemical Plant	30 November 2023	43
Customer H <i>(note 6)</i>	Demolition of Oil Tank	31 August 2023	–*
Customer I <i>(note 7)</i>	Disposal of RTG Cranes	4 October 2024	–*
Customer J <i>(note 8)</i>	Demolition of Industrial Building	31 January 2024	–*

Notes:

* These projects are yet to commence as at 30 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Customer C is a company incorporated in Singapore specializing in real estate.
2. Customer D is a company incorporated in Singapore specializing in communication services.
3. Customer E is a company incorporated in Singapore specializing in recycling services.
4. Customer F is a company incorporated in Singapore specializing in commodity products.
5. Customer G is a company incorporated in Singapore specializing in chemical products.
6. Customer H is a company incorporated in Singapore specializing in building construction works.
7. Customer I is a company incorporated in Singapore specializing in port management.
8. Customer J is a company incorporated in Singapore specializing in oil and gas industry.

The financial performance of the Group from gross profit position of approximately 30% during 1H2022 to gross profit position of approximately 8% in 1H2023.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK AND PROSPECTS

Based on advance estimates by Singapore Ministry of Trade and Industry, Singapore economy grew by 0.5% on year-on-year basis in second quarter of 2023. The construction sector performance improved gradually by 6.9% and 6.8% from the first quarter and second quarter of 2023. Both public and private sector construction output rose during the quarters.

Moving forward, Singapore Building and Construction Authority (“**BCA**”) published that the Singapore Government continue to project the total construction demand in 2023 (i.e. the value of construction contracts to be awarded) to range between S\$27 billion and S\$32 billion. Approximately 60% of total contracted value was contributed for the public sector projects, with more projects for the construction of water treatment plants, educational buildings and community clubs.

The estimated private sector construction demand for 2023 is expected to be between S\$11 billion and S\$13 billion, similar to the previous year’s figures for 2022. According to forecasts, demand for construction in Singapore’s residential and industrial sectors will remain comparable to the previous year’s levels. This stability is bolstered by ongoing efforts to construct new condominiums and advanced industrial structures. This year, the Group anticipates receiving more project awards. However, the Group is still confronted with a challenge because the price of salvage materials has fallen as demand in Singapore and other countries such as Mainland China has decreased due to Asia’s adverse overall market conditions this year.

With collective sales returning to the market aggressively, this will definitely push up demand for our core business within the coming future. The Group will also continue to expand and diversify its business by investing into new business opportunities, which can enhance shareholders value as well as complement and leverage existing business lines.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During 1H2023, the Group's revenue was primarily derived from undertaking demolition projects for the Group's project owners (the "Contract Revenue"). The Contract Revenue comprises of (i) the net contract sum from the project owners; (ii) the proceeds from the disposal of salvage materials removed from the demolition sites to third party salvage materials buyers; and (iii) the proceeds from earth providers for depositing earth at demolition sites for landfilling purposes. The Group's revenue for 1H2023 was approximately S\$10.7 million, representing an decrease of approximately 35.9% from approximately S\$16.7 million for 1H2022, as a result of (i) certain on-going projects are at their final phase and the relevant revenue has already been recognised in prior years. Although a number of new projects have been awarded to the Group, these projects are still in the preparatory stage and the relevant revenue cannot be recognised by the Group during the period; and (ii) the plummet in the price of salvage materials as their demand in Singapore and other countries such as Mainland China have diminished as a result of the adverse market conditions in Asia during the period.

The following table sets forth the breakdown of the revenue by the nature of work undertaken during 1H2023 and 1H2022.

	6 months ended 30 June	
	2023 S\$'000	2022 S\$'000
Net contract sum	1,091	1,763
Proceeds from disposal of salvage materials	9,481	14,450
Earth depositing proceeds	63	418
Other revenue ⁽¹⁾	105	83
Total revenue	10,740	16,714

Note:

(1) Other revenue mainly comprises rental income for the rental of machinery.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of sales

The Group's cost of sales mainly comprises of (i) direct labour costs incurred for the provision of the Group's demolitions works; (ii) depreciation of the Group's machinery and equipment; (iii) raw materials, consumables, and other overheads; and (iv) subcontractor charges. The following table sets out the breakdown of the Group's direct costs during 1H2023 and 1H2022.

	6 months ended 30 June	
	2023 S\$'000	2022 S\$'000
Direct labour costs	1,502	1,503
Depreciation	1,476	1,583
Raw materials, consumables and other overheads	2,159	3,293
Subcontractor charges	3,146	3,866
Maintenance expenses	509	542
Transportation expenses	62	126
Others	981	876
Total cost of sales	9,835	11,789

The Group's cost of sales decrease from approximately S\$11.8 million for 1H2022 to approximately S\$9.8 million for 1H2023, representing a decrease of 16.6%.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit and gross profit margin

The Group's gross profit decreased by approximately S\$4.0 million or 81.6%, from a gross profit of approximately S\$4.9 million for 1H2022 to a gross profit of approximately S\$0.9 million for 1H2023. The Group recorded a gross profit margin of approximately 8.4% for 1H2023 as compared to 29.5% for 1H2022. The decrease in the Group's gross profit margin was mainly due to the decrease in profit margin of disposal of salvage materials.

Administrative expenses

Administrative expenses primarily consisted of (i) staff costs; and (ii) depreciation costs in respect of the Group's property, office equipment and motor vehicles. The Group's administrative expenses for 1H2023 amounted to approximately S\$4.4 million, representing a decrease of S\$0.5 million or 9.8% from approximately S\$4.9 million for 1H2022.

Other income

During 1H2023, the Group's other income amounted to S\$0.2 million (1H2022: S\$0.2 million). The result is constant due to the decreased in government grants received during 1H2023 for COVID-19 measures offset by increase in interest income.

Finance costs

The Group recorded finance costs of approximately S\$0.13 million for 1H2023 (1H2022: S\$0.14 million).

Income tax credit

During 1H2023, the Group's income tax credit amounted to S\$0.16 million, mainly representing the deferred tax recognised on tax loss. There were no income tax expenses incurred during 1H2022 as a result of the utilisation of business losses brought forward to net off with the chargeable income.

MANAGEMENT DISCUSSION AND ANALYSIS

(Loss)/profit attributable to equity holders of the Company

As a result of the foregoing, the loss attributable to equity holders of the Company for 1H2023 amounted to approximately S\$2.8 million as compared with the profit of approximately S\$0.2 million for 1H2022.

Capital structure, liquidity and financial resources

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of its debt and equity balance. The capital structure of the Group consists of debt, which includes borrowings and obligations under finance leases, net of bank deposits, bank balances, cash and equity attributable to the equity holders of the Group, comprising share capital and reserves. There has been no change in the capital structure of the Group since Listing. The Group has a solid financial position and continues to maintain a strong and steady cash inflow from internal generated funds, bank loans and other borrowings.

The Group adopts a prudent cash and financial management policy. The Group's cash, mainly denominated in Singapore dollars, are generally deposited with certain financial institutions.

As at 30 June 2023,

- A. the Company's issued capital was HK\$10,000,000 and the number of its ordinary shares was 1,000,000,000 shares of HK\$0.01 each. There were no movement in the Company's share capital during the period.
- B. the Group had net current assets of approximately S\$19.8 million as compared to S\$21.9 million as at 31 December 2022, representing a decrease of approximately S\$2.1 million or 9.6%. The decrease was mainly attributable to the decrease in cash and cash equivalents and contract asset offset with decrease in bank borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

- C. the Group had cash and cash equivalents of approximately S\$16.0 million as at 30 June 2023 as compared to S\$17.1 million as at 31 December 2022. During 1H2023, the cash was used primarily for working capital purposes.
- D. the Group's total equity attributable to equity holders of the Company amounted to approximately S\$37.2 million as at 30 June 2023 as compared to approximately S\$39.9 million as at 31 December 2022, and the Group's total debt amounted to approximately S\$12.7 million as at 30 June 2023 as compared to approximately S\$13.9 million as at 31 December 2022. The Directors have confirmed that the Group will have sufficient financial resources to meet its obligations.

Gearing ratio

The gearing ratio is calculated based on dividing the obligations under borrowings and lease liabilities by total equity, multiplied by 100% as at the respective reporting date. As at 30 June 2023, the Group recorded a gearing ratio of approximately 24.5% (31 December 2022: 24.6%).

Treasury policies

The Group's financing and treasury activities are centrally managed and controlled at the corporate level. The Company's bank borrowings are all denominated in S\$ and have been arranged on a floating-rate basis. It is the Company's policy not to enter into derivative transactions for speculative purposes. The Directors will continue to follow a prudent policy in managing the Group's cash and maintaining a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

Contingent liabilities

As at 30 June 2023, the Group had no significant contingent liabilities or outstanding litigation (31 December 2022: nil).

Capital commitment

As at 30 June 2023, the Group did not have any capital commitments (31 December 2022: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Material acquisitions or disposals

During 1H2023, the Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures.

Future plans for material investments or capital assets

The Group did not have specific plans for material investments or capital assets in the coming year as at 30 June 2023.

Employee information and remuneration policy

As at 30 June 2023, the Group had a total of 126 employees, one more than as at 31 December 2022. All of the executive Directors and employees are located in Singapore and Hong Kong. The remuneration offered to employees generally includes salaries and bonus and are determined with reference to market norms and individual employees' performance, qualifications and role. The Company has adopted a share option scheme under which options may be granted to Directors and eligible employees as an incentive.

The remuneration, bonuses and other compensation payable of the Directors are determined by the Remuneration Committee, having regard to the Company's operating results, responsibilities and individual performance of directors.

Results and Interim Dividend

The Group's profit for 1H2023 and the Group's financial position are set out in the condensed consolidated financial statements on pages 26 to 28 of this report.

The Board does not recommend the payment of an interim dividend for the 1H2023.

Significant investment held

As at 30 June 2023, save as disclosed in this interim report, there were no material investments held by the Group (31 December 2022: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Charge of the Group's assets

As at 30 June 2023, the leasehold land and building of the Group with carrying amounts of approximately S\$4.9 million (31 December 2022: S\$5.1 million) were mortgaged to licensed banks as security for credit facilities granted to the Group.

Foreign currency exposure

The Group operates in Singapore and most of its income and expenditures are denominated in S\$, being the functional currency of the Company. The Group has exposure to foreign exchange risk as a result of cash and cash equivalents, trade receivables, deposits, prepayments and other receivables, trade and other payables denominated in the United States dollar, Renminbi and Hong Kong dollar.

The Group's exposure to other foreign exchange movements is not material. The Group will continue to monitor its foreign currency exposure closely and consider hedging significant foreign currency exposure should the need arise.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM LISTING

On the Listing Date, the issued shares of the Company were listed on the Main Board of the Stock Exchange. A total of 250,000,000 ordinary shares were issued to the public at a price of HK\$0.5 per share for net proceeds of approximately HK\$77.5 million after the deduction of related listing expenses. These proceeds were utilised in accordance with the proposed allocation set out in the Prospectus.

Set out below are details of the allocation of the net proceeds, the utilised amount of the net proceeds during 1H2023:

Use of Net Proceeds	Expected timeline for utilising the Unused Net Proceeds	Intended amount of use of proceeds <i>HK\$'000</i>	Approximate Unused Net Proceeds as at the beginning of 1H2023 <i>HK\$'000</i>	Approximate Amount of Net Proceeds utilised during 1H2023 <i>HK\$'000</i>	Approximate Unused Net Proceeds as at the end of 1H2023 <i>HK\$'000</i>
Enhancing the machinery fleet by acquiring excavators with different capacities including one unit of 48.5-metre high-reach excavator and attachments to excavators	On or before end of year 2024	51,200	22,763	3,665	19,098
Repaying the bank borrowing bearing interest rate at approximately 2.9% per annum and maturing in 2019, the proceeds from borrowing were used as working capital	-	13,500	-	-	-
Expanding the labour force by recruiting additional staff, including project management and project execution staff	On or before end of year 2023	9,100	3,503	1,815	1,688
Engagement of professional consultant to review the internal management systems for the purpose of the registration for B1 grade under the CW02 "Civil Engineering" workload	On or before end of year 2024	2,200	2,200	-	2,200
Group's general working capital	-	1,500	-	-	-

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2023, the amount of the net proceeds which remained unutilised amounted to approximately HK\$23.0 million. Since 2020, COVID-19 pandemic had imposed negative impact to the overall business environment in Singapore and the corresponding strictly enforced lockdown had led to uncertain economic and market conditions. In such circumstances, the Company has taken a responsible and prudent view to implement the business strategies which lead to the delay in using the Net Proceeds. Nevertheless, the Group has endeavored to adhere to the implementation plan for the use of the Net Proceeds as disclosed in the Prospectus, and has been monitoring the market conditions in Singapore and making assessments from time to time on the right timing to utilise the Net Proceeds. Accordingly, the remaining unutilised net proceeds are expected to be fully utilised on or before 31 December 2024 for the following purposes:

- acquisition of property, plant and equipment;
- application costs, including professional fees etc. for upgrading the “CW02, Civil Engineering” workhead from C1 grade to B1 Grade; and
- recruitment of new staff.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE UNDER RULES 13.18 AND 13.21 OF THE LISTING RULES

There is no transaction which falls within the disclosure requirements under Rules 13.18 and 13.21 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at the end of 1H2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance, (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) as recorded in the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules, were as follows:

Long position in the shares and underlying shares of associated corporation of the Company

(i) Long position in the Shares

Name	Capacity/ Nature of interest	Number of Shares (Note 1)	Percentage of shareholding in the Company
Mr. Tan Chee Beng	Interest in a controlled corporation (Note 2); Interest of spouse (Note 3)	505,600,000 Shares (L)	50.56%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. The letter (L) denotes the person's long position in such Shares.
2. Mr. Tan beneficially owns all of the issued shares of TCB Investment Holdings Limited ("TCB"), which in turn holds 34.17% of the Shares. Therefore, Mr. Tan is deemed, or taken to be, interested in the Shares held by TCB for the purposes of the SFO. Mr. Tan is a director of TCB.
3. Mr. Tan is the spouse of Ms. Lee Peck Kim ("**Ms. Lee**"), who holds 16.39% of the Shares. Accordingly, Mr. Tan is deemed, or taken to be, interested in the Shares which Ms. Lee is interested in for the purpose of the SFO.

(ii) Long position in the share of associated corporation

As at the end of 1H2023, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register of interests required to be kept under Section 352 of the SFO or were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as known to the Directors or chief executive of the Company, as at the end of 1H2023, the following corporates and persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares of the Company and underlying shares of the Company which would fall to be disclosed to the Company under 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 were as follows:

Long Positions in Shares

Name	Capacity/ nature of interest	Number of Share held/ interested	Percentage of shareholding
TCB	Beneficial owner	341,700,000	34.17%
K Luxe Holdings Limited ("K Luxe")	Beneficial owner	163,900,000	16.39%
Ms. Lee	Interest in controlled corporation (<i>Note 1</i>) Interest of spouse (<i>Note 2</i>)	505,600,000	50.56%

Notes:

- (1) Ms. Lee beneficially owns all of the issued shares of K Luxe, which in turn holds 16.39% of the Shares. Therefore, Ms. Lee is deemed, or taken to be, interested in the Shares held by K Luxe for the purposes of the SFO.
- (2) Ms. Lee is the spouse of Mr. Tan. Accordingly, Ms. Lee is deemed, or taken to be, interested in the Shares which Mr. Tan is interested for the purposes of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at the end of 1H2023, the Directors were not aware of any persons (other than the Directors and chief executive of the Company) who had any interests or short positions in the shares of the Company or underlying shares of the Company which would fall to be disclosed under 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during 1H2023 was the Company, its holding company or any of its subsidiaries, a party to any arrangements which enable the Directors and the chief executives of the Company to acquire benefits by means of an acquisition of Shares or debentures of the Company or any other body corporate; and none of the Directors, or their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or had exercised any such right during 1H2023.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

The Directors are not aware of any business or interest of the Directors nor the controlling Shareholder of the Company nor any of their respective associates (as defined in the Listing Rules) in the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group during 1H2023 and up to the date of this report.

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

During 1H2023, no purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTION SCHEME

The Company has conditionally approved and adopted the share option scheme (the “**Share Option Scheme**”) on 15 October 2019 (the “**Adoption Date**”) which shall remain in force for a period of ten years commencing on the Adoption Date and expire at the close of business on the business day immediately preceding the tenth anniversary thereof. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group (the “**Eligible Persons**”) and to promote the success of the business of the Group.

As at the end of 1H2023, the total number of shares of the Company (the “**Shares**”) available for issue under the Share Option Scheme is 100,000,000 Shares, representing 10% of the issued share capital of the Company. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme and there was no share option outstanding as at the end of 1H2023.

CORPORATE GOVERNANCE

The Board recognises the importance of good corporate governance in management and internal procedures so as to achieve effective accountability and to protect and enhance Shareholders’ value. Committed to upholding good corporate standards and procedures in the best interests of its Shareholders, the Company has adopted the principles and all the relevant code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules (the “**CG Code**”).

To the best of the knowledge of the Board, the Company has complied with the CG Code during 1H2023. The Board will periodically review the Company’s corporate governance functions and will continuously improve the Company’s corporate governance practices by assessing their effectiveness with evolving standards to meet changing circumstances and needs.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DEVIATION FROM C.2.1 OF THE CG CODE

Under paragraph C.2.1 of Appendix 14 to the Listing Rules, the roles of chairman and chief executive officer of a company should be separate and should not be performed by the same individual. Mr. Tan is currently the Chairman of the Board and the chief executive officer (the “**CEO**”) of the Group and primarily responsible for the day-to-day management of the Group’s business. In view of the fact that Mr. Tan has been operating and managing our Group since its establishment, the Board believes it is in the best interests of the Group to have Mr. Tan take up both roles of effective management and business development. The Directors consider that vesting the roles of the chairman of the Board and chief executive officer in the same person facilitates the execution of the Group’s business strategies and decision making, and maximises the effectiveness of the Group’s operation. The Directors also believe that the presence of three independent non-executive directors (“**INEDs**”) provides added independence to the Board, and that the Board is appropriately structured to maintain the balance of power and to provide sufficient checks to protect the interests of the Company and its Shareholders. The Directors shall review the structure from time to time and consider an adjustment should it become appropriate.

The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-calibre individuals. The Board currently comprises five executive Directors (including Mr. Tan), and three INEDs and therefore has a fairly strong independence element in its composition.

CORPORATE GOVERNANCE AND OTHER INFORMATION

MODEL CODE OF CONDUCT OF DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code to the Listing Rules as its own code of conduct regarding Directors' transactions in securities of the Company. Having made specific enquiries with the Directors, all the Directors confirm that they have complied with the required standard set out in the Model Code during 1H2023.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the provisions of Part XIVA of SFO and the Listing Rules relating to the disclosure of inside information to the public. The Company has adopted the Model Code to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. The Group has strictly prohibited its Directors and employees from the unauthorized use of confidential or inside information for the advantage of oneself or others. Any inside information and any information, which may potentially constitute inside information is promptly identified, assessed and escalated to the Board for its determination on the need for disclosure. Inside information and other information which are required to be disclosed pursuant to the Listing Rules will be announced on the respective websites of the Stock Exchange and the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive directors, namely Mr. Leung Yau Wan John, Mr. Wee Chorng Kien and Mr. Leung Kee Wai. The chairman of the Audit Committee, Mr. Leung Yau Wan John, possesses the appropriate professional qualifications and financial expertise for the purposes of compliance with the requirements of rule 3.21 of the Listing Rules.

The interim financial results of the Group for the six months ended 30 June 2023 are unaudited but have been reviewed and approved by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

On behalf of the Board

TAN CHEE BENG

Chairman and Chief Executive Officer

30 August 2023

Hong Kong

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June

	Note	6 months ended 30 June	
		2023 S\$ (unaudited)	2022 S\$ (unaudited)
Revenue	5	10,740,265	16,714,360
Cost of sales	7	(9,834,719)	(11,789,138)
Gross profit		905,546	4,925,222
Other income	6	188,884	181,042
Other gains — net	6	792,829	221,767
Selling and distribution expenses	7	(159,035)	(91,597)
Administrative expenses	7	(4,411,333)	(4,893,083)
Operating (loss)/profit		(2,683,109)	343,351
Finance costs	8	(129,043)	(140,685)
(Loss)/profit before income tax		(2,812,152)	202,666
Income tax credit	9	157,811	—
(Loss)/profit after income tax		(2,654,341)	202,666
Other comprehensive income			
Item that may be reclassified			
subsequently to profit or loss:			
Currency translation differences arising from consolidation		15,627	20,913
Total comprehensive (loss)/income		(2,638,714)	223,579
(Loss)/profit for the period attributable to:			
Equity holders of the Company		(2,857,679)	204,449
Non-controlling interest		203,338	(1,783)
		(2,654,341)	202,666
Total comprehensive (loss)/income for the period attributable to:			
Equity holders of the Company		(2,842,052)	215,933
Non-controlling interest		203,338	7,646
		(2,638,714)	223,579
(Loss)/earnings per share (expressed in S\$ cent)			
Basic and diluted	10	(0.28)	0.02

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	As at	
		30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
Assets			
Non-current assets			
Property, plant and equipment		15,886,292	16,854,887
Intangible assets		–	22,889
Right-of-use assets		8,077,239	7,983,379
Investment property		1,943,040	1,965,120
Financial asset at fair value through profit or loss		181,046	178,355
		26,087,617	27,004,630
Current assets			
Contract related assets and costs		3,266,336	6,734,709
Deposits paid to customers		17,000	6,551
Trade receivables	11	2,243,041	2,737,329
Deposits, prepayments and other receivables	12	2,364,261	240,599
Cash and cash equivalents	13	15,994,874	17,057,563
		23,885,512	26,776,751
Total assets			
		49,973,129	53,781,381
Equity attributable to equity holders of the Company			
Share capital	16	1,742,159	1,742,159
Reserves	17	21,706,046	21,690,419
Retained earnings		13,772,115	16,629,794
		37,220,320	40,062,372
Non-controlling interests		9,664	(193,674)
Total equity			
		37,229,984	39,868,698

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		As at	
		30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
	Note		
Liabilities			
Non-current liabilities			
Borrowings	15	–	97,510
Lease liabilities		8,187,787	8,305,374
Deferred income tax liabilities		470,160	610,734
		8,657,947	9,013,618
Current liabilities			
Trade and other payables	14	3,151,366	3,510,865
Borrowings	15	–	585,064
Lease liabilities		933,832	803,136
		4,085,198	4,899,065
Total liabilities		12,743,145	13,912,683
Total equity and liabilities		49,973,129	53,781,381

1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

Beng Soon Machinery Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 6 April 2018 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 and listed (the “**Listing**”) on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 8 November 2019 (the “**Listing Date**”). The address of the Company’s registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the provision of demolition services, sale of inventories and leasing of machinery in Singapore.

The condensed consolidated financial statements of the Group for the six months ended 30 June 2023 (“**Condensed Consolidated Interim Financial Statements**”) are presented in Singapore dollars (“**S\$**”), which is also the functional currency of the Company.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the condensed consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2023 has been prepared in accordance with International Accounting Standard 34 ("**IAS 34**") Interim Financial Reporting issued by the International Accounting Standards Board (the "**IASB**") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**"). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The preparation of condensed consolidated interim financial information in conformity with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

2.2 Summary of significant accounting policies

Except as described in note 3, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those annual financial statements. Taxes on income for the six months ended 30 June 2023 and 2022 are accrued using the tax rate that would be applicable to expected total annual profits.

3 NEW ACCOUNTING STANDARDS AND ACCOUNTING CHANGES

There were several new interpretations and amendment to standards and interpretations which are applicable for the first time in 2023, but either not relevant or do not have an impact on the condensed consolidated interim financial statements of the Group. The Group has not early adopted any new standard, interpretation or amendment that has been issued but is not yet effective.

4 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

4.1 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and lease liabilities less cash and cash equivalents. Total capital is calculated as "Equity" as shown in the consolidated statement of financial position plus net debt, where applicable.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (CONTINUED)

4.1 Capital management (Continued)

	As at	
	30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
Borrowings (Note 15)	–	682,574
Lease liabilities	9,121,619	9,108,510
Less: Cash and cash equivalents (Note 13)	(15,994,874)	(17,057,563)
Net debt	(6,873,255)	(7,266,479)
Total equity	37,220,320	40,062,372
Total capital	30,347,065	32,795,893
Gearing ratio	N/A	N/A

4.2 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value by level of inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (CONTINUED)

4.2 Fair value estimation (Continued)

	Level 1 S\$	Level 2 S\$	Level 3 S\$
At 30 June 2023			
Assets			
Financial asset at fair value through profit or loss			
— Keyman insurance contract	–	–	181,046
At 31 December 2022			
Assets			
Financial asset at fair value through profit or loss			
— Keyman insurance contract	–	–	178,355

There were no transfers among Levels 1, 2 and 3 during both periods.

The following table presents the changes in Level 3 instruments:

	As at	
	30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
Financial asset at fair value through profit or loss		
At beginning of the period	178,355	170,160
Currency exchange differences	–	3,559
Fair value gain recognised in profit or loss (Note 6)	2,691	4,636
At end of the period	181,046	178,355

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (CONTINUED)

4.2 Fair value estimation (Continued)

The fair value of the keyman insurance contract purchased for a key management personnel of the Group is determined based on the cash surrender value in accordance with the keyman insurance contract which is not an observable input. Management estimates the fair value based on the latest policy quarterly statement of the keyman insurance contract provided by the insurance company.

The unobservable input is the cash surrender value quoted by the insurance company according to the keyman insurance contract. When the cash surrender value is higher, the fair value of the keyman insurance contract will be higher.

The carrying amounts of the Group's financial assets, including trade receivables, contract assets, deposits and other receivables, and cash and cash equivalents, and financial liabilities, including trade and other payables, borrowings and lease liabilities approximate their fair values.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5 REVENUE

	6 months ended 30 June	
	2023 S\$ (unaudited)	2022 S\$ (unaudited)
Revenue from contracts with customers (Note (i))	10,634,830	16,631,681
Others (Note (ii))	105,435	82,679
Total revenue	10,740,265	16,714,360

Notes:

- (i) Revenue from contracts with customers represents the provision of demolition services were derived from undertaking demolition projects which include (i) the net payment directly from the project owners; (ii) the proceeds from disposal of salvage materials removed from the demolition sites to third party salvage materials buyers; and (iii) earth disposal proceeds from earth providers for depositing earth at demolition sites for landfilling purpose.
- (ii) Other revenue mainly comprise of other service income for services rendered for site operation management and consultancy service, sales of inventories and rental of machinery.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6 OTHER INCOME AND OTHER GAINS — NET

	6 months ended 30 June	
	2023 S\$ (unaudited)	2022 S\$ (unaudited)
Other income:		
Interest income	167,747	1,597
Government grants	9,137	167,425
Rental income from investment property	12,000	12,000
Miscellaneous income	–	20
Total other income	188,884	181,042
Other gains:		
Gain on deregistration of a subsidiary	390,160	–
Gain on disposals of property and equipment	399,978	219,517
Fair value gain on financial asset at fair value through profit or loss	2,691	2,344
Currency exchange loss — net	–	(94)
Total other gains	792,829	221,767
Total other income and other gains	981,713	402,809

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

7 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

	6 months ended 30 June	
	2023 S\$ (unaudited)	2022 S\$ (unaudited)
Sub-contractor charges	3,145,667	3,865,962
Transportation expenses	137,085	187,548
Maintenance expenses	508,925	542,397
Insurance expenses	122,039	113,734
Raw materials, consumables and other overheads	2,159,336	3,292,934
Employee benefits expenses, including directors' emoluments (<i>Note (a)</i>)	4,786,980	5,297,827
Depreciation	2,149,786	2,281,781
Amortization of intangible assets	–	3,499
Legal and professional fees	120,923	231,639
Auditors' remuneration	35,962	17,308
Expenses relating to short-term leases	493,480	384,405
Motor vehicle expenses	46,809	39,179
Utility expenses	81,548	71,290
Others (<i>Note (b)</i>)	616,547	444,315
Total cost of sales, selling and distributions expenses and administrative expenses	14,405,087	16,773,818
Represented by:		
Cost of sales	9,834,719	11,789,138
Selling and distribution expenses	159,035	91,597
Administrative expenses	4,411,333	4,893,083
	14,405,087	16,773,818

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

7 EXPENSES BY NATURE (CONTINUED)

Note:

(a)

	6 months ended 30 June	
	2023 S\$ (unaudited)	2022 S\$ (unaudited)
Wages, salaries, bonuses and other benefits	4,582,783	5,036,131
Pension costs — defined contribution plans	204,197	261,696
	4,786,980	5,297,827

	6 months ended 30 June	
	2023 S\$ (unaudited)	2022 S\$ (unaudited)
Amount included in:		
Cost of sales	1,502,354	1,502,803
Administrative expenses	3,284,626	3,795,024
	4,786,980	5,297,827

(b) Others included marketing and distribution expenses, registration fee, secretarial fee and other miscellaneous expenses, etc.

8 FINANCE COSTS

	6 months ended 30 June	
	2023 S\$ (unaudited)	2022 S\$ (unaudited)
Interest expenses on:		
— Bank borrowings	3,579	18,408
— Lease liabilities	125,464	122,277
	129,043	140,685

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

9 INCOME TAXES

Singapore income tax has been provided for at the rate of 17% (30 June 2022: 17%) on the estimated assessable profit.

(a) Income tax credit

The amount of income tax credit accounted in the condensed consolidated statement of comprehensive income represents:

	6 months ended 30 June	
	2023 S\$ (unaudited)	2022 S\$ (unaudited)
Current income tax — Singapore	(17,237)	—
Deferred income tax — Singapore	(140,574)	—
Income tax credit	(157,811)	—

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the enacted tax rate as follows:

	6 months ended 30 June	
	2023 S\$ (unaudited)	2022 S\$ (unaudited)
(Loss)/profit before income tax	(2,812,152)	202,666
Tax calculated at a tax rate of 17%	(478,066)	34,453
Expenses not deductible for tax purposes	461,829	155,327
Income not subject to tax	(165,119)	(18,715)
Utilisation of tax loss carried forward	—	(171,065)
Deferred tax not recognised on temporary differences	40,782	—
Tax refunded from carry-back relief	(17,237)	—
Income tax credit	(157,811)	—

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

9 INCOME TAXES (CONTINUED)

(b) Movements in current income tax liabilities

	As at	
	30 June 2023 S\$ (unaudited)	30 June 2022 S\$ (unaudited)
At 1 January	–	–
Tax refunded from carry-back relief	(17,237)	–
At 30 June	(17,237)	–

10 (LOSS)/EARNINGS PER SHARE

The basic (loss)/earnings per share is calculated on the (loss)/profit attributable to equity holders of the Company by the weighted average number of shares in issue.

	6 months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
(Loss)/profit attributable to equity holders of the Company (S\$)	(2,842,052)	215,933
Weighted average number of shares in issue (Note (i))	1,000,000,000	1,000,000,000
Basic (loss)/earnings per share (S\$ cent)	(0.28)	0.02

For the six months ended 30 June 2023, diluted loss per share is equal to basic loss per share as there was no dilutive potential share outstanding (30 June 2022: same).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10 (LOSS)/EARNINGS PER SHARE (CONTINUED)

Note (i):

The weighted average of 1,000,000,000 ordinary shares used in the calculation of basic (loss)/earnings per share for the period/year ended 30 June 2023 and 31 December 2022 comprising: (i) 9,900 ordinary shares of the Company in issue as at 31 December 2018; (ii) 749,990,000 ordinary shares of the Company issued at par value by way of capitalisation pursuant to the shareholders' resolution dated 15 October 2019 as if these shares had been issued at 1 January 2018, the beginning of the earliest period reported; and (iii) 250,000,000 ordinary shares offered to the public were issued on 8 November 2019.

11 TRADE RECEIVABLES

	As at	
	30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
Trade receivables from third parties	1,802,592	2,442,904
Less: Allowance for impairment of trade receivables	(270,234)	(270,234)
Retentions	1,532,358	2,172,670
	710,683	564,659
	2,243,041	2,737,329

The Group normally grants credit terms of 30 days. The Group does not hold any collateral as security.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

11 TRADE RECEIVABLES (CONTINUED)

The aging analysis of the trade receivables, based on invoice date, are as follows:

	As at	
	30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
Below 30 days	2,043,190	2,310,903
31–60 days	53,541	320,106
61–90 days	28,577	6,687
91–120 days	17,638	4,538
Over 120 days	100,095	95,095
	2,243,041	2,737,329

The carrying amounts of trade receivables approximate their fair values.

Movements in the provision for impairment of the trade receivables are as follows:

	As at	
	30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
At the beginning/end of the period/year	270,234	270,234

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

11 TRADE RECEIVABLES (CONTINUED)

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	As at	
	30 June	31 December
	2023	2022
	S\$	S\$
	(unaudited)	(audited)
S\$	2,188,504	2,682,792
United State dollar ("US\$")	54,537	54,537
	2,243,041	2,737,329

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

12 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at	
	30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
Other receivables	67,233	71,854
Deposits paid to third parties	52,150	123,480
Staff loans	23,057	32,914
Prepayments	2,221,821	12,351
Current portion	2,364,261	240,599

The carrying amounts of deposits and other receivables approximate their fair values.

The carrying amounts of the Group's deposits, prepayments and other receivables are denominated in the following currencies:

	As at	
	30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
S\$	2,341,268	227,731
Hong Kong dollar ("HK\$")	22,993	517
Renminbi ("RMB")	–	4,756
	2,364,261	240,599

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

13 CASH AND CASH EQUIVALENTS

	As at	
	30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
Cash at banks	3,989,874	7,009,797
Cash on hand	5,000	5,000
Unpledged fixed deposits at banks	12,000,000	10,042,766
	15,994,874	17,057,563

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	As at	
	30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
S\$	15,594,093	16,668,148
US\$	144,038	144,037
HK\$	256,743	245,238
RMB	–	140
	15,994,874	17,057,563

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

14 TRADE AND OTHER PAYABLES

	As at	
	30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
Trade payables	1,874,331	1,572,269
Accrued expenses	817,707	909,153
Other payables	459,328	1,029,443
	3,151,366	3,510,865

The aging analysis of the trade payables, based on invoice date, is as follows:

	As at	
	30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
Up to 30 days	1,170,403	888,182
31–60 days	494,840	538,122
61–90 days	197,773	103,572
91–120 days	7,227	42,393
Over 120 days	4,088	–
	1,874,331	1,572,269

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

14 TRADE AND OTHER PAYABLES (CONTINUED)

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	As at	
	30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
S\$	3,043,888	2,896,766
HK\$	28,574	98,711
RMB	78,904	515,388
	3,151,366	3,510,865

15 BORROWINGS

	As at	
	30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
Non-current		
Bank borrowings (secured) (Note)	–	97,510
Current		
Bank borrowings (secured) (Note)	–	585,064
Total borrowings	–	682,574

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

15 BORROWINGS (CONTINUED)

Note:

The term loan as at 31 December 2022 is denominated in S\$, bears interest at 1.5% per annum. The bank borrowings is secured by a first legal mortgage on the leasehold building and corporate guarantees.

The fair value of non-current bank borrowings approximated the carrying value of the non-current borrowings as at 31 December 2022 as the borrowing bears interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements, which management expects to be available to the Group.

	As at	
	30 June 2023 S\$ (unaudited)	31 December 2022 S\$ (audited)
Within 1 year	–	585,064
Between 1 and 2 years	–	97,510
	–	682,574

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

16 SHARE CAPITAL

The movements of the share capital are as follow:

	Number of shares	Share capital HK\$
Authorised:		
Ordinary shares of HK\$0.01 each		
At 31 December 2022 (audited) and 30 June 2023 (unaudited)	10,000,000,000	100,000,000
	Number of shares	Share capital S\$
Issued and fully paid:		
At 31 December 2022 (audited) and 30 June 2023 (unaudited)	1,000,000,000	1,742,159

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

17 RESERVES

	Other reserve attributable to equity holders of the Company			Total
	Share premium	Other	Foreign currency translation	
	S\$	S\$	S\$	S\$
At 1 January 2022	19,853,646	2,000,000	(189,144)	21,664,502
Currency translation differences arising from consolidation	-	-	25,917	25,917
At 31 December 2022 (audited) and 1 January 2023 (unaudited)	19,853,646	2,000,000	(163,227)	21,690,419
Currency translation differences arising from consolidation	-	-	15,627	15,627
At 30 June 2023 (unaudited)	19,853,646	2,000,000	(147,600)	21,706,046

18 DIVIDENDS

No dividend was paid, declared or proposed during the period, nor has any dividend been declared since the end of the interim period (31 December 2022: nil).

19 COMMITMENTS

As at 30 June 2023, the Group did not have any capital commitments (31 December 2022: nil).

20 PERFORMANCE AND SECURITY BONDS

The Group had performance bonds for guarantees for completion of projects issued by banks and insurance companies amounting to S\$2,606,127 (31 December 2022: S\$1,971,127) as at 30 June 2023.

The Group had security bonds made under section 12 of Employment of Foreign Manpower (Work Passes) Regulations amounting to S\$310,000 (31 December 2022: S\$330,000) as at 30 June 2023.

21 SUBSEQUENT EVENTS

There were no material subsequent events undertaken by the Company or the Group after 30 June 2023 and up to the date of this report.