KWAN YONG HOLDINGS LIMITED
光榮建築控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9998)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

The board (the "**Board**") of directors (the "**Directors**") of Kwan Yong Holdings Limited (the "**Company**") announces the unaudited interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 31 December 2020, together with the comparative figures for the corresponding period in 2019 as follow:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2020

		Six months ended 31 December	
		2020	2019
	Notes	***SGD'000***	*SGD'000*
		(Unaudited)	(Unaudited)
Revenue	*6*	**41,821**	101,278
Cost of sales		**(44,100)**	(93,941)
Gross (loss)/profit		**(2,279)**	7,337
Other income and loss, net	*7*	**2,971**	368
Administrative expenses		**(3,176)**	(3,486)
Finance costs	*8*	**(113)**	(54)
(Loss)/profit before tax	*9*	**(2,597)**	4,165
Income tax expense	*10*	**–**	(791)
(Loss)/profit for the period attributable to shareholders of the Company		**(2,597)**	3,374
Other comprehensive loss			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translation		**(1,021)**	–
Other comprehensive loss for the period, net of tax		**(1,021)**	–
Total comprehensive (loss)/income for the period attributable to shareholders of the Company		**(3,618)**	3,374
Basic and diluted earnings per share (cents)	*12*	**(0.32)**	0.42

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Notes	31 December 2020 SGD'000 (Unaudited)	30 June 2020 SGD'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*13*	**17,757**	17,510
Investment properties		**1,888**	1,903
Right-of-use assets		**1,287**	1,306
Total non-current assets		**20,932**	20,719
Current assets			
Trade receivables	*14*	**11,909**	5,654
Contract assets	*15*	**15,627**	12,828
Prepayments, deposits and other receivables		**5,235**	7,616
Amount due from holding company		**2**	–
Pledged deposits		**4,000**	4,000
Cash and cash equivalents		**41,547**	48,052
Total current assets		**78,320**	78,150
Total assets		**99,252**	98,869
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables	*16*	**50,986**	40,462
Contract liabilities	*15*	**653**	2,647
Other payables and accruals	*17*	**1,020**	2,948
Provisions		**353**	1,932
Deferred capital grants		**94**	468
Borrowings		**1,644**	1,585
Lease liabilities		**15**	14
Total current liabilities		**54,765**	50,056
Net current assets		**23,555**	28,094

	Notes	31 December 2020 SGD'000 (Unaudited)	30 June 2020 SGD'000 (Audited)
Non-current liabilities			
Borrowings		**4,427**	5,125
Lease liabilities		**1,308**	1,316
Deferred capital grants		**2**	4
Total non-current liabilities		**5,737**	6,445
Total liabilities		**60,502**	56,501
Net assets		**38,750**	42,368
Equity attributable to shareholders of the Company			
Issued capital	*18*	**1,389**	1,389
Share premium		**32,978**	32,978
Reserves		**4,383**	8,001
Total equity		**38,750**	42,368

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2020

	Issued capital SGD'000	Share premium SGD'000	Foreign translation reserves SGD'000	Retained profits SGD'000	Total equity SGD'000
At 1 July 2020 (Audited)	**1,389**	**32,978**	**499**	**7,502**	**42,368**
Loss for the period	**–**	**–**	**–**	**(2,597)**	**(2,597)**
Other comprehensive loss for the period:					
Foreign currency translation	**–**	**–**	**(1,021)**	**–**	**(1,021)**
Total comprehensive loss for the period	**–**	**–**	**(1,021)**	**(2,597)**	**(3,618)**
At 31 December 2020 (Unaudited)	**1,389**	**32,978***	**(522)***	**4,905***	**38,750**

	Issued capital *SGD'000*	Merger reserves *SGD'000*	Retained profits *SGD'000*	Total equity *SGD'000*
At 1 July 2019 (Audited)	–#	15,000	24,453	39,453
Profit for the period, representing total comprehensive income for the period	–	–	3,374	3,374
At 31 December 2019 (Unaudited)	–#	15,000*	27,827*	42,827

Less than SGD500

* *These reserves accounts comprise the combined reserves of approximately SGD42,827,000 and approximately SGD37,361,000 in the interim condensed consolidated statement of financial position as at 31 December 2019 and 2020, respectively.*

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended 31 December 2020

	Six months ended 31 December	
	2020	2019
	SGD'000	*SGD'000*
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
(Loss)/profit before tax	**(2,597)**	4,165
Adjustments for:		
Depreciation of property, plant and equipment	**893**	866
Depreciation of investment properties	**15**	15
Depreciation of right-of-use assets	**19**	19
Amortisation of deferred capital grants	**(20)**	(24)
Government grants	**(2,624)**	(10)
Bank interest income	**(97)**	(91)
Finance costs	**113**	54
(Gain)/loss on disposal of property, plant and equipment	**(17)**	2
Operating cash flows before changes in working capital	**(4,315)**	4,996
Changes in working capital:		
Increase in contract assets	**(2,799)**	(9,271)
(Decrease)/increase in contract liabilities	**(1,994)**	4,027
Increase in trade receivables	**(6,255)**	(10,132)
Decrease in prepayments, deposits and other receivables	**1,350**	33
Increase in trade payables	**10,524**	14,118
(Decrease)/increase in other payables and accruals	**(2,735)**	5,549
Decrease in provisions for defect liabilities	**(771)**	–
Cash (used in)/generated from operations	**(6,995)**	9,320
Income tax refund/(paid)	**97**	(986)
Interest paid	**–**	(35)
Government grants received	**3,202**	10
Net cash (used in)/generated from operating activities	**(3,696)**	8,309

	Six months ended 31 December	
	2020	2019
	SGD'*000*	*SGD'000*
	(Unaudited)	(Unaudited)
Cash flows from investing activities		
Placement of time deposits with original maturity of more than three months when acquired	**(1,000)**	(3,000)
Withdrawal of time deposits with original maturity of more than three months when acquired	**1,000**	4,000
Interest received	**97**	91
Purchase of items of property, plant and equipment	**(1,082)**	(856)
Proceeds from disposal of property, plant and equipment	**139**	–
Increase in amount due from holding company	**(2)**	–
Net cash (used in)/generated from investing activities	**(848)**	235
Cash flows from financing activities		
Interest paid	**(113)**	(19)
Repayment of loans and borrowings	**(820)**	(72)
Payment of lease liabilities for leasehold land	**(7)**	(7)
Net cash used in financing activities	**(940)**	(98)
Net (decrease)/increase in cash and cash equivalents	**(5,484)**	8,446
Cash and cash equivalents at beginning of the period	**48,052**	(792)*
Effect of foreign exchange rate changes	**(1,021)**	–
Cash and cash equivalents at end of the period	**41,547**	7,654

* *Cash and cash equivalents at beginning of the period includes bank overdraft of approximately SGD3,836,000.*

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 7 September 2018. The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands, and the headquarter and principal place of business in Singapore of the Company is located at 11 Joo Koon Crescent Singapore 629022.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 8 January 2020 (the "**Listing**").

The Company is an investment holding company. The Group are principally engaged in the provision of general building and construction services in Singapore.

Ideal Smart Ventures Limited, a company incorporated in the British Virgin Islands, is the immediate holding company and the ultimate holding company of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements for the six months ended 31 December 2020 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 30 June 2020.

The unaudited interim condensed consolidated financial information is presented in Singapore Dollars ("**SGD**") and all value are rounded to the nearest thousand ("**SGD'000**"), unless otherwise stated.

2.2 New standards, interpretations and amendment adopted by the Group

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 30 June 2020, except for the adoption of new standards effective as of 1 July 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The amendments and interpretations apply for the first time in 2020, but do not have an impact on the unaudited interim condensed consolidated financial statements of the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the unaudited interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each of the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

In preparing this unaudited interim condensed consolidated financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2020.

4. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to credit risk, liquidity risk and interest rate risk.

The unaudited interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 30 June 2020.

There have been no changes in the financial risk management policies of the Group since the financial year ended 30 June 2020.

5. SEGMENT INFORMATION

Operating segment information

No operating segment information is presented as the Group's revenue and reported results during the periods, and the Group's total assets as at the end of the periods were derived from one single operating segment, i.e., provision of general building and construction services.

Geographical information

The Group's revenue during the periods were all derived from external customers based in Singapore, and the Group's non-current assets, excluding financial assets, as at the end of the periods were all located in Singapore.

6. REVENUE

Revenue represents an appropriate proportion of contract revenue of construction contracts for the provision of general building and construction services.

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Six months ended 31 December	
	2020	2019
	SGD'000	*SGD'000*
	(Unaudited)	(Unaudited)
By geographical market		
Singapore	**41,821**	101,278
By revenue stream		
General building and construction	**41,821**	101,278
By timing of revenue recognitions		
Over time	**41,821**	101,278

7. OTHER INCOME AND LOSS, NET

	Six months ended 31 December 2020 SGD'000 (Unaudited)	2019 SGD'000 (Unaudited)
Government grants *(Note)*	**2,624**	10
Bank interest income	**97**	91
Amortisation of deferred capital grants	**20**	24
Rental income	**213**	242
Sundry income	**–**	3
	2,954	370
Gain/(loss) arising on disposal of property, plant and equipment	**17**	(2)
Other income and loss, net	**2,971**	368

Note: Government grants were received by a subsidiary from various government authorities in Singapore for employment incentives, productivity improvement and novel coronavirus ("**COVID-19**") related grants and rebates. There are no unfulfilled conditions or contingencies attaching to government grants that have been recognised.

Included in government grants are COVID-19 related grants and rebates approximately SGD2,565,000 (six months ended 31 December 2019: Nil).

8. FINANCE COSTS

	Six months ended 31 December 2020 SGD'000 (Unaudited)	2019 SGD'000 (Unaudited)
Interest on:		
Bank overdraft	**–**	1
Bank loans	**53**	11
Hire purchases	**25**	6
Lease liabilities	**35**	36
	113	54

9. (LOSS)/PROFIT BEFORE TAX

The following items have been included in arriving at (loss)/profit before tax:

	Six months ended 31 December	
	2020	2019
	SGD'000	*SGD'000*
	(Unaudited)	(Unaudited)
Cost of construction work	**44,100**	93,941
Depreciation *(Note (a))*	**912**	885
Less: Amount included in cost of construction work	**(634)**	(482)
	278	403
Depreciation of investment properties	**15**	15
Expenses relating to short-term leases and leases of low-value assets *(Note (b))*	**260**	274
Less: Amount included in cost of construction work	**(222)**	(242)
	38	32
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	**19**	4
Employee benefit expense (excluding Directors' remuneration):		
Salaries, allowances and benefits-in-kind	**4,919**	6,309
Pension scheme contributions	**271**	316
	5,190	6,625
Less: Amount included in cost of construction work	**(4,008)**	(5,119)
	1,182	1,506
Listing expenses	**–**	602

Notes:

(a) Depreciation for the six months ended 31 December 2020 comprise depreciation of property, plant and equipment of approximately SGD893,000 (six months ended 31 December 2019: approximately SGD866,000) and depreciation of right-of-use assets of approximately SGD19,000 (six months ended 31 December 2019: approximately SGD19,000).

(b) The Group leases certain of its leasehold properties, warehouse premises and workers' quarters with either lease terms of 12 months or less or with low value. The Group applied the "short-term lease" and "lease of low-value assets" recognition exemption for these leases.

10. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the periods ended 31 December 2020 and 2019 are:

	Six months ended 31 December	
	2020	2019
	SGD'000	*SGD'000*
	(Unaudited)	(Unaudited)
Tax expense comprises:		
Current income tax		
Singapore corporate income tax	–	791
Income tax expense recognised in profit or loss	–	791

Notes:

No Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during each of the financial period.

Singapore corporate income tax has been provided at the rate of 17% on the estimated assessable profits arising in Singapore during each of the financial period.

11. DIVIDENDS

No dividend was paid or declared by the Company during the six months ended 31 December 2020 (six months ended 31 December 2019: Nil).

12. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 31 December 2020 is based on the unaudited loss for the period attributable to shareholders of the Company of approximately SGD2,597,000 (unaudited profits for the six months ended 31 December 2019: approximately SGD3,374,000), and the weighted average number of ordinary shares in issue of 800,000,000 (six months ended 31 December 2019: 800,000,000) during the period. The number of shares for the six months ended 31 December 2019 was calculated as if the change in issued number of ordinary shares of the Company as disclosed in the consolidation financial statements of the Group for the year ended 30 June 2019 has been completed on 1 July 2018.

No adjustment has been made to the basic earnings per share presented for the six months ended 31 December 2020 and 2019 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during each these periods.

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2020, the Group acquired assets with a cost of approximately SGD1,262,000 (six months ended 31 December 2019: approximately SGD1,128,000).

Assets with a net book value of approximately SGD122,000 were disposed by the Group during the six months ended 31 December 2020, resulting in a net gain of disposal of approximately SGD17,000 (six months ended 31 December 2019: Nil).

14. TRADE RECEIVABLES

	31 December 2020	30 June 2020
	SGD'000	*SGD'000*
	(Unaudited)	(Audited)
Trade receivables	**9,256**	3,671
Unbilled receivables *(Note)*	**2,653**	1,983
	11,909	5,654

Note: Unbilled revenue are those accrued revenue which the construction certification is issued by the customers before period-end but no billing has been raised to customers. The Group's rights of the unbilled revenue are unconditional.

An ageing analysis of the trade receivables as at the end of each reporting period, based on the invoice date, is as follows:

	31 December 2020	30 June 2020
	SGD'000	*SGD'000*
	(Unaudited)	(Audited)
– Within one month	**9,032**	2,417
– 1 to 2 months	**62**	896
– 2 to 3 months	**6**	20
– Over 3 months	**156**	338
	9,256	3,671
Unbilled receivables	**2,653**	1,983
	11,909	5,654

Trade receivables are non-interest bearing and are generally on a 30-day term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group assesses at the end of each reporting period whether there is objective evidence that any trade receivables are impaired. The Group seeks to maintain strict control over all its outstanding receivables and has a credit control in place to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The Group applies the simplified approach to provide for expected credit losses ("**ECL**") prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group has assessed the impairment of its trade receivables on an individual basis based on internal credit rating and ageing of these balances which, in the opinion of the Directors, have no significant increase in credit risk during the periods. ECL is estimated based on historical observed default rates over the expected life of debtors and are adjusted for forward-looking information that is available without undue cost or effort. Considering the good credit history of debtors and loss on collection is not material, no ECL was made for trade receivables as at 31 December 2020 and 30 June 2020.

15. CONTRACT BALANCES

Information relating to contract balances arising from contracts with customers is disclosed as follows:

	31 December 2020	30 June 2020
	SGD'000	*SGD'000*
	(Unaudited)	(Audited)
Contract assets:		
– Retention receivables *(Note (a))*	**455**	382
– Other contract assets *(Note (b))*	**15,172**	12,446
Total contract assets	**15,627**	12,828
Contract liabilities	**(653)**	(2,647)

Notes:

(a) Retention receivable held by contract customers arose from the Group's construction work business and are settled a period ranging from one year to two years after the completion of the construction work and after the relevant construction work is accepted by the contract customers, as stipulated in the construction contracts.

(b) Other contract assets primarily relate to the Group's right to consideration for construction work completed but yet to be certified by surveyors appointed by the customers as at the reporting date. Contract assets are transferred to receivables when the rights become unconditional.

(c) The Group applies the simplified approach to provide for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all contract assets. The Group has assessed the impairment of its contract assets on an individual basis based on internal credit rating and ageing of these balances which, in the opinion of the Directors, have no significant increase in credit risk during the periods. ECL is estimated based on historical observed default rates over the expected life of debtors and are adjusted for forward-looking information that is available without undue cost or effort. Considering the good credit history of debtors and insignificant loss on collection incurred in the past history, no ECL was made for contract assets as at 31 December 2020 and 30 June 2020.

(d) Contract liabilities are the Group's obligations to transfer goods and services to customers for which the Group has received consideration from customers. Contract liabilities are recognised as revenue when the Group performs under contract.

(e) As at 31 December 2020 and 30 June 2020, performance bonds amounting to approximately SGD23,441,000 and approximately SGD24,661,000, respectively, were issued by an insurance company as security deposits in lieu of cash to customers of the Group for the due performance and observance of the Group's obligations under the contracts entered into between the Group and the customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the insurance company to pay to them the sum or sums stipulated in such demand. The Group will then be liable to compensate the insurance company accordingly. The performance bonds will be released upon completion of the contract work. The performance bonds are secured by way of personal guarantees given by two Directors. The personal guarantees are currently in place due to the current economic climate and uncertain impact of the COVID-19 on the business operations.

16. TRADE PAYABLES

	31 December 2020 SGD'000 (Unaudited)	30 June 2020 SGD'000 (Audited)
Trade payables	**38,072**	29,174
Retention payables	**12,914**	11,288
	50,986	40,462

The Group's trade payables are unsecured, non-interest bearing and are normally settled on average terms of 30 to 60 days.

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

	31 December 2020 SGD'000 (Unaudited)	30 June 2020 SGD'000 (Audited)
– Within one month	**2,090**	193
– 1 to 2 months	**1,599**	174
– 2 to 3 months	**66**	181
– Over 3 months	**852**	821
	4,607	1,369
Unbilled payables*	**33,465**	27,805
	38,072	29,174

* Unbilled payables are accrued subcontractor costs but related invoices have not been received as at the end of the reporting period.

17. OTHER PAYABLES AND ACCRUALS

	31 December 2020 SGD'000 (Unaudited)	30 June 2020 SGD'000 (Audited)
Accruals	**357**	515
Advance received from customers	**–**	1,740
Deposits received and other payable	**91**	95
GST payable	**572**	598
	1,020	2,948

18. SHARE CAPITAL

	31 December 2020		30 June 2020	
	Number of shares	Share capital	**Number of shares**	Share capital
	'000	*HKD'000*	***'000***	*HKD'000*
Authorised:				
Ordinary shares of HKD0.01 each	15,000,000	150,000	15,000,000	150,000

	31 December 2020		30 June 2020	
	Number of shares	Share capital	**Number of shares**	Share capital
	'000	*SGD'000*	***'000***	*SGD'000*
Issued and fully paid:				
Ordinary shares of HKD0.01 each	800,000	1,389	800,000	1,389

A summary of movements in the Company's issued capital and share premium from 1 July 2019 to 31 December 2020 is as follows:

	Number of shares issued	**Issued capital**	**Share premium**	**Total**
		SGD'000	*SGD'000*	*SGD'000*
As at 1 July 2019	1	–#	–	–#
Issue of new shares for acquisition of subsidiaries pursuant to the Reorganisation *(Note (a))*	2	–#	–	–#
Issue of new shares pursuant to Capitalisation Issue *(Note (b))*	599,999,997	1,038	13,962	15,000
Issue of new shares in connection with the Listing *(Note (c))*	200,000,000	351	22,438	22,789
Expenses incurred in connection with the Listing	–	–	(3,422)	(3,422)
As at 30 June 2020 and 31 December 2020	800,000,000	1,389	32,978	34,367

Less than SGD500

Notes:

(a) On 13 December 2019, pursuant to a reorganisation agreement entered into between the Company and two Directors (the "**Reorganisation**"), as part of the Reorganisation, the Company issued a total of 2 ordinary shares of HKD0.01 each as consideration for the acquisition of the entire equity interests in Forever Brilliant International Limited which is the then holding company of Kwan Yong Construction Pte Ltd.

(b) Pursuant to the written resolutions passed by shareholders of the Company on 17 December 2019, the Directors were authorised to capitalise an aggregate amount of HKD5,999,999 standing to the credit of the share premium of the Company as a result of the Global Offering and to appropriate such amount as capital to pay up in full par 599,999,997 shares of HKD0.01 each allotment and issue to the persons whose names appear on the register of members of the Company immediately prior to the Listing, each ranking pari passu in all respect with the then existing issued shares (the "**Capitalisation Issue**"). The Capitalisation Issue had been completed on 8 January 2020.

(c) On 7 January 2020, 200,000,000 ordinary shares of par value HKD0.01 each were issued at a price of HKD0.65 per share in connection with the Listing for a total proceeds of approximately SGD19,367,000, net of listing expenses of approximately SGD3,422,000, of which HKD2,000,000 (equivalent to approximately SGD351,000) representing the par value were credited to the Company's share capital and the remaining proceeds of approximately HKD108,488,000 (equivalent to approximately SGD19,016,000) were credited to the share premium account. The shares of the Company have been listed on the Main Board of the Stock Exchange since 8 January 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group acts as a main contractor in the provision of building construction works in Singapore, including new construction and alteration and addition ("**A&A**") works, with more than 30 years of experience in building construction works for various types of buildings which include (i) institutional buildings (such as education institutions, hospitals, and nursing homes); (ii) commercial buildings (such as office buildings and restaurants); and (iii) industrial and residential buildings. The Group is known for quality of work, especially in building construction works for the public sector.

As at 31 December 2020 and 30 June 2020, the Group had 7 construction projects on hand (including projects in progress and projects that are yet to commence) with a total contract value of approximately SGD312.8 million.

OUTLOOK

The Group expects to face a challenging landscape in the near-term as profit margins will remain slim due to (i) increased costs as a result of the compliance requirements to maintain safe management measures at the work sites and (ii) shortage of manpower. Any resurgence of COVID-19 infections in the foreign worker dormitories in Singapore as well as disruptions in the global supply chain for raw materials will also severely impact the Group.

Despite the dreary outlook for Singapore's construction industry in the near-term due to the COVID-19 pandemic, the Group is confident that it will be able to weather through any storms with its ever-committed management team and staff.

The Group's focus as a business will remain unchanged. The Group will continue to prudently expand the market position for the building environment sector in Singapore and stay active as the main contractor in both public and private sector projects. During this extraordinary and unprecedented times, the Group is preparing for the new future, the new normal, to position itself for the next phase of the journey.

The Group will continue to pursue the following business strategies:

(a) expand the Group's business and strengthen the Group's market position in the construction industry in Singapore;

(b) upgrade and replace existing machinery and equipment to enhance the Group's productivity and quality;

(c) adopt digital solutions to help keep worksite safe;

(d) strengthen the Group's technical capability and productivity through investment in new technology; and

(e) enhance and expand the Group's workforce to keep up with the Group's business expansion.

FINANCIAL REVIEW

Revenue

The Group's revenue for the six months ended 31 December 2020 was approximately SGD41.8 million, representing a decrease of approximately 58.7% as compared to that of approximately SGD101.3 million for the six months ended 31 December 2019. The decrease in revenue was mainly driven by:

(i) the slow and gradual resumption of both public and private sectors construction works after the Singapore Government suspended the operations of the construction sites from 6 April 2020 to 1 June 2020 (both days inclusive) (the "**Circuit Breaker Period**"). The Group's construction activities were not considered essential services and were not allowed to continue during the Circuit Breaker Period. Even after the Circuit Breaker Period was lifted, construction works did not resume immediately as a significant amount of time had to be spent on implementing safe management measures at the work sites before construction work could resume in accordance with the Singapore Government regulatory requirements. Thus, the Group was only able to resume work for most of its construction projects around October 2020. As a result, most of the construction projects did not manage to achieve their construction milestones, which affected revenue recognition;

(ii) the delay in project schedules and increased project costs had adversely affected the contribution of revenue. The Group has so far been able to obtain an extension of time for all the public sector projects; and

(iii) while the construction works for the project at the Canadian International School commenced after the end of the Circuit Breaker Period, the construction progress was very much in the initial stages and was subsequently suspended by the project owner for the period from 9 October 2020 to 3 March 2021. Accordingly, there was negligible revenue recognition for this development project during the six months ended 31 December 2020.

Cost of sales

Cost of sales for the six months ended 31 December 2020 was approximately SGD44.1 million, representing a decrease of approximately SGD49.8 million or approximately 53.1%, from approximately SGD93.9 million for the six months ended 31 December 2019. The decrease was due to: (i) the slow and gradual restart resumption of construction works as a significant amount of time had to be spent on implementing safe management measures at the work sites before construction work could resume; and (ii) provisions for project prolongation costs and increased costs relating to subcontracting, material, disruption in supplies, manpower constraints, compliance with safe management measures and maintenance of work sites.

Gross (loss)/profit and gross (loss)/profit margin

Gross profit decreased by approximately 131.1% from approximately SGD7.3 million for the six months ended 31 December 2019 to gross loss of approximately SGD2.3 million for the six months ended 31 December 2020. The gross profit margin decreased by 12.6 percentage points to gross loss margin of approximately 5.4% (six months ended 31 December 2019: gross profit margin approximately 7.2%). The decrease of the gross profit and the gross profit margin were the combined effect of:

(i) the implementation of safe management measures at the work sites by the Singapore Government to control the spread of the COVID-19 has resulted in less revenue being recognised by the Group during the six months ended 31 December 2020, while the Group was still required to bear the fixed operating costs;

(ii) additional costs incurred due to the outbreak of the COVID-19 such as slowdown of work arising from extended dormitory quarantines, costs incurred from prolonging project timelines, additional costs to ensure works resume safely in compliance with the COVID-Safe Worksite regulatory requirements and costs overrun of ongoing projects in anticipation of productivity loss; and

(iii) higher labour costs arising from the resurgence of the COVID-19 cases and more stringent border control measures in Singapore.

Other income

Other Income increased by approximately SGD2.6 million from approximately SGD0.4 million for the six months ended 31 December 2019 to SGD3.0 million for the six months ended 31 December 2020. The increase was primarily from the receipt of government grants, such as the COVID-19 support measures introduced by the Singapore Government to help businesses during these difficult times and other subsidies for employment incentives and productivity improvement.

Finance costs

The Group's finance costs increased by approximately SGD59,000 from approximately SGD54,000 for the six months ended 31 December 2019 to approximately SGD113,000 for the six months ended 31 December 2020. The increase was mainly due to the interest on bank loans and interest on finance lease.

Income tax expense

There is no income tax expense incurred as the Group recorded a loss for the six months ended 31 December 2020; while there was an income tax expense of approximately SGD0.8 million for the six months ended 31 December 2019.

(Loss)/profit for the period

As a result of the above factors, the Group recorded a loss of approximately SGD2.6 million for the six months ended 31 December 2020 as compared to a profit of approximately SGD3.4 million for the six months ended 31 December 2019.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

There has been no change in the capital structure of the Group since the Group listed on the Main Board of the Stock Exchange on 8 January 2020 (the "**Listing Date**") by a way of share offer (the "**Share Offer**"). The capital of the Group only comprised of ordinary shares and the capital structure of the Company comprised mainly issued share capital and reserves.

The Group's cash and cash equivalents balances as at 31 December 2020 amounted to approximately SGD41.5 million (30 June 2020: approximately SGD48.1 million) which were denominated in Hong Kong dollars and Singapore dollars.

As at 31 December 2020, the Group's indebtedness comprised borrowings and lease liabilities denominated in Singapore dollars of approximately SGD7.4 million (30 June 2020: approximately SGD8.0 million).

The Group recorded total current assets of approximately SGD78.3 million as at 31 December 2020 (30 June 2020: approximately SGD78.2 million) and total current liabilities of approximately SGD54.8 million as 31 December 2020 (30 June 2020: approximately SGD50.1 million). The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was approximately 1.4 as at 31 December 2020 (30 June 2020: approximately 1.6).

The Group's total equity attributable to shareholders of the Company remained stable at approximately SGD38.8 million as at 31 December 2020 (30 June 2020: approximately SGD42.4 million).

The Group's operations are financed principally by cash generated from its business operations, bank facilities and net proceeds from the Share Offer.

GEARING RATIO

As at 31 December 2020, the Group's gearing ratio which was calculated by dividing the total debts (being sum of borrowings and lease liabilities) by total equity was approximately 19.1% (30 June 2020: approximately 19.0%).

CONTINGENT LIABILITIES

As at 31 December 2020 and 30 June 2020, the Group did not have any material contingent liabilities.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

During the six months ended 31 December 2020, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures. Save as disclosed herein, the Group did not have other plans for material investments or acquisition of capital assets as at 31 December 2020.

COMMITMENTS

Contractual commitments mainly involve rental payable by the Group in respect of annual land rent, warehouse premises and workers' quarters under non-cancellable leases. Since 1 July 2019, the Group recognised right-of-use assets for these leases, except for short term leases and low-value leases. As at 31 December 2020, the Group's lease commitments were approximately SGD0.1 million (30 June 2020: approximately SGD0.2 million).

As at 31 December 2020, the Group had capital commitment of approximately SGD0.2 million in respect of an acquisition of plant and equipment (30 June 2020: Nil).

TREASURY POLICIES

The Directors will continue to follow a prudent policy in managing the Group's cash and maintaining a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

FOREIGN CURRENCY RISK

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Most of the Group's transactions, monetary assets and liabilities are denominated in Singapore Dollars.

The Group currently does not have a foreign currency hedging policy as the foreign currency risk is considered insignificant. Nevertheless, the management will continue to closely monitor our Group's foreign exchange risk exposure and will consider hedging significant foreign exchange exposure when necessary.

PROSPECTS

The unprecedented COVID-19 pandemic has disrupted project implementation schedules. The preliminary figure for construction demand in Year 2020 indicated a weakening of 36.5 per cent to SGD21.3 billion, which was within the Building and Construction Authority's (the "**BCA**") revised forecast of SGD18 billion to SGD23 billion.

Public sector construction demand slumped from SGD19.0 billion in Year 2019 to SGD13.2 billion in Year 2020, mainly due to postponement of some major infrastructure projects that required more time to assess the pandemic's impact on resource management and project schedules. Private sector construction demand shrank from SGD14.5 billion in Year 2019 to SGD8.1 billion in Year 2020, due to market uncertainties amid the COVID-19 induced economic recession.

The construction sector, amid projects delayed due to the COVID-19 pandemic, is expected to see recovery over the next five years, with the public sector supporting growth in the medium term. The BCA anticipates that the total construction demand in Year 2021 will recover within the range of SGD23 billion and SGD28 billion. The public sector is projected to drive the construction demand in Year 2021, to between SGD15 billion and SGD18 billion with an expected stronger demand for public housing and infrastructure projects.

Private sector construction demand is predicted to be between SGD8 billion and SGD10 billion in Year 2021. The BCA foresees the bulk of private sector construction demand in Year 2021 to comprise development of the remaining en-bloc residential sites, major retrofitting of commercial developments as well as construction of high-specification industrial buildings to meet business needs.

This prediction is in anticipation of a gradual recovery of the global economy, contingent on the successful deployment and effectiveness of the COVID-19 treatment and vaccines as well as easing of lockdown restrictions.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2020 (six months ended 31 December 2019: Nil).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There was no material subsequent event after the end of the six months ended 31 December 2020 and up to the date of this interim results announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, the Group had 425 employees excluding Directors (31 December 2019: 515 employees). Total staff costs for the six months ended 31 December 2020 amounted to approximately SGD5.2 million (six months ended 31 December 2019: approximately SGD6.6 million). Salaries and benefits of the Group's employees have been kept at a market level and employees were rewarded on a performance-related basis. Remuneration package is reviewed annually. Staff benefits included contribution to mandatory contribution fund, allowance, and performance-based bonus.

SEGMENT INFORMATION

No operating segment information is presented as the Group's revenue and results and the Group's total assets were derived from or attributable to one single operating segment, i.e., provision of general building and construction services.

CHARGES ON GROUP ASSETS

The borrowings as at 31 December 2020 include term loan of approximately SGD438,000 (30 June 2020: approximately SGD450,000) was secured against the Group's leasehold property with net carrying amount of approximately SGD12.1 million (30 June 2020: approximately SGD12.3 million). As at 31 December 2020, the Group has pledged time deposits of approximately SGD4.0 million (30 June 2020: approximately SGD4.0 million) to the banks as a security for the Group's bank overdraft facilities.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the prospectus of the Company dated 24 December 2019 (the "**Prospectus**") with the Group's actual business progress for the period from the Listing Date to 31 December 2020 is set out below:

Business strategies as stated in the Prospectus	Business objectives up to 31 December 2020 as stated in the Prospectus	Actual business progress up to 31 December 2020
Purchase of new machinery and equipment, and upgrading and replacement of existing machinery and equipment to enhance the productivity and quality	To acquire equipment, machinery and motor vehicle	The Group has utilised approximately HKD15.2 million to acquire gantry crane, turnstiles & containers, and scissors lift equipment. Due to the COVID-19 and its impact on the construction industry, the Group have evaluated the current situation and has slowed down the acquisition of new equipment.

Business strategies as stated in the Prospectus	Business objectives up to 31 December 2020 as stated in the Prospectus	Actual business progress up to 31 December 2020
Strengthen the Group's financial capabilities to undertake new construction and A&A projects of larger contract value	Initial capital requirement for a new residential building construction project granted to the Company by the Singapore Government Agency	The Group has utilised approximately HKD20.9 million for the new residential building construction project granted by the Singapore Government Agency. Works resumed gradually after the Circuit Breaker Period in Singapore, which resulted in the full usage of initial capital.
Strengthen the technical capability and productivity through investment in new construction technology	To hire new staff with Building Information Modelling ("**BIM**") and Virtual Design and Construction ("**VDC**") experience To hire new staff including design engineers and Prefabricated Prefinished Volumetric Construction ("**PPVC**") consultants	Due to the COVID-19, which resulted in the slowdown of the construction sector, the Group has considered natural attrition and overall resources in the market. The Group have delayed the recruitment schedule.
	Upgrade BIM version Recurring costs for the BIM and other relevant software	With increased remote work driven by the COVID-19 pandemic, during the six months ended 31 December 2020, the net proceeds were used to invest in operational digitalisation technologies to boost productivity and improve efficiency for future growth.
	Construct a precast production site close to the Group's headquarters in the Tuas area in Singapore	Due to the COVID-19, which resulted in the slowdown of the construction sector, the Group has considered overall resources in the market. The Group have delayed the construction schedule.
Enhance and expand the workforce to cope with the business expansion	To hire additional workforce to support business expansion, including skilled general workers, crane and excavator, site engineers and site supervisors	Due to the COVID-19, which resulted in the slowdown of the construction sector, the Group has delayed the expansion plan.

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the Listing amounted to HKD88.4 million (equivalent to approximately SGD15.5 million) after deduction of related underwriting commission and expenses in connection with the Global Offering incurred by the Company for the Listing (the "**Net Proceeds**").

With reference to the Prospectus and in light of the difference between the actual amount of the Net Proceeds and estimated amount of the Net Proceeds as stated in the Prospectus (which was disclosed based on an offer price of HKD0.70 per share, being the mid-point of the then indicative offer price range of HKD0.65 to HKD0.75 per share, net of the estimated Listing expenses), the Group has adjusted the intended use of the actual amount of the Net Proceeds in the same manner and in the same proportion as disclosed in the Prospectus.

The following table sets out a breakdown of the original allocation of the Net Proceeds as disclosed in the Prospectus, the revised allocation based on the actual Net Proceeds (after the adjustment as mentioned above), the utilised and remaining amount of the Net Proceeds from the Listing as at 31 December 2020:

	Planned use of Net Proceeds from Listing Date to 31 December 2020 *Approximately HKD'million*	**Actual use of Net Proceeds from Listing Date to 31 December 2020** *Approximately HKD'million*	**Unutilised Balance of Net Proceeds from Listing Date to 31 December 2020** *Approximately HKD'million*	**Expected timeline for utilising the unutilised net proceeds**
Purchase of new machinery and equipment, and upgrading and replacement of existing machinery and equipment	24.7	15.2	9.5	31 December 2022
Recruit new staff and strengthen technical capability through investment in new construction technology (BIM, VDC and PPVC)	21.2	0.9	20.3	31 December 2022
Initial capital required for larger project	20.9	20.9	–	N/A
Enhance and expand workforce to cope with business expansion	3.8	–	3.8	31 December 2022
Total	70.6	37.0	33.6	

Note:

The Company intends to implement the plans and to utilise the Net Proceeds in line with the plan as set out in the Prospectus. However, in view of the COVID-19 outbreak and uncertainty of the Singapore economy, the Group has adopted a cautious and prudent approach in implementing its business expansion and growth plans.

The remaining unutilised Net Proceeds as at 31 December 2020 of approximately HKD51.4 million were deposited in licensed banks in Hong Kong and Singapore. The Directors will constantly evaluate the Group's business objectives and specific needs from time to time. As at the date of this interim results announcement, the Directors do not anticipate any change to the plan as to the use of Net Proceeds.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2020.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by the Directors of Listed Companies (the "**Model Code**") set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as the code of conduct regulating securities transactions by directors. Having made specific enquiry, all Directors confirmed that they had fully complied with the required standards set out in the Model Code and there is no event of non-compliance during the six months ended 31 December 2020 and up to the date of this interim results announcement.

SHARE OPTION SCHEME

The Company's share option scheme (the "**Share Option Scheme**") was conditionally adopted on 17 December 2019. The Directors consider that the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions. This will be in accordance with Chapter 17 of the Listing Rules and other relevant rules and regulations. Further details of the Share Option Scheme are set forth in the section headed "Statutory and General Information – D. Share Option Scheme" in Appendix V to the Prospectus.

Under the Share Option Scheme, the Directors may at their absolute discretion and subject to the terms of the Share Option Scheme, grant options to any employees (full-time or part-time), any executive, non-executive and independent non-executive Directors, consultants and advisers of the Group, to subscribe for shares of the Company. The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contributions to the Group. The eligibility of any participants to the grant of any options shall be determined by the Directors from time to time on the basis of the Directors' opinion as to their contribution to the development and growth of the Group.

The total number of shares of the Company issued and to be issued upon exercise of the options granted under the Share Option Scheme (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the issued share capital of the Company. Where any further grant of options to a grantee would result in the shares of the Company issued and to be issued upon exercise of all options granted and to be granted under the Share Option Scheme to such person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of the Further Grant representing in aggregate over 1% of the shares in issue from time to time, such further grant requires approval of the shareholders of the Company in general meeting with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting.

Under the Share Option Scheme, the maximum number of shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the adoption date must not in aggregate exceed 10% of all the shares in issue upon the date on which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by obtaining approval of the Company's shareholders in general meeting provided that the total number of Company's shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit. The aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share options schemes of the Company if this will result in the limit being exceeded.

An offer for the grant of options must be accepted in writing within 5 days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HKD1. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approval by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive Director, or any of their respective close associates would result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) under the Share Option Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HKD5 million must be approved by the Company's shareholders at the general meeting of the Company, with voting to be taken by way of poll.

The subscription price for the shares of the Company subject to the options will be a price determined by the Board and notified to a participant and shall be the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the options, which must be a trading Day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading Days immediately preceding the date of grant of the options; and (iii) the nominal value of the Company's share on the date of grant of the options.

The Share Option Scheme will remain in full force for a period of ten years commencing on 8 January 2020 and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the shareholders at a general meeting of the Company.

For the six months ended 31 December 2020, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are key to obtain and maintain the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company. The Company has adopted the principles and code provisions in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Listing Rules. The Company has fully complied with the CG Code during the six months ended 31 December 2020 up to the date of this interim results announcement with the exception of code provision A.2.1 as explained below.

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual to avoid power being concentrated in any one individual. Mr. Kwan Mei Kam is the chairman of the Board (the "**Chairman**") and the chief executive officer of the Company. In view of the fact that Mr. Kwan Mei Kam is the founder of the Group and has been operating and managing the Group since the establishment of the Group, the Board believes that it is in the best interest of the Group to have Mr. Kwan Mei Kam taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from the code provision A.2.1 of the CG Code is appropriate in such circumstance.

The Company engages an external service provider, which assigned Ms. Ng Hoi Ying as the company secretary of the Company. Ms. Ng Hoi Ying possesses the necessary qualification and experience, and is capable of performing the functions of the company secretary of the Company. Pursuant to Code F.1.1 of the CG Code, an issuer can engage an external service provider to provide company secretarial services, provided that the issuer should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. In this respect, the Company has nominated Mr. Kwan Mei Kam, the Chairman and the executive Director as its contact point for Ms. Ng Hoi Ying.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established on 17 December 2019. Right after Mr. Koh Lian Huat, the former chairman of the Audit Committee, tendered his resignation on 25 February 2021, the chairman of the Audit Committee is Mr. Fong Heng Boo, an independent non-executive Director, and other members include Mr. Chou Sean Yu and Dr. Wu Dongqing, the independent non-executive Directors and Mr. Lim Ah Lay, a non-executive Director. The written terms of reference of the Audit Committee are posted on the Stock Exchange's website and on the Company's website.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has complied with Rule 3.21 of the Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The Group's interim condensed consolidated financial statements for the six months ended 31 December 2020 have not been audited by the Company's independent auditors, but have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the interim condensed consolidated financial statements of the Group for the six months ended 31 December 2020 comply with applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

By order of the Board
Kwan Yong Holdings Limited
Kwan Mei Kam
Chairman and Executive Director

Singapore, 25 February 2021

As at the date of this announcement, the Board comprises Mr. Kwan Mei Kam, Ms. Tay Yen Hua, Mr. Jacob Wong San Ta and Ms. Kwan Shu Ming as executive Directors; Mr. Lim Ah Lay as non-executive Director; and Dr. Wu Dongqing, Mr. Chou Sean Yu and Mr. Fong Heng Boo as independent non-executive Directors.