



## **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 2022

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 FULL YEAR ENDED 31 DECEMBER 2022**

**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 Listing Rule.....                             | 19 |
| 1. Review .....   | 19 |
| 2. Review of performance of the Group.....  | 19 |
| 3. Variance from prospect statement.....  | 21 |
| 4. Commentary of Group's significant trends and competitive conditions .....                      | 21 |
| 5. Dividend Information .....   | 21 |
| 6. Interested person transactions .....   | 22 |
| 7. Confirmation pursuant to Rule 720(1).....  | 22 |
| 8. Negative Confirmation pursuant to Rule 705(5).....   | 22 |

## 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<br>2022 | 31 Dec<br>2021 | Change<br>+ / (-) | 31 Dec<br>2022  | 31 Dec<br>2021 | Change<br>+ / (-) |
|   |          | S\$'000        | S\$'000        | S\$'000           | S\$'000         |                |                   |
| Revenue   |          | 11,397         | 12,637         | (9.8)             | 21,588          | 20,071         | 7.6               |
| Cost of sales   |          | (9,489)        | (10,416)       | (8.9)             | (17,751)        | (15,516)       | 14.4              |
| <b>Gross profit</b>   |          | <b>1,908</b>   | <b>2,221</b>   | <b>(14.1)</b>     | <b>3,837</b>    | <b>4,555</b>   | <b>(15.8)</b>     |
| Other income  |          | 399            | 627            | (36.4)            | 815             | 997            | (18.3)            |
| Distribution costs  |          | (524)          | (560)          | (6.4)             | (1,010)         | (844)          | 19.7              |
| Administrative expenses   |          | (2,225)        | (1,797)        | 23.8              | (5,262)         | (5,146)        | (2.3)             |
| Other expenses  |          | (4)            | (1,487)        | n.m.              | (86)            | (1,953)        | (95.6)            |
| Loss on derecognition of financial assets   |          |                |                |                   |                 |                |                   |
| Impairment gain/(loss) on financial assets, net   |          | 184            | (414)          | n.m.              | 184             | (457)          | n.m.              |
| Finance costs   |          | (83)           | (99)           | (16.2)            | (170)           | (174)          | (2.3)             |
| <b>Loss before tax</b>  | <b>5</b> | <b>(345)</b>   | <b>(1,509)</b> | <b>(77.1)</b>     | <b>(1,692)</b>  | <b>(3,022)</b> | <b>(44.0)</b>     |
| Income tax credit   | 6        | 319            | 819            | (61.1)            | 271             | 730            | (62.9)            |
| <b>Loss for the financial period/year</b>   |          | <b>(26)</b>    | <b>(690)</b>   | <b>(96.2)</b>     | <b>(1,421)</b>  | <b>(2,292)</b> | <b>(38.0)</b>     |
| <b>Other comprehensive income</b>   |          |                |                |                   |                 |                |                   |
| <u>Items that may be reclassified subsequently to profit or loss:</u>                             |          |                |                |                   |                 |                |                   |
| Currency translation differences on consolidation of foreign entities (net)                       |          | 21             | 143            | (85.3)            | 50              | 3              | n.m.              |
| <u>Items that will not be reclassified subsequently to profit or loss:</u>                        |          |                |                |                   |                 |                |                   |
| Equity investment at FVOCI – net change in fair value   |          | -              | (35)           | n.m.              | -               | (35)           | n.m.              |
| <b>Total comprehensive income for the period/year</b>   |          | <b>(5)</b>     | <b>(582)</b>   | <b>(99.1)</b>     | <b>(1,371)</b>  | <b>(2,324)</b> | <b>(41.0)</b>     |
| <b>Total profit/(loss) attributable to:</b>   |          |                |                |                   |                 |                |                   |
| - Equity holders of the Company   |          | (26)           | (687)          |                   | (1,418)         | (2,272)        |                   |
| - Non-controlling interests   |          | -              | (3)            |                   | (3)             | (20)           |                   |
| <b>Total comprehensive income attributable to:</b>  |          |                |                |                   |                 |                |                   |
| - Equity holders of the Company   |          | (5)            | (579)          |                   | (1,368)         | (2,304)        |                   |
| - Non-controlling interests   |          | -              | (3)            |                   | (3)             | (20)           |                   |
| <b>Profit/(Loss) per share for the period/year attributable to equity holders of the Company:</b> |          |                |                |                   |                 |                |                   |
| Basic (SGD in cent)   |          | (0.00)         | (0.04)         |                   | (0.08)          | (0.13)         |                   |
| Diluted (SGD in cent)   |          | (0.00)         | (0.04)         |                   | (0.08)          | (0.13)         |                   |

n.m. = not meaningful

## B. Condensed interim statements of financial position

|   | Note | Group                    |                        | Company                  |                        |
|---|------|--------------------------|------------------------|--------------------------|------------------------|
|   |      | Unaudited<br>31 Dec 2022 | Audited<br>31 Dec 2021 | Unaudited<br>31 Dec 2022 | Audited<br>31 Dec 2021 |
|   |      | S\$'000                  | S\$'000                | S\$'000                  | S\$'000                |
| <b>ASSETS</b>                                 |      |                          |                        |                          |                        |
| <b>Non-current assets</b>                     |      |                          |                        |                          |                        |
| Property, plant and equipment                 | 10   | 3,784                    | 1,685                  | -                        | -                      |
| Investment properties                         | 11   | 50,373                   | 53,509                 | -                        | -                      |
| Right-of-use assets                           |      | 51                       | 256                    | -                        | -                      |
| Intangible assets                             | 9    | 46                       | 101                    | -                        | -                      |
| Subsidiaries                                  |      | -                        | -                      | 25,000                   | 25,000                 |
| Financial assets, at FVOCI                    | 8    | -                        | -                      | -                        | -                      |
| <b>Total non-current assets</b>               |      | <b>54,254</b>            | <b>55,551</b>          | <b>25,000</b>            | <b>25,000</b>          |
| <b>Current assets</b>                         |      |                          |                        |                          |                        |
| Cash and bank balances                        |      | 6,699                    | 7,750                  | 111                      | 154                    |
| Trade and other receivables                   |      | 3,814                    | 3,566                  | -                        | -                      |
| Other current assets                          |      | 852                      | 890                    | 7                        | 26                     |
| Contract assets                               |      | 971                      | 202                    | -                        | -                      |
| Inventories                                   |      | 229                      | 237                    | -                        | -                      |
| <b>Total current assets</b>                   |      | <b>12,565</b>            | <b>12,645</b>          | <b>118</b>               | <b>180</b>             |
| <b>Total assets</b>                           |      | <b>66,819</b>            | <b>68,196</b>          | <b>25,118</b>            | <b>25,180</b>          |
| <b>LIABILITIES</b>                            |      |                          |                        |                          |                        |
| <b>Non-current liabilities</b>                |      |                          |                        |                          |                        |
| Lease liabilities from financial institutions |      | 668                      | 13                     | -                        | -                      |
| Lease liabilities                             |      | 5,052                    | 5,353                  | -                        | -                      |
| Deferred tax liabilities                      |      | 7,601                    | 8,089                  | -                        | -                      |
| Other liabilities                             |      | 276                      | 684                    | -                        | -                      |
| <b>Total non-current liabilities</b>          |      | <b>13,597</b>            | <b>14,139</b>          | <b>-</b>                 | <b>-</b>               |
| <b>Current liabilities</b>                    |      |                          |                        |                          |                        |
| Trade and other payables                      |      | 5,731                    | 5,118                  | 11,851                   | 11,539                 |
| Lease liabilities from financial institutions |      | 224                      | 16                     | -                        | -                      |
| Lease liabilities                             |      | 472                      | 624                    | -                        | -                      |
| Provision for defect liability                |      | 7                        | 240                    | -                        | -                      |
| Income tax payable                            |      | 212                      | 112                    | -                        | -                      |
| <b>Total current liabilities</b>              |      | <b>6,646</b>             | <b>6,110</b>           | <b>11,851</b>            | <b>11,539</b>          |
| <b>Total liabilities</b>                      |      | <b>20,243</b>            | <b>20,249</b>          | <b>11,851</b>            | <b>11,539</b>          |
| <b>Net assets</b>                             |      | <b>46,576</b>            | <b>47,947</b>          | <b>13,267</b>            | <b>13,641</b>          |

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

|   | Note | Group         |               | Company       |               |
|---|------|---------------|---------------|---------------|---------------|
|   |      | Unaudited     | Audited       | Unaudited     | Audited       |
|   |      | 31 Dec 2022   | 31 Dec 2021   | 31 Dec 2022   | 31 Dec 2021   |
|   |      | S\$'000       | S\$'000       | S\$'000       | S\$'000       |
| <b>EQUITY</b>   |      |               |               |               |               |
| <b>Capital and reserves attributable to equity holders of the Company</b> |      |               |               |               |               |
| Share capital   | 12   | 35,225        | 35,225        | 35,225        | 35,225        |
| Reserves  |      | 11,398        | 12,766        | (21,958)      | (21,584)      |
|   |      | <b>46,623</b> | <b>47,991</b> | <b>13,267</b> | <b>13,641</b> |
| Non-controlling interests   |      | (47)          | (44)          | -             | -             |
| <b>Total equity</b>   |      | <b>46,576</b> | <b>47,947</b> | <b>13,267</b> | <b>13,641</b> |

HGH HOLDINGS LTD.  
 UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022

**C. Condensed interim statements of changes in equity**

|   | Attributable to equity holders of the Company |                           |                                |                               |                              |                  | Non-controlling interests<br>S\$'000 | Total equity<br>S\$'000 |
|---|---|---------------------------|--------------------------------|-------------------------------|------------------------------|------------------|--------------------------------------|-------------------------|
|   | Share capital<br>S\$'000                      | Merger reserve<br>S\$'000 | Translation reserve<br>S\$'000 | Fair value reserve<br>S\$'000 | Retained earnings<br>S\$'000 | Total<br>S\$'000 |                                      |                         |
| <b>Group Unaudited</b>  |   |                           |                                |                               |                              |                  |                                      |                         |
| <b>Balance at 1 January 2022</b>                              | 35,225  | (6,478)                   | 11                             | (150)                         | 19,383                       | 47,991           | (44)                                 | 47,947                  |
| Loss for the year   | -   | -                         | -                              | -                             | (1,418)                      | (1,418)          | (3)                                  | (1,421)                 |
| Other comprehensive income, net of tax:                       |   |                           |                                |                               |                              |                  |                                      |                         |
| - Currency translation differences arising from consolidation | -   | -                         | 50                             | -                             | -                            | 50               | -                                    | 50                      |
| Total comprehensive income for the year                       | -   | -                         | 50                             | -                             | (1,418)                      | (1,368)          | (3)                                  | (1,371)                 |
| <b>Balance at 31 December 2022</b>                            | <b>35,225</b>                                 | <b>(6,478)</b>            | <b>61</b>                      | <b>(150)</b>                  | <b>17,965</b>                | <b>46,623</b>    | <b>(47)</b>                          | <b>46,576</b>           |
| <b>Group Audited</b>  |   |                           |                                |                               |                              |                  |                                      |                         |
| <b>Balance at 1 January 2021</b>                              | 35,225  | (6,478)                   | 8                              | (115)                         | 21,655                       | 50,295           | (24)                                 | 50,271                  |
| Loss for the year   | -   | -                         | -                              | -                             | (2,272)                      | (2,272)          | (20)                                 | (2,292)                 |
| Other comprehensive income, net of tax:                       |   |                           |                                |                               |                              |                  |                                      |                         |
| - Currency translation differences arising from consolidation | -   | -                         | 3                              | -                             | -                            | 3                | -                                    | 3                       |
| - Equity investment in FVOCI, net change in fair value        | -   | -                         | -                              | (35)                          | -                            | (35)             | -                                    | (35)                    |
| Total comprehensive income for the year                       | -   | -                         | 3                              | (35)                          | (2,272)                      | (2,304)          | (20)                                 | (2,324)                 |
| <b>Balance at 31 December 2021</b>                            | <b>35,225</b>                                 | <b>(6,478)</b>            | <b>11</b>                      | <b>(150)</b>                  | <b>19,383</b>                | <b>47,991</b>    | <b>(44)</b>                          | <b>47,947</b>           |

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

|   | Share capital | Accumulated<br>losses | Total   |
|---|---------------|-----------------------|---------|
|   | S\$'000       | S\$'000               | S\$'000 |
| <b>Company<br/>Unaudited</b>            |               |                       |         |
| <b>Balance at 1 January 2022</b>        | 35,225        | (21,584)              | 13,641  |
| Total comprehensive income for the year | -             | (374)                 | (374)   |
| <b>Balance at 31 December 2022</b>      | 35,225        | (21,958)              | 13,267  |
| <b>Company<br/>Audited</b>              |               |                       |         |
| <b>Balance at 1 January 2021</b>        | 35,225        | (19,694)              | 15,531  |
| Total comprehensive income for the year | -             | (1,890)               | (1,890) |
| <b>Balance at 31 December 2021</b>      | 35,225        | (21,584)              | 13,641  |

## D. Condensed interim consolidated statement of cash flows

|  | Group   |                                |
|--|---|--------------------------------|
|  | Unaudited<br>12 months ended<br>31 December<br>2022 | Audited<br>31 December<br>2021 |
|  | S\$'000   | S\$'000                        |
| <b>Cash flows from operating activities</b>                          |   |                                |
| <b>Loss before tax</b>   | <b>(1,692)</b>                                      | <b>(3,022)</b>                 |
| <b>Adjustments for:</b>  |   |                                |
| Depreciation of property, plant and equipment                        | 474   | 445                            |
| Depreciation of right-of-use assets                                  | 284   | 166                            |
| Depreciation of investment properties                                | 3,136   | 3,109                          |
| Amortisation of intangible assets                                    | 106   | 939                            |
| Bad debts written off  | -   | 10                             |
| Impairment loss on property, plant and equipment                     | -   | 49                             |
| Impairment loss on intangible assets                                 | -   | 846                            |
| Impairment loss on right-of-use assets                               | -   | 116                            |
| Gain on disposal of property, plant and equipment                    | (227)   | (136)                          |
| Gain on termination of right-of-use assets                           | -   | (160)                          |
| Net foreign exchange loss-unrealised                                 | 50  | (3)                            |
| Provision of impairment (gain)/loss on financial assets, net         | (184)   | 457                            |
| Provision for defects liability                                      | (233)   | -                              |
| Rent concession  | -   | (44)                           |
| Interest expense   | 164   | 173                            |
| <b>Operating profit before working capital changes</b>               | <b>1,878</b>  | <b>2,945</b>                   |
| Decrease in inventories  | 8   | 60                             |
| Increase in trade and other receivables                              | (26)  | (2,708)                        |
| Increase in contract assets  | (769)   | (202)                          |
| Increase in trade and other payables                                 | 205   | 1,998                          |
| <b>Cash generated from operations</b>                                | <b>1,296</b>  | <b>2,093</b>                   |
| Income tax paid  | (118)   | (598)                          |
| Income tax refund  | -   | 425                            |
| <b>Net cash generated from operating activities</b>                  | <b>1,178</b>  | <b>1,920</b>                   |
| <b>Cash flows from investing activities</b>                          |   |                                |
| Purchase of property, plant and equipment                            | (1,662)   | (373)                          |
| Purchase of intangible asset   | (51)  | -                              |
| Proceeds from disposal of property, plant and equipment              | 385   | 177                            |
| <b>Net cash used in investing activities</b>                         | <b>(1,328)</b>                                      | <b>(196)</b>                   |
| <b>Cash flows from financing activities</b>                          |   |                                |
| Principal repayment of lease liabilities                             | (534)   | (452)                          |
| Principal repayment of lease liabilities from financial institutions | (223)   | (33)                           |
| Repayment of short-term bridging loan                                | -   | (100)                          |
| Interest paid  | (144)   | (173)                          |
| <b>Net cash used in financing activities</b>                         | <b>(901)</b>  | <b>(758)</b>                   |
| <b>Net (decrease)/increase in cash and cash equivalents</b>          | <b>(1,051)</b>                                      | <b>966</b>                     |
| Cash and cash equivalents at beginning of the year                   | 7,750   | 6,784                          |
| <b>Cash and cash equivalents at end of the year</b>                  | <b>6,699</b>  | <b>7,750</b>                   |



## 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 twelve months ended 31 December 2022 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 twelve months ended 31 December 2022 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 2021.

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 2022 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*

Management exercises their judgement in estimating recoverable amounts of its investment in subsidiaries within the Group.

The recoverable amounts of the investments are reviewed at the end of each reporting period to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, management needs to estimate the future cash flows expected from the cash generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model.

#### 2.2 Uses of judgement and estimates (Continued)

**HGH HOLDINGS LTD.**  
**UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022**

*(b) Impairment of intangible assets*

Intangible assets are tested for impairment annually and whenever there is indication that the intangible assets may be 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 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.

*(e) Classification between Investment Properties and Owner-occupied Properties*

The Group determines whether a property qualifies as an investment property, and has developed a criterion in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

**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 FULL YEAR ENDED 31 DECEMBER 2022**

**3.1 Reportable segments**

| Group  | Leasing and<br>service income | Manufacturing<br>of precast<br>concrete<br>products | Supply and<br>manufacturing<br>of ready-mix<br>concrete<br>products | Provision of<br>underground<br>cable<br>installation<br>and road<br>reinstatement | Corporate | Total   |
|--|-------------------------------|---|---|---|-----------|---------|
|  | S\$'000                       | S\$'000   | S\$'000   | S\$'000   | S\$'000   | S\$'000 |
| <b>1 July 2022 to 31<br/>December 2022</b>                                 |                               |   |   |   |           |         |
| <b>Revenue</b>   |                               |   |   |   |           |         |
| Total revenue  | 4,494                         | 1,758   | 4,058   | 1,840   | -         | 12,150  |
| Inter-segment sales  | (461)                         | (385)   | (17)  | 110   | -         | (753)   |
| Sales to external parties  | 4,033                         | 1,373   | 4,041   | 1,950   | -         | 11,397  |
| <b>Results:</b>  |                               |   |   |   |           |         |
| Segment gross profit   | 1,432                         | 248   | 718   | (490)   | -         | 1,908   |
| Allocated operating expenses – net   | (818)                         | (49)  | (841)   | (270)   | (192)     | (2,170) |
| Finance costs  | (66)                          | (5)   | (13)  | 1   | -         | (83)    |
| Loss before income tax   | 548                           | 194   | (136)   | (759)   | (192)     | (345)   |
| Income tax credit  | 319                           | -   | -   | -   | -         | 319     |
| Loss for the period  | 867                           | 194   | (136)   | (759)   | (192)     | (26)    |
| Segment assets   | 58,795                        | 679   | 5,141   | 2,075   | 129       | 66,819  |
| Segment liabilities  | 15,670                        | 358   | 2,906   | 1,189   | 120       | 20,243  |
| <b>Other material non-cash items</b>                                       |                               |   |   |   |           |         |
| Provision of impairment loss on<br>financial assets, net                   | (173)                         | (82)  | 118   | (47)  | -         | (184)   |
| Depreciation of property, plant and<br>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 FULL YEAR ENDED 31 DECEMBER 2022**

**3.1 Reportable segments (Continued)**

| Group  | Leasing and<br>service income | Manufacturing<br>of precast<br>concrete<br>products | Supply and<br>manufacturing<br>of ready-mix<br>concrete<br>products | Provision of<br>underground<br>cable<br>installation<br>and road<br>reinstatement | Corporate | Total   |
|--|-------------------------------|---|---|---|-----------|---------|
|  | S\$'000                       | S\$'000   | S\$'000   | S\$'000   | S\$'000   | S\$'000 |
| <b>1 July 2021 to 31<br/>December 2021</b>                                 |                               |   |   |   |           |         |
| <b>Revenue</b>   |                               |   |   |   |           |         |
| Total revenue  | 4,581                         | 1,261   | 4,956   | 2,252   | -         | 13,050  |
| Inter-segment sales  | (501)                         | (233)   | (25)  | 346   | -         | (413)   |
| Sales to external parties  | 4,080                         | 1,028   | 4,931   | 2,598   | -         | 12,637  |
| <b>Results:</b>  |                               |   |   |   |           |         |
| Segment gross profit   | 1,200                         | (285)   | 848   | 458   | -         | 2,221   |
| Allocated operating expenses – net   | (1,314)                       | (179)   | (623)   | (1,329)   | (186)     | (3,631) |
| Finance costs  | (73)                          | (11)  | (13)  | (2)   | -         | (99)    |
| Loss before income tax   | (187)                         | (475)   | 212   | (873)   | (186)     | (1,509) |
| Income tax credit  | 639                           | -   | -   | 180   | -         | 819     |
| Loss for the period  | 452                           | (475)   | 212   | (693)   | (186)     | (690)   |
| Segment assets   | 61,537                        | 652   | 3,163   | 2,671   | 173       | 68,196  |
| Segment liabilities  | 16,146                        | 339   | 2,005   | 1,633   | 126       | 20,249  |
| <b>Other material non-cash items</b>                                       |                               |   |   |   |           |         |
| Bad debts written off  | -                             | -   | -   | 10  | -         | 10      |
| Provision of impairment loss on<br>financial assets, net                   | 182                           | 56  | 37  | 139   | -         | 414     |
| Depreciation of property, plant and<br>equipment and investment properties | 1,753                         | 44  | 61  | 77  | -         | 1,935   |
| Depreciation of right-of-use assets  | -                             | 17  | 149   | -   | -         | 166     |
| Amortisation of intangible assets  | 248                           | -   | 11  | 211   | -         | 470     |
| Impairment loss on intangible assets                                       | -                             | -   | -   | 846   | -         | 846     |
| Impairment loss on property, plant and<br>equipment                        | -                             | -   | -   | 49  | -         | 49      |
| Impairment loss on right-of-use assets                                     | -                             | 116   | -   | -   | -         | 116     |
| Gain on termination of right-of-use<br>assets                              | -                             | (160)   | -   | -   | -         | (160)   |

**HGH HOLDINGS LTD.**  
**UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022**

**3.1 Reportable segments (Continued)**

| Group  | Leasing and service<br>income<br>S\$'000 | Manufacturing<br>of precast<br>concrete<br>products<br>S\$'000 | Supply and<br>manufacturing<br>of ready-mix<br>concrete<br>products<br>S\$'000 | Provision of<br>underground<br>cable<br>installation<br>and road<br>reinstatement<br>S\$'000 | Corporate<br>S\$'000 | Total<br>S\$'000 |
|--|--|--|--|--|----------------------|------------------|
| <b>From 1 January 2022 to<br/>31 December 2022</b>                         |  |  |  |  |                      |                  |
| <b>Revenue</b>   |  |  |  |  |                      |                  |
| Total revenue  | 8,808                                    | 3,337  | 9,315  | 2,039  | -                    | 23,499           |
| Inter-segment sales  | (957)                                    | (871)  | (73)   | (10)   | -                    | (1,911)          |
| Sales to external parties  | 7,851                                    | 2,466  | 9,242  | 2,029  | -                    | 21,588           |
| <b>Results:</b>  |  |  |  |  |                      |                  |
| Segment gross profit   | 3,036                                    | 444  | 1,475  | (1,118)  | -                    | 3,837            |
| Allocated operating expenses – net   | (1,955)                                  | (339)  | (1,499)  | (1,178)  | (388)                | (5,359)          |
| Finance costs  | (136)                                    | (5)  | (28)   | (1)  | -                    | (170)            |
| Loss before income tax   | 945                                      | 100  | (52)   | (2,297)  | (388)                | (1,692)          |
| Income tax credit  | 271                                      | -  | -  | -  | -                    | 271              |
| Loss for the year  | 1,216                                    | 100  | (52)   | (2,297)  | (388)                | (1,421)          |
| Segment assets   | 58,795                                   | 679  | 5,141  | 2,075  | 129                  | 66,819           |
| Segment liabilities  | 15,670                                   | 358  | 2,906  | 1,189  | 120                  | 20,243           |
| <b>Other material non-cash items</b>                                       |  |  |  |  |                      |                  |
| Provision of impairment loss on financial<br>assets, net                   | (173)                                    | (82)   | 118  | (47)   | -                    | (184)            |
| Depreciation of property, plant and<br>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 FULL YEAR ENDED 31 DECEMBER 2022**  
**3.1 Reportable segments (Continued)**

| Group  | Leasing and<br>service income | Manufacturing<br>of precast<br>concrete<br>products | Supply and<br>manufacturing<br>of ready-mix<br>concrete<br>products | Provision of<br>underground<br>cable<br>installation<br>and road<br>reinstatement | Corporate | Total   |
|--|-------------------------------|---|---|---|-----------|---------|
|  | S\$'000                       | S\$'000   | S\$'000   | S\$'000   | S\$'000   | S\$'000 |
| <b>From 1 January 2021 to<br/>31 December 2021</b>                         |                               |   |   |   |           |         |
| <b>Revenue</b>   |                               |   |   |   |           |         |
| Total revenue  | 8,989                         | 3,335   | 6,615   | 3,059   | -         | 21,998  |
| Inter-segment sales  | (957)                         | (814)   | (69)  | (87)  | -         | (1,927) |
| Sales to external parties  | 8,032                         | 2,521   | 6,546   | 2,972   | -         | 20,071  |
| <b>Results:</b>  |                               |   |   |   |           |         |
| Segment gross profit   | 2,954                         | 581   | 1,127   | (107)   | -         | 4,555   |
| Allocated operating expenses – net   | (2,128)                       | (507)   | (1,036)   | (3,359)   | (373)     | (7,403) |
| Finance costs  | (145)                         | (13)  | (14)  | (2)   | -         | (174)   |
| Loss before income tax   | 681                           | 61  | 77  | (3,468)   | (373)     | (3,022) |
| Income tax   | 514                           | -   | -   | 216   | -         | 730     |
| Loss for the year  | 1,195                         | 61  | 77  | (3,252)   | (373)     | (2,292) |
| Segment assets   | 61,537                        | 652   | 3,163   | 2,671   | 173       | 68,196  |
| Segment liabilities  | 16,146                        | 339   | 2,005   | 1,633   | 126       | 20,249  |
| <b>Other material non-cash items</b>                                       |                               |   |   |   |           |         |
| Bad debts written off  | -                             | -   | -   | 10  | -         | 10      |
| Provision of impairment loss on<br>financial assets, net                   | 182                           | 99  | 37  | 139   | -         | 457     |
| Gain on termination of right-of-use<br>assets                              | -                             | (160)   | -   | -   | -         | (160)   |
| Depreciation of property, plant and<br>equipment and investment properties | 3,195                         | 82  | 130   | 147   | -         | 3,554   |
| Depreciation of right-of-use assets  | -                             | 17  | 149   | -   | -         | 166     |
| Amortisation of intangible assets  | 495                           | -   | 21  | 423   | -         | 939     |
| Impairment loss on intangible assets                                       | -                             | -   | -   | 846   | -         | 846     |
| Impairment loss on property, plant and<br>equipment                        | -                             | -   | -   | 49  | -         | 49      |
| Impairment loss on right-of-use assets                                     | -                             | 116   | -   | -   | -         | 116     |

**HGH HOLDINGS LTD.**  
**UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022**

**3.2 Disaggregation of Revenue**

**6 months ended 31 December 2022**

| Group                          |                               |   |   |   |           | Total<br>S\$'000 |
|--------------------------------|-------------------------------|---|---|---|-----------|------------------|
|                                | Leasing and service<br>income | Manufacturing<br>of precast<br>concrete<br>products | Supply and<br>manufacturing<br>of ready-mix<br>concrete<br>products | Provision of<br>underground<br>cable<br>installation<br>and road<br>reinstatement | Corporate |                  |
|                                | S\$'000                       | S\$'000   | S\$'000   | S\$'000   | S\$'000   |                  |
| Types of goods or service:     |                               |   |   |   |           |                  |
| Sale of goods                  | -                             | 1,373   | 4,041   | -   | -         | 5,414            |
| Service income                 | 151                           | -   | -   | -   | -         | 151              |
| Rental income                  | 3,882                         | -   | -   | -   | -         | 3,882            |
| Contract income                | -                             | -   | -   | 1,950   | -         | 1,950            |
| <b>Total revenue</b>           | <b>4,033</b>                  | <b>1,373</b>  | <b>4,041</b>  | <b>1,950</b>  | <b>-</b>  | <b>11,397</b>    |
| Timing of revenue recognition: |                               |   |   |   |           |                  |
| At a point in time             | -                             | 1,373   | 4,041   | -   | -         | 5,414            |
| Over time                      | 151                           | -   | -   | 1,950   | -         | 2,101            |
| <b>Total revenue</b>           | <b>151</b>                    | <b>1,373</b>  | <b>4,041</b>  | <b>1,950</b>  | <b>-</b>  | <b>7,515</b>     |

**6 months ended 31 December 2021**

| Group                          |                               |   |   |   |           | Total<br>S\$'000 |
|--------------------------------|-------------------------------|---|---|---|-----------|------------------|
|                                | Leasing and service<br>income | Manufacturing<br>of precast<br>concrete<br>products | Supply and<br>manufacturing<br>of ready-mix<br>concrete<br>products | Provision of<br>underground<br>cable<br>installation<br>and road<br>reinstatement | Corporate |                  |
|                                | S\$'000                       | S\$'000   | S\$'000   | S\$'000   | S\$'000   |                  |
| Types of goods or service:     |                               |   |   |   |           |                  |
| Sale of goods                  | -                             | 1,028   | 4,931   | -   | -         | 5,959            |
| Service income                 | 104                           | -   | -   | -   | -         | 104              |
| Rental income                  | 3,976                         | -   | -   | -   | -         | 3,976            |
| Contract income                | -                             | -   | -   | 2,598   | -         | 2,598            |
| <b>Total revenue</b>           | <b>4,080</b>                  | <b>1,028</b>  | <b>4,931</b>  | <b>2,598</b>  | <b>-</b>  | <b>12,637</b>    |
| Timing of revenue recognition: |                               |   |   |   |           |                  |
| At a point in time             | -                             | 1,028   | 4,931   | -   | -         | 5,959            |
| Over time                      | 104                           | -   | -   | 2,598   | -         | 2,702            |
| <b>Total revenue</b>           | <b>104</b>                    | <b>1,028</b>  | <b>4,931</b>  | <b>2,598</b>  | <b>-</b>  | <b>8,661</b>     |

HGH HOLDINGS LTD.  
UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022

3.2 Disaggregation of Revenue (Continued)

12 months ended 31 December 2022

| 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 |
| Types of goods or service:     |                            |  |   |  |           |         |
| Sale of goods                  | -                          | 2,466                                      | 9,242   | -  | -         | 11,708  |
| Service income                 | 228                        | -  | -   | -  | -         | 228     |
| Rental income                  | 7,623                      | -  | -   | -  | -         | 7,623   |
| Contract income                | -                          | -  | -   | 2,029  | -         | 2,029   |
| Total revenue                  | 7,851                      | 2,466                                      | 9,242   | 2,029  | -         | 21,588  |
| Timing of revenue recognition: |                            |  |   |  |           |         |
| At a point in time             | -                          | 2,466                                      | 9,242   | -  | -         | 11,708  |
| Over time                      | 228                        | -  | -   | 2,029  | -         | 2,257   |
| Total revenue                  | 228                        | 2,466                                      | 9,242   | 2,029  | -         | 13,965  |

12 months ended 31 December 2021

| 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 |
| Types of goods or service:     |                            |  |   |  |           |         |
| Sale of goods                  | -                          | 2,521                                      | 6,546   | -  | -         | 9,067   |
| Service income                 | 104                        | -  | -   | -  | -         | 104     |
| Rental income                  | 7,928                      | -  | -   | -  | -         | 7,928   |
| Contract income                | -                          | -  | -   | 2,972  | -         | 2,972   |
| Total revenue                  | 8,032                      | 2,521                                      | 6,546   | 2,972  | -         | 20,071  |
| Timing of revenue recognition: |                            |  |   |  |           |         |
| At a point in time             | -                          | 2,521                                      | 6,546   | -  | -         | 9,067   |
| Over time                      | 104                        | -  | -   | 2,972  | -         | 3,076   |
| Total revenue                  | 104                        | 2,521                                      | 6,546   | 2,972  | -         | 12,143  |



**HGH HOLDINGS LTD.**  
**UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022**

**A breakdown of sales:**

|  | <b>Group</b>                                     |  |                                  |
|--|--|--|----------------------------------|
|  | <b>Financial year ended 31<br/>December 2022</b> | <b>Financial year ended 31<br/>December 2021</b> | <b>Increase /<br/>(Decrease)</b> |
|  | <b>\$'000</b>                                    | <b>\$'000</b>                                    | <b>%</b>                         |
| Sales reported for the first half year   | 10,191   | 7,434  | 37.1                             |
| Operating loss after tax before deducting non- controlling interests reported for first half year  | (1,395)  | (1,602)  | (12.9)                           |
| Sales reported for second half year  | 11,397   | 12,637   | (9.8)                            |
| Operating loss after tax before deducting non- controlling interests reported for second half year | (26)   | (690)  | (96.2)                           |

**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 2022 and 31 December 2021:

|   | <b>Group</b>       |                    | <b>Company</b>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | <b>31 Dec 2022</b> | <b>31 Dec 2021</b> | <b>31 Dec 2022</b> | <b>31 Dec 2021</b> |
|   | <b>S\$'000</b>     | <b>S\$'000</b>     | <b>S\$'000</b>     | <b>S\$'000</b>     |
| <b>Financial Assets</b>   |                    |                    |                    |                    |
| Cash and bank balances and trade and other receivables (Amortised cost) | 12,182             | 11,917             | 111                | 154                |
| <b>Financial Liabilities</b>  |                    |                    |                    |                    |
| Trade and other payables and borrowings (Amortised cost)                | 11,837             | 11,627             | 11,851             | 11,539             |

**5. Loss before taxation**

**5.1 Significant items**

|   | <b>Group</b>                                       |  |   |   |
|---|--|--|---|---|
|   | <b>6 months<br/>ended<br/>31 December<br/>2022</b> | <b>6 months<br/>ended<br/>31 December<br/>2021</b> | <b>12 months<br/>ended<br/>31 December<br/>2022</b> | <b>12 months<br/>ended<br/>31 December<br/>2021</b> |
|   | <b>S\$'000</b>                                     | <b>S\$'000</b>                                     | <b>S\$'000</b>                                      | <b>S\$'000</b>                                      |
| <b>Income</b>   |  |  |   |   |
| Government grants received  | (16)   | 84   | 126   | 320   |
| Gain on disposal of property, plant and equipment                       | 165  | 130  | 227   | 136   |
| Gain on termination of right-of-use assets                              | -  | 160  | -   | 160   |
| <b>Expenses</b>   |  |  |   |   |
| Interest on borrowings  | 83   | 99   | 170   | 174   |
| Amortisation of intangible asset  | 11   | 470  | 106   | 939   |
| Depreciation of property, plant and equipment and investment properties | 1,787  | 1,936  | 3,610   | 3,555   |
| Depreciation of right-of-use assets                                     | 156  | 166  | 284   | 166   |
| Impairment loss on property, plant and equipment                        | -  | 49   | -   | 49  |
| Impairment loss on intangible assets                                    | -  | 846  | -   | 846   |
| Impairment loss on right-of-use assets                                  | -  | 116  | -   | 116   |
| Net impairment (gain)/loss on financial assets                          | (184)  | 414  | (184)   | 457   |
| Net foreign exchange loss-unrealised                                    | 21   | 143  | 50  | 3   |

**HGH HOLDINGS LTD.  
UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022**

**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 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:

|   | <b>Group</b>   |  |   |   |
|---|--|--|---|---|
|   | <b>6 months<br/>ended<br/>31 December<br/>2022<br/>S\$'000</b> | <b>6 months<br/>ended<br/>31 December<br/>2021<br/>S\$'000</b> | <b>12 months<br/>ended<br/>31 December<br/>2022<br/>S\$'000</b> | <b>12 months<br/>ended<br/>31 December<br/>2021<br/>S\$'000</b> |
| Current income tax credit   | 71   | (408)  | 214   | (5)   |
| Deferred income tax expense relating to origination and reversal of temporary differences | (390)  | (411)  | (485)   | (725)   |
|   | <u>(319)</u>   | <u>(819)</u>   | <u>(271)</u>  | <u>(730)</u>  |

**7. Net Asset Value**

|   | <b>Group</b>                     |                                  | <b>Company</b>                   |                                  |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|   | <b>31 Dec 2022<br/>S\$ cents</b> | <b>31 Dec 2021<br/>S\$ cents</b> | <b>31 Dec 2022<br/>S\$ cents</b> | <b>31 Dec 2021<br/>S\$ cents</b> |
| <b>Net asset value per ordinary share</b> | <b>2.61</b>                      | <b>2.69</b>                      | <b>0.74</b>                      | <b>0.77</b>                      |

**8. Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income comprise the following:

|                          | <b>Group</b>                   |                                |
|--------------------------|--------------------------------|--------------------------------|
|                          | <b>31 Dec 2022<br/>S\$'000</b> | <b>31 Dec 2021<br/>S\$'000</b> |
| <b>Equity Investment</b> | -                              | -                              |

**8.1 Fair value measurement**

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

**HGH HOLDINGS LTD.****UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022**

The following table presented the assets measured at fair value:

|  | Group<br>Fair value measurements at the end of the reporting period<br>using |                    |                    |                  |
|--|--|--------------------|--------------------|------------------|
|  | Level 1<br>S\$'000   | Level 2<br>S\$'000 | Level 3<br>S\$'000 | Total<br>S\$'000 |
| <b>31 December 2022 / 31 December 2021</b> |  |                    |                    |                  |
| Financial assets                           |  |                    |                    |                  |
| FVOCI investments (Quoted investments)     | -  | -                  | -*                 | -                |

\* The fair value of investment was written down to zero as of 31 December 2021.

**9. Intangible assets**

|                                 | Group                                |                     |                  |
|---------------------------------|--------------------------------------|---------------------|------------------|
|                                 | Customer<br>relationships<br>S\$'000 | Software<br>S\$'000 | Total<br>S\$'000 |
| <b>Cost</b>                     |                                      |                     |                  |
| Beginning of financial year     | 4,589                                | 42                  | 4,631            |
| Addition                        | -                                    | 51                  | 51               |
| End of financial year           | 4,589                                | 93                  | 4,682            |
| <b>Accumulated amortisation</b> |                                      |                     |                  |
| Beginning of financial year     | 3,661                                | 23                  | 3,684            |
| Charge for the year             | 82                                   | 24                  | 103              |
| End of financial year           | 3,743                                | 47                  | 3,790            |
| <b>Impairment loss</b>          |                                      |                     |                  |
| Beginning/end of financial year | 846                                  | -                   | 846              |
| <b>Net book value</b>           |                                      |                     |                  |
| At 31 Dec 2022                  | -                                    | 46                  | 46               |
| At 31 Dec 2021                  | 82                                   | 19                  | 101              |

**10. Property, plant and equipment**

During the year ended 31 December 2022, the Group acquired assets amounting to S\$ 2,728,981 (31 December 2021: S\$407,842) and disposed of assets amounting to S\$155,853 (31 December 2021: S\$ 40,793). The additions S\$ 1,066,800 (31 December 2021: S\$ 56,934) were financed by leasing from financial institution.

**11. 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 2022<br>S\$'000 | 31 Dec 2021<br>S\$'000 |
|---|------------------------|------------------------|
| <i>Cost</i>   |                        |                        |
| Beginning/end of financial year                       | 68,047                 | 68,047                 |
| <i>Accumulated depreciation and impairment losses</i> |                        |                        |
| Beginning of financial year                           | 14,538                 | 11,429                 |
| Depreciation charge for the year                      | 3,136                  | 3,109                  |
| End of financial year                                 | 17,674                 | 14,538                 |

**HGH HOLDINGS LTD.**  
**UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022**

|                          | <b>31 Dec 2022</b> | <b>31 Dec 2021</b> |
|--------------------------|--------------------|--------------------|
|                          | <b>S\$'000</b>     | <b>S\$'000</b>     |
| <i>Net book value</i>    |                    |                    |
| At end of financial year | <u>50,373</u>      | <u>53,509</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.

**12. Share capital**

|                | <b>Group and Company</b> |                |                         |                |
|----------------|--------------------------|----------------|-------------------------|----------------|
|                | <b>31 Dec 2022</b>       |                | <b>31 Dec 2021</b>      |                |
|                | <b>Number of shares</b>  | <b>Amount</b>  | <b>Number of shares</b> | <b>Amount</b>  |
|                | <b>'000</b>              | <b>S\$'000</b> | <b>'000</b>             | <b>S\$'000</b> |
| <b>Balance</b> | <b>1,780,861</b>         | <b>35,225</b>  | <b>1,780,861</b>        | <b>35,225</b>  |

The Company did not hold any treasury shares nor have outstanding options, convertibles or subsidiary holdings as at 31 December 2022 and 31 December 2021.

**13. 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 Listing Rule

### 1. Review

The condensed consolidated statements of financial position of HGH Holdings Ltd. and its subsidiaries as at 31 December 2022, 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.

The Group's latest financial statements for the financial year ended 31 December 2021 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 2022 ("2H 2022") and full year ended 31 December 2022 ("FY 2022") compared to six months period ended 31 December 2021 ("2H 2021") and full year ended 31 December 2021 ("FY 2021")***

#### **Revenue**

The Group's revenue for 2H 2022 reduced by S\$1.24 million while FY 2022 increased by S\$1.52 million as compared to 2H 2021 and FY 2021 respectively. The decrease in 2H was attributable to lower revenue from PC, PHH and EMS by approximately S\$0.89 million, S\$0.65 million and S\$0.05 million respectively, offset by higher revenue from WPP by S\$0.34million. In FY 2022, revenue from PC increased by S\$2.70 million, offset by decreased revenue from EMS, PHH and WPP by S\$0.18 million, S\$0.05 million and S\$0.94 million respectively.

#### **Cost of Sales**

Cost of sales for 2H 2022 was lower by S\$0.93 million as compared to 2H 2021 while FY2022 was higher by S\$2.23 million in comparison to FY 2021. This was in tandem with the revenue.

#### **Gross Profit**

Gross profit in 2H 2022 and FY2022 amounted to approximately S\$ 1.91 million and S\$3.84 million respectively; decrease of 14.1% and 15.8% respectively as compared to 2H 2021and FY 2021.

#### **Other Income**

In 2H 2022, the Group's other operating income reduced by S\$0.23 million while in FY 2022, it was decreased by S\$0.18 million. It was mainly due to decreased contribution from government grants provided as COVID-19 support.

#### **Distribution Costs**

In FY 2022, the Group's distribution cost increased by S\$0.17 million as compared to FY2021 while in 2H 2022, it was higher by S\$0.04 million. This was mainly due to higher expenses incurred by PC during the year, in tandem with the increase in its revenue.

#### **Administrative Costs**

The Group's administrative expenses in 2H 2022 increased by approximately S\$0.43 million while FY 2022 increased by S\$0.12 million mainly due to overall increase in administrative costs in all entities.

#### **Other expenses**

The Group's other expenses reduced by S\$1.48 million and S\$1.87 million in 2H 2022 and FY 2022 respectively, mainly due to the impairment of intangible assets (i.e., PHH's customer relationships) amounting to S\$0.85 million, PHH's amortization of S\$0.42 million and impairment loss on right-of-use assets of WPP (M) of S\$0.12 million in FY 2021. Additionally, in FY 2022 EMS's intangible asset (customer relationship) was fully amortised at S\$0.08 million as compared to S\$0.49million in FY 2021.

#### **Net impairment gain/(loss) on financial assets**

The Group's net impairment gain of S\$0.18 million on the Group's financial assets for 2H 2022 and FY2022 is mainly due to the recovery of receivables in EMS.

**HGH HOLDINGS LTD.**  
**UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022**

***Finance expenses***

The Group's finance costs for current year and period remained constant as compared to 2H 2021 and FY 2021.

***Income Tax Credit***

The Group's income tax credit for 2H 2022 and FY2022 is mainly due to the deferred tax assets arising from the fair value adjustment for the investment property and intangible asset of EMS.

**Balance Sheet**

***Property, Plant and Equipment***

As at 31 December 2022, the net book value of the Group's property, plant and equipment was approximately S\$3.78 million. The foregoing constituted approximately 7.0% of the Group's non-current assets as at 31 December 2022.

***Investment properties***

The leasehold building of EMS was charged with depreciation amounting to S\$3.14 million in FY 2022 and it constituted 92.8% 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. During the year, amortisation amounting to S\$0.11 million was charged.

***Inventories***

As at 31 December 2022, the inventories remained constant.

***Trade and other receivables***

Compared to FY 2021, trade and other receivables increased by S\$0.25 million, mainly due to higher revenue recorded, offset by impairment gain on financial assets during the year.

***Contract assets***

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

***Cash and Bank Balance***

The Group's cash and bank balances reduced by S\$1.05 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\$5.73 million which constituted 86.2% of the Group's current liabilities.

***Provision for defects liability***

The provision for defects liability amounting to S\$0.24 million was provided for the contracts delivered by PHH. It was lower due to the reversal during the FY 2022.

***Lease liabilities from financial institutions***

In FY 2022, the Group leased additional motor vehicles from financial institutions amounting to S\$1.07 million and repaid S\$0.22 million during the year.

***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.

**HGH HOLDINGS LTD.  
UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022**

**Statement of Cash Flows**

The net decrease in the Group's cash and cash equivalents amounted to approximately S\$1.05 million, which was attributable to the following:

***Net cash generated from operating activities of S\$1.18 million***

The operating cash flows before changes in working capital amounted to S\$1.88 million and the net cash generated from operating activities was mainly due to increase in trade and other receivables and other current assets, increase in contract assets as well as increase in trade and other payables amounting to S\$0.03 million, S\$0.77 million and S\$0.20 million respectively.

***Net cash used in investing activities of S\$1.33 million***

The net cash used in investing activities was mainly due to the purchase of intangible assets and plants and equipment amounting to S\$0.05 million and S\$1.66 million respectively, that is partially offset by the proceeds from disposal of plants and equipment amounting to S\$0.38 million.

***Net cash used in financing activities of S\$0.90 million***

The net cash used in financing activities was mainly due to repayment of lease liabilities from financial institutions and lease liabilities.

**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**

The Covid-19 pandemic became more manageable in early 2022. However, it was followed by logistic and supply chain disruptions, fuel, material, food and commodity prices hikes, as well as global inflation and interest rate hikes. Thus, the Group expects a slow recovery in its business activities. However, the Group expects a consistent flow of revenue contribution from EMS for the next 12 months, mainly arising from contracted leasing/service income.

The Group expects the economic situation to remain challenging. The Group will continue to stay vigilant on managing its operation costs.

**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 2022.

**(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 2021.

**(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.

**HGH HOLDINGS LTD.  
UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022**

**(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 2022 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 2022.

**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 2022 (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.**

| <b>Name</b> | <b>Age</b> | <b>Family relationship with any director and/ or substantial shareholder</b> | <b>Current position and duties, and the year the position was first held</b>   | <b>Details of changes in duties and position held, if any, during the year</b> |
|-------------|------------|--|--|--|
| Tan Jun Hao | 34         | Nephew of Executive Director, Tan Poh Guan                                   | Director, Engineering Manufacturing Services (S) Pte. Ltd.,<br>January 2019 – Present<br><br>Director, Premium Concrete Pte. Ltd.<br>August 2014 – Present<br><br>Director, Poh Huat Heng Corporation Pte. Ltd.<br>November 2020 - Present | N.A.   |



**HGH HOLDINGS LTD.  
UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022**

**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