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BHCC HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1552)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board of directors (the “**Board**”) of BHCC Holding Limited (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Period**”), together with the comparative figures for the corresponding period in 2024 (the “**Previous Period**”). The condensed consolidated interim financial statements has not been audited, but has been reviewed by the audit committee of the Company (the “**Audit Committee**”).

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	Six months ended 30 June	
		2024 S\$ Unaudited	2023 S\$ Unaudited
Revenue	5	100,907,459	143,253,645
Cost of services		(94,853,741)	(137,835,029)
Gross profit		6,053,718	5,418,616
Other income	6a	854,551	287,334
Other gains and losses	6b	251,505	78,723
Selling expenses		(1,800)	(1,800)
Administrative expenses		(1,518,776)	(1,465,196)
Finance costs	7	(249,952)	(338,414)
Profit before taxation		5,389,246	3,979,263
Income tax expense	8	(356,559)	(80,865)
Profit and other comprehensive income for the period	9	5,032,687	3,898,398
Profit/(Loss) attributable to:			
— Owners of the Company		5,037,383	3,898,398
— Non-controlling interests		(4,696)	–
		5,032,687	3,898,398
Basic earnings per share (S\$ cents)	11	0.63	0.49

See accompanying notes to interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Notes	30 June 2024 S\$ Unaudited	31 December 2023 S\$ Audited
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	11,891,122	12,644,835
Intangible assets	13	380,000	380,000
Investment properties	14	6,462,597	14,728,957
Right-of-use assets		141,351	226,609
Deposits paid		488,000	796,135
Pledged deposits for performance — bond		2,828,400	2,828,400
Other assets		29,635	31,013
		22,221,105	31,635,949
Current assets			
Trade receivables	16	1,720,748	8,913,097
Other receivables and deposits		5,444,545	4,424,931
Development properties	15	86,589,902	—
Other assets		63,465	71,854
Contract assets	18	11,884,784	30,759,697
Cash and cash equivalents	20	57,158,747	56,700,787
		162,862,191	—
Investment properties held for sale	17	7,900,026	—
		170,762,217	100,870,366
Current liabilities			
Trade and other payables	21	(50,303,986)	(77,329,820)
Contract liabilities	18	(5,827,259)	(2,392,028)
Provision for onerous contracts	19	(199,882)	(445,493)
Lease liabilities		(145,575)	(176,645)
Borrowings	23	(2,471,567)	(11,373,677)
Income tax payable		(459,829)	(199,040)
		(59,408,098)	(91,916,703)
Net current assets		111,354,119	8,953,663
Total assets less current liabilities		133,575,224	40,589,612

	Notes	30 June 2024 S\$ Unaudited	31 December 2023 S\$ Audited
Non-current liabilities			
Deposits	21	(126,763)	(261,778)
Lease liabilities		–	(57,772)
Borrowings	22	(73,711,265)	(1,074,684)
		(73,838,028)	(1,394,234)
Net assets		59,737,196	39,195,378
EQUITY			
Capital and reserves			
Share capital	23	1,389,830	1,389,830
Reserves		42,842,931	37,805,548
Equity attributable to owners of the Company		44,232,761	39,195,378
Non-controlling interests	24	15,504,435	–
Total Equity		59,737,196	39,195,378

See accompanying notes to interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2024

	Share capital S\$	Share premium S\$	Merger reserve S\$	Capital reserve S\$	Accumulated profits S\$	Non-controlling interests S\$	Total S\$
Balance at 1 January 2023 (audited)	1,389,830	14,176,517	10,678,440	4,976,188	6,181,853	–	37,402,828
Total comprehensive profit for the period							
Profit for the period	–	–	–	–	3,898,398	–	3,898,398
Balance at 30 June 2023 (unaudited)	1,389,830	14,176,517	10,678,440	4,976,188	10,080,251	–	41,301,226
Balance at 1 January 2024 (audited)	1,389,830	14,176,517	10,678,440	4,976,188	7,974,403	–	39,195,378
Total comprehensive profit for the period							
Profit for the period	–	–	–	–	5,037,383	(4,696)	5,032,687
Transactions with owners, recognised directly in equity							
Non-controlling interest arising from acquisition of a subsidiary	–	–	–	–	–	550	550
Non-controlling shareholder loans	–	–	–	–	–	15,508,581	15,508,581
At 30 June 2024 (unaudited)	1,389,830	14,176,517	10,678,440	4,976,188	13,011,786	15,504,435	59,737,196

See accompanying notes to interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024	2023
	S\$ Unaudited	S\$ Unaudited
Operating activities		
Profit before taxation	5,389,246	3,979,263
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	753,713	830,903
Depreciation of right-of-use assets	85,257	97,470
Depreciation of investment properties	366,334	366,334
Gain on disposal of property, plant and equipment	–	(31,556)
Provision for onerous contracts	(245,611)	(943,438)
Finance costs	249,952	338,414
Interest income	(846,651)	(186,782)
Unrealised exchange gain	(251,505)	(47,167)
Operating cash flows before working capital changes	5,500,735	4,403,441
<i>Movements in working capital:</i>		
Trade receivables	7,192,350	(3,275,014)
Other receivables and deposits	(496,889)	4,959,281
Other assets	9,768	(20,832)
Contract assets	18,874,913	(661,865)
Trade and other payables	(27,357,899)	(523,740)
Contract liabilities	3,435,231	360,159
Development properties	(85,870,276)	–
Cash (used in)/generated from operations	(78,712,067)	5,241,430
Income tax paid	(95,768)	(99,990)
Net cash (used in)/generated from operating activities	(78,807,835)	5,141,440

	Six months ended 30 June	
	2024 S\$ Unaudited	2023 S\$ Unaudited
Investing activities		
Placement of pledged deposits	1,436,530	(1,132,920)
Purchase of property, plant and equipment	–	(168,413)
Proceeds from disposal of property, plant and equipment	–	31,556
Interest received	632,061	28,912
Net cash from/(used in) investing activities	2,068,591	(1,240,865)
Financing activities		
Amount due to non-controlling interests	15,509,131	–
Interest paid (Including amounts capitalised as development properties)	(772,528)	(342,032)
Proceeds of borrowings	64,944,000	–
Repayments of borrowings	(1,209,529)	(1,199,751)
Repayments of lease liabilities	(88,845)	(100,304)
Net cash from/(used in) financing activities	78,382,229	(1,642,087)
Net increase in cash and cash equivalents	1,642,985	2,258,488
Cash and cash equivalents at beginning of the period	55,264,257	29,893,541
Effect of foreign exchange rate changes on the balance of cash	251,505	47,167
Cash and cash equivalents at end of the period (Note 20)	57,158,747	32,199,196

See accompanying notes to interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1 GENERAL

BHCC Holding Limited (the “Company”) was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 21 February 2017 and the address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY 1-1111, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong, the “Companies Ordinance”) on 20 March 2017 and its registered principal place of business in Hong Kong is Room 2502, 25/F, China Insurance Group Building, 141 Des Voeux Road Central, Central, Hong Kong. The head office and principal place of business of the Company is at No.1, Tampines North Drive 3, #08-01, BHCC SPACE, Singapore 528499. The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 12 September 2017.

Upon the entering into of the concert party deed, Huada Developments Limited (“Huada Developments”), Mr. Yang Xinping, his spouse Ms. Chao Jie (“Mrs. Yang”), Eagle Soar Global Limited (“Eagle Soar”) and Ms. Han Yuying became a group of controlling shareholders of BHCC Holding Limited and its subsidiaries (the “Group”) (together referred to as the “Controlling Shareholders”). The Company is under common control by the Controlling Shareholders.

The Company is an investment holding company and the principal activities of its operating subsidiaries are the provision of building construction services (“Building and Construction Works”) and property investment including leasing of industrial properties (“Property Investment”).

The interim condensed consolidated financial statements are presented in Singapore Dollars (“S\$”), which is also the functional currency of the Company.

The interim condensed consolidated financial statements are approved by the board (the “Board”) of directors (the “Directors”) of the Company on 30 August 2024.

2 BASIS OF PREPARATION

This interim condensed consolidated financial statement of the Group for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS34”).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 December 2023, which has been prepared in accordance with International Financial Reporting Standards (“IFRS”).

3 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

New and amended IFRSs that are effective for the current year

In the current year, the Group has applied the amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (“IASB”) that are effective for an annual period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these interim condensed consolidated financial statements.

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these interim condensed consolidated financial statements, the Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective, which are relevant to the Group:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
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¹ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of the new and amendments to IFRSs will have no material impact on the Group’s consolidated financial position and performance as well as disclosures in the period of their initial adoption.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group’s management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may 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 followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Construction contracts

The Group recognizes contract revenue and profit of a construction contract during the course of construction by reference to the progress towards complete satisfaction of a performance obligation at the end of the reporting period. Progress towards complete satisfaction is measured based on the input method, where the revenue and profit recognized in a year is dependent, amongst others, on the assessment of the Group's efforts or inputs to the construction project (i.e. contract cost incurred for work performed) relative to the expected inputs to the construction project (i.e. estimated total budgeted contract cost committed for the project).

Estimated construction revenue is determined with reference to the terms of the relevant contracts. Contract costs which mainly comprise sub-contracting charges and costs of materials are estimated by the management on the basis of quotations from time to time provided by the major subcontractors or suppliers involved and the experience of the management. Notwithstanding that management reviews and revises the estimates of both contract revenue and costs for the construction contract as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

Management reviews the construction contracts for foreseeable losses whenever there is an indication that the estimated contract revenue is lower than the estimated total contract costs. Where necessary, provision for onerous contracts is recognised. The actual outcomes in terms of total contract costs or contract revenue may be higher or lower than estimated at the end of each reporting period, which would affect the revenue and profit recognized future years as an adjustment to the amounts recorded to date.

The carrying amounts of contract assets and contract liabilities arising from construction contracts, as well as provision for onerous contracts, are disclosed in Notes 18 and 19 to the interim condensed consolidated financial statements.

Estimated impairment of trade receivables, other receivables and deposits, and contract assets (Notes 16 and 18)

The Group recognises lifetime ECL for trade receivables and contract assets. For other receivables and deposits, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, then the Group would recognise lifetime ECL. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

The carrying amounts of trade receivables and contract assets are disclosed in Notes 16 and 18 to the interim condensed consolidated financial statements respectively.

5 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of building and construction works, by the Group to external customers; and Property Investment, being rental income from investment properties held by the Group.

An analysis of the Group's revenue for the six months ended 30 June 2024 and 2023 is as follows:

(i) Disaggregation of revenue from contracts with customers and leases

	For the six months ended 30 June	
	2024 S\$ Unaudited	2023 S\$ Unaudited
Types of services		
Building and Construction Works		
— Main Contractor Projects	94,971,760	110,479,556
— Subcontractor Projects	4,788,275	31,674,164
Revenue from contracts with customers	99,760,035	142,153,720
Rental from Property Investment	1,147,424	1,099,925
Segment revenue (Note 5(iv))	100,907,459	143,253,645
Timing of revenue recognition		
Revenue from contracts with customers recognised over time	99,760,035	142,153,720
Fixed lease payments recognised on straight-line basis over lease term	1,147,424	1,099,925

(ii) Performance obligations for contracts with customers

The Group derives its revenue from provision of Building and Construction Works over time using the input method.

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The following table shows the aggregate amount of the transaction price allocated to performance obligations that is unsatisfied as at the end of each reporting period:

	As at 30 June	
	2024 S\$ Unaudited	2023 S\$ Unaudited
Main Contractor Projects		
— Within one year	128,036,953	245,821,768
— More than one year but not more than two years	38,596,200	89,679,701
— More than two years but not more than five years	—	—
	166,633,153	335,501,469
Subcontractor Projects		
— Within one year	13,236,416	21,779,294
	179,869,569	357,280,763

During the Period, majority of the construction contracts for services provided to external customers lasts over 12 months (Previous Period: over 12 months).

(iv) Segment information

Information is reported to the Executive Directors, being the chief operating decision makers ("CODM") of the Group, for the purposes of resource allocation and performance assessment. The CODMs review segment revenue and results attributable to each segment, which is measured by reference to the respective segments' gross profit. The Group has two operating segments as follows:

- Building and Construction Works: Engage in provision of building and construction works via main contractor and subcontractor projects to public and private sectors.
- Property Investment: Leasing of industrial properties.

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(iv) Segment information (Continued)

No analysis of the Group's assets and liabilities is regularly provided to the CODMs for review.

	For the six months ended 30 June	
	2024 S\$ Unaudited	2023 S\$ Unaudited
Segment revenues		
Building and Construction Works	99,760,035	142,153,720
Property Investment	1,147,424	1,099,925
	100,907,459	143,253,645
Segment results		
Building and Construction Works	5,500,872	4,746,308
Property Investment	552,846	672,308
	6,053,718	5,418,616
Unallocated:		
Other income	854,551	287,334
Other gains and losses	251,505	78,723
Selling expenses	(1,800)	(1,800)
Administrative expenses	(1,518,776)	(1,465,196)
Finance costs	(249,952)	(338,414)
Profit before taxation	5,389,246	3,979,263

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(v) Geographical information

The Group principally operates in Singapore. All revenue is derived from Singapore based on the location of services delivered and the Group's property, plant and equipment are all located in Singapore.

(vi) Information about the major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	For the six months ended 30 June	
	2024 S\$ Unaudited	2023 S\$ Unaudited
Customer A	86,611,383	111,304,230
Customer B	N/A*	30,316,809

Revenue from customers A to B above is from the Building and Construction works segment.

* Revenue did not contribute over 10% of total revenue of the Group for the period.

6 a. OTHER INCOME

	For the six months ended 30 June	
	2024 S\$ Unaudited	2023 S\$ Unaudited
Government grants (Note)	38,405	14,460
Service income on secondment of labour and subcontracting fee, net	7,200	17,440
Interest income	797,546	186,782
Others	11,400	68,652
	854,551	287,334

Note: Government grants recognised during the Period mainly include Wage Credit Scheme ("WCS") and Government-Paid Childcare Leave ("GPCL").

All government grants recognised are incentives as compensation of expenses or losses already incurred or as immediate financial support to the Company with no future related costs and no relation to any assets received upon fulfilling the conditions attached to them.

b. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2024 S\$ Unaudited	2023 S\$ Unaudited
Gain arising on disposal of property, plant and equipment	–	31,556
Exchange gain, unrealised	251,505	47,167
	251,505	78,723

7 FINANCE COSTS

	For the six months ended 30 June	
	2024 S\$ Unaudited	2023 S\$ Unaudited
Interest on:		
Bank borrowings	246,236	334,553
Lease liabilities	3,716	3,861
	249,952	338,414

8 INCOME TAX EXPENSE

	For the six months ended 30 June	
	2024 S\$ Unaudited	2023 S\$ Unaudited
Tax expense comprises:		
Current tax		
— Singapore corporate income tax ("CIT")	356,559	80,865
	356,559	80,865

Singapore CIT is calculated at 17% (YA2024: 17%) of the estimated assessable profit eligible for 75% (YA2024: 75%) tax exemption on the first S\$10,000 (YA2024: S\$10,000) of normal chargeable income and further 50% (YA2024: 50%) tax exemption on the next S\$190,000 (YA2024: S\$190,000) of normal chargeable income.

9 PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	For the six months ended 30 June	
	2024 S\$ Unaudited	2023 S\$ Unaudited
Depreciation of property, plant and equipment (Note a)	753,713	830,903
Depreciation of investment properties (Note a)	366,334	366,334
Depreciation of right-of-use assets (Note a)	85,258	97,470
Provision for onerous contracts	245,612	(943,438)
Directors' remuneration	465,786	464,070
Other staff costs		
— Salaries and other benefits	5,400,384	6,036,807
— Contributions to Central Provident Fund	243,728	216,142
Total staff costs (Note b)	6,109,898	6,717,019
Cost of materials recognised as cost of services	16,981,184	43,942,284
Subcontractor costs recognised as cost of services	67,355,232	81,519,877

Notes:

- a. Depreciation of S\$ 767,441 (Previous Period: S\$857,742) are included in cost of services.
- b. Staff costs of S\$ 5,632,479 (Previous Period: S\$6,263,645) are included in cost of services.

10 DIVIDENDS

No dividend was paid or declared by the Company or group entities during the six months ended 30 June 2024 and 30 June 2023.

11 EARNINGS PER SHARE

	For the six months ended 30 June	
	2024 S\$ Unaudited	2023 S\$ Unaudited
Profit attributable to the owners of the Company (S\$)	5,037,383	3,898,398
Weighted average number of ordinary shares in issue	800,000,000	800,000,000
Basic earnings per share (S\$ cents)	0.63	0.49

The calculation of basic earnings per share is based on the earnings for the period attributable to owners of the Company and the weighted average number of shares in issue.

No diluted earnings per share were presented as there were no potential ordinary shares in issue for 2024 and 2023.

12 PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery S\$	Computers S\$	Motor vehicles S\$	Furniture and fittings S\$	Leasehold land and property S\$	Total S\$
Cost:						
At 1 January 2023 (audited)	5,825,686	371,989	2,139,896	279,467	16,244,054	24,861,092
Additions	50,697	10,800	106,916	-	-	168,413
Disposals	(4,300)	-	(145,634)	-	-	(149,934)
At 31 December 2023 (audited)	5,872,083	382,789	2,101,178	279,467	16,244,054	24,879,571
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 30 June 2024 (unaudited)	5,872,083	382,789	2,101,178	279,467	16,244,054	24,879,571
Accumulated depreciation:						
At 1 January 2023 (audited)	4,532,516	351,044	1,787,653	202,595	3,851,897	10,725,705
Charge for the year	529,358	11,367	254,778	12,402	851,060	1,658,965
Disposal	(4,300)	-	(145,634)	-	-	(149,934)
At 31 December 2023 (audited)	5,057,574	362,411	1,896,797	214,997	4,702,957	12,234,736
Charge for the period	258,941	6,132	56,907	6,201	425,532	753,713
Disposals	-	-	-	-	-	-
At 30 June 2024 (unaudited)	5,316,515	368,543	1,953,704	221,198	5,128,489	12,988,449
Carrying amount:						
At 31 December 2023 (audited)	814,509	20,378	204,381	64,470	11,541,097	12,644,835
At 30 June 2024 (unaudited)	555,568	14,246	147,474	58,269	11,115,565	11,891,122

13 INTANGIBLE ASSETS

The intangible assets represent the club memberships in Singapore Island Country Club that are held for long-term purposes. The memberships are stated at cost less impairment. They have indefinite useful lives and are not mortgaged.

14 INVESTMENT PROPERTIES

	As at 30 June 2024 S\$ Unaudited	As at 31 December 2023 S\$ Audited
Cost:		
At beginning and end of the period/year	18,712,955	18,712,955
Reclassification (Note 17)	(9,673,500)	–
At end of the period/year	9,039,455	18,712,955
Accumulated depreciation:		
At beginning of the period/year	3,983,998	3,251,331
Charge for the period/year	366,334	732,667
Reclassification (Note 17)	(1,773,474)	–
At end of the period/year	2,576,858	3,983,998
Carrying amount:		
At end of the period/year	6,462,597	14,728,957

As at 31 December 2023, investment properties of the Group comprise of (i) freehold properties consist of five strata title light industrial units located at 11 Irving Place, Singapore 369551, leased out mainly as offices or warehouses; and (ii) leasehold property at Tampines North Drive 3, Singapore 528499 with a tenure of 18.4 years.

As at 30 June 2024, the freehold properties at 11 Irving Place, Singapore 369551, have been reclassified as investment properties held for sale (Note 17).

15 DEVELOPMENT PROPERTIES

	As at 30 June 2024 S\$ Unaudited	As at 31 December 2023 S\$ Audited
Properties under development	86,589,902	–

15 DEVELOPMENT PROPERTIES (CONTINUED)

As at 30 June 2024, development properties with carrying amount of \$86,589,902 are pledged to banks for loans granted to subsidiaries (Note 23).

As at 30 June 2024, development properties of the Group comprises of freehold land and light industrial property development property at 50 Playfair Road Singapore 367995, in which the Group holds a 45% interest.

Interest costs capitalised during the Period was S\$719,626.

There is no revenue recognised as the construction of the property has not yet commenced as at end of the Period.

16 TRADE RECEIVABLES

	As at 30 June 2024 S\$ Unaudited	As at 31 December 2023 S\$ Audited
Trade receivables	1,720,748	2,442,607
Unbilled revenue (Note a)	–	6,470,490
	1,720,748	8,913,097

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

The Group grants credit terms to customers typically between 0 to 45 days (2023: 0 to 45 days) from the invoice date for trade receivables. The following is an analysis of trade receivables by invoice date at the end of each reporting period:

	As at 30 June 2024 S\$ Unaudited	As at 31 December 2023 S\$ Audited
Within 60 days	1,703,248	2,410,107
Above 365 days	17,500	32,500
	1,720,748	2,442,607

Before accepting any new customer, the Group assesses the potential customer's credit quality and defined credit limit to each customer on an individual basis. Limits attributed to customers are reviewed periodically.

16 TRADE RECEIVABLES (CONTINUED)

The Group applies the simplified approach to provide the expected credit losses prescribed by IFRS 9.

As part of the Group's credit risk management, the Group assesses the impairment for its customers based on different group of customers which share common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The directors of the Company considered that the ECL for trade receivables is insignificant as at 30 June 2024 and 31 December 2023.

17 INVESTMENT PROPERTIES HELD FOR SALE

On 28 March 2024 and 20 May 2024, Wan Yoong Construction Pte Ltd, an indirect wholly-owned subsidiary of the company, granted options to 365 Cancer Prevention Society and Chai Ming Optical Pte Ltd, respectively, for the sale of five units located at 11 Irving Place, Tai Seng Point, Singapore. The sales were completed on 19 August 2024 and 13 August 2024, respectively. The sales proceeds of investment properties are expected to exceed the carrying amount of the investment properties and accordingly no impairment loss has been recognised on the classification of investment properties as held for sale. As of 30 June 2024, the investment properties related to these transactions have been classified as investment properties held for sale, at a carrying amount of S\$7,900,026.

18 CONTRACT ASSETS/LIABILITIES

The following is the analysis of the contract assets and contract liabilities:

	As at 30 June 2024 S\$ Unaudited	As at 31 December 2023 S\$ Audited
Contract assets	11,884,784	30,759,697
Contract liabilities	(5,827,259)	(2,392,028)

Contract assets and contract liabilities arising from same contract are presented on net basis.

As at 1 January 2023, contract assets amounted to S\$44,897,865 and contract liabilities amounted to NIL.

18 CONTRACT ASSETS/LIABILITIES (CONTINUED)

Contract assets

Amounts represent the Group's rights to considerations from customers for the provision of construction services, which arise when: (i) the Group completed the relevant services under such contracts; and (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 12 months (defect liability period) after completion of the relevant works. Any amount previously recognized as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer.

The Group's contract assets are analysed as follows:

	As at 30 June 2024 S\$ Unaudited	As at 31 December 2023 S\$ Audited
Construction contracts — current		
Retention receivables	2,406,457	1,357,819
Others*	9,478,327	29,401,878
	11,884,784	30,759,697

* Included in others is revenue not yet billed to the customers. The Group has completed the relevant services under such contracts but yet to be certified by representatives appointed by the customers.

Changes of contract assets were mainly due to: (1) the amount of retention receivables in accordance with the number of ongoing and completed contracts under the defect liability period; and (2) in the size and number of contracts works that the relevant services were completed but yet to be certified by representatives appointed by the customers at the end of each reporting period.

The Group's contract assets are the retention receivables to be settled, based on the expiry of the defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, at the end of the reporting period. The balances are classified as current as they are expected to be received within the Group's normal operating cycle.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for the trade receivables are a reasonable approximation of the loss rates for the contract assets. Based on the management's assessment, it is considered that the ECL for contract assets is insignificant as at 30 June 2024 and 31 December 2023.

18 CONTRACT ASSETS/LIABILITIES (CONTINUED)

Contract liabilities

The contract liabilities represents the Group's obligation to transfer services to customers for which the Group has received consideration (or an amount of consideration is due) from the customers. Contract liabilities as at 30 June 2024 mainly relates to advances received from customers.

The Group's contract liabilities are analysed as follows:

	As at 30 June 2024 S\$ Unaudited	As at 31 December 2023 S\$ Audited
Construction contracts — current	(5,827,259)	(2,392,028)

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	As at 30 June 2024 S\$ Unaudited	As at 31 December 2023 S\$ Audited
Revenue recognized that was included in the contract liabilities balance at the beginning of the period/year	(2,392,028)	–

None of the revenue recognised during the period relates to performance obligations that were satisfied in prior periods.

19 PROVISION FOR ONEROUS CONTRACTS

As at 30 June 2024, the Group recorded S\$199,882 (2023: S\$445,493) provision for the unavoidable costs of fulfilling certain construction contracts with customers, which were in excess of the economic benefits expected to be received under the contracts. The provision for the onerous contracts is expected to be utilised at the end of the respective contract terms.

20 BANK BALANCES AND CASH AND PLEDGED DEPOSITS

	As at 30 June 2024 S\$ Unaudited	As at 31 December 2023 S\$ Audited
Bank balances and cash	59,987,147	59,529,187
Less: pledged deposit for performance bond (Note a)	(2,828,400)	(4,264,930)
Cash and cash equivalents in the statement of cash flows	57,158,747	55,264,257

Note a: As at 30 June 2024, the Group has pledged a deposit of S\$ 2,828,400 for a performance bond which matured on 13 November 2026.

21 TRADE AND OTHER PAYABLES

	As at 30 June 2024 S\$ Unaudited	As at 31 December 2023 S\$ Audited
Trade payables	17,742,120	28,786,403
Trade accruals	29,302,133	43,614,427
Accrued operating expenses	47,044,253	72,400,830
Other payables	3,490	253,079
GST payable	911,498	1,646,607
Interest payable	220,220	23,170
Accrued payroll costs	1,091,511	2,213,980
Deposits	410,139	751,908
Others	622,875	40,246
	50,303,986	77,329,820
Non-current deposits	126,763	261,778

21 TRADE AND OTHER PAYABLES (CONTINUED)

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 30 June 2024 S\$ Unaudited	As at 31 December 2023 S\$ Audited
Within 90 days	16,984,857	27,432,494
91 to 180 days	360,331	1,053,547
181 days to 365 days	277,871	269,292
Over 1 year but not more than 2 years	103,228	15,760
More than 2 years	15,833	15,310
	17,742,120	28,786,403

The credit period on purchases from suppliers and subcontractors is between 0 to 60 days (2023: 0 to 60 days) or payable upon delivery.

22 BORROWINGS

	As at 30 June 2024 S\$ Unaudited	As at 31 December 2023 S\$ Audited
Bank loan — secured (Notes a, b, c)	76,165,737	12,389,882
Other borrowings — secured (Note d)	17,095	58,479
	76,182,832	12,448,361
Analysed as:		
Carrying amount repayable within one year	2,471,567	11,373,677
Carrying amount repayable more than one year, but not exceeding two years	1,606,596	1,074,684
Carrying amount repayable more than two years, but not exceeding five years	72,104,669	—
	76,182,832	12,448,361
Less: Amount due within one year shown under current liabilities	(2,471,567)	(11,373,677)
Amount shown under non-current liabilities	73,711,265	1,074,684

22 BORROWINGS (CONTINUED)

Notes:

- a. As at 30 June 2024, a loan with an outstanding balance of approximately S\$9.5 million (2023: S\$10 million) was secured by the legal mortgage over the Group's mixed commercial and industrial development property. The loan carries a fixed interest rates of 3.58% and 3.78% per annum for the first and second year. For the third year and the subsequent years, the interest rate is 2% over the applicable SORA Reference Rate as determined by the bank on the day of transaction. It is also secured by a corporate guarantee provided by the Company.

The loan was renewed in April 2024, with the revised interest rate terms as above.

- b. As at 30 June 2024, a five-year temporary bridging loan with an outstanding balance of approximately S\$1.7 million (2023: S\$2.3 million) carries a fixed interest rate of 2%. It is secured by a corporate guarantee provided by the Company.
- c. As at 30 April 2024, a loan with an outstanding balance of S\$64.94 million (2023: Nil) was secured by a fresh mortgage over the Group's freehold land and light industrial property development property (Note 15) carrying interest rate of 0.9% above the Compounded Singapore Overnight Rate Average (SORA). It is also secured by a proportionate corporate Guarantee provided by the Company and proportionate personal Guarantees provided by the minority shareholders of an indirectly 45%-owned subsidiary of the Company.
- d. The Group purchased certain copiers, equipment, and motor vehicles via hire purchase agreements, constituting in-substance purchases with financing arrangements. The motor vehicles under hire purchase financing arrangements are secured by personal guarantees provided by the Company's directors.

23 SHARE CAPITAL

	Number of shares	Par value HK\$	Share capital HK\$
Authorised share capital of the Company: At 1 January 2023, 31 December 2023 and 30 June 2024	5,000,000,000	0.01	50,000,000
		Number of shares	Share capital S\$
Issued and fully paid of the Company At 1 January 2023, 31 December 2023 and 30 June 2024		800,000,000	1,389,830

24 NON-CONTROLLING INTERESTS

As at 30 June 2024, non-controlling interests include an amount of S\$15,508,581 representing advances and additional capital contributions from the non-controlling shareholders granted to an indirectly 45%-owned subsidiary of the Company to fund the properties under development (Note 15). The amounts are non-trade in nature, unsecured and interest free. The repayment is at the discretion of the subsidiary.

25 OPERATING LEASE COMMITMENTS

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with lease terms of between less than a year to five years, mostly with a one to three years extension option. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Maturity analysis of operating lease payments:

	As at 30 June 2024 S\$ Unaudited	As at 31 December 2023 S\$ Audited
Within one year	1,536,806	1,876,868
In the second year	345,390	793,067
In the third year	–	24,891
Total	1,882,196	2,694,826

The following table presents the amounts reported in profit or loss:

	For the six months ended 30 June	
	2024 S\$ Unaudited	2023 S\$ Unaudited
Lease income on operating leases (Note 5(i))	1,147,424	1,099,925

26 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these interim condensed consolidated financial statements. Related companies refer to entities in which directors of the Group and his/her spouse have beneficial interest in.

The Group had no transactions with related companies for the six months ended 30 June 2024 and 30 June 2023.

Compensation of key management personnel

The remuneration of directors and other members of key management during the Period were as follows:

	For the six months ended 30 June	
	2024 S\$ Unaudited	2023 S\$ Unaudited
Short term benefits	728,730	720,700
Post-employment benefits	33,864	29,700
Total compensation	762,594	750,400

27 PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company as at 30 June 2024 are set out below.

Name	Place of incorporation/operation	Paid up issued capital	Group's effective interest	Held by the Company	Principal activities
Lion Metro Holdings Limited	BVI	US\$1	100%	100%	Investment holding
BHCC Construction	Singapore	S\$15,000,000	100%	-	Provision of building construction services
Wan Yoong Construction Pte Ltd	Singapore	S\$30,000	100%	-	Property development and investment holding
BHCC Space Pte Ltd	Singapore	S\$1,000,000	100%	-	Property development and investment holding
BHCC Development Pte Ltd	Singapore	S\$1,000	100%	-	Property development and investment holding
Evermega Investment Holdings Pte Ltd	Singapore	S\$1,000	45%	-	Property development and investment holding

None of the subsidiaries had issued any debt securities at the end of the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged as a main contractor in the provision of building and construction works, and properties investment including the leasing of industrial properties in Singapore. The Group is also specialised in reinforcement concrete works which it has undertaken on a selected basis in the subcontractor projects.

Despite the construction sector has gradually rebounded since 2023, the market environment remains challenging due to the rising operating costs, notably by the significant increases in material and labour costs. Contrastingly, the property prices in Singapore have been rising throughout the Covid-19 pandemic and continues to demonstrate positive growth during the post-pandemic period. In view of the rising operating costs and increasing competitive construction sector, the Company believes that venturing the property development business will enable the Company to strategically utilise the existing resources of the Group, diversifying the Group's revenue streams.

Taking into account the above favourable factors, during the Period, the Group ventured into the property development business by the completion of the acquisition of 45% equity interest in Evermega Investment Holdings Pte.Ltd. which will allow the Group to gain a foothold in industrial property development at a prime location in Singapore. The Company is optimistic that the acquisition and development of the Property will allow the Company to capture the opportunities of the industrial property market, creating long term benefits to the Group.

FINANCIAL REVIEW

The Group's revenue for the Period was approximately S\$100.9 million, representing a decrease of approximately 29.6% as compared to that of approximately S\$143.3 million for the Previous Period. The decrease was mainly due to several ongoing projects reaching their final stages, as a result, there were less construction activities during the Period comparing with the Previous Period. Revenue from building and construction works accounted for approximately 98.9% (Previous Period: approximately 99.2%) or approximately S\$99.8 million (Previous Period: approximately S\$142.2 million) of the Group's total revenue. Revenue from property investment contributed approximately 1.1% (Previous Period: approximately 0.8%) or approximately S\$1.1 million (Previous Period: approximately S\$1.1 million).

Profit attributable to owners of the Company for the Period amounted to approximately S\$5.0 million (Previous Period: approximately S\$3.9 million).

The Board is of the view that the financial position of the Group remains sound as sufficient reserve and liquidity are maintained.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2024.

CAPITAL COMMITMENTS

As at 30 June 2024, the Group had capital commitment of approximately S\$9.8 million (2023: Nil) in connection with the acquisition of property. For details, please refer to the announcements of the Company dated 4 January 2024, 18 March 2024 and 20 March 2024, and the circular of the Company dated 28 February 2024. Saved for the disclosed, as at 30 June 2024, the Group had no other capital commitment in respect of acquisition of property, plant and equipment.

PROSPECTS

The outlook of the construction industry in Singapore remains positive and is expected to strengthen in 2024, due to largely planned public housing projects. Furthermore, the Building and Construction Authority of Singapore (BCA) forecasts a total construction demand with contract values ranging from S\$32 billion to S\$38 billion in 2024, mainly contributed by the increasing demand in the public sector with contract values between S\$18 billion and S\$21 billion. The Building and Construction Authority (BCA) also expects a steady improvement in construction demand in Singapore over the medium term during 2025 to 2028.

Given the gradual recovery construction industry in the longer term, the Group remains optimistic about the outlook for the coming years. The Board believes that, with a wealth of experience in Singapore's construction sector, the Group will be able to continue building on its competitive strengths and devise plans to achieve its long-term business objective. The Company expects to: (a) implement refined strategies such as advanced planning, simplifying construction methods and optimizing designs; (b) expand the Group's business and strengthen the Group's market position in the construction industry in Singapore; (c) pursue higher value contracts; and (d) enhance and expand the Group's workforce to keep up with the Group's business expansion.

The Group has also recently ventured into the property development business by the completion of the acquisition of 45% equity interest in Evermega Investment Holdings Pte. Ltd., which in turn holds an industrial property in Singapore and is intended to undergo redevelopment, the expansion of the Group's businesses will enable the Company to strategically utilise the resources of the Group, diversifying the Group's revenue streams and capturing new opportunities in the booming Singapore's industrial property market.

RECENT DEVELOPMENT

In terms of building technologies, the Group has actively used Building information modeling (BIM) in its projects, upgraded BIM functionally from 3D to 5D and is gradually moving towards the utilization of Integrated Digital Delivery in conjunction with other smart office technologies such as the Office Automation System.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's cash and cash equivalents balances as at 30 June 2024 amounted to approximately S\$57.2 million, representing an increase of approximately S\$0.5 million as compared to approximately S\$56.7 million as at 31 December 2023.

As at 30 June 2024, the Group's indebtedness comprised bank borrowings of approximately S\$11.2 million (2023: approximately S\$12.4 million), hire purchase financing of approximately S\$0.02 million (2023: approximately S\$0.1 million), and lease liabilities of approximately S\$0.1 million (2023: approximately S\$0.2 million). As at 30 June 2024, the gearing ratio (calculated by dividing total debts by equity attributable to owners of the company) of the Group was 1.72 times as compared to 0.32 times as at 31 December 2023.

The Group's equity balance increased to approximately S\$44.2 million as at 30 June 2024 from that of approximately S\$39.2 million as at 31 December 2023.

The Group has certain bank balances denominated in HK\$ and US\$ other than the functional currency of respective group entities as at 30 June 2024, which exposes the Group to foreign currency risk. The Group manages the risk by closely monitoring the movement of the foreign currency rate.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 307 employees as at 30 June 2024 (Previous Period: 384 employees). Remuneration is determined by reference to prevailing market terms and in accordance with the job scope, responsibilities, and performance of each individual employee.

The Company has adopted a share option scheme pursuant to which the Directors and employees of the Group are entitled to participate. The local employees are also entitled to discretionary bonus depending on their respective performances and the profitability of the Group. The foreign workers are typically employed on a one-year basis depending on the period of their work permits, and subject to renewal based on their performance, and are remunerated according to their work skills.

OTHER INFORMATION

SHARE OPTION SCHEME

On 17 August 2017, the then shareholders of the Company approved and conditionally adopted a share option scheme (the "Share Option Scheme") to enable the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group. No option has been granted since its adoption on 17 August 2017, and there is no outstanding share option as at 30 June 2024. As at 30 June 2024, a maximum of 80,000,000 Shares, being 10% of the total number of Shares in issue as at the listing date of the Company, may be issued upon exercise of all 80,000,000 share options available to be granted under the Share Option Scheme.

PLEDGE OF ASSETS

The bank borrowings as at 30 June 2024 were secured by the Group's leasehold land, leasehold property, and development properties with a total carrying amount of approximately S\$104.2 million.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Very substantial acquisition in relation to acquisition of 45% of the equity interest in and capital commitment to Evermega Investment Holding Pte. Ltd.

On 4 January 2024, BHCC Development Pte. Ltd. ("BHCC Development"), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Mr. Teo Wai Leong, pursuant to which (i) BHCC Development agreed to acquire 45% of the total issued share capital of Evermega Investment Holdings Pte. Ltd. ("Evermega"), and the shareholder loan in the amount of S\$5,490,169.20 for the aggregate consideration of S\$5,490,619.20 (the "Acquisition"); and (ii) BHCC Development has conditionally agreed to make capital contribution to Evermega in the aggregate amount of up to S\$17,010,000 (together with the Acquisition, the "Transactions"). Completion of the Acquisition took place on 20 March 2024. As BHCC Development will retain control of the board of directors of Evermega, Evermega is an indirect non-wholly owned subsidiary of the Company and the financial statements of Evermega are consolidated into the consolidated financial statements of the Company.

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Transactions exceeds 100%, the Transactions constituted a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. For details of the Transactions, please refer to the announcements of the Company dated 4 January 2024, 18 March 2024 and 20 March 2024, and the circular of the Company dated 28 February 2024.

Major transactions in relation to disposal of properties

On 28 March 2024, Wan Yoong Construction Pte Ltd. ("Wan Yoong"), an indirect wholly-owned subsidiary of the Company, executed an option letter ("Option Letter A") granting an option ("Option A") to 365 Cancer Prevention Society ("Purchaser A") to purchase three units ("Properties A") located at 11 Irving Place, Tai Seng Point, Singapore 369551 ("Tai Seng Point") at the consideration of S\$7,840,000. Option A was exercised by Purchaser A on 9 April 2024, and completion of the disposal of Properties A ("Disposal A") took place on 19 August 2024 in accordance with Option Letter A.

On 20 May 2024, Wan Yoong executed two option letters ("Option Letter B" and "Option Letter C" respectively), granting two options ("Option B" and "Option C" respectively, and together with Option A, the "Options") to Chai Ming Optical Pte Ltd ("Purchaser B") to purchase two separate units ("Property B" and "Property C" respectively) at Tai Seng Point at the consideration of S\$2,232,400 and S\$2,617,600 respectively. Option B and Option C were exercised by Purchaser B on 3 June 2024, and completion of the disposal of Property B ("Disposal B") and Property C ("Disposal C", together with Disposal A and Disposal B, the "Disposals") took place on 13 August 2024 in accordance with Option Letter B and Option Letter C.

Pursuant to Rule 14.73 of the Listing Rules, the grant of each of the Options by Wan Yoong is treated as a transaction and classified by reference to the percentage ratios (as defined under the Listing Rules) of the disposal of the respective property. As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of Disposal A exceeds 25% but is under 75%, the grant of Option A and Disposal A constituted a major transaction on the part of the Company under Chapter 14 of the Listing Rules. Further, pursuant to Rule 14.22, the transactions contemplated under Option B and Option C shall be aggregated as Option B and Option C were granted at the same time to Purchaser B and the exercise of each of Option B and Option C is inter-conditional with the other. As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of Disposal B and Disposal C on an aggregated basis exceeds 25% but is under 75%, the grant of Option B and Option C and Disposal B and Disposal C constituted a major transaction of the Company under Chapter 14 of the Listing Rules.

The grant of the Options and the Disposals were approved by way of written shareholders' approval from Huada Developments (the Company's controlling shareholder holding 51.13125% shareholding of the Company), on 28 March 2024 and 20 May 2024 respectively. For details of the Options and Disposals, please refer to the announcements of the Company dated 28 March 2024, 9 April 2024, 20 May 2024 and 3 June 2024, and the circulars of the Company dated 21 May 2024 and 11 June 2024.

Save as disclosed, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period.

CORPORATE GOVERNANCE

The Company is committed to fulfilling its responsibilities to its shareholders (the "Shareholders") and protecting and enhancing Shareholders' value through good corporate governance.

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. During the Period, the Company did not have a position of the title "chief executive officer". Mr. Yang Xinping, chairman of the Board, has been playing a leading role in both the overall strategic planning and day-to-day management of the business of the Group.

Having considered the current composition of the Board which comprises two executive Directors and three independent non-executive Directors, and that all major decisions are made with prior consultation with the members of the Board, the Board is of the view that the role of chief executive is jointly undertaken and sufficiently balanced amongst the members of the Board.

The Board considers that the current structure facilitates the implementation of the Group's business strategies, maximises the effectiveness of the Group's operation and will not impair the balance of power and authority of the Board. Nonetheless, the Board will review the structure of management from time to time and ensure that appropriate action be taken as and when appropriate.

Save for the deviation from Code Provision C.2.1 of the CG Code, the Company has adopted the CG Code contained in Appendix C1 of the Listing Rules, and has complied with all applicable code provisions as set out in the CG Code during the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. All the Directors have confirmed, upon specific enquiries made by the Company, that they have complied with the Model Code during the Period.

DIVIDEND

The Board takes into account the Group's overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Board does not recommend payment of any dividend in respect of the Period (Previous Period: Nil).

AUDIT COMMITTEE

The audit committee (the "Audit Committee") of the Company was established on 17 August 2017 with written terms of reference in compliance with the CG Code. The written terms of reference of the Audit Committee are published on the respective websites of the Stock Exchange and the Company. It comprises three independent non-executive Directors, namely Ms. Chan Bee Leng, Mr. Kwong Choong Kuen (Huang Zhongquan) and Mr. Ooi Soo Liat. Ms. Chan Bee Leng is the chairwoman of the Audit Committee.

The Audit Committee has reviewed the accounting standards and policies adopted by the Group and the interim report including the unaudited interim condensed consolidated financial information of the Group for the Period. The Audit Committee is of the view that the unaudited interim condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory provisions, and sufficient disclosures have already been made.

CHANGE IN INFORMATION OF DIRECTOR

With effect from 24 July 2024, Mr. Kwong Choong Kuen (Huang Zhongquan), an independent non-executive Director, has been appointed as an independent director of Orangecloud Technology Inc., a company listed on NASDAQ (NASDAQ stock symbol: ORKT).

Save as disclosed, there are no other material changes in the Directors' biographical details which are required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules since the date of 2023 annual report of the Company and up to the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

In July 2024, the Group set up a newly incorporated subsidiary. The principal activity of the newly incorporated subsidiary is that of real estate developers.

Discloseable and connected transaction in relation to payment of tender deposit

On 18 July 2024, BHCC Development (Projects) Pte Ltd. ("BHCC Projects"), an indirect wholly-owned subsidiary of the Company, together with Apex Asia Real Estate Holding Pte. Ltd. ("AA Real Estate"), Heeton Homes Pte. Ltd., and SNC3 Realty Pte. Ltd. as joint tenderers (collectively, the "Tenderers"), jointly submitted a tender (the "Tender") to the Urban Redevelopment Authority of Singapore for the lease of a land parcel situated at Canberra Crescent, Singapore for residential development. As required under the conditions of Tender, the tender deposit (the "Tender Deposit") in the amount of approximately S\$15,000,000, representing no less than 5% of the bid price submitted under the Tender has been paid to the Tenderee, of which the sum of approximately S\$1,500,000 (the "BHCC Deposit"), being 10% of the Tender Deposit, was contributed by BHCC Projects. The Tender was unsuccessful and as at the date of this announcement, the Tender Deposit, including the BHCC Deposit, has been refunded to the Tenderers.

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the payment of the BHCC Deposit exceeds 5% but is under 25%, the payment of the BHCC Deposit constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Furthermore, AA Real Estate is indirectly owned as to 87.5% by Apex Asia Development Pte. Ltd. which in turn is the indirect holder of Evermega, an indirect non-wholly owned subsidiary of the Company, AA Real Estate is therefore also a connected person of the Company at subsidiary level. As such, the payment of the BHCC Deposit pursuant to the Tender jointly submitted by the Tenderers (which among others, BHCC Projects and AA Real Estate are parties), constituted a connected transaction at the subsidiary level of the Company under Chapter 14A of the Listing Rules. For details of the payment of BHCC Deposit, please refer to the announcement of the Company dated 18 July 2024.

Saved as disclosed above, the Directors confirmed that there are no significant events after the Period.

By order of the Board
BHCC Holding Limited
Yang Xiping
Chairman and executive Director

Singapore, 30 August 2024

As at the date of this announcement, the executive Directors are Mr. Yang Xiping and Ms. Han Yuying; and the independent non-executive Directors are Mr. Ooi Soo Liat, Ms. Chan Bee Leng and Mr. Kwong Choong Kuen (Huang Zhongquan).