



HGH Holdings Ltd.

**(Company Registration No.: 200412064D)
(Incorporated in the Republic of Singapore)**

Condensed interim financial statements For the six months ended 30 June 2024

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2024

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group		% Change + / (-)
		Unaudited 6 months ended		
		30 Jun 2024	30 Jun 2023	
		S\$'000	S\$'000	
Revenue		8,510	11,083	(23.2)
Cost of sales		(5,985)	(9,312)	(35.7)
Gross profit		2,525	1,771	42.6
Other income		72	465	(84.5)
Distribution expenses		(299)	(444)	(32.7)
General and administrative expenses		(2,947)	(2,800)	5.3
Finance income		47	49	(4.1)
Finance expenses		(73)	(77)	(5.2)
Loss before taxation	5	(675)	(1,036)	(34.8)
Tax expense	6	(264)	(147)	79.6
Loss for the financial period, net of tax		(939)	(1,183)	(20.6)
Other comprehensive income				
<u>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</u>				
Currency translation differences on consolidation of foreign entities (net)		(31)	3	n.m.
Total comprehensive loss for the period		(970)	(1,180)	(17.8)
Loss attributable to:				
- Owners of the Company		(939)	(1,181)	(20.5)
- Non-controlling interests		-	(2)	n.m.
Total comprehensive loss attributable to:				
- Owners of the Company		(970)	(1,178)	
- Non-controlling interests		-	(2)	
Loss per share for the period attributable to the owners of the Company:				
Basic (SGD in cent)		(0.05)	(0.07)	
Diluted (SGD in cent)		(0.05)	(0.07)	

n.m. = not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		Unaudited 30 Jun 2024 S\$'000	Audited 31 Dec 2023 S\$'000	Unaudited 30 Jun 2024 S\$'000	Audited 31 Dec 2023 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	7,264	3,706	-	-
Investment properties	10	45,745	47,290	-	-
Right-of-use assets		-	12	-	-
Intangible assets	8	39	41	-	-
Subsidiaries		-	-	25,600	25,600
Total non-current assets		53,048	51,049	25,600	25,600
Current assets					
Inventories		180	211	-	-
Trade and other receivables		1,881	3,569	-	-
Other current assets		1,161	683	2	7
Contract assets		536	144	-	-
Cash and bank balances		5,313	8,781	160	118
Total current assets		9,071	13,388	162	125
Total assets		62,119	64,437	25,762	25,725
LIABILITIES					
Non-current liabilities					
Lease liabilities from financial institutions		348	455	-	-
Lease liabilities		4,633	4,770	-	-
Deferred tax liabilities		6,892	7,128	-	-
Other liabilities		867	867	-	-
Total non-current liabilities		12,740	13,220	-	-
Current liabilities					
Trade and other payables		2,966	4,167	12,452	12,228
Lease liabilities from financial institutions		216	219	-	-
Lease liabilities		293	303	-	-
Provision for defect liability		50	50	-	-
Income tax payable		612	266	-	-
Total current liabilities		4,137	5,005	12,452	12,228
Total liabilities		16,877	18,225	12,452	12,228
Net assets		45,242	46,212	13,310	13,497

B. Condensed interim statements of financial position (cont'd)

Note	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	S\$'000	S\$'000	S\$'000	S\$'000
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	11	35,225	35,225	35,225
Reserves		10,084	11,054	(21,728)
		45,309	46,279	13,310
Non-controlling interests		(67)	(67)	-
Total equity		45,242	46,212	13,497

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C. Condensed interim statements of changes in equity

	Attributable to equity holders of the Company						Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Merger reserve S\$'000	Translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000		
Group Unaudited								
Balance at 1 January 2024	35,225	(6,478)	111	(150)	17,571	46,279	(67)	46,212
Loss for the period	-	-	-	-	(939)	(939)	-	(939)
Other comprehensive loss, net of tax:								
- Currency translation differences arising from consolidation	-	-	(31)	-	-	(31)	-	(31)
Total comprehensive income / (loss) for the period	-	-	(31)	-	(939)	(970)	-	(970)
Balance at 30 June 2024	35,225	(6,478)	80	(150)	16,632	45,309	(67)	45,242
Group Unaudited								
Balance at 1 January 2023	35,225	(6,478)	65	(150)	17,878	46,540	(50)	46,490
Loss for the period	-	-	-	-	(1,181)	(1,181)	(2)	(1,183)
Other comprehensive loss, net of tax:								
- Currency translation differences arising from consolidation	-	-	3	-	-	3	-	3
Total comprehensive income / (loss) for the period	-	-	3	-	(1,181)	(1,178)	(2)	(1,180)
Balance at 30 June 2023	35,225	(6,478)	68	(150)	16,697	45,362	(52)	45,310

C. Condensed interim statements of changes in equity (cont'd)

	Share capital	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000
Company Unaudited			
Balance at 1 January 2024	35,225	(21,728)	13,497
Total comprehensive loss for the period	-	(187)	(187)
Balance at 30 June 2024	35,225	(21,915)	13,310
Company Unaudited			
Balance at 1 January 2023	35,225	(21,357)	13,868
Total comprehensive loss for the period	-	(185)	(185)
Balance at 30 June 2023	35,225	(21,542)	13,683

D. Condensed interim consolidated statement of cash flows

	Group Unaudited 6 months ended	
	30 Jun 2024	30 Jun 2023
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before tax	(675)	(1,036)
Adjustments for:		
Depreciation of property, plant and equipment	266	239
Depreciation of right-of-use assets	12	19
Depreciation of investment properties	1,545	1,553
Amortisation of intangible assets	2	2
Gain on disposal of property, plant and equipment	-	(30)
Provision for obsolete stock	8	-
Net foreign exchange (gain)/loss-unrealised	(31)	4
Interest income	(47)	-
Interest expense	21	77
Operating profit before working capital changes	1,101	828
Inventories	24	7
Trade and other receivables and other current assets	1,210	(257)
Contract assets	(392)	(891)
Trade and other payables	(1,201)	9
Cash generated from/(used in) operations	742	(304)
Net taxation paid	(154)	(92)
Net cash generated from/(used in) operating activities	588	(396)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,824)	(138)
Proceeds from disposal of property, plant and equipment	-	30
Interest received	47	-
Net cash used in investing activities	(3,777)	(108)
Cash flows from financing activities		
Principal repayment of lease liabilities	(148)	(220)
Principal repayment of lease liabilities from financial institutions	(110)	(109)
Interest paid on lease liabilities	(21)	(77)
Net cash used in financing activities	(279)	(406)
Net decrease in cash and cash equivalents	(3,468)	(910)
Cash and cash equivalents at beginning of the period	8,781	7,079
Cash and cash equivalents at end of the period	5,313	6,169

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

HGH Holdings Ltd. (the "Company") is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of the Company's registered office and its principal place of business is located at 60 Benoi Road #03-02, Singapore 629906.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the Group). The principal activity of the Company is investment holding.

The principal activities of the Group are:

- (a) Leasing and service income;
- (b) Supply and manufacturing ready-mix concrete, precast component and related products;
- (c) Supply of precast concrete products and
- (d) Provision of underground cable installation and road reinstatement services.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency and all values are rounded to the nearest thousand ("S\$'000"), except when otherwise indicated.

2.1 New and Amended Standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Uses of judgement and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about judgement, assumptions and estimation uncertainties that could require a material adjustment on the amounts recognised in the financial statements is included in the following notes:

(a) *Impairment of investments in subsidiaries*

The Company assesses at each reporting date whether there is any objective evidence that the investments in subsidiaries are impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the subsidiaries' financial performance and financial position and the overall economic environment.

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2.2 Uses of judgement and estimates (Continued)

(b) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is indication that the non-financial assets may be impaired. The recoverable amount of the CGU to which non-financial assets has been allocated is based on value in use ("VIU") calculation. VIU is based on cash flow forecast, the preparation of which requires management to use assumptions and estimates relating budgeted growth margin, revenue growth rate, perpetual growth rate and discount rate of each CGU. Changes to the assumptions and estimates used could result in changes in the carrying amount of the non-financial assets.

(c) Impairment of financial assets

Impairment allowance for financial assets measured at amortised costs are applied using the ECL model, which requires assumptions of risk of default and expected loss rates. The Group uses judgement in making these assumptions and determining key inputs to the impairment calculation, taking into account the Group's past history, existing market conditions as well as forward-looking information relating to industry, market development and macroeconomic factors. Expected loss rate is based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, geographical location, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

3. Segment and revenue information

The Group is organised into the following main business segments:

- (a) Engineering Manufacturing Services Pte. Ltd. ("EMS") and Germaxco Pte. Ltd. ("Germaxco")
- Leasing and service income
- (b) W&P Precast Pte. Ltd. ("WPP") and W&P Precast Sdn. Bhd. ("WPP(M)")
- Supply of precast concrete products
- (c) Premium Concrete Pte. Ltd. ("PC")
- Supply and manufacturing of ready-mix concrete products
- (d) Poh Huat Heng Corporation Pte. Ltd. ("PHH")
- Provision of underground cable installation and road reinstatement services

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3.1 Reportable segments

Group	Leasing and service income	Manufacturing of precast concrete products	Supply and manufacturing of ready-mix concrete products	Provision of underground cable installation and road reinstatement	Corporate	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 January 2024 to 30 June 2024						
Revenue						
Total revenue	5,568	1,306	1,986	549	-	9,409
Inter-segment sales	(627)	(250)	(6)	(16)	-	(899)
Sales to external parties	4,941	1,056	1,980	533	-	8,510
Results:						
Segment gross profit/(loss)	2,661	316	208	(660)	-	2,525
Allocated operating expenses – net	(855)	(291)	(904)	(932)	(192)	(3,174)
Finance income	47	-	-	-	-	47
Finance costs	(63)	-	(10)	-	-	(73)
Profit/(Loss) before income tax	1,790	25	(706)	(1,592)	(192)	(675)
Income tax	(264)	-	-	-	-	(264)
Profit/(Loss) for the period	1,526	25	(706)	(1,592)	(192)	(939)
Segment assets	53,392	456	6,047	2,057	167	62,119
Segment liabilities	14,415	207	1,154	1,089	12	16,877
Other material non-cash items						
Depreciation of property, plant and equipment	68	11	94	93	-	266
Depreciation of investment properties	1,545	-	-	-	-	1,545
Depreciation of right-of-use assets	-	-	12	-	-	12
Amortisation of intangible assets	-	-	2	-	-	2

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3.1 Reportable segments (Continued)

Group	Leasing and	Manufacturing	Supply and	Provision of	Corporate	Total
	service income	of precast	manufacturing	of underground		
	S\$'000	concrete	of ready-mix	cable	S\$'000	S\$'000
		products	concrete	installation		
			products	and road		
				reinstatement		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 January 2023 to						
30 June 2023						
Revenue						
Total revenue	4,653	1,401	4,541	1,461	-	12,056
Inter-segment sales	(528)	(335)	(101)	(9)	-	(973)
Sales to external parties	4,125	1,066	4,440	1,452	-	11,083
Results:						
Segment gross profit/(loss)	1,698	294	504	(725)	-	1,771
Allocated operating expenses – net	(895)	(118)	(571)	(1,005)	(190)	(2,779)
Finance income	49	-	-	-	-	49
Finance costs	(66)	-	(11)	-	-	(77)
Profit/(Loss) before income tax	786	176	(78)	(1,730)	(190)	(1,036)
Income tax	(147)	-	-	-	-	(147)
Profit/(Loss) for the period	639	176	(78)	(1,730)	(190)	(1,183)
Segment assets	56,290	511	5,029	3,310	187	65,327
Segment liabilities	15,435	351	2,889	1,323	19	20,017
Other material non-cash items						
Depreciation of property, plant and equipment	61	12	114	52	-	239
Depreciation of investment properties	1,553	-	-	-	-	1,553
Depreciation of right-of-use assets	-	-	19	-	-	19
Amortisation of intangible assets	-	-	2	-	-	2

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3.2 Disaggregation of Revenue

6 months ended 30 June 2024

Group						Total S\$'000
	Leasing and service income	Manufacturing of precast concrete products	Supply and manufacturing of ready-mix concrete products	Provision of underground cable installation and road reinstatement	Corporate	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Types of goods or service:						
Sale of goods	-	1,056	1,980	-	-	3,036
Service income	125	-	-	-	-	125
Rental income	4,816	-	-	-	-	4,816
Contract income	-	-	-	533	-	533
Total revenue	4,941	1,056	1,980	533	-	8,510
Timing of revenue recognition:						
At a point in time	-	1,056	1,980	-	-	3,036
Over time	125	-	-	533	-	658
Total revenue	125	1,056	1,980	533	-	3,694

6 months ended 30 June 2023

Group						Total S\$'000
	Leasing and service income	Manufacturing of precast concrete products	Supply and manufacturing of ready-mix concrete products	Provision of underground cable installation and road reinstatement	Corporate	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Types of goods or service:						
Sale of goods	-	1,066	4,440	-	-	5,506
Service income	106	-	-	-	-	106
Rental income	4,019	-	-	-	-	4,019
Contract income	-	-	-	1,452	-	1,452
Total revenue	4,125	1,066	4,440	1,452	-	11,083
Timing of revenue recognition:						
At a point in time	-	1,066	4,440	-	-	5,506
Over time	106	-	-	1,452	-	1,558
Total revenue	106	1,066	4,440	1,452	-	7,064

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4. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	Group		Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Cash and bank balances and trade and other receivables (Amortised cost)	8,808	12,907	160	118
Financial Liabilities				
Trade and other payables and borrowings (Amortised cost)	8,456	10,564	12,452	12,228

5. Loss before taxation

5.1 Significant items

	Group	
	6 months ended 30 Jun 2024	6 months ended 30 Jun 2023
	S\$'000	S\$'000
Income		
Government grants received	7	18
Finance income	47	49
Net foreign exchange gain-unrealised	31	-
Gain on disposal of property, plant and equipment	-	30
Expenses		
Interest on borrowings	73	77
Amortisation of intangible asset	2	2
Depreciation of property, plant and equipment	266	239
Depreciation of right-of-use assets	12	19
Depreciation of investment properties	1,545	1,553
Net foreign exchange loss-unrealised	-	4

5.2 Related party transactions

There are no significant related party transactions apart from those disclosed elsewhere in the financial statements.

6. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended 30 Jun 2024	6 months ended 30 Jun 2023
	S\$'000	S\$'000
Current income tax expense	(500)	(383)
Deferred income tax expense relating to origination and reversal of temporary differences	236	236
	(264)	(147)

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7. Net Asset Value

	Group		Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	S\$ cents	S\$ cents	S\$ cents	S\$ cents
Net asset value per ordinary share	2.54	2.59	0.75	0.76

8. Intangible assets

	Group		
	Customer relationships	Software	Total
	S\$'000	S\$'000	S\$'000
Cost			
Beginning/end of financial period	4,589	92	4,681
Accumulated amortisation			
Beginning of financial period	3,743	51	3,794
Charge for the period	-	2	2
End of financial period	3,743	53	3,796
Accumulated impairment loss			
Beginning/end of financial period	846	-	846
Net carrying amount			
At 30 Jun 2024	-	39	39
At 31 Dec 2023	-	41	41

9. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets, mainly capital in progress, lorries and trucks under motor vehicles, amounting to S\$3,824,357 (30 June 2023: S\$138,240) .

10. Investment properties

The Group's investment properties consist of both commercial and industrial properties, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

	30 Jun 2024	31 Dec 2023
	S\$'000	S\$'000
<i>Cost</i>		
Beginning/end of financial period/year	68,047	68,047
<i>Accumulated depreciation and impairment losses</i>		
Beginning of financial period	20,757	17,648
Depreciation charge for the period/year	1,545	3,109
End of financial period/year	22,302	20,757
<i>Net book value</i>		
At end of financial period/year	45,745	47,290

The Company's investment properties were appraised as at 26 September 2022 by an independent valuer, RHT Valuation Pte. Ltd., at a fair value of \$60,000,000 (Level 3 fair value hierarchy). In accordance with the valuation report, the valuation methodology used in determining the fair value of the investment property is the "Comparable Sales Method". Under this approach, a comparison is made with sales of similar properties in the vicinity and adjustments are made for differences in location, land area, land shape, floor area, floor loading, ceiling height, age, condition, tenure, design and layout, dates of transaction and the prevailing market conditions etc. before arriving at the value of the subject property.

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11. Share capital

	Group and Company			
	30 Jun 2024		31 Dec 2023	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Balance	1,780,861	35,225	1,780,861	35,225

The Company did not hold any treasury shares nor have outstanding options, convertibles or subsidiary holdings as at 30 June 2024 and 31 December 2023.

12. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements

F. Other Information Required by Appendix 7C of the Catalist Rules

1. Review

The condensed consolidated statements of financial position of HGH Holdings Ltd. and its subsidiaries as at 30 June 2024, and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim statement of cash flows for the six-month period ended and certain explanatory notes in this announcement have not been audited or reviewed.

The Group's latest financial statements for the financial year ended 31 December 2023 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. Review of performance of the Group

Statement of Comprehensive Income

Revenue

The Group's revenue for HY2024 reduced by S\$2.57 million or 23.2% as compared to HY2023. It was mainly due to decrease in revenue generated from PC and PHH by approximately S\$2.47 million and S\$0.92 million respectively. The decrease was offset by higher revenue in EMS by approximately S\$0.82 million.

Cost of Sales

Cost of sales for HY2024 was lower by S\$3.33 million or 35.7% as compared to HY2023 due to lower sales during the period.

Gross Profit

Gross profit in HY2024 amounted to approximately S\$2.52 million, an increase of 42.6% as compared to HY2023. This was contributed by the increased revenue in EMS.

Other Income

In HY2024, the Group's other operating income reduced considerably by S\$0.39 million mainly due to reduced subwork done by PC.

Distribution Expenses

The Group's distribution expenses reduced by S\$0.14 million or 32.7% as compared to HY2023. This is contributed by overall decrease in PC's distribution expenses resulting from lower sales.

General and Administrative Expenses

The Group's general and administrative expenses increased slightly by approximately S\$0.15 million or 5.3% as compared to HY2023. This is mainly due to the increased employment expenses incurred by PHH in the preparation of project commencement.

Finance income

The Group's finance income remained relatively constant as compared to HY2023.

Finance expenses

The Group's finance expenses remained relatively constant as compared to HY2023.

Tax Expense

The Group's income tax expense for HY2024 is mainly due to the recognition of provision of tax for EMS amounting to S\$0.5 million which was offset with deferred tax assets of S\$0.23 million arising from the fair value adjustment for the investment property of EMS.

Balance Sheet

Property, Plant and Equipment

As at 30 June 2024, the net carrying amount of the Group's property, plant and equipment was approximately S\$7.26 million. The foregoing constituted approximately 13.7% of the Group's non-current assets as at 30 June 2024.

Investment properties

The leasehold building of EMS was charged with depreciation amounting to S\$1.55 million and investment properties constitutes 86.2% of the Group's non-current assets.

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Intangible Assets

The Group's intangible assets are in relation to the intangible asset owned by PC. It reduced slightly due to amortization charged during the period.

Inventories

As at 30 June 2024, the inventories reduced slightly due to lower sales in PC.

Trade and other receivables and other current assets

Compared to FY2023, trade and other receivables reduced by S\$1.69 million, mainly due to lower sales during the period. Other current assets increased by S\$0.48 million, mainly due to additional refundable deposits placed.

Contract assets

The Group's contract assets are in relation to construction contracts yet to be billed by PHH.

Cash and Bank Balances

The Group's cash and bank balances reduced by approximately S\$3.47 million as compared to FY2023.

Trade and other payables

Trade and other payables amounted to S\$3.0 million which constituted 71.7 % of the Group's current liabilities. It was lower due to lesser projects during the period.

Provision for defects liability

The provision for defects liability amounting to S\$0.05 million was provided for the contracts delivered by PHH.

Lease liabilities from financial institutions

The Group leased motor vehicles from financial institutions. The lease liabilities decreased due to repayments during the period.

Lease Liabilities

The Group incurs variable lease payments to JTC Corporation for the sub-letting of its leasehold premises which is based on the actual areas sub-let. The lease liabilities decreased due to repayments during the year.

Income Tax Payable

The current tax liabilities arose mainly from the net chargeable income generated by EMS for the financial period.

Deferred tax liabilities

The current tax liabilities were reduced mainly due to the deferred tax assets arising from the fair value adjustment for the investment property of EMS.

Statement of Cash Flows

The net decrease in the Group's cash and cash equivalents amounted to approximately S\$3.47 million, which was attributable to the following:

Net cash generated from operating activities of S\$0.59 million

The operating cash flows before changes in working capital amounted to S\$1.1 million and the net cash generated from operating activities was mainly due to lower inventories, reduced trade and other receivables and other current assets, higher contract assets and reduced trade and other payables amounting to S\$0.02 million, S\$1.21 million, S\$0.39 million and S\$1.20 million respectively.

Net cash used in investing activities of S\$3.78 million

The net cash used in investing activities was mainly due to the purchase of plants and equipment amounting to S\$3.82 million, partially offset by proceeds from interest income amounting to S\$0.05 million.

Net cash used in financing activities of S\$0.28 million

The net cash used in financing activities was mainly due to repayment of lease liabilities and interest amounting to S\$0.15 million and S\$0.02 million and the repayment of finance lease liabilities amounting to S\$0.11 million.

- 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The Company has not previously disclosed to shareholders any forecast or prospect statements.

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4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The economic outlook remains uncertain as the world continues to face high inflation, rising interest rates. Thus, the Group expects a slow recovery in its business activities. However, the Group expects the overall increased rates in the contracted leasing/service sector to improve revenue contribution from EMS for the next 12 months.

The Group expects the economic situation to remain challenging especially in the construction and civil engineering industry. The Group will continue to stay vigilant on managing its operation costs and also to continuously look for new business opportunities.

5. Dividend Information

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

The Company did not recommend any dividend for the financial period ended 30 June 2024.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

The Company did not recommend or declare any dividend for the financial period ended 30 June 2023.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

(f) If no dividend has been declared/recommended, a statement to that effect

Based on the Group and Company's financial performance for the 6 months period ended 30 June 2024, no dividend has been declared or recommended for the reporting period.

6. Interested person transactions

There was no interested person transaction which is S\$100,000 and above during the period under review. The Group has not obtained a general mandate from shareholders in respect of any interested person transactions.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H under Rule 720(1))

The Company hereby confirms that it has procured signed undertakings from all its directors and relevant executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

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8. Negative Assurance Confirmation by Directors Pursuant to SGX Catalist Rule 705(5)

We, Ng Chuan Heng and Tan Poh Guan, being the directors of the Company, do hereby confirm on behalf of the board of directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Group for the half year ended 30 June 2024 (comprising the comprehensive income statement, balance sheet, cash flow statement and statement of changes in equity, together with the accompanying notes) presented in this announcement to be false or misleading in any material respect.

9. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

There was no acquisition or realisation of shares in any of the Group's subsidiary or associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during HY2024.

On behalf of the Board,

Ng Chuan Heng
Chairman and Executive Director

Tan Poh Guan
Executive Director and Chief Executive Officer

BY ORDER OF THE BOARD

Tan Poh Guan
Executive Director and Chief Executive Officer
12 August 2024