



HUATONG GLOBAL LIMITED
(UEN 201422395Z)
(Incorporated in Singapore)

Unaudited Condensed Interim Financial Statements
For the six months ended 30 June 2024 (“HY2024”)

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HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 30 June 2024

	Note	Group		(+/-) %
		For the half year ended 30.06.2024 (Unaudited) \$'000	30.06.2023 (Unaudited) \$'000	
Revenue	3	119,375	69,840	70.9
Cost of sales and services		(95,402)	(56,433)	69.1
Gross profit		<u>23,973</u>	<u>13,407</u>	78.8
<i>Other item of income</i>				
Other income		4,141	1,788	131.6
<i>Other items of expense</i>				
Administrative expenses		(11,708)	(6,083)	92.5
Other expenses		(60)	(231)	(74.0)
Loss allowance on trade receivables and contract assets		(2,012)	(800)	151.5
Finance costs		(1,576)	(1,745)	(9.7)
Share of results of a joint venture		-	(1)	n.m.
Profit before income tax	4	<u>12,758</u>	<u>6,335</u>	101.4
Income tax expense	5	(1,921)	(1,200)	60.1
Profit for the financial period		<u>10,837</u>	<u>5,135</u>	111.0
<i>Other comprehensive loss:</i>				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Fair value loss on financial assets at FVOCI		(18)	(9)	100.0
Other comprehensive loss, net of tax		<u>(18)</u>	<u>(9)</u>	100.0
Total comprehensive income for the financial period		<u>10,819</u>	<u>5,126</u>	111.1
Profit attributable to:				
Owners of the parent		10,821	5,223	107.2
Non-controlling interests		16	(88)	(118.2)
		<u>10,837</u>	<u>5,135</u>	111.0
Total comprehensive income attributable to:				
Owners of the parent		10,803	5,214	107.2
Non-controlling interests		16	(88)	(118.2)
		<u>10,819</u>	<u>5,126</u>	111.1
Earnings per share attributable to owners of the parent:				
- Basic and diluted (in cents)	13	<u>6.11</u>	<u>2.95</u>	

Note:

(1) FVOCI: fair value through other comprehensive income

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

	Note	Group	
		As at	
		30.06.2024 (Unaudited) \$'000	31.12.2023 (Audited) \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	63,215	49,200
Right-of-use assets	7	39,906	37,930
Financial assets at FVTPL	10	-	2,867
Intangible assets	9	39	47
		103,160	90,044
Current assets			
Contract assets		66,261	64,872
Financial assets at FVTPL	10	6,237	3,083
Financial assets at FVOCI	11	779	802
Inventories		2,957	2,240
Trade and other receivables		25,513	45,998
Prepayments		6,871	4,342
Cash and cash equivalents		120,539	70,691
		229,157	192,028
Total assets		332,317	282,072
EQUITY AND LIABILITIES			
Equity			
Share capital	12	41,157	41,157
Other reserves		(15,118)	(15,100)
Accumulated profits		80,697	70,762
Equity attributable to owners of the parent		106,736	96,819
Non-controlling interests		(1,040)	(1,056)
Total equity		105,696	95,763
Non-current liabilities			
Trade and other payables		1,000	1,000
Lease liabilities	8	21,691	18,438
Bank borrowings	8	4,470	8,640
Deferred tax liabilities		3,215	2,818
		30,376	30,896
Current liabilities			
Contract liabilities		70,416	41,812
Trade and other payables		70,279	69,801
Lease liabilities	8	9,658	9,602
Bank borrowings	8	42,411	30,669
Current income tax payable		3,481	3,529
		196,245	155,413
Total liabilities		226,621	186,309
Total equity and liabilities		332,317	282,072

Note:

(1) FVTPL: fair value through profit or loss

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (cont'd)

As at 30 June 2024

		Company	
		As at	
	Note	30.06.2024	31.12.2023
		(Unaudited)	(Audited)
		\$'000	\$'000
ASSETS			
Non-current assets			
Investments in subsidiaries		41,735	41,735
Intangible assets	9	4	6
Other receivables		12,710	12,710
		<u>54,449</u>	<u>54,451</u>
Current assets			
Other receivables		2,900	4,000
Prepayments		20	5
Cash and cash equivalents		69	78
		<u>2,989</u>	<u>4,083</u>
Total assets		<u>57,438</u>	<u>58,534</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	41,157	41,157
Accumulated profits		3,476	4,544
Total equity		<u>44,633</u>	<u>45,701</u>
Non-current liabilities			
Other payables		<u>10,283</u>	10,432
Current liabilities			
Trade and other payables		<u>2,522</u>	2,401
Total liabilities		<u>12,805</u>	<u>12,833</u>
Total equity and liabilities		<u>57,438</u>	<u>58,534</u>

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 30 June 2024

Group (Unaudited)	Note	Share capital \$'000	Accumulated profits \$'000	Other reserves \$'000	Total equity attributable to owners of the parent \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance as at 1.1.2024		41,157	70,762	(15,100)	96,819	(1,056)	95,763
Profit for the financial period		–	10,821	–	10,821	16	10,837
Other comprehensive loss:							
- Fair value loss on financial assets at FVOCI	11	–	–	(18)	(18)	–	(18)
		–	–	(18)	(18)	–	(18)
Total comprehensive income/(loss) for the financial period		–	10,821	(18)	10,803	16	10,819
Dividend		–	(886)	–	(886)	–	(886)
Balance as at 30.06.2024		41,157	80,697	(15,118)	106,736	(1,040)	105,696

The accompanying notes form an integral part of these financial statements.

HUATIONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (cont'd)

For the financial period ended 30 June 2024

Group (Unaudited)	Share capital \$'000	Accumulated profits \$'000	Other reserves \$'000	Reserve of disposal group classified as held-for-sale \$'000	Total equity attributable to owners of the parent \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance as at 1.1.2023	41,157	57,906	(26,119)	10,651	83,595	(1,014)	82,581
Profit/(loss) for the financial period	–	5,223	–	–	5,223	(88)	5,135
Other comprehensive loss:							
- Fair value loss on financial assets at FVOCI	11	–	(9)	–	(9)	–	(9)
		–	(9)	–	(9)	–	(9)
Total comprehensive income/(loss) for the financial period	–	5,223	(9)	–	5,214	(88)	5,126
Dividend	–	(886)	–	–	(886)	–	(886)
Balance as at 30.06.2023	41,157	62,243	(26,128)	10,651	87,923	(1,102)	86,821

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the financial period ended 30 June 2024

	Share capital \$'000	Accumulated profits \$'000	Total equity \$'000
Company (Unaudited)			
Balance as at 1.1.2024	41,157	4,544	45,701
Loss and total comprehensive loss for the financial period	–	(182)	(182)
Dividend	–	(886)	(886)
Balance as at 30.06.2024	41,157	3,476	44,633
Balance as at 1.1.2023	41,157	3,284	44,441
Loss and total comprehensive loss for the financial period	–	(157)	(157)
Dividend	–	(886)	(886)
Balance as at 30.06.2023	41,157	2,241	43,398

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 30 June 2024

	Note	Group	
		For the half year ended 30.06.2024 (Unaudited) \$'000	30.06.2023 (Unaudited) \$'000
Cash flows from operating activities			
Profit before income tax		12,758	6,335
Adjustments for:			
Reversal of allowance for impairment of financial assets at FVOCI upon redemption		(6)	(6)
Loss allowance on trade receivables and contract assets		2,012	800
Amortisation of intangible assets	9	8	8
Depreciation of property, plant and equipment	6	5,598	3,667
Depreciation of right-of-use assets	7	3,281	3,336
Loss/(gain) on disposal of property, plant and equipment		282	(97)
Fair value gain of financial assets at FVTPL	10	(106)	(101)
Interest expenses		1,455	1,673
Interest income		(1,945)	(340)
Share of results of a joint venture		–	1
Unrealised exchange differences, net		(181)	(6)
Operating cash flows before working capital changes		23,156	15,270
Working capital changes:			
Trade and other receivables		20,495	(9,101)
Prepayments		(2,529)	(234)
Contract liabilities, net		25,195	17,867
Inventories		(717)	(811)
Trade and other payables		478	6,906
Cash from operations		66,078	29,897
Interest received		1,919	314
Income tax paid		(1,573)	(1,466)
Net cash from operating activities		66,424	28,745
Cash flows from investing activities			
Purchase of property, plant and equipment		(15,566)	(4,327)
Interest received		26	26
Proceeds from disposal of property, plant and equipment and right-of-use assets		254	246
Proceeds from redemption of financial assets at FVOCI		10	10
Net cash used in investing activities		(15,276)	(4,045)

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
For the financial period ended 30 June 2024

		Group	
		For the half year ended	
		30.06.2024	30.06.2023
		(Unaudited)	(Unaudited)
	Note	\$'000	\$'000
Cash flows from financing activities			
Proceeds from trust receipts/letters of credits		54,056	25,237
Repayment of trust receipts/letters of credits		(45,796)	(26,609)
Proceeds from bank loans		2,929	1,448
Repayment of bank loans		(3,617)	(4,961)
Interest paid		(1,455)	(1,673)
Repayment of lease liabilities		(6,531)	(6,952)
Dividends paid		(886)	(886)
Net cash used in financing activities		(1,300)	(14,396)
Net changes in cash and cash equivalents			
Cash and cash equivalents as at the beginning of the financial period		49,848	10,304
Cash and cash equivalents as at the end of the financial period		70,691	23,065
		120,539	33,369

The accompanying notes form an integral part of these financial statements.

HUATIONG GLOBAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS For the financial period ended 30 June 2024

1. General corporate information

Huationg Global Limited (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Company’s registered office address and principal place of business is at 9 Benoi Crescent, Singapore 629972. The Company’s registration number is 201422395Z.

The Company’s immediate and ultimate holding company is Dandelion Capital Pte. Ltd., a company incorporated in Singapore, which is controlled by Ng Hai Liong, Ng Kian Ann Patrick and Ng Kian Yeow, Vincent.

The principal activity of the Company is that of investment holding company.

2. Significant accounting policies

(a) Basis of preparation

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

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

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

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I)s and Interpretations of SFRS(I)s (“**INT SFRS(I)**”) that are relevant to its operations and effective for the current financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and INT SFRS(I).

The adoption of these new and revised SFRS(I)s and INT SFRS(I) did not have any material effect on the financial results or position of the Group and the Company.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial period ending 30 June 2024 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

2. Significant accounting policies (cont'd)

Basis of preparation (cont'd)

(b) Use of estimates and judgements

The preparation of condensed interim financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the financial year are disclosed in Note 3 in our financial year ended 31 December 2023 Annual Report.

The carrying amounts of cash and cash equivalents, trade and other receivables and payables and current bank borrowings approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

3. Revenue

The Group is organised into business units based on its services, and has four reportable operating segments as follows:

(a) Disaggregation of revenue

	Group	
	For the half year ended	
	30.06.2024	30.06.2023
	(Unaudited)	(Unaudited)
	\$'000	\$'000
By nature:		
Revenue from civil engineering contract works	79,074	38,206
Inland logistics support service income	8,646	8,327
Sales of construction materials	6,235	1,985
Dormitory operation	25,420	21,322
	119,375	69,840

(b) Segmentation information

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.

Due to the nature of the Group's operations, no segment assets and liabilities are presented to the chief operating decision maker. Chief operating decision maker manages the assets, liabilities, finance costs and income taxes on a Group basis.

3 (b) Segment information (cont'd)

Operating segments	Civil engineering contract works \$'000	Inland logistics support \$'000	Sale of construction materials \$'000	Dormitory operation \$'000	Unallocated \$'000	Elimination \$'000	Consolidated \$'000
For the half year ended 30.06.2024 (Unaudited)							
<i>Revenue</i>							
External revenue	79,074	8,646	6,235	25,420	–	–	119,375
Inter-segment revenue	4,753	6,086	1,968	–	–	(12,807)	–
	83,827	14,732	8,203	25,420	–	(12,807)	119,375
<i>Results</i>							
Segment results	5,951	632	963	4,787	(65)	–	12,268
Share of results of a joint venture	–	–	–	–	–	–	–
Interest income							1,945
Interest expenses							(1,455)
Profit before income tax							12,758
Income tax expenses							(1,921)
Profit for the financial period							10,837
<i>Non-cash items</i>							
Loss on disposal of property, plant and equipment	(183)	(32)	(12)	(55)	–	–	(282)
Depreciation of property, plant and equipment	(5,009)	(426)	(383)	(40)	–	260	(5,598)
Depreciation of right-of-use assets	(2,499)	(677)	(85)	(20)	–	–	(3,281)
Reversal of allowance for impairment of financial assets at FVOCI upon redemption	–	–	–	–	6	–	6
Amortisation of intangible assets	(5)	(1)	–	(1)	(1)	–	(8)
Fair value gain of financial assets at FVTPL	–	–	–	–	106	–	106
Loss allowance on trade receivables and contract assets	(2,020)	–	–	8	–	–	(2,012)

3 (b) Segment information (cont'd)

Operating segments	Civil engineering contract works \$'000	Inland logistics support \$'000	Sale of construction materials \$'000	Dormitory operation \$'000	Unallocated \$'000	Elimination \$'000	Consolidated \$'000
For the half year ended 30.06.2023 (Unaudited)							
<i>Revenue</i>							
External revenue	38,206	8,327	1,985	21,322	–	–	69,840
Inter-segment revenue	3,464	3,901	443	9,000	–	(16,808)	–
	<u>41,670</u>	<u>12,228</u>	<u>2,428</u>	<u>30,322</u>	<u>–</u>	<u>(16,808)</u>	<u>69,840</u>
<i>Results</i>							
Segment results	3,338	79	36	4,265	(51)	–	7,669
Share of results of a joint venture	(1)	–	–	–	–	–	(1)
Interest income							340
Interest expenses							<u>(1,673)</u>
Profit before income tax							6,335
Income tax expenses							<u>(1,200)</u>
Profit for the financial period							<u>5,135</u>
<i>Non-cash items</i>							
Gain on disposal of property, plant and equipment	53	5	1	38	–	–	97
Depreciation of property, plant and equipment	(3,291)	(192)	(167)	(17)	–	–	(3,667)
Depreciation of right-of-use assets	(3,304)	(6)	(26)	–	–	–	(3,336)
Reversal of allowance for impairment of financial assets at FVOCI upon redemption	–	–	–	–	6	–	6
Amortisation of intangible assets	(4)	–	–	(3)	(1)	–	(8)
Fair value gain of financial assets at FVTPL	–	–	–	–	101	–	101
Loss allowance on trade receivables and contract assets	(800)	–	–	–	–	–	(800)

4. Profit before income tax

In addition to those disclosed elsewhere in the condensed interim financial statements, profit before income tax is arrived at after charging/(crediting) the following:

	Group	
	For the half year ended	
	30.06.2024	30.06.2023
	(Unaudited)	(Unaudited)
	\$'000	\$'000
<i>Cost of sales and services</i>		
Employee benefits expense		
- salaries, wages and other benefits	10,917	12,204
- contribution to Central Provident Fund	103	94
Depreciation of property, plant and equipment	5,392	3,626
Depreciation of right-of-use assets	3,179	3,336
Diesel/fuel costs	9,868	8,420
Material costs	19,315	6,767
Short-term lease expense		
- trucks and equipment	1,474	969
Repair and maintenance	6,125	4,494
Subcontract costs	19,826	6,009
	<hr/> <hr/>	<hr/> <hr/>
<i>Administrative expenses</i>		
Employee benefits expense		
- salaries, wages and other benefits	8,626	4,084
- contribution to Central Provident Fund	357	286
Directors' fees	80	63
Directors' remuneration		
- salaries, wages and other benefits	1,531	685
- contribution to Central Provident Fund	9	51
Depreciation of property, plant and equipment	206	41
Depreciation of right-of-use assets	102	-
Short-term lease expense		
- construction site and other operating facilities	143	99
	<hr/> <hr/>	<hr/> <hr/>
<i>Other income</i>		
Government grants income	(179)	(123)
	<hr/> <hr/>	<hr/> <hr/>
<i>Reversal of/loss allowance on trade receivables and contract assets</i>		
Reversal of allowance on trade receivables	(8)	-
Loss allowance on contract assets	2,020	800
	<hr/> <hr/>	<hr/> <hr/>

5. Income tax expense

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

	Group	
	For the half year ended	30.06.2023
	30.06.2024	(Unaudited)
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
<i>Income tax:</i>		
– current	1,921	1,084
– (over)/under provision in respect of prior years	(397)	30
	1,524	1,114
 <i>Deferred tax:</i>		
– current	361	86
– under provision in respect of prior years	36	–
	397	86
 Income tax expense recognised in the condensed interim statement of comprehensive income	1,921	1,200

6. Property, plant and equipment

	(Unaudited)
	S\$'000
Group	
Cost or valuation	
Balance as at 1.1.2024	164,081
Additions	24,877
Reclassified to right-of-use assets upon obtaining financing through leases (Note 7)	(9,311)
Reclassified from right-of-use assets upon full payment (Note 7)	8,400
Disposals	(3,499)
Written off	(28)
Balance as at 30.06.2024	184,520
 Accumulated depreciation	
Balance as at 1.1.2024	114,731
Depreciation	5,598
Reclassified to right-of-use assets upon obtaining financing through leases (Note 7)	(266)
Reclassified from right-of-use assets upon full payment (Note 7)	4,083
Disposals	(2,963)
Written off	(28)
Balance as at 30.06.2024	121,155
 Accumulated impairment losses	
Balance as at 1.1.2024 and 30.06.2024	150
 Net carrying amount	
Balance as at 30.06.2024	63,215

7. Right-of-use assets

The Group has lease contracts for land-use-rights for leasehold properties and construction sites, machineries, trucks and vehicles and worksite equipment. The Group's obligation under these leases are secured by the lessor's title to the leased assets. There are no externally imposed restrictions on these lease arrangements for right-of-use assets. Except for the land-use-rights for leasehold properties and construction sites, the Group is not restricted from assigning and subleasing the leased assets.

	(Unaudited) \$'000
Group	
Cost	
Balance as at 1.1.2024	55,421
Additions	529
Reclassified from property, plant and equipment upon obtaining financing through leases (Note 6)	9,311
Reclassified to property, plant and equipment upon full payment (Note 6)	<u>(8,400)</u>
Balance as at 30.06.2024	<u>56,861</u>
Accumulated depreciation	
Balance as at 1.1.2024	17,491
Depreciation	3,281
Reclassified from property, plant and equipment upon obtaining financing through leases (Note 6)	266
Reclassified to property, plant and equipment upon full payment (Note 6)	<u>(4,083)</u>
Balance as at 30.06.2024	<u>16,955</u>
Net carrying amount	
Balance as at 30.06.2024	<u><u>39,906</u></u>

8. Loans and borrowings

Group	As at	
	30.06.2024 (Unaudited) S\$'000	31.12.2023 (Audited) S\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	33,031	26,565
Unsecured	19,038	13,706
	<u>52,069</u>	<u>40,271</u>
 <u>Amount repayable after one year</u>		
Secured	22,707	26,704
Unsecured	3,454	374
	<u>26,161</u>	<u>27,078</u>
 Total loans and borrowings	<u>78,230</u>	<u>67,349</u>

Secured Borrowings

Bank borrowings

As at 30 June 2024, the Group's bank borrowings amounted to S\$46.9 million (31 December 2023: S\$39.3 million), of which approximately S\$18.4 million (31 December 2023: S\$24.5 million) was secured by mortgages over a leasehold property and beneficial interest arising from certain insurance policies undertaken by the Group.

Lease liabilities

As at 30 June 2024, the Group's lease liabilities amounted to S\$31.3 million (31 December 2023: S\$28.0 million), of which approximately S\$31.3 million (31 December 2023: S\$23.9 million) was secured by the Group's leased plant and equipment with net carrying amount of S\$36.2 million as at 30 June 2024 (31 December 2023: S\$34.0 million).

All the bank borrowings and the secured lease liabilities were supported by corporate guarantees provided by the Company.

9. Intangible assets

	30.06.2024 (Unaudited) \$'000
Group	
Cost	
Balance as at 1.1.2024 and 30.06.2024	<u>195</u>
Accumulated amortisation	
Balance as at 1.1.2024	(105)
Amortisation for the financial period	<u>(8)</u>
Balance as at 30.06.2024	<u>(113)</u>
Accumulated impairment losses	
Balance as at 1.1.2024 and 30.06.2024	<u>(43)</u>
Net carrying amount	
Balance as at 30.06.2024	<u><u>39</u></u>
	30.06.2024 (Unaudited) \$'000
Company	
Cost	
Balance as at 1.1.2024 and 30.06.2024	<u>26</u>
Accumulated amortisation	
Balance as at 1.1.2024	(20)
Amortisation for the financial period	<u>(2)</u>
Balance as at 30.06.2024	<u>(22)</u>
Net carrying amount	
Balance as at 30.06.2024	<u><u>4</u></u>

10. Financial assets at FVTPL

	Group	
	As at	
	30.06.2024	31.12.2023
	(Unaudited)	(Audited)
	\$'000	\$'000
Investments in life insurances, at fair value		
Current		
- Life Insurance Policy I	2,996	–
- Life Insurance Policy II	3,241	3,083
	<u>6,237</u>	<u>3,083</u>
Non-current		
- Life Insurance Policy I	–	2,867
	<u>6,237</u>	<u>5,950</u>

Movements of investments in life insurances are as follows:

	Group	
	As at	
	30.06.2024	31.12.2023
	(Unaudited)	(Audited)
	\$'000	\$'000
Balance as at the beginning of the financial period/year	5,950	5,862
Unrealised foreign exchange gain/(loss)	181	(117)
Fair value gain	106	205
Balance as at the end of the financial period/year	<u>6,237</u>	<u>5,950</u>

The investments in life insurances are denominated in United States dollars and translated to Singapore dollars.

11. Financial assets at FVOCI

	Group	
	As at	
	30.06.2024	31.12.2023
	(Unaudited)	(Audited)
	\$'000	\$'000
<i>Financial assets measured at FVOCI</i>		
Quoted debt securities, at fair value		
- Instrument I	774	779
- Instrument II	5	23
	<u>779</u>	<u>802</u>

Movements of investments in quoted debt securities are as follows:

	Group	
	As at	
	30.06.2024	31.12.2023
	(Unaudited)	(Audited)
	\$'000	\$'000
Balance as at the beginning of the financial period/year	802	806
Redemption during the financial period/year	(5)	(9)
Interest earned	26	53
Interest received	(26)	(53)
Fair value loss recognised in other comprehensive income, net	(18)	5
Balance as at the end of the financial period/year	<u>779</u>	<u>802</u>

The investments in quoted debt securities are denominated in Singapore dollar.

12. Share capital

	Group and Company			
	As at		As at	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Number of ordinary shares		\$'000	
<u>Issued and fully-paid</u>				
Balance as at the beginning and end of the financial period/year	<u>177,239,600</u>	177,239,600	<u>41,157</u>	41,157

The holders of ordinary shares as at the respective record date are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

13. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the owners of the parent is based on the following data.

(Unaudited)	Group	
	For the half year ended 30.06.2024	30.06.2023
Profit attributable to owners of the parent (\$'000)	<u>10,821</u>	<u>5,223</u>
Weighted average number of ordinary shares outstanding	<u>177,239,600</u>	<u>177,239,600</u>
Basic and diluted earnings per share (in cents)	<u>6.11</u>	<u>2.95</u>

The calculations for basic earnings per share for the relevant periods are based on the profit attributable to owners of the parent for the financial periods ended 30 June 2024 and 30 June 2023 divided by the weighted average number of ordinary shares in the relevant periods.

Diluted earnings per share

The dilutive earnings per share for the relevant periods are the same as the basic earnings per share as the Group does not have any dilutive potential ordinary shares for the relevant periods.

14. Significant related party transactions

During the financial period, in addition to the information disclosed elsewhere in this condensed interim financial statements, the Group entered into the following transactions with related parties at rates and terms agreed between the parties:

	Group	
	For the half year ended 30.06.2024	30.06.2023
	(Unaudited)	(Unaudited)
	\$'000	\$'000
<i>With related parties*</i>		
Rental of equipment and trucks from related parties	630	699
Supply of labour to related parties	<u>–</u>	<u>23</u>

* The related parties refer to entities controlled by or associated with the Executive Directors of the Company which are not within the Group.

15. Financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	As at	As at	As at	As at
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
Financial assets at amortised cost	145,415	115,391	15,679	16,788
Financial assets at FVTPL	6,237	5,950	–	–
Financial assets at FVOCI	779	802	–	–
<i>Financial liabilities</i>				
Financial liabilities at amortised cost	148,879	135,004	12,805	12,833

F. Other information required by Appendix 7C of the Catalist Rules

- 1. Details of any changes in the company’s share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares of the issuer and subsidiary holdings, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company’s share capital from 31 December 2023 to 30 June 2024.

There were no outstanding options, convertibles, treasury shares or subsidiary holdings as at 30 June 2024 and 30 June 2023.

- 1(a) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	30.06.2024	31.12.2023
Total number of issued shares excluding treasury shares	177,239,600	177,239,600

- 1(b) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 1(c) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have neither been audited nor reviewed by the Company’s auditors.

- 3. Where the figures have been audited or reviewed, the auditors’ report (including any modifications or emphasis of a matter)**

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, (a) Updates on the efforts taken to resolve each outstanding audit issue. (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable. The latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

- 4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 December 2023.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group adopted the new/revised Singapore Financial Standards (International) (“SFRS(I)”) that are effective for annual periods beginning on or after 1 January 2024. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I), SFRS(I) Interpretations and amendments to SFRS(I).

The adoption of the new SFRS(I), SFRS(I) Interpretations and amendments to SFRS(I) did not have any significant impact on the financial statements of the Group for the current financial reporting period.

- 6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earnings per ordinary share:	Group	
	HY2024 Unaudited	HY2023 Unaudited
Profit attributable to owners of the Company (S\$'000)	10,821	5,223
Weighted average number of ordinary shares	177,239,600	177,239,600
Basic and diluted EPS (Singapore cents)	6.11	2.95

(a) Basic earnings per share (“EPS”) is calculated by dividing the net profit for the financial period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial period.

(b) The basic and diluted EPS are the same as there were no potential dilutive ordinary shares in issue as at 30 June 2024 and 30 June 2023.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30.06.2024 Unaudited	31.12.2023 Audited	30.06.2024 Unaudited	31.12.2023 Audited
Net asset value per ordinary share (Singapore cents)	59.63	54.03	25.18	25.78
Number of ordinary shares in issue	177,239,600	177,239,600	177,239,600	177,239,600

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. The review must discuss:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Statement of comprehensive income of the Group for half year ended 30 June 2024 (“HY2024”) vs. for half year ended 30 June 2023 (“HY2023”)

The Group’s revenue increased by approximately S\$49.6 million or 70.9% from S\$69.8 million in HY2023 to S\$119.4 million in HY2024 mainly due to an increase in revenue from civil engineering contract works. Civil Engineering contract works revenue was S\$79.1 million in HY2024 representing an increase of approximately S\$40.9 million (HY2023: S\$38.2 million) mainly due to new contracts and higher construction activity in HY2024. This increase was further improved by higher revenue in other business segments, Sale of construction materials, increase of revenue of S\$4.3million and Dormitory Operation, increased by S\$4.1million.

Cost of sales and services increased by approximately S\$39.0 million or 69.1% from S\$56.4 million in HY2023 to S\$95.4 million in HY2024. The increase was mainly due to the increase in Civil Engineering contract works segment activity and in line with the increase in revenue and partially offset by \$3.8 million, due to reclassification of Foreign Worker Levy to administrative expenses. The Group recorded a gross profit of S\$24.0 million in HY2024 as compared to a gross profit of S\$13.4 million in HY2023. The increase in the gross profit of S\$10.6 million or 78.8% was partially due to the above reasons and also due to the contribution from our Civil Engineering contract works segment in HY2024.

Depreciation expenses increased by approximately S\$1.9 million or 27.1% from S\$7.0 million in HY2023 to S\$8.9 million in HY2024. The increase was mainly due to purchases of additional plant and equipment in HY2024 to cater for the higher activity in the Civil Engineering contract works segment.

Other income increased by approximately S\$2.3 million or 131.6% from S\$1.8 million in HY2023 to S\$4.1 million in HY2024. The increase was mainly due to higher interest income resulting from higher interest rates for bank deposits and increase in cash and cash equivalents balances.

Administrative expenses increased by approximately S\$5.6 million or 92.5% from S\$6.1 million in HY2023 to S\$11.7 million in HY2024. The increase was mainly due to reclassification from Cost of sales to Administrative expenses for Foreign Worker Levy staff costs incurred in HY2024 and increase in salaries related expenses.

Other expenses decreased by approximately S\$171,000 or 74.0% from S\$231,000 in HY2023 to S\$60,000 in HY2024. The decrease was mainly due to favourable foreign currency exchange rate gains for loans in HY2024.

Loss allowance on contract assets increased by approximately S\$1.2 million or 151.5% in HY2024. The increase was mainly due to a higher provision in expected credit loss for Civil Engineering contract works segment in HY2024.

Finance costs decreased by approximately S\$0.2 million or 9.7% from S\$1.8 million in HY2023 to S\$1.6 million in HY2024 primarily due to lower interest rate from the bank borrowings and partially offset by higher amount of bank borrowings.

Overall, the Group recorded a profit before income tax and net profit attributable to owners of the parent in HY2024 of approximately S\$12.8 million and S\$10.8 million respectively.

Statement of financial position of the Group as at 30 June 2024

Non-current Assets

As at 30 June 2024, the Group had a total of S\$63.2 million in Property, plant and equipment (“PPE”) as compared to S\$49.2 million as at 31 December 2023. The increase in PPE of approximately S\$14.0 million or 28.5% was mainly due to the net effect of additions of PPE of S\$24.9 million mainly due to the purchase of new trucks and equipment for the increase in construction projects, a net reclassification of S\$4.3 million from Right-of-use assets (“ROU”) to PPE due to full settlement of hire purchase, partially offset by the depreciation charge of S\$5.6 million, a net reclassification of S\$9.1 million from PPE to ROU assets upon obtaining financing through leases and a net disposal of S\$0.5 million.

As at 30 June 2024, the Group had a total S\$39.9 million ROU assets as compared to S\$37.9 million as at 31 December 2023. The increase in ROU of approximately S\$2.0 million or 5.3% was mainly due to an addition of ROU of S\$0.5 million, and a net effect of a reclassification from PPE to ROU assets upon obtaining financing through leases of S\$9.1 million. This was partially offset by a depreciation charge of approximately S\$3.3 million, and a net reclassification of S\$4.3 million from ROU to PPE due to full settlement of hire purchase.

As at 30 June 2024, the Group’s financial assets at FVTPL were nil as compared to S\$2.9 million as at 31 December 2023 due to the reclassification to Current Assets.

Current assets

There was no significant change to the financial assets at FVOCI during the financial periods in concern.

As at 30 June 2024, the Group’s financial assets at FVTPL amounted to S\$6.2 million as compared to S\$3.1 million as at 31 December 2023. The increase of approximately S\$3.1 million or 100.0% was mainly due to reclassification from non-current asset to current asset of S\$2.9 million for a financial asset as the transfer date approaches and an unrealized foreign exchange gain and a fair value gain of the financial assets of approximately S\$0.2 million during the financial period.

Inventories increased by approximately S\$0.8 million or 36.4% from S\$2.2 million as at 31 December 2023 to S\$3.0 million as at 30 June 2024. The increase was mainly due to purchase of construction materials, hardware parts and consumables for Civil Engineering contract work projects in HY2024.

Trade and other receivables decreased by approximately S\$20.5 million or 44.6% from S\$46.0 million as at 31 December 2023 to S\$25.5 million as at 30 June 2024 due to collection from projects.

Prepayment increased by approximately S\$2.6 million or 60.5% from S\$4.3 million as at 31 December 2023 to S\$6.9 million as at 30 June 2024 due to the advance payments for project materials pending delivery.

Cash and cash equivalents increased by approximately S\$49.8 million or 70.4% from S\$70.7 million as at 31 December 2023 to S\$120.5 million as at 30 June 2024. The increase was mainly due to the net cash generated from operating activities of S\$66.4 million from improved collection and advance billing payments from customers. However, the increase was offset by a net cash used in financing activities of approximately S\$1.3 million, which includes repayments of bank borrowings and lease liabilities and a net cash used in investing activities of S\$15.3 million mainly for purchase of property, plant and machinery.

Current liabilities

Contract liabilities increased by 68.4% to S\$70.4 million as at 30 June 2024, mainly due to advance billings made for certain projects in HY2024.

Trade and other payables increased by approximately S\$0.5 million or 0.7% from S\$69.8 million as at 31 December 2023 to S\$70.3 million as at 30 June 2024. This was mainly due to accrued project expenses from suppliers in HY2024.

Lease liabilities payable within one year increased by approximately S\$0.1 million or 1.0% from S\$9.6 million as at 31 December 2023 to S\$9.7 million as at 30 June 2024. This was mainly due to the purchase of leased vehicles with financial institutions in HY2024.

Short-term bank borrowings increased by approximately S\$11.7 million or 38.1% from S\$30.7 million as at 31 December 2023 to S\$42.4 million as at 30 June 2024. The increase was mainly due to higher short-terms loans to finance project expenses for Civil Engineering contract work segment.

Non-current liabilities

Total non-current liabilities decreased by approximately S\$0.5 million or 1.6% from S\$30.9 million as at 31 December 2023 to S\$30.4 million as at 30 June 2024. The decrease was mainly due to repayment of bank borrowings and offset by an increase in lease liabilities.

Net current assets

The Group posted a positive net current assets of approximately S\$32.9 million as at 30 June 2024 as compared to a positive net current assets of S\$36.6 million as at 31 December 2023.

Statement of Cash flows of the Group for HY2024

As at 30 June 2024, the Group recorded cash and cash equivalents of S\$120.5 million as compared to S\$70.7 million as at 31 December 2023.

Net cash flows generated from operating activities in HY2024, after meeting working capital requirements and net of tax paid, were approximately S\$66.4 million. In which, the net working capital inflow of S\$42.9 million was the net effect of decrease in trade and other receivables of S\$20.5 million, an increase in net contract liabilities of S\$25.2 million and which was partially offset by a net decrease in other working capital changes of S\$2.8 million.

Net cash used in investing activities in HY2024, amounted to S\$15.3 million, mainly due to addition of plant and equipment of S\$15.6 million and partially offset by proceeds from disposal of plant and equipment and redemption of financial assets at FVOCI and interest received of S\$0.3 million.

Net cash used in financing activities in HY2024 amounted to S\$1.3 million, which was mainly due to repayment of lease liabilities of S\$6.5 million, interest payment of S\$1.5 million, repayment of bank loans of S\$3.6 million and dividend payment of S\$0.9 million and partially offset by net proceeds of trust receipts of S\$8.3 million and proceeds from bank loans of S\$2.9 million .

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10. 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 reporting period and the next 12 months.

The Group will continue to leverage on our strength in civil works to seek opportunities in public infrastructure projects to keep our order book strong for sustainable growth and will continue to focus on the smooth execution and completion of our current projects as well as tendering large scale projects. The Group continues to face challenges in rising costs of construction materials. We will monitor and lock in our costs where appropriate. Currently, the Group's order book for on-going projects is approximately \$500.8 million which is expected to be completed within the next 4 years.

With the continued increase in construction activities, our inland logistics business will increase due to the demand for the services. This will continue to provide recurring income to the Group. Our Dormitory operations contract for Changi East Worker Dormitory Village (Coastal Dormitory) will expire in August 2024 as our renewal bid was not successful. Management plans to continue the dormitory operation business and is actively seeking for projects.

11. If a decision regarding dividend has been made: -

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Yes.

(b)(i) Amount per share

S\$0.005 per ordinary share.

(b)(ii) Previous corresponding period

S\$0.005 per ordinary share.

(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 the shareholders, this must be stated).

Tax exempt one-tier interim dividend.

(d) The date the dividend is payable.

16 September 2024.

(e) Book closure date

06 September 2024.

12. If no dividend has been declared/recommended, a statement to that effect and reason(s) for the decision

Not applicable.

13. If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No changes to IPTs as disclosed in page 71 of the Company’s annual report for the financial year ended 31 December 2023. The Group does not have a general mandate from shareholders for recurrent interested person transactions.

14. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules

During HY2024, the Company did not acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

15. Confirmation pursuant to Rule 705 (5) of the Catalist Listing Manual

The Board of Directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the financial period ended 30 June 2024 to be false or misleading in any material aspects.

16. Confirmation that the issuer has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Ng Kian Ann Patrick
Executive Director and CEO
14 August 2024

Ng Hai Liong
Executive Director and Chairman

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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