

# Wei Yuan Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1343

## Interim Report 2024



# Contents

Corporate Information	2
Interim Condensed Consolidated Statement of Comprehensive Income	4
Interim Condensed Consolidated Statement of Financial Position	6
Interim Condensed Consolidated Statement of Changes in Equity	8
Interim Condensed Consolidated Statement of Cash Flows	9
Notes to the Condensed Consolidated Interim Financial Statements	10
Management Discussion and Analysis	61
Other Information	70

# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Ng Tian Soo (*Chairman*)  
Mr. Ng Tian Fah (*Chief Executive Officer*)  
Mr. Huang Lei

### Independent Non-Executive Directors

Mr. Gary Ng Sin Tong  
(alias Mr. Gary Huang Chendong)  
Ms. Lee Wing Yin Jessica  
Mr. George Christopher Holland

## AUDIT COMMITTEE

Ms. Lee Wing Yin Jessica (*Chairman*)  
Mr. Gary Ng Sin Tong  
(alias Mr. Gary Huang Chendong)  
Mr. George Christopher Holland

## REMUNERATION COMMITTEE

Mr. Gary Ng Sin Tong (*Chairman*)  
(alias Mr. Gary Huang Chendong)  
Mr. Ng Tian Fah  
Ms. Lee Wing Yin Jessica

## NOMINATION COMMITTEE

Mr. Ng Tian Soo (*Chairman*)  
Mr. Gary Ng Sin Tong  
(alias Mr. Gary Huang Chendong)  
Mr. George Christopher Holland

## COMPANY SECRETARY

Ms. Fung Mei Ling

## AUTHORISED REPRESENTATIVES

Mr. Ng Tian Soo  
Ms. Fung Mei Ling

## AUDITOR

Moore CPA Limited  
*Registered Public Interest Entity Auditor*  
801-806 Silvercord, Tower 1  
30 Canton Road, Tsimshatsui  
Kowloon, Hong Kong

## COMPLIANCE ADVISER

Grande Capital Limited  
Room 2701, 27/F  
Tower One, Admiralty Center  
18 Harcourt Road  
Admiralty, Hong Kong

## PRINCIPAL BANKERS

Maybank Singapore Limited  
2 Battery Road  
Maybank Tower  
Singapore 049907

United Overseas Bank Limited  
80 Raffles Place  
UOB Plaza  
Singapore 048624

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## Corporate Information

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

37 Kranji Link  
Singapore 728643

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

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

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

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

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

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

### **CORPORATE WEBSITE**

<http://www.weiyuanholdings.com>

### **INVESTOR RELATIONS CONTACT**

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

### **STOCK CODE**

1343

# Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Wei Yuan Holdings Limited (the “**Company**”) present the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 together with comparative figures for the corresponding period in 2023 as follows:

	Notes	For the six months ended 30 June	
		2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
Revenue	4	45,432	46,101
Cost of sales		(39,362)	(38,916)
<b>Gross profit</b>		<b>6,070</b>	<b>7,185</b>
Other income and other gains, net	5	496	407
Administrative expenses		(4,346)	(4,896)
(Allowance for)/reversal of impairment of trade receivables and contract assets		(14)	83
<b>Operating profit</b>	6	<b>2,206</b>	<b>2,779</b>
Finance income	8	51	30
Finance costs	8	(761)	(771)
Share of loss of joint ventures, net of tax	13	(750)	(455)
<b>Profit before income tax</b>		<b>746</b>	<b>1,583</b>
Income tax expense	9	(529)	(567)
<b>Profit for the period</b>		<b>217</b>	<b>1,016</b>
<b>Profit for the period attributable to:</b>			
Equity holders of the Company		2	448
Non-controlling interests		215	568
		<b>217</b>	<b>1,016</b>

# Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
<b>Other comprehensive income:</b>			
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Currency translation differences		(8)	(7)
Share of other comprehensive income of a joint venture		597	127
<b>Other comprehensive income for the period, net of tax</b>		<b>589</b>	<b>120</b>
<b>Total comprehensive income for the period attributable to:</b>			
Equity holders of the Company		591	568
Non-controlling interests		215	568
		<b>806</b>	<b>1,136</b>
<b>Earnings per share (expressed in Singapore cents per share)</b>			
Basic and diluted	10	0.0002	0.04

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

## Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	20,058	21,352
Right-of-use assets	23	2,884	3,116
Investment properties	12	2,290	2,290
Investments in joint ventures	13	1,779	1,932
Other financial assets	14	89	89
Deferred income tax assets		73	9
		<b>27,173</b>	<b>28,788</b>
<b>Current assets</b>			
Inventories	16	1,189	1,122
Trade receivables	17	11,104	7,846
Contract assets	18	38,314	46,809
Deposits, prepayments and other receivables	19	2,823	2,282
Pledged bank deposits	20	5,071	3,503
Cash at banks and on hand	20	18,447	18,967
		<b>76,948</b>	<b>80,529</b>
<b>Current liabilities</b>			
Trade and retention payables	21	10,068	12,541
Accruals, other payables and provisions	22	4,710	5,912
Contract liabilities	18	239	329
Current income tax liabilities		1,183	1,036
Bank and other borrowings	24	25,223	26,778
Lease liabilities	23	502	695
		<b>41,925</b>	<b>47,291</b>
<b>Net current assets</b>		<b>35,023</b>	<b>33,238</b>
<b>Total assets less current liabilities</b>		<b>62,196</b>	<b>62,026</b>

## Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
<b>Non-current liabilities</b>			
Deferred income tax liabilities		230	272
Bank and other borrowings	24	1,592	2,169
Lease liabilities	23	2,555	2,584
Provisions	22	716	704
		5,093	5,729
<b>Net assets</b>			
		57,103	56,297
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	25	1,915	1,915
Share premium		15,475	15,475
Revaluation reserve		586	586
Other reserve		10,413	10,413
Exchange reserve		674	85
Retained earnings		24,906	24,904
		53,969	53,378
Non-controlling interests		3,134	2,919
<b>Total equity</b>			
		57,103	56,297

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



# Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to equity holders of the Company						Total S\$'000	Non- controlling interest S\$'000	Total S\$'000
	Share capital S\$'000	Share premium S\$'000	Revaluation reserve S\$'000	Other reserve S\$'000	Exchange reserve S\$'000	Retained earnings S\$'000			
At 1 January 2024	1,915	15,475	586	10,413	85	24,904	53,378	2,919	56,297
Profit for the period	-	-	-	-	-	2	2	215	217
Exchange difference arising on translation	-	-	-	-	(8)	-	(8)	-	(8)
Share of other comprehensive income of a joint venture, net of tax	-	-	-	-	597	-	597	-	597
At 30 June 2024 (Unaudited)	1,915	15,475	586	10,413	674	24,906	53,969	3,134	57,103
At 1 January 2023	1,915	15,475	586	10,413	1	24,136	52,526	2,566	55,092
Profit for the period	-	-	-	-	-	448	448	568	1,016
Exchange difference arising on translation	-	-	-	-	(7)	-	(7)	-	(7)
Share of other comprehensive income of a joint venture, net of tax	-	-	-	-	127	-	127	-	127
At 30 June 2023 (Unaudited)	1,915	15,475	586	10,413	121	24,584	53,094	3,134	56,228

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

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
<b>Cash flows from operating activities</b>		
Net cash generated from operations	6,340	12,968
Income tax paid	(488)	(529)
Interest received	51	30
<b>Net cash generated from operating activities</b>	<b>5,903</b>	<b>12,469</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	104	197
Purchase of property, plant and equipment	(1,123)	(1,226)
Changes in pledged bank deposits	(1,568)	(3,719)
<b>Net cash used in investing activities</b>	<b>(2,587)</b>	<b>(4,748)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(749)	(759)
Proceeds from bank borrowings	14,347	14,939
Repayments of bank and other borrowings	(16,971)	(17,538)
Repayments of obligations under leases	(465)	(453)
<b>Net cash used in financing activities</b>	<b>(3,838)</b>	<b>(3,811)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(522)</b>	<b>3,910</b>
Cash and cash equivalents at beginning of the period	18,967	16,864
Exchange difference for bank balance not denominated in S\$	2	(2)
<b>Cash and cash equivalents at end of the period</b>	<b>18,447</b>	<b>20,772</b>
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash at banks and on hand	18,447	20,772

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

# Notes to the Condensed Consolidated Interim Financial Statements

## 1 GENERAL INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands on 15 May 2019 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business is 37 Kranji Link, Singapore 728643.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing**") by way of public offer of the shares on 12 March 2020.

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

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

## 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with International Accounting Standard ("**IASs**") 34, "Interim Financing Reporting" issued by the International Accounting Standards Board ("**IASB**") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The unaudited condensed consolidated interim financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

# Notes to the Condensed Consolidated Interim Financial Statements

## 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

These unaudited condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31 December 2023, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2024. The adoption of these new or revised International Financial Reporting Standards has had no material effect on the amounts reported and/or disclosures set out in these unaudited condensed consolidated interim financial statements.

### Application of amendments to International Financial Reporting Standards ("IFRSs")

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the Group's unaudited condensed consolidated interim financial statements:

Amendments to IFRS 16	Lease liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the unaudited condensed consolidated interim financial statements.

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

## Notes to the Condensed Consolidated Interim Financial Statements

**3 SEGMENT INFORMATION**

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

The CODM assesses the performance based on profit after income tax and considers all businesses to be included in a single operating segment.

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

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

For the six months ended 30 June 2024, there were 3 customers (six months ended 30 June 2023: 3 customers) which individually contributed to over 10% of the Group’s total revenue. Revenue generated from these customers for the six months ended 30 June 2024 and 2023 are summarised below:

	<b>For the six months ended 30 June</b>	
	<b>2024 S\$’000 (Unaudited)</b>	<b>2023 S\$’000 (Unaudited)</b>
Customer 1	16,678	10,923
Customer 2	8,915	N/A*
Customer 3	6,734	N/A*
Customer 4	N/A*	6,315
Customer 5	N/A*	4,657

\* The corresponding revenue from this customer is not disclosed as such revenue alone did not account for 10% or more of the Group’s revenue.

## Notes to the Condensed Consolidated Interim Financial Statements

### 4 REVENUE

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

	For the six months ended 30 June	
	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
Revenue from contract works	37,419	37,574
Road milling and resurfacing services	4,660	5,957
Ancillary support and other services	2,129	1,776
Sale of goods and milled waste	1,224	794
	<b>45,432</b>	<b>46,101</b>
Revenue recognised:		
Over time	44,208	45,307
At point in time	1,224	794
	<b>45,432</b>	<b>46,101</b>

## Notes to the Condensed Consolidated Interim Financial Statements

**5 OTHER INCOME AND OTHER GAINS, NET**

	<b>For the six months ended 30 June</b>	
	<b>2024 S\$'000 (Unaudited)</b>	<b>2023 S\$'000 (Unaudited)</b>
Other income:		
Rental income from investment properties	36	34
Rental income from a property (Note (a))	167	164
Government grants (Note (b))	134	103
Workplace safety and health awards	24	24
Gain on disposal of subsidiaries (Note 26)	65	–
Others	7	3
	<b>433</b>	<b>328</b>
Other gains, net:		
Gain on disposal of property, plant and equipment, net	67	79
Loss on write off of property, plant and equipment, net	(4)	–*
Loss on foreign exchange difference, net	–*	–*
	<b>63</b>	<b>79</b>
	<b>496</b>	<b>407</b>

\* Less than S\$1,000

Notes:

- (a) The acquired property comprises a portion that is held to earn rentals which the management views that the portion could not be sold separately and the portion held for rentals income is insignificant. The property is mainly used as warehouse of the Group, therefore it is classified as property, plant and equipment.
- (b) For the six months ended 30 June 2024, government grants were represented by general incentives and subsidies provided by Singapore Government for supporting local entities and community, such as Enterprise Development Grant, Senior Employment Credit, Progressive Wage Credit Scheme, Childcare Leave Scheme etc (six months ended 30 June 2023: Same). These incentives and subsidies were granted in the form of cash payout and there were not unfulfilled conditions or contingencies relating to these grants.

## Notes to the Condensed Consolidated Interim Financial Statements

### 6 OPERATING PROFIT

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

	<b>For the six months ended 30 June</b>	
	<b>2024 S\$'000 (Unaudited)</b>	<b>2023 S\$'000 (Unaudited)</b>
Raw material and consumables used	5,687	5,992
Subcontracting charges	12,851	12,748
Site expense	1,762	1,661
Auditor's remuneration	106	98
Depreciation of property, plant and equipment (Note 11)	2,869	2,732
Depreciation of right-of-use assets (Note 23(ii))	476	473
Employee benefit expenses, including directors' emoluments (Note 7)	12,874	13,468
Insurance expenses	432	469
Expenses relating to short term leases and low value assets (Note 23(ii))	—*	14

\* Less than S\$1,000



## Notes to the Condensed Consolidated Interim Financial Statements

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

	<b>For the six months ended 30 June</b>	
	<b>2024 S\$'000 (Unaudited)</b>	<b>2023 S\$'000 (Unaudited)</b>
Wages, salaries and bonuses	10,136	10,995
Foreign workers levy	1,748	1,612
Retirement benefit costs — defined contribution plans (Note)	519	543
Staff benefits	471	318
	<b>12,874</b>	<b>13,468</b>
Cost of sales	10,110	10,348
Administrative expenses	2,764	3,120
	<b>12,874</b>	<b>13,468</b>

Note:

Defined contribution plan represents the central provident fund (“CPF”) scheme which is a mandatory social security savings scheme funded by contributions from employers and employees. Pursuant to the Central Provident Fund Act, Chapter 36 of Singapore, an employer is obliged to make CPF contributions ranging from 5% to 20% of wage for all employees who are Singapore citizens or permanent residents of Singapore. CPF contributions are not applicable for foreigners. Contribution to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

## Notes to the Condensed Consolidated Interim Financial Statements

## 8 FINANCE INCOME AND FINANCE COSTS

	For the six months ended 30 June	
	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
<b>Finance income</b>		
Interests from:		
— Bank deposits	28	14
— Pledged bank deposits	23	16
	51	30
<b>Finance costs</b>		
Interests on:		
— Bank and other borrowings	681	682
— Lease liabilities	68	77
— Unwinding of discount of reinstatement costs	12	12
	761	771

## Notes to the Condensed Consolidated Interim Financial Statements

## 9 INCOME TAX EXPENSE

	For the six months ended 30 June	
	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
<b>Current tax</b>		
— Current period — Singapore (Note (d))	635	782
— Under provision in prior years	—	—*
<b>Deferred tax</b>		
— Current period	(106)	(215)
<b>Income tax expense</b>	<b>529</b>	<b>567</b>

\* Less than S\$1,000

Notes:

- (a) Under the current laws of Cayman Islands, the Company is not subject to tax on income or capital gain. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.
- (b) No provision for income tax in BVI has been made as the Company's subsidiaries had no assessable income in BVI during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).
- (c) Hong Kong Profits Tax had not been provided for as the Company and its subsidiaries had no assessable profit in Hong Kong during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).
- (d) The Group mainly operates in Singapore. Income tax had been provided at the applicable tax rate of 17% (six months ended 30 June 2023: Same) of Singapore on the estimated assessable profits during the six months ended 30 June 2024.

## Notes to the Condensed Consolidated Interim Financial Statements

### 10 EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
<b>Earnings:</b>		
Profit for the period attributable to the equity holders of the Company (S\$'000)	2	448
<b>Number of shares:</b>		
Weighted average number of ordinary shares (in thousand)	1,064,000	1,064,000

For the six months ended 30 June 2024 and 2023, the number of shares used for the purpose of calculating basic earnings per share represents the weighted average of 1,064,000,000 ordinary shares in issue during the period.

Diluted earnings per share was the same as the basic earnings per share as there were no diluted potential ordinary shares outstanding during the six months ended 30 June 2024 (six months ended 30 June 2023: Same).

## Notes to the Condensed Consolidated Interim Financial Statements

## 11 PROPERTY, PLANT AND EQUIPMENT

	Properties (Note (i)) S\$'000	Motor Vehicles (Note (ii)) S\$'000	Computers, office equipment and furniture and fittings S\$'000	Plant and machinery (Note (ii)) S\$'000	Renovation S\$'000	Total S\$'000
<b>Period ended 30 June 2024 (Unaudited)</b>						
Opening net book amount	12,062	5,265	184	3,690	151	21,352
Additions	-	1,037	20	545	14	1,616
Written off	-	-	-	(4)	-	(4)
Disposals	-	(36)	-	(1)	-	(37)
Depreciation	(1,014)	(790)	(77)	(951)	(37)	(2,869)
Closing net book amount	11,048	5,476	127	3,279	128	20,058
<b>At 30 June 2024</b>						
Cost	23,622	16,879	1,376	16,576	946	59,399
Accumulated depreciation	(12,574)	(11,403)	(1,249)	(13,297)	(818)	(39,341)
Net book amount	11,048	5,476	127	3,279	128	20,058
<b>Year ended 31 December 2023 (Audited)</b>						
Opening net book amount	14,089	4,515	137	4,019	125	22,885
Additions	-	2,265	192	1,715	80	4,252
Written off	-	-	-	(3)	-*	(3)
Disposals	-	(29)	-	(118)	-	(147)
Depreciation	(2,027)	(1,486)	(145)	(1,923)	(54)	(5,635)
Closing net book amount	12,062	5,265	184	3,690	151	21,352
<b>At 31 December 2023</b>						
Cost	23,622	16,865	1,356	16,059	932	58,834
Accumulated depreciation	(11,560)	(11,600)	(1,172)	(12,369)	(781)	(37,482)
Net book amount	12,062	5,265	184	3,690	151	21,352

\* Less than S\$1,000

# Notes to the Condensed Consolidated Interim Financial Statements

## 11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

- (i) As at 30 June 2024, these properties are held by the Group with underlying leasehold land under the lease terms of approximately 14 to 35 years (31 December 2023: Same). The relevant leasehold land is classified as right-of-use assets (Note 23).
- (ii) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 23(i).

Depreciation of the Group's property, plant and equipment has been charged to the unaudited interim condensed consolidated statement of comprehensive income as follows:

	<b>For the six months ended 30 June</b>	
	<b>2024 S\$'000 (Unaudited)</b>	<b>2023 S\$'000 (Unaudited)</b>
Cost of sales	2,556	2,451
Administrative expenses	313	281
	<b>2,869</b>	<b>2,732</b>

As at 30 June 2024, the properties of the Group with net carrying amount of approximately S\$11,048,000 (31 December 2023: S\$12,062,000) were pledged to secure the bank borrowings of the Group (Note 24).

As at 30 June 2024, motor vehicles and plant and machinery with carrying amount of approximately S\$3,471,000 and S\$1,906,000 respectively (31 December 2023: S\$3,730,000 and S\$2,128,000 respectively) held by the Group were pledged for certain borrowings. The related assets were pledged as security for the related financing (Note 24).

## Notes to the Condensed Consolidated Interim Financial Statements

**12 INVESTMENT PROPERTIES**

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Beginning of the period/year	2,290	2,265
Fair value gain recognised in the unaudited interim condensed consolidated statement of comprehensive income	–	25
End of the period/year	2,290	2,290

Independent valuations of the Group's investment properties were performed by Knight Frank Pte Ltd, an independent qualified valuer, to determine the fair value of the investment properties as at 31 December 2023. For the purpose of interim report, management expects that the fair value of investment properties did not materially change and full year valuation will be done for 31 December 2024.

As at 30 June 2024, the investment properties of the Group with fair value of approximately S\$2,290,000 (31 December 2023: Same) were pledged to secure the bank borrowings of the Group (Note 24).

## Notes to the Condensed Consolidated Interim Financial Statements

### 12 INVESTMENT PROPERTIES (CONTINUED)

The investment properties are leased to certain independent third parties. The following amounts were recognised in the unaudited interim condensed consolidated statement of comprehensive income:

	For the six months ended 30 June	
	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
Rental income (Note 5)	36	34
Direct operating expenses	(17)	(14)
	19	20

Details of the Group's investment properties as at 30 June 2024 (31 December 2023: Same) are as follows:

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



## Notes to the Condensed Consolidated Interim Financial Statements

## 13 INVESTMENTS IN JOINT VENTURES

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Beginning of the period/year	1,932	3,623
Share of loss for the period/year, net of tax	(750)	(729)
Share of other comprehensive income for the period/year, net of tax	597	88
Impairment of investment	–	(1,050)
End of the period/year	1,779	1,932

Set out below are the joint ventures of the Group. These joint ventures have share capital consisting solely of ordinary shares, which are held indirectly through subsidiaries of the Group.

Name of entity	Place of incorporation	Place of business	% of ownership interest	
			As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
SWG Alliance Pte. Ltd. ("SWG") and its subsidiaries (Note (i))	Singapore	Singapore and Malaysia	40	40
Futurus Construction Pte. Ltd. ("Futurus") (Note (ii))	Singapore	Singapore	40	40

Notes:

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

# Notes to the Condensed Consolidated Interim Financial Statements

## 13 INVESTMENTS IN JOINT VENTURES (CONTINUED)

The investment in SWG has written down to its recoverable amount as at 31 December 2023, which was determined based on its value in use using the discounted cashflow model. The result of the total projected cashflow was discounted to its present value, the equity share thereof was then compared to the carrying value of SWG as at 31 December 2023. Impairment was provided when recoverable amount is less than the carrying amount.

19% pre-tax discount rate, equivalent to 15% pre-tax discount rate, was used by the Group in performing the discounted cashflow of SWG, which represented the management's best estimate of current market assessment of (a) the time value of money; and (b) the risks specific to the asset for which the future cash flow estimates have not been adjusted.

As at 31 December 2023, the Group's equity share of the recoverable amount of SWG, based on 15% discounted cashflow, was approximately S\$1,865,000. Compared with the carrying value of SWG as at the same date of approximately S\$2,915,000, impairment of investment of approximately S\$1,050,000 was provided accordingly.

The Group had no commitment to provide funding, if called, to these joint ventures and there were no contingent liabilities relating to the Group's interests in these joint ventures for the six months ended 30 June 2024 (31 December 2023: Same).

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

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

## Notes to the Condensed Consolidated Interim Financial Statements

## 13 INVESTMENTS IN JOINT VENTURES (CONTINUED)

	<b>SWG Alliance Pte. Ltd. and its subsidiaries</b>	
	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
<b>Summarised statement of financial position</b>		
Current assets	5,306	6,139
Non-current assets	3,830	3,805
Current liabilities	(2,605)	(3,205)
Non-current liabilities	(395)	(271)
Net assets	6,136	6,468
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	1,253	1,628
Current financial liabilities (excluding trade and other payables and provisions)	(131)	(180)
Non-current financial liabilities (excluding trade and other payables and provisions)	(60)	(78)

## Notes to the Condensed Consolidated Interim Financial Statements

## 13 INVESTMENTS IN JOINT VENTURES (CONTINUED)

	<b>SWG Alliance Pte Ltd and its subsidiaries For the six months ended 30 June</b>	
	<b>2024 S\$'000 (Unaudited)</b>	<b>2023 S\$'000 (Unaudited)</b>
<b>Summarised statement of comprehensive loss for the period</b>		
Revenue	3,021	3,212
Loss for the period	(1,824)	(1,205)
Other comprehensive income for the period	1,494	317
<b>Total comprehensive loss for the period</b>	<b>(330)</b>	<b>(888)</b>
<b>Attributable to:</b>		
— Equity owners of joint venture	(397)	(804)
— Non-controlling interests	67	(84)
	<b>(330)</b>	<b>(888)</b>
The above loss for the period includes the followings:		
Depreciation and amortisation	(345)	(364)
Interest expense	(6)	(9)
Income tax expense	(43)	(49)

## Notes to the Condensed Consolidated Interim Financial Statements

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

	<b>Futurus</b>	
	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
<b>Summarised statement of financial position</b>		
Current assets	154	173
Non-current assets	44	11
Current liabilities	(11)	(10)
Non-current liabilities	(1)	(3)
Net assets	186	171
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	18	130
Current financial liabilities (excluding trade and other payables and provisions)	(4)	(4)
Non-current financial liabilities (excluding trade and other payables and provisions)	(1)	(3)

## Notes to the Condensed Consolidated Interim Financial Statements

## 13 INVESTMENTS IN JOINT VENTURES (CONTINUED)

	<b>Futurus</b> <b>For the six months</b> <b>ended 30 June</b>	
	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
<b>Summarised statement of comprehensive income/ (loss) for the period</b>		
Revenue	33	16
Profit/(loss) for the period	15	(17)
Other comprehensive income for the period	–	–
<b>Total comprehensive income/(loss) for the period</b>	<b>15</b>	<b>(17)</b>
<b>Attributable to:</b>		
— Equity owners of joint venture	15	(17)
— Non-controlling interests	–	–
	15	(17)
The above income/(loss) for the period includes the followings:		
Depreciation and amortisation	(4)	(7)
Interest expense	—*	—*

\* Less than S\$1,000

## Notes to the Condensed Consolidated Interim Financial Statements

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

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

	<b>SWG Alliance Pte. Ltd. and its subsidiaries</b>	
	<b>As at 30 June 2024 S\$'000 (Unaudited)</b>	<b>As at 31 December 2023 S\$'000 (Audited)</b>
Opening net assets	6,468	8,340
Loss for the period/year	(330)	(1,872)
Closing net assets	6,138	6,468
Net assets attributable to non-controlling interests of joint ventures	(752)	(820)
Net assets attributable to other joint venture partner	4,134	4,373
Net assets attributable to the Group	2,756	2,915
	<b>6,138</b>	<b>6,468</b>

## Notes to the Condensed Consolidated Interim Financial Statements

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

	<b>Futurus</b>	
	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Opening net assets	171	163
Profit for the period/year	15	8
Closing net assets	186	171
Net assets attributable to other joint venture partner	112	102
Net assets attributable to the Group	74	69
	<b>186</b>	<b>171</b>



## Notes to the Condensed Consolidated Interim Financial Statements

## 14 OTHER FINANCIAL ASSETS

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Financial assets measured at FVTPL		
— Key management insurance contract	89	89

In 2018, the Group entered into a life insurance policy with an insurance company to insure one of the senior management of the Company. The total sum insured is approximately S\$391,200. The Group is the policy holder and beneficiary of the policy. The Group has paid a one-off premium of S\$109,000 in 2018. The Group can terminate the policy at any time and receive cash back based on the cash value of the policy at the date of withdrawal (“**Cash Value**”), which is determined by the gross premium paid at inception plus accumulated guaranteed interest earned and minus insurance premium charged. If such withdrawal is made at any time during the first to the 65th policy year, as appropriate, a pre-determined specified surrender charge would be imposed.

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

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

The life insurance policy is denominated in S\$.

## Notes to the Condensed Consolidated Interim Financial Statements

## 15 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
<b>Financial assets</b>		
Carried at fair value:		
Other financial assets	89	89
Carried at amortised cost:		
Trade receivables	11,104	7,846
Deposits and other receivables, excluding prepayments	2,309	1,667
Pledged bank deposits	5,071	3,503
Cash at banks and on hand	18,447	18,967
	<b>36,931</b>	<b>31,983</b>
<b>Financial liabilities</b>		
Carried at amortised cost:		
Trade and retention payables	10,068	12,541
Accruals and other payables, excluding staff cost payables, provisions and goods and services tax payables	987	1,375
Bank and other borrowings	26,815	28,947
	<b>37,870</b>	<b>42,863</b>
<b>Other financial liabilities</b>		
Lease liabilities	3,057	3,279

## Notes to the Condensed Consolidated Interim Financial Statements

**16 INVENTORIES**

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Raw materials and consumables	1,189	1,122

The cost of inventories recognised as expense and included in “cost of sales” amounted to approximately S\$5,687,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: S\$5,992,000).

No inventories were written off during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

**17 TRADE RECEIVABLES**

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Trade receivables		
— Third parties	10,864	7,888
— Related parties (Note 28(b)(i))	383	100
	11,247	7,988
Less: Allowance for impairment	(143)	(142)
Trade receivables — net	11,104	7,846

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

## Notes to the Condensed Consolidated Interim Financial Statements

### 17 TRADE RECEIVABLES (CONTINUED)

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

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Less than 30 days	8,585	6,398
31–60 days	1,521	702
61–90 days	393	544
91–120 days	171	48
121–365 days	303	23
More than 1 year	274	273
	<b>11,247</b>	<b>7,988</b>

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

	Lifetime ECL — not credit impaired S\$'000	Lifetime ECL — credit impaired S\$'000	Total S\$'000
As at 1 January 2023	52	122	174
Impairment made	–	4	4
Impairment reversed	(15)	(13)	(28)
Impairment utilised	–	(8)	(8)
As at 31 December 2023 and 1 January 2024 (Audited)	<b>37</b>	<b>105</b>	<b>142</b>
Impairment made	–	19	19
Impairment reversed	(12)	(6)	(18)
As at 30 June 2024 (Unaudited)	<b>25</b>	<b>118</b>	<b>143</b>

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

## Notes to the Condensed Consolidated Interim Financial Statements

**18 CONTRACT ASSETS/(LIABILITIES)**

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Retention sum for contract works	1,407	1,471
Unbilled revenue of contracts	37,019	45,437
	<b>38,426</b>	46,908
Less: Allowance for impairment	(112)	(99)
Contract assets	<b>38,314</b>	46,809
Contract liabilities	(239)	(329)
Retention held by customers expected to be settled: To be recovered within 12 months	<b>1,407</b>	1,471

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

Retention sum for contract works are settled in accordance with the terms of the respective contracts. In the unaudited interim condensed consolidated statement of financial position, retention sum for contract works were classified as current assets based on operating cycle. Prior to expiration of defect liability period, these are classified as contract assets, which ranges from one to five years from the date of the practical completion of the construction. The relevant amount of contract asset is unsecured and interest-free and reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed-upon specifications and such assurance cannot be purchased separately. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion or the expiry of the defect liability period.

## Notes to the Condensed Consolidated Interim Financial Statements

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

Contract assets represent the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

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

The Group applied the simplified approach to provide for expected credit losses prescribed by IFRS 9. Movement in the allowance for impairment of contract assets was as follows:

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Beginning of the period/year	99	302
Impairment made/(reversed)	13	(203)
End of the period/year	112	99

Revenue recognised in relation to contract liabilities:

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Revenue recognised in current period/year that was included in the contract liabilities balance at the beginning of the period/year	329	550

## Notes to the Condensed Consolidated Interim Financial Statements

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

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

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied	204,218	94,081
Expected to be recognised within one year	132,486	81,141
Expected to be recognised after one year	71,732	12,940
	204,218	94,081

## Notes to the Condensed Consolidated Interim Financial Statements

**19 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Deposits (Note (a))	1,661	1,049
Less: Impairment made	–	(45)
	1,661	1,004
Loan to a joint venture (Note 28(b)(ii))	600	600
Prepayments (Note (b))	514	615
Other receivables — third parties	48	63
	<b>2,823</b>	<b>2,282</b>

Notes:

- (a) As at 30 June 2024, deposits mainly composed of rental deposits for properties and motor vehicles, and deposits paid for project expenses (31 December 2023: Same).
- (b) As at 30 June 2024, prepayments mainly composed of prepaid project insurance and performance bond insurance (31 December 2023: Same).



## Notes to the Condensed Consolidated Interim Financial Statements

**20 PLEDGED BANK DEPOSITS AND CASH AT BANKS AND ON HAND**

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Cash at banks	13,073	18,891
Cash on hand	73	76
Short term bank deposits (Note (a))	5,301	–
	<b>18,447</b>	<b>18,967</b>
Pledged bank deposits (Note (b))	5,071	3,503
	<b>23,518</b>	<b>22,470</b>

Notes:

- (a) As at 30 June 2024, short term bank deposits earn interest of 3.20% to 3.40% (31 December 2023: Nil) per annum and have maturities ranging between one week to six months (31 December 2023: Nil), depending on the immediate cash requirements of the Group and the Company. Short term bank deposits can be readily converted into known amount of cash and are subject to insignificant risk of change in values.
- (b) As at 30 June 2024, bank deposits of approximately S\$5,071,000 (31 December 2023: S\$3,503,000) were mainly pledged for bank borrowings (Note 24) of the Group with maturity of three months to one year (31 December 2023: two weeks to one year). Such bank deposits carry interest at market rates which range from 1% to 3.10% (31 December 2023: 0.02% to 3.63%) per annum.

## Notes to the Condensed Consolidated Interim Financial Statements

### 21 TRADE AND RETENTION PAYABLES

The average credit period granted for creditors is 30 days.

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Trade payables		
— Third parties	9,898	12,175
— Related parties (Note 28(b)(iii))	10	16
	<b>9,908</b>	<b>12,191</b>
Retention payables		
— Third party	160	350
	<b>10,068</b>	<b>12,541</b>

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

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Less than 30 days	7,345	8,648
31–60 days	757	1,805
61–90 days	540	778
91–120 days	531	915
121–365 days	698	8
More than one year	37	37
	<b>9,908</b>	<b>12,191</b>

As at 30 June 2024, retention payables of approximately S\$160,000 (31 December 2023: S\$350,000) were expected to be settled within twelve months after the end of the reporting period.

## Notes to the Condensed Consolidated Interim Financial Statements

**22 ACCRUALS, OTHER PAYABLES AND PROVISIONS**

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
<i>Current</i>		
Other payables	134	228
Accruals for operating expenses	2,044	4,212
Deposits received — refundable	275	246
Goods and services tax payables	1,887	856
Provisions	370	370
	<b>4,710</b>	<b>5,912</b>
<i>Non-current</i>		
Provisions	716	704

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

Movements in provisions classified as current liabilities were as follows:

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Provision for leave entitlement		
Beginning of period/year	370	433
Provision reversed	–	(63)
End of the period/year	<b>370</b>	<b>370</b>

## Notes to the Condensed Consolidated Interim Financial Statements

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

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

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Provision for repair works on contract works		
Beginning of the period/year	281	245
Provision made	–	36
End of the period/year	281	281
Provision for reinstatement costs		
Beginning of period/year	423	400
Unwinding of discount (Note 8)	12	23
End of the period/year	435	423
	716	704

### 23 LEASES

The Group leases land and office equipment. Lease contracts are typically made for fixed periods of 2 to 35 years (31 December 2023: Same). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for other borrowing purposes.

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

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

## Notes to the Condensed Consolidated Interim Financial Statements

**23 LEASES (CONTINUED)**

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

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

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
<i>Right-of-use assets</i>		
Land	2,828	3,049
Office equipment	56	67
	<b>2,884</b>	<b>3,116</b>
<i>Lease liabilities</i>		
Current	502	695
Non-current	2,555	2,584
	<b>3,057</b>	<b>3,279</b>

Additions to the right-of-use assets for the six months ended 30 June 2024 were approximately S\$230,000 (31 December 2023: S\$621,000) and the revised to the right-of-use assets were approximately S\$14,000 (31 December 2023: S\$20,000) in respect of change to reflect changes in market rental rates following a market rent review.

# Notes to the Condensed Consolidated Interim Financial Statements

## 23 LEASES (CONTINUED)

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

As at 30 June 2024, leasing arrangements from bank and non-financial institution are presented together with bank and other borrowings (Note 24). Details of such leasing arrangements are as below:

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Current	2,058	2,177
Non-current	1,592	2,169
	<b>3,650</b>	<b>4,346</b>

Information about right-of-use assets classified within property, plant and equipment (Note 11) is disclosed as follows:

	Motor vehicles S\$'000	Plant and machinery S\$'000	Total S\$'000
<b>Period ended 30 June 2024 (Unaudited)</b>			
Opening net book amount	3,730	2,128	5,858
Additions	400	210	610
Lease arrangements fully paid	(281)	–	(281)
Depreciation	(378)	(432)	(810)
Closing net book amount	<b>3,471</b>	<b>1,906</b>	<b>5,377</b>
<b>As 30 June 2024</b>			
Cost	5,098	4,163	9,261
Accumulated depreciation	(1,627)	(2,257)	(3,884)
Net book amount	<b>3,471</b>	<b>1,906</b>	<b>5,377</b>

## Notes to the Condensed Consolidated Interim Financial Statements

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

	Motor vehicles S\$'000	Plant and machinery S\$'000	Total S\$'000
<b>Year ended 31 December 2023</b>			
<b>(Audited)</b>			
Opening net book amount	2,878	2,386	5,264
Additions	1,816	798	2,614
Lease arrangements fully paid	(291)	(253)	(544)
Depreciation	(673)	(803)	(1,476)
Closing net book amount	3,730	2,128	5,858
<b>As 31 December 2023</b>			
Cost	5,239	3,953	9,192
Accumulated depreciation	(1,509)	(1,825)	(3,334)
Net book amount	3,730	2,128	5,858

During the six months ended 30 June 2024, no early termination of lease was incurred, resulting in the derecognition of the carrying amounts of right-of-use assets and lease liabilities (31 December 2023: Same).

The weighted average of the lease's incremental borrowing rates applied by the Group ranged from 2.35% to 5.12% (31 December 2023: 2.35% to 4.56%) per annum.

## Notes to the Condensed Consolidated Interim Financial Statements

## 23 LEASES (CONTINUED)

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

	For the six months ended 30 June	
	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
<b>Depreciation charge of right-to-use assets</b>		
Land	465	462
Office equipment	11	11
	<b>476</b>	<b>473</b>
Interest expense (represented by interests on lease liabilities) (Note 8)	68	77
Interest expense (included in interests on bank and other borrowings) (Note 8)	85	75
Expenses relating to short-term leases and low value assets (Note 6)	—*	14
	<b>153</b>	<b>166</b>

\* Less than S\$1,000



## Notes to the Condensed Consolidated Interim Financial Statements

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

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

	<b>For the six months ended 30 June</b>	
	<b>2024 S\$'000 (Unaudited)</b>	<b>2023 S\$'000 (Unaudited)</b>
Cost of sales	437	435
Administrative expenses	39	38
	<b>476</b>	<b>473</b>

The total cash outflow for leases, excluding expenses relating to short term leases and low value assets during the six months ended 30 June 2024 were approximately S\$1,654,000 (six months ended 30 June 2023: S\$1,458,000).

During the six months ended 30 June 2024, there were approximately S\$1,189,000 (31 December 2023: S\$2,081,000) included in repayments of bank and other borrowings and approximately S\$465,000 (31 December 2023: S\$955,000) were presented as principal element of lease payments.

# Notes to the Condensed Consolidated Interim Financial Statements

## 24 BANK AND OTHER BORROWINGS

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Borrowings from bank- secured	26,270	28,423
Borrowings from non-bank financial institution- secured	545	524
	<b>26,815</b>	<b>28,947</b>

As at 30 June 2024, the Group's bank borrowings with carrying amount of approximately S\$20,315,000 (31 December 2023: S\$20,817,000) were variable-rate borrowings which carried annual interest ranging from 4.59% to 6.30% (31 December 2023: 1.68% to 6.73%) per annum.

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

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
Within 1 year or on demand	25,223	26,778
After 1 year but within 2 years	1,067	1,451
After 2 years but within 5 years	525	718
	<b>26,815</b>	<b>28,947</b>

## Notes to the Condensed Consolidated Interim Financial Statements

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

As at 30 June 2024, approximately S\$3,650,000 (31 December 2023: S\$4,346,000) of the borrowings were financed under hire purchase commitments which are accounted for under IFRS 16. The carrying amounts of related motor vehicles and plant and machinery of approximately S\$3,471,000 and S\$1,906,000 (31 December 2023: S\$3,730,000 and S\$2,128,000), respectively, held under hire purchase commitments were pledged as security for the hire purchase commitments (Note 11).

As at 30 June 2024, the Group's bank and other borrowings were secured by the investment properties (Note 12), self-occupied properties (Note 11), carrying amount of motor vehicles and plant and machinery held under hire purchase commitments (Note 11), pledged bank deposits (Note 20) and corporate guarantee by the Company (31 December 2023: Same).

The weighted average interest rate was 4.91% as at 30 June 2024 (31 December 2023: 4.51%).

**25 SHARE CAPITAL**

	Par value HK\$	No. of shares	Share capital HK\$'000
<b>Authorised:</b>			
At 31 December 2023 (Audited)	0.01	2,000,000,000	20,000
At 30 June 2024 (Unaudited)	0.01	2,000,000,000	20,000
	No. of shares	HK\$'000	S\$'000
<b>Issued and fully paid:</b>			
At 31 December 2023 (Audited)	1,064,000,000	10,640	1,915
At 30 June 2024 (Unaudited)	1,064,000,000	10,640	1,915

## Notes to the Condensed Consolidated Interim Financial Statements

### 26 DISPOSAL OF SUBSIDIARIES

On 27 June 2024, the Group disposed of the entire issued share capital of Zhang De Holdings Limited and its subsidiaries, which is engaged in the business of trading of building materials in the People's Republic of China, to an independent third party for a consideration of HK\$38,000 (equivalent to approximately S\$6,000). The effect of the disposal is summarised as follows:

	S\$'000 (Unaudited)
Cash at bank	1
Trade receivables	928
Other receivables	243
Trade payables	(1,166)
Accruals and other payables	(65)
Net liabilities disposed of	(59)
Gain on disposal of subsidiaries	65
Total consideration	6

The consideration of HK\$38,000 (equivalent to approximately S\$6,000) for disposal of the subsidiaries was received on 4 July 2024.

# Notes to the Condensed Consolidated Interim Financial Statements

## 27 DIVIDENDS

The board of directors does not recommend the payment of interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## 28 RELATED PARTY TRANSACTIONS

The directors are of the view that the following companies were related parties that had transactions or balances with the Group during the six months ended 30 June 2024:

Name of the related party	Relationship with the Group through:
Geenet Pte Ltd	Significant influence by Mr. Ng Choon Wee, son of NTS
Eastern Green Power Pte Ltd	Significant influence by NTS
EGP Smart Energy Pte Ltd	Significant influence by NTS
WGM Resources Sdn Bhd	Significant influence by NTS, NTK, Ms. Phang May Lan and Mr. Chen Teck Men
Futurus Construction Pte Ltd	Joint venture of the Group
SWG Alliance Pte Ltd	Joint venture of the Group
SWG Resources Sdn Bhd	Wholly owned subsidiary of a joint venture of the Group
Tong Seng Concrete Products Trading Pte Ltd	Wholly owned subsidiary of a joint venture of the Group

## Notes to the Condensed Consolidated Interim Financial Statements

## 28 RELATED PARTY TRANSACTIONS (CONTINUED)

## (a) Transactions with related parties

	For the six months ended 30 June	
	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
Contract work revenue from		
Eastern Green Power Pte Ltd (Note (i))	120	–
EGP Smart Energy Pte Ltd (Note (ii))	19	–
Sale/(return) of goods to/(from)		
Eastern Green Power Pte Ltd (Note (i))	21	(17)
Futurus Construction Pte Ltd	2	2
Geenet Pte Ltd	1	1
WGM Resources Sdn Bhd	–*	–
Tong Seng Concrete Products Trading Pte Ltd	–*	–
Ancillary support services to		
Eastern Green Power Pte Ltd (Note (i))	3	22
Futurus Construction Pte Ltd	18	18
Sub-contracting charges from		
Futurus Construction Pte Ltd	(31)	(6)
Raw materials and consumables from		
Tong Seng Concrete Products Trading Pte Ltd	(4)	(38)
Transportation and vehicle expenses from		
Futurus Construction Pte Ltd	(3)	(6)
Other operating expenses from		
Futurus Construction Pte Ltd	–*	(1)
Geenet Pte Ltd	(15)	(12)

\* Less than S\$1,000

## Notes to the Condensed Consolidated Interim Financial Statements

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

Notes:

- (i) This related party is a company which is owned as to 34.3% by NTS, an executive Director and one of the Controlling Shareholders, and such related party transaction constitutes continuing connected transactions as defined in Chapter 14A of the Listing Rules. However, this is exempted from the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Rule 14A.33 of the Listing Rules.
- (ii) This related party is a company which is owned as to 36.1% by NTS, an executive director and one of the Controlling Shareholders, and such related party transaction constitutes continuing connected transactions as defined in Chapter 14A of the Listing Rules. However, this is exempted from the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Rule 14A.33 of the Listing Rules.

**(b) Balances with related parties**

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
(i) <i>Trade receivables</i>		
Eastern Green Power Pte Ltd	382	96
WGM Resources Sdn Bhd	—*	4
Tong Seng Concrete Products Trading Pte Ltd	1	-
	<b>383</b>	<b>100</b>
(ii) <i>Loans to a joint venture — Non-trade</i>		
SWG Alliance Pte Ltd	600	600

## Notes to the Condensed Consolidated Interim Financial Statements

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

	As at 30 June 2024 S\$'000 (Unaudited)	As at 31 December 2023 S\$'000 (Audited)
(iii) <i>Trade payables</i>		
Futurus Construction Pte Ltd	8	8
Geenet Pte Ltd	2	2
Tong Seng Concrete Products Trading Pte Ltd	–	6
	<b>10</b>	<b>16</b>

- (c) All balances with related parties were unsecured, interest-free, repayable on demand and denominated in S\$ during the six months ended 30 June 2024 (31 December 2023: Same).

Except for loan to a joint venture, which is unsecured, interest-free, repayable on demand and denominated in S\$, other receivables and payables are trade in nature and will be settled in accordance with the terms of the arrangement.

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



## Notes to the Condensed Consolidated Interim Financial Statements

### 28 RELATED PARTY TRANSACTIONS (CONTINUED)

- (d) As at 30 June 2024, the Group's bank borrowings were secured by corporate guarantee by the Company (31 December 2023: Same). As at 30 June 2024, certain other borrowings of the Group were secured by the personal guarantees by shareholders of one of the subsidiary of the Company (31 December 2023: Same)
- (e) As at 30 June 2024, the Group's performance bonds issued by insurance companies and bank were secured by corporate guarantees by the Company, in exception to personal guarantees to an insurance company provided by the directors of one of the subsidiary of the Company NTS, NTF and NTK (31 December 2023: same).
- (f) **Key management compensation**  
Key management includes both executive and non-executive directors of the Group. The compensation paid or payable to key management was disclosed in Note 30 to the unaudited condensed consolidated interim financial statements.

### 29 CONTINGENCIES

The Group had performance bonds for guarantees of completion of projects issued by insurance companies and banks amounting to approximately S\$10,912,000 as at 30 June 2024 (31 December 2023: S\$10,380,000).

The Group had security bonds made under section 12 of Employment of Foreign Manpower (Work Passes) Regulations amounting to approximately S\$2,005,000 as at 30 June 2024 (31 December 2023: S\$1,780,000).

## Notes to the Condensed Consolidated Interim Financial Statements

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

#### (a) Directors' emoluments

The remunerations of the directors for the six months ended 30 June 2024 is set out below:

	Fee S\$'000	Salaries S\$'000	Discretionary bonuses S\$'000	Retirement benefit — defined contribution plans S\$'000	Total S\$'000
<b>For the six months ended 30 June 2024 (Unaudited)</b>					
<i>Executive directors</i>					
Ng Tian Soo	–	305	–	4	309
Ng Tian Fah	–	258	–	7	265
Huang Lei	–	9	–	–	9
<i>Independent non-executive directors</i>					
Gary Ng Sin Tong (alias Gary Huang Chendong)	10	–	–	–	10
Lee Wing Yin Jessica	10	–	–	–	10
George Christopher Holland	10	–	–	–	10
	30	572	–	11	613

## Notes to the Condensed Consolidated Interim Financial Statements

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

#### (a) Directors' emoluments (Continued)

The remunerations of the directors for the six months ended 30 June 2023 is set out below:

	Fee S\$'000	Salaries S\$'000	Discretionary bonuses S\$'000	Retirement benefit — defined contribution plans S\$'000	Total S\$'000
<b>For the six months ended</b>					
<b>30 June 2023 (Unaudited)</b>					
<i>Executive directors</i>					
Ng Tian Soo	–	290	–	4	294
Ng Tian Fah	–	245	–	6	251
<i>Independent non-executive directors</i>					
Gary Ng Sin Tong (alias Gary Huang Chendong)	10	–	–	–	10
Lee Wing Yin Jessica	10	–	–	–	10
George Christopher Holland	10	–	–	–	10
	30	535	–	10	575

# Notes to the Condensed Consolidated Interim Financial Statements

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

### (a) Directors' emoluments (Continued)

The executive directors' emoluments shown above are for their services as of the Company and its subsidiaries. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

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

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

### (b) Directors' retirement benefits

During the six months ended 30 June 2024, no retirement benefits were paid to or receivable by any director in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking (six months ended 30 June 2023: Nil).

### (c) Directors' termination benefits

No payment was made to directors as compensation for early termination of the appointment during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

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

No payment was made to third parties for making available directors' services during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## Notes to the Condensed Consolidated Interim Financial Statements

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

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

Save as disclosed in Note 28, there were no other loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

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

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

### **31 SUBSEQUENT EVENTS**

There are no significant events affecting the Group which have occurred after the six months ended 30 June 2024 and up to the date of this interim report.

# Management Discussion and Analysis

## INDUSTRY OVERVIEW

According to the Ministry of Trade and Industry Singapore (“**MTI**”) announcement on 13 August 2024, the construction sector grew by 3.8% year-on-year in the second quarter of 2024, extending the 4.1% growth in the preceding quarter. The construction sector has experienced significant growth, driven by public sector projects and a strong focus on infrastructure development. Key impacts on the sector include advancements in digital integration, efforts towards sustainability, and a steady pipeline of construction activities. Despite global economic uncertainties, the sector’s resilience is bolstered by ongoing government support and strategic initiatives aimed at enhancing productivity and innovation.

## BUSINESS REVIEW AND PROSPECT

The core business and revenue structure of the Group have remained unchanged for the six months ended 30 June 2024. The Group’s operations, other than those of certain joint ventures, are located in Singapore and its revenue and profit from operations are solely derived from contract works rendered within Singapore. The Group is actively involved as a main contractor or subcontractor in both private and public sector projects and the revenue was principally derived from (i) contract works in relation to the installation of power cables, telecommunication cables (including ISP works and OSP works) and sewerage pipelines by applying methods such as open cut excavation or trenchless methods; (ii) road milling and resurfacing services; (iii) ancillary support and other services; and (iv) sales of goods and milled waste.

In 2024, the Group expects business environment to remain challenging after three-year COVID-19 pandemic. The rise in global interest rates and geopolitical tensions will continue to cast a shadow on the business environment. Therefore, the Group will adopt a prudent approach in carrying out its businesses amid these challenges. For the six months ended 30 June 2024, the Group recorded a total revenue of approximately S\$45.4 million, representing a decrease of approximately S\$0.7 million from approximately S\$46.1 million for the six months ended 30 June 2023. The decrease in revenue was mainly due to lower revenue generated from road milling and resurfacing services during the six months ended 30 June 2024 compared to the six months ended 30 June 2023. The civil engineering industry faces additional constraints, including (i) the change to the dependency ceiling ratio of foreign workers to total workforce that a company in a given sector can employ commenced from January 2024, which could impact productivity; and (ii) the prices of materials and energy soar, which are major contributors to the overall increase in construction costs for the ongoing projects. In addition, the current interest rate environment is expected to raise. It could put upward pressure on borrowing costs of the Group’s which consequently affects its overall margins. These unfavourable factors have affected the operations of the Group in Singapore.

## Management Discussion and Analysis

Business strategies of the Group remained unchanged for the six months ended 30 June 2024. Looking ahead, the Group will (i) closely monitor the global economic trend and market situation and take timely measures to improve its operation and production efficiency; (ii) continue to leverage its solid track record and proven expertise to tender for public and private sector projects; (iii) prioritise cash conservation; (iv) adopt tighten cost control measures; (v) actively participate in tendering for new projects to strengthen the Group's market position; and (vi) exercise caution when exploring business opportunities

### **ONGOING PROJECTS**

As at 30 June 2024, the Group had 28 ongoing projects, including 24 ongoing power cable installation projects and four telecommunication cable installation projects with an aggregated contract sum of approximately S\$290.6 million, of which approximately S\$86.4 million has been recognised as revenue up to 30 June 2024 (31 December 2023: 29 ongoing projects, including 24 ongoing power cable installation projects and five telecommunication cable installation projects with an aggregated contract sum of approximately S\$176.2 million, of which approximately S\$82.1 million has been recognised as revenue). The remaining balance will be recognised as the Group's revenue in subsequent periods in accordance with the respective stage of completion.

# Management Discussion and Analysis

## FINANCIAL REVIEW

Below is the financial review for the six months ended 30 June 2024 as compared to six months ended 30 June 2023.

### Revenue

The following table sets out the breakdown of the Group's revenue by goods and services types for the six months ended 30 June 2024 and 2023.

	For the six months ended 30 June	
	2024 S\$'000 (Unaudited)	2023 S\$'000 (Unaudited)
Revenue from contract works		
— Power	36,772	32,803
— Telecommunication	647	4,771
Subtotal	37,419	37,574
Road milling and resurfacing services	4,660	5,957
Ancillary support and other services	2,129	1,776
Sales of goods and milled waste	1,224	794
Total	45,432	46,101



## Management Discussion and Analysis

The Group's revenue decreased by approximately S\$0.7 million from approximately S\$46.1 million for the six months ended 30 June 2023 to approximately S\$45.4 million for the six months ended 30 June 2024 representing decrease of approximately 1.5%. This decrease was mainly attributable to:

- (i) decrease in revenue from contract works by approximately S\$0.2 million was due to the combined effects of (a) increase in revenue from power cable installation projects by approximately S\$3.9 million for the six months ended 30 June 2024 compared to the six months ended 30 June 2023; and (b) decrease in revenue from telecommunication cable installation projects by approximately S\$4.1 million due to lesser contract sum of ongoing progress projects with revenue recognised during the six month ended 30 June 2024 compared to the six months ended 30 June 2023;
- (ii) decrease in revenue from road milling and resurfacing services by approximately S\$1.3 million;
- (iii) slight increase in revenue from ancillary support and other services by approximately S\$0.4 million due to increased revenue from leasing of vehicles; and
- (iv) slight increase in revenue from sales of goods and milled waste by approximately S\$0.4 million.

### Cost of sales

The Group's cost of sales increased by approximately S\$0.5 million from approximately S\$38.9 million for the six months ended 30 June 2023 to approximately S\$39.4 million for the six months ended 30 June 2024, representing an increase of approximately 1.3%. The increase was primary due to a rise in transportation expenses of approximately S\$0.5 million, driven by increased demand for ancillary support and other services.

### Gross profit and gross profit margin

The Group's gross profit decreased by approximately S\$1.1 million from approximately S\$7.2 million for the six months ended 30 June 2023 to approximately S\$6.1 million for the six months ended 30 June 2024, while the Group's gross profit margin decrease from approximately 15.6% for the six months ended 30 June 2023 to approximately 13.4% for the six months ended 30 June 2024. The decrease in gross profit and gross profit margin was mainly due decrease in revenue generated from road milling and resurfacing services and increase in cost of sales of the Group attributable to reasons as elaborated above.

# Management Discussion and Analysis

## Other income and other gains, net

Other income and other gains, net increased by approximately S\$0.1 million from approximately S\$0.4 million for the six months ended 30 June 2023 to approximately S\$0.5 million for the six months ended 30 June 2024 was mainly attributable to (i) gain on disposal of subsidiaries of approximately S\$65,000; and (ii) increase in government subsidies provided by Singapore Government, such as Enterprise Development Grant, Senior Employment Credit, Progressive Wage Credit Scheme and Childcare Leave Scheme, of approximately S\$31,000. Details of the gain on disposal of subsidiaries are set out in Note 26 to the unaudited condensed consolidated interim financial statements.

## Administrative expenses

The Group's administrative expenses decreased by approximately S\$0.6 million from approximately S\$4.9 million for the six months ended 30 June 2023 to approximately S\$4.3 million for the six months ended 30 June 2024. Such decrease was mainly attributable to (i) the decrease in employee benefits expenses of approximately S\$0.4 million; and (ii) the decrease in legal and professional fees of approximately S\$0.2 million.

## (Allowance for)/reversal of impairment of trade receivables and contract assets

An allowance of impairment of trade receivables and contract assets, net increased by approximately S\$97,000 from reversal of impairment of trade receivables and contract assets approximately S\$83,000 for the six months ended 30 June 2023 to allowance of impairment of trade receivables and contract assets approximately S\$14,000 for the six months ended 30 June 2024. Such change was mainly attributable to (i) increase in allowance for impairment of trade receivables by approximately S\$1,000 for the six months ended 30 June 2024; and (ii) increase in allowance for expected credit loss of contract assets by approximately S\$13,000 for the six months ended 30 June 2024.

## Finance income

Finance income increased by approximately S\$21,000 from approximately S\$30,000 for the six months ended 30 June 2023 to approximately S\$51,000 for the six months ended 30 June 2024. This was mainly attributable to an increase in interest income from bank deposits and pledged bank deposits.

## Finance costs

Finance costs represented interest expenses relating to bank and other borrowings, lease liabilities and unwinding of discount of reinstatement costs. The slight decreased by approximately S\$10,000 from approximately S\$771,000 for the six months ended 30 June 2023 to approximately S\$761,000 for the six months ended 30 June 2024. The decrease represented the reduction of finance charges of lease liabilities.

## Share of loss of joint ventures, net of tax

The share of loss of joint ventures increased by approximately S\$0.3 million from approximately S\$0.5 million for the six months ended 30 June 2023 to approximately S\$0.8 million for the six months ended 30 June 2024.

# Management Discussion and Analysis

## Income tax expense

Income tax expenses decreased by approximately S\$38,000 for the six months ended 30 June 2024 compared to six months ended 30 June 2023. Such decrease was mainly due to the decrease in assessable profit generated during the period.

## Profit for the period

As a result of the foregoing, the Group recorded a net profit of approximately S\$0.2 million for the six months ended 30 June 2024 as compared to the net profit approximately S\$1.0 million for the six months ended 30 June 2023, representing a decrease of approximately S\$0.8 million. This decrease is mainly attributable to net effects of (i) decrease in revenue from road milling and resurfacing services; (ii) decrease in overall gross profit margin; and (iii) increase in share of loss of joint venture.

## INTERIM DIVIDEND

The board of directors does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The shares of the Company were successfully listed on Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 March 2020 by way of share offer and there has been no change in capital structure of the Group since then. The Company’s capital comprises ordinary shares and capital reserves.

The Group’s liquidity requirements are primarily attributable to the working capital for its business operations. The Group’s principal sources of liquidity comprises of cash generated from business operations, cash and cash equivalents, equity contribution from the shareholders and borrowings. As at 30 June 2024, the Company’s issued share capital was HK\$10,640,000 and the number of issued shares of the Company was 1,064,000,000 ordinary shares of HK\$0.01 each.

As at 30 June 2024, the Group maintained a healthy liquidity position with net current assets balance and cash at banks and on hand of approximately S\$35.0 million (31 December 2023: S\$33.2 million) and approximately S\$18.4 million (31 December 2023: S\$19.0 million) respectively. The Group has continue to implement a prudent cash and financial management policy. The Group’s cash at banks and on hand were denominated in Singapore dollars and Hong Kong dollars, are generally deposited with certain reputable financial institutions.

The Group aims to maintain flexibility in funding by utilising committed credit lines available and interest bearing borrowing, and regularly monitors the current and expected liquidity requirements to ensure that the Group maintains sufficient financial resources to meet its liquidity requirements at all times.

# Management Discussion and Analysis

## Borrowings

As at 30 June 2024, the Group had total borrowings (including bank and other borrowings and lease liabilities) of approximately S\$29.9 million (31 December 2023: S\$32.2 million) which were denominated in Singapore dollars. As at 30 June 2024, the Group's bank and other borrowings of approximately S\$6.5 million bear interest at fixed interest rates (31 December 2023: S\$8.1 million), while bank borrowings of approximately S\$20.3 million (31 December 2023: S\$20.8 million) bear interest at floating interest rates. The Group's borrowings have not been hedged by any interest rate financial instruments. Details of the maturity profile and interest rate of the borrowings are set out in Note 24 to the unaudited condensed consolidated interim financial statements.

## Gearing ratio

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

As at 30 June 2024, the gearing ratio of the Group was approximately 52.3% (31 December 2023: 57.2%). The decrease in gearing ratio as at 30 June 2024 was mainly due to the decrease in bank and other borrowings by approximately S\$2.1 million as at 30 June 2024 as compared to 31 December 2023.

## Net debt to total capital ratio

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

As at 30 June 2024, net debt to total capital ratio of the Group was approximately 10.0% (31 December 2023: 14.8%). The decrease in net debt to total capital ratio as at 30 June 2024 was mainly due to the (i) the increase in cash at banks and on hand and pledged bank deposits by approximately S\$1.0 million; and (ii) decrease in bank and other borrowings by approximately S\$2.1 million as at 30 June 2024 as compared to 31 December 2023.

## Pledge of assets

As at 30 June 2024, the Group's investment properties with fair value of approximately S\$2.3 million (31 December 2023: S\$2.3 million), carrying amount of self-occupied properties of approximately S\$11.0 million (31 December 2023: S\$12.1 million), carrying amounts of motor vehicles and plant and machinery held under hire purchase commitments of approximately S\$3.5 million and S\$1.9 million (31 December 2023: S\$3.7 million and S\$2.1 million), respectively, and pledged bank deposits of approximately S\$5.1 million (31 December 2023: S\$3.5 million) were pledged for bank and other borrowings.

# Management Discussion and Analysis

## Capital expenditures and commitments

During the six months ended 30 June 2024, the Group incurred capital expenditures of approximately S\$1.6 million (six months ended 30 June 2023: S\$2.1 million) in respect of the acquisition of plant and equipment and motor vehicles.

As at 30 June 2024, the Group had capital expenditure contracted for as end of the reporting period but not recognised in the unaudited condensed consolidated interim financial statements in respect of purchases of plant and equipment and motor vehicles of approximately S\$0.3 million (31 December 2023: S\$0.3 million).

## Contingencies

As at 30 June 2024, the Group had performance bonds for guarantees of completion of projects issued by insurance companies and bank amounting to approximately S\$10.9 million (31 December 2023: S\$10.4 million).

As at 30 June 2024, the Group had security bonds made under section 12 of Employment of Foreign Manpower (Work Passes) Regulations amounting to approximately S\$2.0 million (31 December 2023: S\$1.8 million).

## Future plan for material investments and capital assets

The Group did not have any future plans for material investments and capital assets as at the date of this report.

## Significant investments, materials acquisitions and disposals of subsidiaries and associates companies or joint ventures

During the six months ended 30 June 2024, the Group did not have any significant investments held, material acquisitions or disposals of subsidiaries and associated companies or joint ventures.

## Financial instruments

The Group's major financial instruments include trade receivables, deposits and other receivables excluding prepayments, cash at banks and on hand, pledged bank deposits, bank and other borrowings, lease liabilities, trade and retention payables and other payables excluding non-financial liabilities. The Group's management manages such exposure to ensure appropriate measures are implemented on a timely and effective manner.

# Management Discussion and Analysis

## Foreign exchange exposure

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

However, as the shares of the Company have been listed on the Stock Exchange on 12 March 2020, the Group retains Hong Kong dollars amounting to approximately HK\$53,000 as at 30 June 2024 that are exposed to foreign currency risks. The Group does not expect the foreign exchange risk could materially affect the Group's results of operations, and therefore no hedging instrument has been employed as at 30 June 2024. The Group will continue to monitor its foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

## EMPLOYEES AND REMUNERATION POLICIES

As at the 30 June 2024, the Group had 650 full time employees (31 December 2023: 634), including executive Directors. Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes for the six months ended 30 June 2024 amounted to approximately S\$12.9 million (six months ended 30 June 2023: S\$13.5 million).

The Group offers remuneration package to its employees which includes salary, bonuses and allowance. Generally, the salary and benefit levels of the employees of the Group are based on each of their qualifications, position and seniority. The Group has an annual review system to appraise the performance of its employees, which constitutes the grounds for the decision to the salary raises, bonuses and promotions. In addition, the Group also pays Central Provident Fund for employees in Singapore. The emoluments of the Directors have been reviewed by the Remuneration Committee of the Company, having regard to the performance of Directors and market standards, and approved by the Board. The Company has adopted a share option scheme as an incentive to Directors and eligible employees of the Group.

## EVENTS AFTER REPORTING PERIOD

Save as disclosed in this report, there are no significant events affecting the Group which have occurred after the six months ended 30 June 2024 and up to the date of this report.

## Other Information

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

As at 30 June 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules were as follows:

#### (a) Long positions in the shares of HK\$0.01 each of the Company (the "Shares")

Name of Director	Nature of interest	Number of Shares held	Percentage of issued share capital
Mr. Ng Tian Soo (Note)	Interest in controlled corporation	542,640,000	51.00%
Mr. Ng Tian Fah (Note)	Interest in controlled corporation	542,640,000	51.00%
Mr. Huang Lei	Beneficial owner	85,360,000	8.02%

Note: 542,640,000 Shares are held by WG INTERNATIONAL (BVI) LIMITED ("WGI (BVI)") which is beneficially owned as to 35% by Mr. Ng Tian Soo ("Mr. Ng TS"), 28% by Mr. Ng Tian Fah ("Mr. Ng TF"), 28% by Mr. Ng Tian Kew ("Mr. Ng TK") and 9% by Ms. Ng Mei Lian ("Ms. Ng ML"). Pursuant to the acting in concert confirmatory deed dated 30 August 2023, Mr. Ng TS, Mr. Ng TF, Mr. Ng TK and Ms. Ng ML become parties acting in concert and they are deemed to be interested in the Shares held by WGI (BVI) pursuant to the SFO.

## Other Information

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

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Nature of interest</b>	<b>Number of shares held</b>	<b>Percentage of interest in associated corporation</b>
Mr. Ng TS (Note)	WGI (BVI)	Beneficial owner	17,500	35.00%
Mr. Ng TF (Note)	WGI (BVI)	Beneficial owner	14,000	28.00%

Note: The Company is owned as to 51% by WGI (BVI). WGI (BVI) is beneficially owned as to 35% by Mr. Ng TS, 28% by Mr. Ng TF, 28% by Mr. Ng TK and 9% by Ms. Ng ML.

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.



## Other Information

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

As at 30 June 2024, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

#### Long positions in the Shares

Name of shareholder	Nature of interest	Number of Shares held	Percentage of issued share capital
WGI (BVI) (Note 1)	Beneficial owner	542,640,000	51.00%
Mr. Ng TS (Note 1)	Interest in controlled corporation	542,640,000	51.00%
Mr. Ng TF (Note 1)	Interest in controlled corporation	542,640,000	51.00%
Mr. Ng TK (Note 1)	Interest in controlled corporation	542,640,000	51.00%
Ms. Ng ML (Note 1)	Interest in controlled corporation	542,640,000	51.00%
Ms. Pang Kip Moi (Note 2)	Interest of spouse	542,640,000	51.00%
Ms. Phang May Lan (Note 3)	Interest of spouse	542,640,000	51.00%
Ms. Tang Siaw Tien (Note 4)	Interest of spouse	542,640,000	51.00%
Mr. Chen Teck Men (Note 5)	Interest of spouse	542,640,000	51.00%
Mr. Huang Lei (Note 6)	Beneficial owner	85,360,000	8.02%

## Other Information

### Notes:

1. 542,640,000 Shares are held by WGI (BVI) which is beneficially owned as to 35% by Mr. Ng TS, 28% by Mr. Ng TF, 28% by Mr. Ng TK and 9% by Ms. Ng ML. Pursuant to the acting in concert confirmatory deed dated 30 August 2023, Mr. Ng TS, Mr. Ng TF, Mr. Ng TK and Ms. Ng ML become parties acting in concert and they are deemed to be interested in the Shares held by WGI (BVI) pursuant to the SFO.
2. Ms. Pang Kip Moi is the spouse of Mr. Ng TS and accordingly, is deemed, or taken to be, interested in all the Shares that Mr. Ng TS is interested in by virtue of the SFO.
3. Ms. Phang May Lan is the spouse of Mr. Ng TF and accordingly, is deemed, or taken to be, interested in all the Shares that Mr. Ng TF is interested in by virtue of the SFO.
4. Ms. Tang Siaw Tien is the spouse of Mr. Ng TK and accordingly, is deemed, or taken to be, interested in all the Shares that Mr. Ng TK is interested in by virtue of the SFO.
5. Mr. Chen Teck Men is the spouse of Ms. Ng ML and accordingly, is deemed, or taken to be, interested in all the Shares that Ms. Ng ML is interested in by virtue of the SFO.
6. Mr. Wang Yin Chen is the child of Mr. Huang Lei and accordingly, is deemed, or taken to be, interested in all the Shares that Mr. Huang Lei is interested in by virtue of the SFO.

Save as disclosed above, as at 30 June 2024, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of the conduct regarding Directors' securities transactions (the "**Securities Dealing Code**"). Specific enquiry has been made with all the Directors and all of them (except Mr. Huang Lei) confirmed that they have complied with the Model Code and the Securities Dealing Code during the six months ended 30 June 2024.

Reference is made to the announcement of the Company dated 17 September 2024 in connection with the Company's proposal to seek shareholder's approval to remove Mr. Huang Lei as the Director due to his absence from meetings of the Board for three consecutive months since May 2024 without any special leave of absence from the Board. The Company has not received the reply from Mr. Huang Lei in relation to the compliance with the Model Code and the Securities Dealing Code during the six months ended 30 June 2024 after seeking confirmation from Mr. Huang Lei.

Notwithstanding the above, the Company is not aware of any non-compliance with the Model Code and the Securities Dealing Code during the six months ended 30 June 2024. The Company will from time to time reiterate and provide reminders to the Directors regarding the procedures, rules and requirements to be complied with by them in relation to the Directors' dealings in securities of the Company.

## Other Information

### CORPORATE GOVERNANCE

During the six months ended 30 June 2024, the Company complied with the code provisions as set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Listing Rules.

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

### SHARE OPTION SCHEME

The shareholders of the Company approved and conditionally adopted a share option scheme on 18 February 2020 (the “**Share Option Scheme**”) to enable the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group. The Share Option Scheme took effect on 12 March 2020. No share options have been granted, exercised, lapsed or cancelled under the Share Option Scheme since its adoption on 18 February 2020 and during the six months ended 30 June 2024, and there is no outstanding share option as at 30 June 2024.

### DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time for the six months period ended 30 June 2024 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire such right by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares of the Company) during the six months ended 30 June 2024.

### AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group’s unaudited interim results for the six months ended 30 June 2024 and the accounting principles and practices adopted by the Group and discussed risk management, internal control and financing reporting matters with the management of the Company including a review of the unaudited condensed consolidated interim financial statements and the interim report of the Company for the six months ended 30 June 2024 with no disagreement by the audit committee of the Company.

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

Singapore, 29 August 2024