



HGH Holdings Ltd.

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

Condensed interim financial statements For the six months and full year ended 31 December 2023

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.

The contact person for the Sponsor is Ms. Audrey Mok (Tel (65) 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

Table of Contents

A. Condensed interim consolidated statement of profit or loss and other comprehensive income.....	1
B. Condensed interim statements of financial position	2
C. Condensed interim statements of changes in equity	4
D. Condensed interim consolidated statement of cash flows.....	6
E. Notes to the condensed interim consolidated financial statements	7
F. Other information required by Appendix 7C of the Catalist Rules	18
1. Review	18
2. Review of performance of the Group.....	18
3. Variance from prospect statement.....	20
4. Commentary of Group's significant trends and competitive conditions	20
5. Dividend Information	20
6. Interested person transactions	21
7. Confirmation pursuant to Rule 720(1).....	21
8. Negative Confirmation pursuant to Rule 705(5).....	21

HGH HOLDINGS LTD.
 UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

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

	Note	Group					
		Unaudited	Unaudited		Unaudited	Audited	
		6 months ended		%	12 months ended		
		31 Dec 2023	31 Dec 2022	Change + / (-)	31 Dec 2023	31 Dec 2022	Change + / (-)
			S\$'000	S\$'000			
Revenue		8,951	11,397	(21.5)	20,034	21,588	(7.2)
Cost of sales		(6,935)	(9,489)	(26.9)	(16,247)	(17,751)	(8.5)
Gross profit		2,016	1,908	5.7	3,787	3,837	(1.3)
Other income		655	356	84.0	1,120	772	45.1
Distribution costs		(354)	(524)	(32.4)	(798)	(1,010)	(21.0)
Administrative expenses		(1,900)	(2,201)	(13.7)	(4,700)	(5,238)	(10.3)
Other expenses		(47)	(75)	(37.3)	(47)	(157)	(70.1)
Reversal of impairment loss on financial assets, net		64	184	(65.2)	64	184	(65.2)
Finance income		85	-	n.m.	134	-	n.m.
Finance costs		(94)	(83)	13.3	(171)	(170)	(0.6)
Profit/(Loss) before tax	5	425	(435)	n.m.	(611)	(1,782)	(65.7)
Taxation	6	429	319	34.5	282	271	4.1
Profit/(Loss) for the financial period/year		854	(116)	n.m.	(329)	(1,511)	(78.2)
Other comprehensive income							
<u>Items that may be reclassified subsequently to profit or loss:</u>							
Currency translation differences on consolidation of foreign entities (net)		43	25	72.0	46	54	(14.8)
Total comprehensive income/(loss) for the period/year		897	(91)	n.m.	(283)	(1,457)	(80.6)
Total profit/(loss) attributable to:							
- Equity holders of the Company		869	(113)		(312)	(1,505)	
- Non-controlling interests		(15)	(3)		(17)	(6)	
Total comprehensive income/(loss) attributable to:							
- Equity holders of the Company		912	(88)		(266)	(1,451)	
- Non-controlling interests		(15)	(3)		(17)	(6)	
Profit/(Loss) per share for the period/year attributable to equity holders of the Company:							
Basic (SGD in cent)		0.05	(0.01)		(0.02)	(0.08)	
Diluted (SGD in cent)		0.05	(0.01)		(0.02)	(0.08)	

n.m. = not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		Unaudited 31 Dec 2023	Audited 31 Dec 2022	Unaudited 31 Dec 2023	Audited 31 Dec 2022
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	3,706	3,758	-	-
Investment properties	10	47,688	50,399	-	-
Right-of-use assets		12	51	-	-
Intangible assets	8	41	46	-	-
Subsidiaries		-	-	25,600	25,600
Total non-current assets		51,447	54,254	25,600	25,600
Current assets					
Cash and bank balances	11	8,781	7,079	118	111
Trade and other receivables		3,569	3,766	-	-
Other current assets		683	472	7	8
Contract assets		144	971	-	-
Inventories		211	229	-	-
Total current assets		13,388	12,517	125	119
Total assets		64,835	66,771	25,725	25,719
LIABILITIES					
Non-current liabilities					
Lease liabilities from financial institutions		455	674	-	-
Lease liabilities		5,152	5,052	-	-
Deferred tax liabilities		7,128	7,601	-	-
Other liabilities		867	276	-	-
Total non-current liabilities		13,602	13,603	-	-
Current liabilities					
Trade and other payables		4,167	5,726	12,228	11,851
Lease liabilities from financial institutions		219	218	-	-
Lease liabilities		324	472	-	-
Provision for defect liability		50	50	-	-
Income tax payable		266	212	-	-
Total current liabilities		5,026	6,678	12,228	11,851
Total liabilities		18,628	20,281	12,228	11,851
Net assets		46,207	46,490	13,497	13,868

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

	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		S\$'000	S\$'000	S\$'000	S\$'000
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	12	35,225	35,225	35,225	35,225
Reserves		11,049	11,315	(21,728)	(21,357)
		46,274	46,540	13,497	13,868
Non-controlling interests		(67)	(50)	-	-
Total equity		46,207	46,490	13,497	13,868

HGH HOLDINGS LTD.
 UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

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 2023	35,225	(6,478)	65	(150)	17,878	46,540	(50)	46,490
Loss for the year	-	-	-	-	(312)	(312)	(17)	(329)
Other comprehensive income, net of tax:								
- Currency translation differences arising from consolidation	-	-	46	-	-	46	-	46
Total comprehensive income/(loss) for the year	-	-	46	-	(312)	(266)	(17)	(283)
Balance at 31 December 2023	35,225	(6,478)	111	(150)	17,566	46,274	(67)	46,207
Group Audited								
Balance at 1 January 2022	35,225	(6,478)	11	(150)	19,383	47,991	(44)	47,947
Loss for the year	-	-	-	-	(1,505)	(1,505)	(6)	(1,511)
Other comprehensive income, net of tax:								
- Currency translation differences arising from consolidation	-	-	54	-	-	54	-	54
Total comprehensive income/(loss) for the year	-	-	54	-	(1,505)	(1,451)	(6)	(1,457)
Balance at 31 December 2022	35,225	(6,478)	65	(150)	17,878	46,540	(50)	46,490

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 2023	35,225	(21,357)	13,868
Total comprehensive loss for the year	-	(371)	(371)
Balance at 31 December 2023	35,225	(21,728)	13,497
Company Audited			
Balance at 1 January 2022	35,225	(21,584)	13,641
Total comprehensive income for the year	-	227	227
Balance at 31 December 2022	35,225	(21,357)	13,868

D. Condensed interim consolidated statement of cash flows

Note	Group		
	Unaudited 12 months ended 31 December 2023 S\$'000	Audited 31 December 2022 S\$'000	
Cash flows from operating activities			
	Loss before tax	(611)	(1,782)
Adjustments for:			
	Depreciation of property, plant and equipment	465	501
	Depreciation of right-of-use assets	389	284
	Depreciation of investment properties	3,135	3,109
	Amortisation of intangible assets	5	106
	Bad debts written off	-	1
	Deposit received written off	(748)	-
	Gain on disposal of property, plant and equipment	(30)	(224)
	Net foreign exchange loss-unrealised	46	48
	Reversal of impairment loss on financial assets, net	(64)	(184)
	Provision for defects liability	-	(190)
	Interest income	(134)	-
	Interest expense	168	168
	Operating profit before working capital changes	2,621	1,837
	Decrease in inventories	18	5
	Decrease in trade and other receivables and other current assets	50	182
	Decrease/(Increase) in contract assets	827	(768)
	(Decrease)/Increase in trade and other payables	(220)	220
	Cash generated from operations	3,296	1,476
	Income tax paid	(179)	(118)
	Income tax refund	42	-
	Net cash generated from operating activities	3,159	1,358
Cash flows from investing activities			
	Purchase of property, plant and equipment	(413)	(1,662)
	Purchase of intangible asset	-	(51)
	Proceeds from disposal of property, plant and equipment	30	380
	Interest received	134	-
	Net cash used in investing activities	(249)	(1,333)
Cash flows from financing activities			
	Principal repayment of lease liabilities	(822)	(524)
	Principal repayment of lease liabilities from financial institutions	(218)	(204)
	Interest paid	(168)	(168)
	Net cash used in financing activities	(1,208)	(896)
	Net increase/(decrease) in cash and cash equivalents	1,702	(871)
	Cash and cash equivalents at beginning of the year	6,879	7,750
	Cash and cash equivalents at end of the year	8,581	6,879

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 and twelve months ended 31 December 2023 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 and twelve months ended 31 December 2023 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 2022.

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

The adoption of the various new/revised SFRS(I) effective for the financial year beginning on 1 January 2023 does not have a material financial effect on the Group and the Company.

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) 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.

HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

2.2 Uses of judgement and estimates (Continued)

(b) Impairment of non-financial assets

Non-financial assets are tested for impairment annually and whenever there is indication that the intangible assets maybe impaired. The recoverable amount of the CGU to which intangible 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 intangible assets.

(c) Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated economic useful lives. Management estimates the useful lives of 22 years and 1 to 15 years for leasehold buildings and other assets respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised.

(d) 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

HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

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 July 2023 to 31 December 2023						
Revenue						
Total revenue	5,204	1,310	2,404	922	-	9,840
Inter-segment sales	(593)	(294)	4	(6)	-	(889)
Sales to external parties	4,611	1,016	2,408	916	-	8,951
Results:						
Segment gross profit	2,268	120	538	(910)	-	2,016
Allocated operating expenses – net	79	(281)	(862)	(326)	(192)	(1,582)
Finance income	85	-	-	-	-	85
Finance costs	(77)	(1)	(15)	(1)	-	(94)
Loss before income tax	2,355	(162)	(339)	(1,237)	(192)	425
Income tax credit	429	-	-	-	-	429
Loss for the period	2,784	(162)	(339)	(1,237)	(192)	854
Segment assets	57,311	594	4,104	2,686	140	64,835
Segment liabilities	14,732	279	2,344	1,230	43	18,628
Other material non-cash items						
(Reversal)/provision of impairment loss on financial assets, net	(222)	(62)	314	(94)	-	(64)
Depreciation of property, plant and equipment and investment properties	1,641	(2)	94	75	-	1,808
Depreciation of right-of-use assets	-	-	370	-	-	370
Amortisation of intangible assets	-	-	3	-	-	3

HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

3.1 Reportable segments (Continued)

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 July 2022 to 31 December 2022						
Revenue						
Total revenue	4,493	1,758	4,058	1,840	-	12,149
Inter-segment sales	(461)	(385)	(16)	110	-	(752)
Sales to external parties	4,032	1,373	4,042	1,950	-	11,397
Results:						
Segment gross profit	1,432	248	718	(490)	-	1,908
Allocated operating expenses – net	(818)	(97)	(841)	(312)	(192)	(2,260)
Finance costs	(66)	(5)	(13)	1	-	(83)
Loss before income tax	548	146	(136)	(801)	(192)	(435)
Income tax credit	319	-	-	-	-	319
Loss for the period	867	146	(136)	(801)	(192)	(116)
Segment assets	58,722	680	5,140	2,100	129	66,771
Segment liabilities	15,596	402	2,906	1,257	120	20,281
Other material non-cash items						
(Reversal)/provision of impairment loss on financial assets, net	(173)	(82)	118	(47)	-	(184)
Depreciation of property, plant and equipment and investment properties	1,613	12	121	41	-	1,787
Depreciation of right-of-use assets	-	-	156	-	-	156
Amortisation of intangible assets	-	-	11	-	-	11

HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

3.1 Reportable segments (Continued)

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
From 1 January 2023 to 31 December 2023						
Revenue						
Total revenue	9,857	2,711	6,945	2,383	-	21,896
Inter-segment sales	(1,121)	(629)	(97)	(15)	-	(1,862)
Sales to external parties	8,736	2,082	6,848	2,368	-	20,034
Results:						
Segment gross profit	3,966	414	1,042	(1,635)	-	3,787
Allocated operating expenses – net	(816)	(399)	(1,433)	(1,331)	(382)	(4,361)
Finance income	134	-	-	-	-	134
Finance costs	(143)	(1)	(26)	(1)	-	(171)
Loss before income tax	3,141	14	(417)	(2,967)	(382)	(611)
Income tax credit	282	-	-	-	-	282
Profit/(Loss) for the year	3,423	14	(417)	(2,967)	(382)	(329)
Segment assets	57,311	594	4,104	2,686	140	64,835
Segment liabilities	14,732	279	2,344	1,230	43	18,628
Other material non-cash items						
(Reversal)/provision of impairment loss on financial assets, net	(222)	(62)	314	(94)	-	(64)
Depreciation of property, plant and equipment and investment properties	3,255	10	208	127	-	3,600
Depreciation of right-of-use assets	-	-	389	-	-	389
Amortisation of intangible assets	-	-	5	-	-	5

HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

3.1 Reportable segments (Continued)

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
From 1 January 2022 to 31 December 2022						
Revenue						
Total revenue	8,807	3,337	9,315	2,039	-	23,498
Inter-segment sales	(957)	(871)	(72)	(10)	-	(1,910)
Sales to external parties	7,850	2,466	9,243	2,029	-	21,588
Results:						
Segment gross profit	3,036	444	1,475	(1,118)	-	3,837
Allocated operating expenses – net	(1,955)	(387)	(1,499)	(1,220)	(388)	(5,449)
Finance costs	(136)	(5)	(28)	(1)	-	(170)
Loss before income tax	945	52	(52)	(2,339)	(388)	(1,782)
Income tax	271	-	-	-	-	271
Loss for the year	1,216	52	(52)	(2,339)	(388)	(1,511)
Segment assets	58,722	680	5,140	2,100	129	66,771
Segment liabilities	15,596	402	2,906	1,257	120	20,281
Other material non-cash items						
(Reversal)/provision of impairment loss on financial assets, net	(173)	(82)	118	(47)	-	(184)
Depreciation of property, plant and equipment and investment properties	3,230	42	238	100	-	3,610
Depreciation of right-of-use assets	-	-	284	-	-	284
Amortisation of intangible assets	82	-	24	-	-	106

HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

3.2 Disaggregation of Revenue

6 months ended 31 December 2023

Group						Total S\$'000
	Leasing and service income S\$'000	Manufacturing of precast concrete products S\$'000	Supply and manufacturing of ready-mix concrete products S\$'000	Provision of underground cable installation and road reinstatement S\$'000	Corporate S\$'000	
Types of goods or service:						
Sale of goods	-	1,016	2,408	-	-	3,424
Service income	130	-	-	-	-	130
Rental income	4,481	-	-	-	-	4,481
Contract income	-	-	-	916	-	916
Total revenue	4,611	1,016	2,408	916	-	8,951
Timing of revenue recognition:						
At a point in time	-	1,016	2,408	-	-	3,424
Over time	130	-	-	916	-	1,046
Total revenue	130	1,016	2,408	916	-	4,470

6 months ended 31 December 2022

Group						Total S\$'000
	Leasing and service income S\$'000	Manufacturing of precast concrete products S\$'000	Supply and manufacturing of ready-mix concrete products S\$'000	Provision of underground cable installation and road reinstatement S\$'000	Corporate S\$'000	
Types of goods or service:						
Sale of goods	-	1,373	4,042	-	-	5,415
Service income	25	-	-	-	-	25
Rental income	4,007	-	-	-	-	4,007
Contract income	-	-	-	1,950	-	1,950
Total revenue	4,032	1,373	4,042	1,950	-	11,397
Timing of revenue recognition:						
At a point in time	-	1,373	4,042	-	-	5,415
Over time	25	-	-	1,950	-	1,975
Total revenue	25	1,373	4,042	1,950	-	7,390

HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

3.2 Disaggregation of Revenue (Continued)

12 months ended 31 December 2023

Group						Total S\$'000
	Leasing and service income S\$'000	Manufacturing of precast concrete products S\$'000	Supply and manufacturing of ready-mix concrete products S\$'000	Provision of underground cable installation and road reinstatement S\$'000	Corporate S\$'000	
Types of goods or service:						
Sale of goods	-	2,082	6,848	-	-	8,930
Service income	236	-	-	-	-	236
Rental income	8,500	-	-	-	-	8,500
Contract income	-	-	-	2,368	-	2,368
Total revenue	8,736	2,082	6,848	2,368	-	20,034
Timing of revenue recognition:						
At a point in time	-	2,082	6,848	-	-	8,930
Over time	236	-	-	2,368	-	2,604
Total revenue	236	2,082	6,848	2,368	-	11,534

12 months ended 31 December 2022

Group						Total S\$'000
	Leasing and service income S\$'000	Manufacturing of precast concrete products S\$'000	Supply and manufacturing of ready-mix concrete products S\$'000	Provision of underground cable installation and road reinstatement S\$'000	Corporate S\$'000	
Types of goods or service:						
Sale of goods	-	2,466	9,243	-	-	11,709
Service income	102	-	-	-	-	102
Rental income	7,748	-	-	-	-	7,748
Contract income	-	-	-	2,029	-	2,029
Total revenue	7,850	2,466	9,243	2,029	-	21,588
Timing of revenue recognition:						
At a point in time	-	2,466	9,243	-	-	11,709
Over time	102	-	-	2,029	-	2,131
Total revenue	102	2,466	9,243	2,029	-	13,840

HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

A breakdown of sales:

	Group		
	Financial year ended 31 December 2023	Financial year ended 31 December 2022	Increase / (Decrease)
	\$'000	\$'000	%
Sales reported for the first half year	11,083	10,191	8.8
Operating loss after tax before deducting non- controlling interests reported for first half year	(1,183)	(1,395)	(15.2)
Sales reported for second half year	8,951	11,397	(21.5)
Operating profit (loss) after tax before deducting non- controlling interests reported for second half year	854	(116)	n.m.

4. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 31 December 2022:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Cash and bank balances, contract assets and trade and other receivables (Amortised cost)	13,051	12,130	125	111
Financial Liabilities				
Trade and other payables and borrowings (Amortised cost)	10,317	12,222	12,228	11,851

5. Loss before taxation

5.1 Significant items

	Group			
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Income				
Government grants received	9	(1)	27	141
Gain on disposal of property, plant and equipment	-	162	30	224
Deposit received written off	748	-	748	-
Finance income	85	-	134	-
Expenses				
Interest on borrowings	94	83	171	170
Amortisation of intangible asset	3	11	5	106
Depreciation of property, plant and equipment and investment properties	1,808	1,787	3,600	3,610
Depreciation of right-of-use assets	370	156	389	284
Reversal of impairment loss on financial assets, net	(64)	(184)	(64)	(184)
Net foreign exchange loss-unrealised	43	(74)	46	54

5.2 Related party transactions

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

HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

6. Taxation

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

	Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax credit	(191)	(80)	191	218
Deferred income tax expense relating to origination and reversal of temporary differences	(238)	(239)	(473)	(489)
	(429)	(319)	(282)	(271)

7. Net Asset Value

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$ cents	S\$ cents	S\$ cents	S\$ cents
Net asset value per ordinary share	2.59	2.61	0.76	0.78

8. Intangible assets

	Group		
	Customer relationships	Software	Total
	S\$'000	S\$'000	S\$'000
Cost			
Beginning / end of financial year	4,589	93	4,682
Accumulated amortisation			
Beginning of financial year	3,743	47	3,790
Charge for the year	-	5	5
End of financial year	3,743	52	3,795
Impairment loss			
Beginning/end of financial year	846	-	846
Net book value			
At 31 Dec 2023	-	41	41
At 31 Dec 2022	-	46	46

9. Property, plant and equipment

During the year ended 31 December 2023, the Group acquired assets amounting to S\$413,163 (31 December 2022: S\$ 2,728,982) and disposed of assets amounting to S\$ Nil (31 December 2022: S\$155,853). The additions S\$ Nil (31 December 2022: S\$1,066,800) were financed by leasing from financial institution.

HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

10. Investment properties

The Group's investment properties consist of leasehold industrial buildings, 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.

	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000
<i>Cost</i>		
Beginning of financial year	68,047	68,047
Lease modification	424	-
End of financial year	<u>68,471</u>	<u>68,047</u>
<i>Accumulated depreciation and impairment losses</i>		
Beginning of financial year	17,648	14,539
Depreciation charge for the year	3,135	3,109
End of financial year	<u>20,783</u>	<u>17,648</u>
<i>Net book value</i>		
At end of financial year	<u>47,688</u>	<u>50,399</u>

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.

11. Cash and bank balances

	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000
Cash at bank balances	8,781	7,079
Less: Bank deposit pledged	(200)	(200)
Cash and cash equivalents per consolidated statement of cash flows	<u>8,581</u>	<u>6,879</u>

Bank deposit are pledged in relation to the lease of ready-mix concrete batching plant in Pulau Punggol Timor.

12. Share capital

	Group and Company			
	31 Dec 2023		31 Dec 2022	
	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 31 December 2023 and 31 December 2022.

13. Subsequent events

PC has successfully tendered for the Construction, Management and Operation of Ready-Mix Concrete Batching Plant at Pulau Punggol Timor on 27 December 2023. The project will commence in FY2024. This event did not have any financial impact on the FY2023 financials.

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 31 December 2023, and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed by auditors.

The Group's latest financial statements for the financial year ended 31 December 2022 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. Review of performance of the Group

Statement of Comprehensive Income

Review of Statement of Comprehensive Income in relation to the six months period ended 31 December 2023 ("2H 2023") and full year ended 31 December 2023 ("FY 2023") compared to six months period ended 31 December 2022 ("2H 2022") and full year ended 31 December 2022 ("FY 2022")

Revenue

The Group's revenue for 2H 2023 reduced by S\$2.45 million while FY 2023 decreased by S\$1.55 million as compared to 2H 2022 and FY 2022 respectively. The decrease in 2H was attributable to lower revenue from PC, PHH and WPP by approximately S\$1.63 million, S\$1.03 million and S\$0.36 million respectively, offset by higher revenue from EMS by S\$0.58 million. In FY 2023, revenue from EMS and PHH increased by S\$0.89 million and S\$0.34 million respectively, offset by decreased revenue from WPP and PC by S\$0.38 million and S\$2.39 million respectively. In 2H 2023, higher revenue from EMS is attributable to revised rental rate while lower sales from PC, PHH and WPP is contributed by lesser projects completed during the period. Overall in FY 2023, increases in revenue from PHH and EMS increased due to more projects completed during the year and revised rental rates respectively, while lower sales from PC and WPP is contributed by lesser projects completed.

Cost of Sales

Cost of sales for 2H 2023 was lower by S\$2.55 million as compared to 2H 2022 while FY2023 decreased by S\$1.50 million in comparison to FY 2022.

Gross Profit

Gross profit in 2H 2023 and FY2023 amounted to approximately S\$ 2.02 million and S\$3.79 million respectively; increase of 5.7% and 1.3% respectively as compared to 2H 2022 and FY 2022. The gross profit margin in 2H 2023 and FY2023 was recorded at 23% and 19% respectively as compared to 17% and 18% in 2H 2022 and FY 2022.

Other Income

In 2H 2023, the Group's other operating income increased by S\$0.30 million compared to 2H 2022 while in FY 2023, it was higher by S\$0.35 million compared to FY 2022. It was mainly due to decreased contribution from government grants received and reduced gain from disposal of property, plant and equipment, offset by written off of deposit received amounting to S\$0.75 million. The deposit was placed by potential buyers for the purchase of the Group's financial assets at FVOCI. Since there was no sale and purchase agreement signed for the transaction at the time the deposits were placed by these potential buyers and the Group has not been able to contact the potential buyers to date, a write-off in relation to the deposit has been recorded.

Distribution Costs

Distribution costs included depreciation, diesel, upkeep or repair and maintenance of motor vehicles or trucks. In FY 2023, the Group's distribution cost decreased by S\$0.21 million as compared to FY2022 while in 2H 2023, it was lower by S\$0.17 million. This was mainly due to lower expenses incurred by WPP and PC during the year, in tandem with the decrease in its revenue.

Administrative Costs

The Group's administrative expenses in 2H 2023 increased by approximately S\$0.54 million while FY 2023 reduced by S\$0.30 million mainly due to reduced purchase of diesel in EMS as the transformer and switchgear broke down, amounting to approximately \$0.38 million

Other expenses

The Group's other expenses reduced by S\$0.03 million and S\$0.11 million in 2H 2023 and FY 2023

HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

respectively, mainly due to customer relationship of EMS was fully amortized in HY 2022.

Net impairment gain/(loss) on financial assets

The Group's net impairment gain of S\$0.06 million on the Group's financial assets for 2H 2023 and FY2023 is mainly due to the recovery of receivables in EMS.

Finance income

The Group's finance income increased slightly by S\$0.08 million and S\$0.13 million for 2H 2023 and FY2023 due to increased interest income arising from fixed deposits.

Finance expenses

The Group's finance costs for current year and period remained constant as compared to 2H 2022 and FY 2022.

Taxation

The Group's income tax credit for 2H 2023 and FY2023 is mainly due to the deferred tax assets arising from the fair value adjustment for the investment property of EMS.

Balance Sheet

Property, Plant and Equipment

As at 31 December 2023, the net book value of the Group's property, plant and equipment was approximately S\$3.73 million. The foregoing constituted approximately 7.2% of the Group's non-current assets as at 31 December 2023.

Investment properties

The book value of the leasehold building of EMS increased by S\$0.42 million due to lease reassessment during the year. It was charged with depreciation amounting to S\$3.16 million in FY 2023 and it constituted 92.6% of the Group's non-current assets.

Right-of-use assets

The Group's right-of-use assets are in relation to the lease of plants by PC for the purpose of office administration.

Intangible Assets

The Group's intangible assets are in relation to the fair value of the contractual rental agreements entered into with EMS and non-contractual customer relationships with PHH and the intangible asset acquired by PC previously. The intangible assets pertaining to EMS and PHH was fully amortized.

Inventories

As at 31 December 2023, the inventories remained relatively constant.

Trade and other receivables and other current assets

Compared to FY 2022, trade and other receivables increased by S\$0.29 million, mainly due to construction contracts billed by PHH, offset by impairment gain on financial assets during the year. Other current assets increased by S\$0.21 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. As at 31 December 2023, it was lower than as at 31 December 2022 due to billing raised by PHH.

Cash and Bank Balance

The Group's cash and bank balances increased by S\$1.70 million. More details on the cash flow movement can be found in the herein analysis of the Group's Statement of Cash Flow.

Trade and other payables

Trade and other payables amounted to S\$4.70 million which constituted 83.4% of the Group's current liabilities. As at 31 December 2023, it was lower due to repayments.

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 lease liabilities from financial institutions decreased due to repayments during the year.

HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

Lease Liabilities

The lease liabilities decreased due to repayments during the year.

Income Tax Payable

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

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 increase in the Group's cash and cash equivalents amounted to approximately S\$1.70 million, which was attributable to the following:

Net cash generated from operating activities of S\$3.16 million

The operating cash flows before changes in working capital amounted to S\$2.62 million and the net cash generated from operating activities was mainly due to lower inventories, trade and other receivables and other current assets, contract assets amounting to S\$0.02 million, S\$0.05 million and S\$0.83 million respectively. These were offset by reduced trade and other payables of S\$0.22 million.

Net cash used in investing activities of S\$0.25 million

The net cash used in investing activities was mainly due to the addition of plants and equipment, amounting to S\$0.41 million, that is partially offset by the proceeds from disposal of plants and equipment amounting to S\$0.03 million and interest income received amounting to S\$0.13 million.

Net cash used in financing activities of S\$1.21 million

The net cash used in financing activities was mainly due to repayment of lease liabilities from financial institutions and lease liabilities amounting to S\$0.22 million and S\$0.82 million respectively.

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.

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

According to the Building and Construction Authority Singapore ("BCA") on 15 January 2024, BCA expects a steady improvement in construction demand over the medium term, of which is projected to reach between S\$31 billion and S\$38 billion per year from 2025 to 2028.

In line with the forecasted improved demand in the construction industry, the Group is cautiously optimistic due to additional projects secured and the upward revision of rental rate by EMS for the next 12 months. Nonetheless, the Group will continue to stay vigilant on managing its operation costs amidst a challenging cost environment in which interest rates, material and manpower costs remain high.

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 year ended 31 December 2023.

(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 year ended 31 December 2022.

(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)

**HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023**

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 year ended 31 December 2023 and due to the uncertainty and challenging economic ahead, 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 Listing Manual in accordance with Rule 720(1) of the Listing Manual.

8. Disclosure on Acquisitions and Realisation of Shares pursuant to Catalist Rule 706(A)

There were 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 the full financial year ended 31 December 2023.

9. Negative Assurance Confirmation by Directors Pursuant to SGX Listing 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 year ended 31 December 2023 (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.

10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/ or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Jun Hao	35	Nephew of Executive Director, Tan Poh Guan	Director, Engineering Manufacturing Services (S) Pte. Ltd., January 2019 – Present Director, Premium Concrete Pte. Ltd. August 2014 – Present Director, Poh Huat Heng Corporation Pte. Ltd.	N.A.

**HGH HOLDINGS LTD.
UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023**

			November 2020 - Present	
--	--	--	-------------------------	--

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