

# Shuang Yun Holdings Limited 雙運控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1706

The background features a collage of construction-related images. On the left, a yellow Vögele road roller is paving asphalt, with workers in safety vests and hard hats nearby. In the center, a blue truck is shown. On the right, a white truck is visible. At the bottom, a wide road with white lane markings and arrows is shown, with orange traffic cones and construction barriers along the side. The entire collage is overlaid with a green and blue geometric pattern of hexagons and lines.

Interim  
Report  
2018

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## Corporate Information

### EXECUTIVE DIRECTORS

Mr. Tan Chai Ling  
*(Chairman and Chief Executive Officer)*  
Ms. Alynda Tan Hue Hong  
Ms. Chong Sook Fern

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Prof. Pong Kam Keung  
Mr. Siu Man Ho Simon  
Mr. Yau Chung Hang

### COMPANY SECRETARY

Ms. Cheng Florence Ga Sui

### AUTHORISED REPRESENTATIVES

Ms. Alynda Tan Hue Hong  
Ms. Cheng Florence Ga Sui

### AUDIT COMMITTEE

Mr. Yau Chung Hang *(Chairman)*  
Prof. Pong Kam Keung  
Mr. Siu Man Ho Simon

### REMUNERATION COMMITTEE

Mr. Yau Chung Hang *(Chairman)*  
Mr. Tan Chai Ling  
Mr. Siu Man Ho Simon

### NOMINATION COMMITTEE

Mr. Tan Chai Ling *(Chairman)*  
Mr. Yau Chung Hang  
Prof. Pong Kam Keung

### REGISTERED OFFICE

Cricket Square Hutchins Drive  
P.O. Box 2681 Grand Cayman KY1-1111  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

No. 4 Sungei Kadut Street 2  
Sungei Kadut Industrial Estate  
Singapore 729226

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 17/F, United Centre  
95 Queensway, Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square Hutchins Drive  
P.O. Box 2681 Grand Cayman KY1-1111  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor  
Services Limited  
Shops 1712-1716  
17th Floor Hopewell Centre  
183 Queen's Road East, Wanchai  
Hong Kong

### AUDITOR

Deloitte & Touche LLP  
6 Shenton Way OUE Downtown 2 #33-00  
Singapore 068809

### COMPLIANCE ADVISER

Dakin Capital Limited  
Room 2701 Admiralty Centre  
Tower 1, 18 Harcourt Road Admiralty  
Hong Kong

### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking  
Corporation Limited  
DBS Bank Ltd  
Malayan Banking Berhad

### COMPANY'S WEBSITE

[www.shuangyunholdings.com](http://www.shuangyunholdings.com)

### STOCK CODE

1706

Note: In the case of any inconsistency between the Chinese translation and the English text of this Interim Report, the English text shall prevail.

# Chairman's Statement

Dear Shareholders,

On behalf of the board (the **"Board"**) of directors (the **"Directors"**) of Shuang Yun Holdings Limited (the **"Company"**) and its subsidiaries (collectively, the **"Group"**), I would like to present to our shareholders the first interim report of the Group for the six months ended 30 June 2018 since the listing (the **"Listing"**) of the shares of the Company on the Main Board of the Stock Exchange of Hong Kong Limited (the **"Stock exchange"**) on 15 November 2017 (the **"Date of Listing"**).

## REVIEW

The Group is principally engaged in the provision of road works services and construction ancillary services. The road works services provided comprise of mainly: (i) road construction services (i.e. new road construction, road widening, and construction of road-related facilities); and (ii) construction ancillary services (e.g. road pavement and marking maintenance works, and road upgrading services). Since the Listing, there has been no significant change in the business operations of the Group.

The total revenue of our Group increased by approximately S\$5.2 million or 15.7% from approximately S\$32.9 million for the six months ended 30 June 2017 to approximately S\$38.1 million for the six months ended 30 June 2018. Our Group's profit attributable to owners of the Company decreased by S\$0.4 million or 19.3% to approximately S\$1.8 million compared to approximately S\$2.2 million for the corresponding period of 2017.

Since 2018 and up to the 30 June 2018, the Group had been awarded 15 contracts with total contract sum of approximately HK\$444.2 million including 8 main contracts and 7 subcontracts.

## INTERIM DIVIDEND

The board does not propose the payment of an interim dividend for the six months ended 30 June 2018 (30 June 2017: S\$1.5 million).

# Chairman's Statement

## OUTLOOK AND PROSPECT

The overall momentum of the construction industry is generally expected to pick up in 2018 and beyond following an optimistic outlook for the Singapore economy as well as the anticipated increase in demand from public sector construction activities such as building projects and civil engineering works; and private sector construction activities such as the redevelopment of numerous en-bloc sale sites and the spill-over benefits generated by the improved performances and outlook of other economic sectors. As such, by 2022, the construction GDP is forecasted to grow at a CAGR of approximately 2.58% from 2018 onwards to reach approximately S\$20.72 billion.

As disclosed in the 2017 Annual Report, The Government announced that public transport would be enhanced, with a doubling of the mass rapid transit network by 2030 as well as the development of a new terminal at Changi Airport. It was also announced that infrastructure would continue to be upgraded and renewed in the longer term. The construction demand in Singapore to increase up to \$31 billion in 2018. The Public projects, estimated between \$16 billion and \$19 billion will be awarded this year, more than the \$15.5 billion in 2017. Some of the projects expected to be awarded this year include additional major contracts for infrastructure projects like the Land Transport Authority's North-South Corridor, national water agency PUB's Deep Tunnel Sewerage System and various healthcare facilities. In addition, construction demand in the private sector is also expected to improve to between \$10 billion and \$12 billion this year, up from \$9 billion last year.

Looking ahead, the Group is positive about the prospects of the road construction market and construction ancillary service market in Singapore. In view of the aforesaid the Group will continue to try best endeavor to explore new customers, implement stringent cost control measures on existing projects, strengthen the effectiveness of project management and improve the efficiency of work flow throughout the construction process in order to maintain the competitiveness for the best interests of the Group. The Group will continue to focus on our core business of the provision of road construction and construction ancillary service and prepare for future opportunities, while maximizing the shareholders' value.

# Chairman's Statement

## APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our management and staff members for their continuous commitment and contribution, and to all our shareholders, customer, subcontractor, suppliers and business partners for their endless support, and to maintain the good relationship with the Group.

**Shuang Yun Holdings Limited**

**Tan Chai Ling**

*Chairman*

30 August 2018

The board of directors (the “**Board**”) of Shuang Yun Holdings Limited (the “**Company**”) is pleased to present the unaudited interim results of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) for the six months ended 30 June 2018 together with comparative figures for the corresponding period in 2017 as follows:

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

	NOTES	Six months ended 30 June	
		2018 (Unaudited) S\$	2017 (Unaudited) S\$
Revenue	4	<b>38,064,043</b>	32,890,467
Cost of services		<b>(28,738,156)</b>	(23,583,819)
Gross profit		<b>9,325,887</b>	9,306,648
Other income	5	<b>123,123</b>	480,962
Administrative expenses		<b>(6,137,285)</b>	(5,199,617)
Other gains/(losses)	6	<b>8,464</b>	(88,602)
Listing expenses		–	(986,767)
Finance costs	7	<b>(978,095)</b>	(653,677)
Profit before taxation	8	<b>2,342,094</b>	2,858,947
Income tax expense	9	<b>(536,000)</b>	(622,020)
Profit and other comprehensive income for the period		<b>1,806,094</b>	2,236,927
<b>EARNING PER SHARE</b>			
Basic (S\$ cents)	11	<b>0.181</b>	0.298

## Condensed Consolidated Statement of Financial Position

	<i>NOTES</i>	<b>As at 30 June 2018 (Unaudited) S\$</b>	As at 31 December 2017 (Restated) S\$
<b>Non-current assets</b>			
Property, plant and equipment	12	27,150,390	22,857,868
Investment properties	13	2,280,000	2,280,000
Bank deposit		170,000	170,000
		<b>29,600,390</b>	25,307,868
<b>Current assets</b>			
Trade receivables	14	48,291,257	48,684,786
Other receivables, deposits and prepayments	15	3,266,096	1,178,780
Contract assets	16	8,818,525	8,694,499
Bank balances and cash		6,785,307	15,426,789
		<b>67,161,185</b>	73,984,854
<b>Current liabilities</b>			
Trade and other payables	17	10,219,208	15,450,656
Obligations under finance leases		1,824,447	3,113,179
Income tax payable		1,324,388	1,391,569
Borrowings		25,093,460	22,497,856
		<b>38,461,503</b>	42,453,260
<b>Net current assets</b>		<b>28,699,682</b>	31,531,594



## Condensed Consolidated Statement of Financial Position

		As at 30 June 2018 (Unaudited) S\$	As at 31 December 2017 (Restated) S\$
	<i>NOTES</i>		
<b>Non-current liabilities</b>			
Obligations under finance leases		2,765,837	5,082,247
Borrowings		7,094,861	5,123,935
Deferred tax liabilities		638,186	638,186
		<b>10,498,884</b>	10,844,368
<b>Net assets</b>		<b>47,801,188</b>	45,995,094
<b>Capital and reserves</b>			
Share capital	18	17,381,244	17,381,244
Share premium		5,130,991	5,130,991
Reserves		25,288,953	23,482,859
<b>Equity attributable to owners of the Company</b>		<b>47,801,188</b>	45,995,094

## Condensed Consolidated Statement of Changes in Equity

	Share capital	Share premium <i>(Note (a))</i>	Reserves			Total
			Other reserves <i>(Note (b))</i>	Revaluation reserves	Accumulated profits	
	S\$	S\$	S\$	S\$	S\$	S\$
At 1 January 2017 (Audited)	7,500,000	-	-	671,323	11,701,339	19,872,662
Total comprehensive income for the period	2,500,000	-	-	-	2,236,927	4,736,927
Dividends <i>(Note 10)</i>	-	-	-	-	(1,500,000)	(1,500,000)
At 30 June 2017 (Unaudited)	10,000,000	-	-	671,323	12,438,266	23,109,589
At 1 January 2018 (Audited)	17,381,244	5,130,991	10,700,000	664,878	12,117,981	45,995,094
Total comprehensive income for the period	-	-	-	-	1,806,094	1,806,094
At 30 June 2018 (Unaudited)	17,381,244	5,130,991	10,700,000	664,878	13,924,075	47,801,188

*Note (a):* Share premium represents the excess of proceeds from share issue over the par value.

*Note (b):* Other reserve arose on the group reorganisation as disclosed in Note 2 "Basis of preparation and group reorganisation", in which Mr. Tan Chai Ling and Ms. Alynda Tan Hue Hong transferred 10,700,000 shares in Double-Trans Pte. Ltd. ("**Double-Trans**") and Samco Civil Engineering Pte. Ltd. ("**Samco**") to the Group.

## Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2018 (Unaudited) S\$	2017 (Unaudited) S\$
Net cash used in operating activities	(2,176,642)	(1,208,700)
Net cash used in investing activities	(4,534,913)	(96,396)
Net cash (used in)/from financing activities	(1,929,927)	1,769,037
Net (decrease)/increase in cash and cash equivalents	(8,641,482)	463,941
Cash and cash equivalents at beginning of the period	15,426,789	395,514
Cash and cash equivalents at end of the period, represented by bank balances and cash	6,785,307	859,455

# Notes to the Condensed Consolidated Financial Statements

## 1. GENERAL

The Company is a company incorporated and registered as an exempted company in the Cayman Islands with limited liability on 21 June 2017. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). The registered office of the Company is at Cricket Square Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Group is at No.4, Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729226.

The Company is an investment holding company and the principal activities of its operating subsidiaries are provision of road construction services (including new road construction, road widening, and construction of road-related facilities), construction ancillary services (including road maintenance works), and lease of construction machineries.

The functional currency of the Group is Singapore dollars ("**S\$**"), which is also the presentation currency of the Group.

## 2. BASIS OF PREPARATION AND GROUP REORGANISATION

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

In connection with the listing of the Shares of the Company on the Main Board of Stock Exchange, the Company underwent a reorganisation as set out in the section headed "History, Reorganisation and Corporate Structure" to the Prospectus of the Company dated 31 October 2017 (the "**Prospectus**") on 19 October 2017, the Company became the holding company of its subsidiaries now comprising the Group. The Group resulting from the reorganisation is regarded as a continuing entity. Accordingly, the unaudited condensed consolidated financial statements have been prepared to include the financial statements of the companies now comprising the Group as if the Group structure upon the completion of the reorganisation had been in existence throughout the period, or since their respective dates of incorporation or establishment where this is a shorter period.

# Notes to the Condensed Consolidated Financial Statements

## 3. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has adopted all the new and amendments to IFRSs and new interpretations of IFRS (“IFRIC”) effected and revised to its operations since the beginning of the current financial period.

The adoption of these new/revised IFRS, amendments and interpretations does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for current or prior period except as follows:

IFRS 15 *Revenue from Contracts with Customers* establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. IFRS 15 replaces IAS 18 *Revenue*, which covered revenue arising from sale of goods and rendering of services, and IAS 11 *Construction contracts*, which specified the accounting for construction contracts.

Upon adoption of IFRS 15, there is no material impact on the timing and amounts of revenue recognised in the respective reporting periods except for the presentation of contract assets and contract liabilities. Previously, contract balances relating to construction contracts in progress were presented in the statement of financial position under “Amount due from customers under construction contract”. To reflect these changes in presentation, the group has made the following adjustments at 1 January 2018, as a result of the adoption of IFRS 15:

“Amounts due from customers for contract work” amounting to S\$8,818,525 (2017: S\$8,694,499), are now included under contract assets.

The Group has not applied the following new and amendments to IFRSs, International Accounting Standards (“IASs”) and the new IFRIC relevant to the Group that have been issued but are not yet effective:

IFRS 16	Leases <sup>1</sup>
IFRIC 22	Foreign Currency Transactions and Advance Considerations <sup>1</sup>
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to IAS 40	Transfer of Investment Property <sup>1</sup>
Amendments to IFRSs	Annual Improvements to IFRSs 2014-2016 Cycle

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>2</sup> Effective for annual periods beginning on or after date to be determined.

# Notes to the Condensed Consolidated Financial Statements

## 4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of road construction services (including new road construction, road widening, and construction of road related facilities), construction ancillary services (including road maintenance works), and lease of construction machineries by the Group to external customers.

Information is reported to the Controlling Shareholders, being the chief operating decision maker (“CODM”) of the Group, for the purposes of resource allocation and performance assessment. The accounting policies are the same as the Group’s accounting policies. The CODM reviews revenue by nature of services, i.e. provision of road construction services, provision of construction ancillary services and lease of construction machineries, and profit for the year as a whole. No further detailed analysis of the Group’s results by type of services nor assets and liabilities is regularly provided to the CODM for review. Accordingly, only entity-wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

### 1. Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 June	
	2018 (Unaudited)	2017 (Unaudited)
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Disaggregated by nature of works:		
– Revenue from road construction services	3,358,720	11,049,957
– Revenue from construction ancillary services	34,705,323	21,598,065
	<b>38,064,043</b>	32,648,022
<b>Revenue from other sources</b>		
– Revenue from lease of construction machineries	–	242,445
Revenue from external customers	<b>38,064,043</b>	32,890,467

# Notes to the Condensed Consolidated Financial Statements

## 4. REVENUE AND SEGMENT INFORMATION (Continued)

### 2. Geographical information

The Group principally operates in Singapore. Approximately 100% (2017: approximately 100%) of revenue are derived from Singapore based on the location of services delivered and substantially all of the Group's non-current assets are located in Singapore.

## 5. OTHER INCOME

	Six months ended 30 June	
	2018 (Unaudited) S\$	2017 (Unaudited) S\$
Sales of miscellaneous parts	413	19,034
Training and projects support services income	–	280,068
Government grants	60,805	96,385
Rental income from investment properties	55,080	55,080
Sundry income	6,825	30,395
	<b>123,123</b>	480,962

## Notes to the Condensed Consolidated Financial Statements

### 6. OTHER GAINS/(LOSSES)

	Six months ended 30 June	
	2018 (Unaudited) S\$	2017 (Unaudited) S\$
Gain/(Loss) arising on disposal of property, plant and equipment	8,464	(68,602)
Loss on fair value change of investment properties	–	(20,000)
	<b>8,464</b>	<b>(88,602)</b>

### 7. FINANCE COSTS

	Six months ended 30 June	
	2018 (Unaudited) S\$	2017 (Unaudited) S\$
Interest on:		
Borrowings	686,895	483,213
Finance leases	291,200	170,464
	<b>978,095</b>	<b>653,677</b>



# Notes to the Condensed Consolidated Financial Statements

## 8. PROFIT BEFORE TAXATION

Profit before taxation for the period has been arrived at after charging:

	Six months ended 30 June	
	2018 (Unaudited) S\$	2017 (Unaudited) S\$
Depreciation of property, plant and equipment	2,189,792	1,747,234
Staff costs	8,498,467	7,303,012
Cost of materials recognised as expenses	18,762,076	10,954,157
Subcontractor costs recognised as costs of services	1,344,732	4,575,064
Gross rental income from investment properties	55,080	55,080
<i>Less:</i>		
Direct operating expenses incurred for investment properties that generated rental income during the period	(9,645)	(8,407)
	45,435	46,673

# Notes to the Condensed Consolidated Financial Statements

## 9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2018 (Unaudited) S\$	2017 (Unaudited) S\$
Tax expense comprises:		
Current tax – Singapore corporate income tax (“CIT”)	536,000	575,021
Deferred tax expense	–	46,999
	<b>536,000</b>	<b>622,020</b>

Singapore CIT is calculated at 17% of the estimated assessable profit eligible for CIT rebate of 20% (2017: 40%), capped at S\$10,000 (2017: S\$15,000), all determined based on financial year end date of respective group companies. Singapore incorporated companies can also enjoy 75% tax exemption on the first S\$10,000 of chargeable income and a further 50% tax exemption on the next S\$290,000 of chargeable income.

## 10. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the company have determined that no dividend will be paid in respect of the interim period.

During the six months ended 30 June 2017, prior to the Group reorganization, Samco declared and paid dividends of S\$1,500,000.

# Notes to the Condensed Consolidated Financial Statements

## 11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share for the periods ended 30 June 2018 and 2017 were based on the following data:

	Six months ended 30 June	
	2018 (Unaudited) S\$	2017 (Unaudited) S\$
Earnings:		
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	<b>1,806,094</b>	2,236,927
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<b>1,000,000,000</b>	749,999,999
Basic earnings per share (S\$ cents)	<b>0.181</b>	0.298

The number of shares for the purpose of calculating basis earnings per share for the periods ended 30 June 2018 and 2017 have been determined on the assumption that the Group reorganisation and the capitalisation issue as set out in Note 2 has been effective since 1 January 2016.

For the periods ended 30 June 2018 and 2017, no separate diluted earnings per share information has been presented as there was no potential ordinary shares outstanding.

# Notes to the Condensed Consolidated Financial Statements

## 12. PROPERTY, PLANT AND EQUIPMENT

### (a) Acquisitions and disposals

During the six months ended 30 June 2018, the Group acquired items of plant and machinery with a cost of S\$4,543,377 (six months ended 30 June 2017: S\$129,596). Items of plant and machinery with a net book value of S\$Nil were disposed of during the six months ended 30 June 2018 (six months ended 30 June 2017: S\$182,602), resulting in a gain on disposal of S\$8,464 (six months ended 30 June 2017: loss on disposal of S\$68,602).

### (b) Valuation

The valuations of land and buildings held for own use carried at fair value were updated at 30 June 2018 by the group's independent valuer using the same valuation techniques as were used by this valuer when carrying out the December 2017 valuations. No change in valuation was noted for the six months ended 30 June 2018.

## 13. INVESTMENT PROPERTIES

### (a) Acquisitions and disposals

There were no additions and disposals for the six months ended 30 June 2018.

### (b) Valuation

The valuations of investment properties carried at fair value were updated at 30 June 2018 by the group's independent valuer using the same valuation techniques as were used by this valuer when carrying out the December 2017 valuations. No change in valuation was noted during the six months ended 30 June 2018.

As a result of the update, a net loss of S\$40,000 and deferred tax thereon of S\$6,800 had been recognised in profit or loss for the period in respect of investment properties in 2017. The before-tax and net-of-tax amounts of S\$40,000 and S\$33,200 respectively have been recognised in other comprehensive income for the period in respect of land and buildings held for own use.

## Notes to the Condensed Consolidated Financial Statements

### 13. INVESTMENT PROPERTIES (Continued)

#### (b) Valuation (Continued)

Details of the Group's investment properties and information about the fair value hierarchy as at end of the reporting period are as follows:

	Carrying value S\$	Fair value – Level 3 S\$
– As at 30 June 2018		
No. 28 Sing Ming Lane#07-133, Singapore 573972	700,000	700,000
No. 28 Sing Ming Lane#07-134, Singapore 573972	730,000	730,000
No. 26 Sing Ming Lane#08-116, Singapore 573971	850,000	850,000
	<b>2,280,000</b>	<b>2,280,000</b>

	Carrying value S\$	Fair value – Level 3 S\$
– As at 31 December 2017		
No. 28 Sing Ming Lane #07-133, Singapore 573972	700,000	700,000
No. 28 Sing Ming Lane #07-134, Singapore 573972	730,000	730,000
No. 26 Sing Ming Lane #08-116, Singapore 573971	850,000	850,000
	<b>2,280,000</b>	<b>2,280,000</b>

There was no transfer into or out of Level 3 during the financial period ended 30 June 2018 and 2017.

# Notes to the Condensed Consolidated Financial Statements

## 14. TRADE RECEIVABLES

	<b>As at 30 June 2018 (Unaudited) S\$</b>	As at 31 December 2017 (Audited) S\$
Trade receivables	<b>12,918,534</b>	22,239,624
Unbilled revenue ( <i>Note a</i> )	<b>34,661,200</b>	25,507,431
Retention receivables ( <i>Note b</i> )	<b>711,523</b>	937,731
	<b>48,291,257</b>	48,684,786

- (a) Unbilled revenue relates to maintenance service rendered and yet to invoice the customer as at end of reporting period.
- (b) Retention monies held by customers for construction work are classified as current as they are expected to be realised within the Group's normal operating cycle.

The average credit terms to customers is approximately 30 days from the invoice date for trade receivables. The following is an analysis of trade receivables presented based on invoice date at the end of each reporting period:

	<b>As at 30 June 2018 (Unaudited) S\$</b>	As at 31 December 2017 (Audited) S\$
Less than 30 days	<b>3,971,952</b>	8,642,675
31 days to 60 days	<b>1,404,146</b>	5,605,384
61 days to 90 days	<b>521,362</b>	6,618,690
More than 90 days	<b>7,021,074</b>	1,372,875
	<b>12,918,534</b>	22,239,624

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit limit to each customer on individual basis. Limits attributed to customers are reviewed once a year.

# Notes to the Condensed Consolidated Financial Statements

## 14. TRADE RECEIVABLES (Continued)

In determining the recoverability of a trade receivable which are past due, the Group considers any change in the credit quality of these trade receivable from the date credit was initially granted up to the end of the reporting period and no impairment is considered necessary for those balances which are not past due at each reporting date.

Included in the Group's trade receivables are aggregate carrying amounts of approximately S\$9,882,092 (31 December 2017: S\$14,772,574) which are past due, for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on repayment history of respective customer.

The aging analysis of trade receivables that are past due but not impaired based on invoice date is as follows:

	<b>As at 30 June 2018 (Unaudited) S\$</b>	As at 31 December 2017 (Audited) S\$
Less than 30 days	<b>935,510</b>	1,175,625
31 days to 60 days	<b>1,404,146</b>	5,605,384
61 days to 90 days	<b>521,362</b>	6,618,690
More than 90 days	<b>7,021,074</b>	1,372,875
	<b>9,882,092</b>	14,772,574

In the opinion of the management of the Group, the trade receivables at the end of each reporting period are of good credit quality which considering the high credibility of these customers, good track record with the Group and subsequent settlement, the management believes that no impairment allowance is necessary in respect of the remaining unsettled balances.

The Group does not charge interest or hold any collateral over these balances.

# Notes to the Condensed Consolidated Financial Statements

## 15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2018 (Unaudited) S\$	As at 31 December 2017 (Audited) S\$
Deposits	142,978	863,832
Prepayments	3,097,972	311,689
Advances to staff	23,700	2,300
Others	1,446	959
	<b>3,266,096</b>	1,178,780

## 16. CONTRACT ASSETS

	As at 30 June 2018 (Unaudited) S\$	As at 31 December 2017 (Restated) S\$
Construction contracts	8,818,525	8,694,489
Current	8,818,525	8,694,489
Non-current	-	-
	<b>8,818,525</b>	8,694,489



# Notes to the Condensed Consolidated Financial Statements

## 17. TRADE AND OTHER PAYABLES

	<b>As at 30 June 2018 (Unaudited) S\$</b>	As at 31 December 2017 (Audited) S\$
Trade payables	<b>6,504,109</b>	9,538,501
Accrued operating expenses	<b>1,657,433</b>	2,928,369
Other payables		
GST payables	<b>50,254</b>	833,805
Payroll payable	<b>1,304,932</b>	1,642,360
Others	<b>702,480</b>	507,621
	<b>10,219,208</b>	15,450,656

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

	<b>As at 30 June 2018 (Unaudited) S\$</b>	As at 31 December 2017 (Audited) S\$
Within 90 days	<b>2,937,808</b>	7,478,396
91 days to 180 days	<b>1,802,876</b>	1,070,255
Over 180 days	<b>1,763,425</b>	989,850
	<b>6,504,109</b>	9,538,501

The credit period on purchases from suppliers and subcontractors is between 30 to 120 days or payable upon delivery.

# Notes to the Condensed Consolidated Financial Statements

## 18. SHARE CAPITAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 21 June 2017 with an authorised share capital of HK\$380,000 divided into 3,800,000 shares of HK\$0.10 each. The entire issued share capital of our Company, one fully paid share at par, was allotted and issued to an initial subscriber. On 21 June 2017, the initial subscriber transferred the one fully paid share to Jian Sheng Holdings Limited ("**Jian Sheng**"), a company owned by Mr. Tan Chai Ling and Ms. Alynda Tan Hue Hong at par value.

On 20 October 2017, the authorised share capital of the Company was increased from HK\$380,000 to HK\$200,000,000 by the creation of an additional of 1,996,200,000 shares of HK\$0.10 each, each ranking pari passu with the shares then in issue in all respects.

As part of the Share Offer, the Company allotted and issued a total of 749,999,999 shares of the Company to Jian Sheng, credited as fully paid at par, by way of capitalisation of the sum of HK\$75,000,000 standing to the credit of the share premium account of the Company (the "**Capitalisation Issue**").

In connection with the Company's initial public offering, 250,000,000 ordinary shares of HK\$0.10 each were issued at a price of HK\$0.56 per share (the "**Share Offer**"). Dealing in the shares on the Main Board of The Stock Exchange of Hong Kong Limited commenced on 15 November 2017 (the "**Listing Date**"). The net proceeds were approximately HK\$109.5 million in equivalent to S\$19 million.

	No. of shares	Per Value HK\$	Share Capital HK\$
<b>Authorised share capital of the Company:</b>			
At date of incorporation	3,800,000	0.10	380,000
Increase on 20 October 2017	1,996,200,000	0.10	199,620,000
<hr/>			
At 31 December 2017 (audited) and 30 June 2018 (unaudited)	2,000,000,000	0.10	200,000,000

# Notes to the Condensed Consolidated Financial Statements

## 18. SHARE CAPITAL (Continued)

	No. of shares	Per Value <i>HK\$</i>	Share Capital <i>HK\$</i>
<b>Issued and fully paid</b>			
At date of incorporation	1	–	–
Shares issued under the Capitalisation Issue	749,999,999	75,000,000	13,043,608
Shares issued under the Share Offer	250,000,000	25,000,000	4,337,636
<hr/>			
At 31 December 2017 (audited) and 30 June 2018 (unaudited)	1,000,000,000	100,000,000	17,381,244

## 19. RELATED PARTY TRANSACTIONS

The Group entered into the following transactions with related parties during the financial periods ended 30 June 2018 and 2017:

### Compensation of key management personnel

The remuneration of directors and other members of key management during the financial periods ended 30 June 2018 and 2017 were as follows:

	Six months ended 30 June	
	2018 (Unaudited) <i>S\$</i>	2017 (Unaudited) <i>S\$</i>
Short-term benefits	854,860	707,979
Post-employment benefits	72,352	62,730
	<b>927,212</b>	770,709

# Notes to the Condensed Consolidated Financial Statements

## 20. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged during the current financial period.

The capital structure of the Group consists of debt, which includes obligations under finance leases and borrowings, net of bank balances and cash and equity attributable to owners of the Group, comprising share capital, reserves and accumulated profits.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares and new debts.

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

Our Group's revenue for the six months ended 30 June 2018 was approximately S\$38.1 million, representing a growth of approximately 15.7% as compared to that of approximately S\$32.9 million for the same period of previous year. The increase in revenue is attributable to increase in revenue from construction ancillary services with increase in road maintenance works projects awarded. Although revenue contribution from our top customer for existing projects has decreased from approximately S\$25.3 million to S\$19.3 million, the Group has generated higher revenue with more projects on hand.

### Gross profit

Our Group's gross profit remained relatively stable at approximately S\$9.3 million for the six months ended 30 June 2018 and 2017.

Our Group's gross profit margin decreased from approximately 28.3% for the six months ended 30 June 2017 to approximately 24.5% for the period ended 30 June 2018. Such decrease in the gross profit margin was mainly due to the newly awarded construction ancillary service contract generating lower gross profit margin. The Group has to compete and tender at lower profit margin to get more project in the current competitive construction market.

### Other income

Other income and expenses decreased from approximately S\$0.5 million for the six months ended 30 June 2017 to approximately S\$0.1 million for the period ended 30 June 2018. Such decrease was mainly due to the decrease in consultancy services, training and projects support services during the period.

# Management Discussion and Analysis

## Administrative expenses

Administrative expenses increased by approximately S\$0.9 million from approximately S\$5.2 million for the six months ended 30 June 2017 to approximately S\$6.1 million for the period ended 30 June 2018 mainly due to the (i) increase in staff costs with the increase in number of staff and general salary increments; (ii) increase in professional fees; and (iii) increase in depreciation expenses.

## Finance costs

Finance costs increased by approximately 49.6% from approximately S\$0.7 million for the six months ended 30 June 2017 to approximately S\$1.0 million for the period ended 30 June 2018 due to higher borrowings.

## Income tax expenses

Our Group's income tax expenses decreased by approximately S\$0.1 million from S\$0.6 million for the six months ended 30 June 2017 to S\$0.5 million for the six months ended 30 June 2018 primarily due to the decrease in the profit before taxation from approximately S\$2.9 million to approximately S\$2.3 million.

## Profit for the period

Profit after taxation decreased from approximately S\$2.2 million for the six months ended 30 June 2017 to approximately S\$1.8 million for the six months ended 30 June 2018 due to the combined effect of the aforesaid factors.

# Management Discussion and Analysis

## USE OF NET PROCEEDS FROM THE LISTING

The Shares were listed on the Stock Exchange on the Listing Date with net proceeds from the global offering of the Shares of HK\$109.5 million.

The use of the net proceeds from the Listing as at 30 June 2018 was approximately as follows:

Use of net proceeds	Percentage	Net proceeds (in HK\$ million)	Amount utilised (in HK\$ million)	Amount remaining (in HK\$ million)
	of net proceeds (%)			
– Purchase equipment and machinery to strengthen market position	13.7	15.0	15.0	–
– Acquire a property for	67.4	73.8	34.5	39.3
(i) our ancillary office				
(ii) dormitory for our foreign workers				
(iii) workshop to prepare asphalt premix for our own usage; and				
(iv) our machinery warehouse				
– Increase manpower for market expansion and competing for more projects	7.4	8.1	8.1	–
– Upgrade of information technology system	1.8	2.0	2.0	–
– Working capital	9.7	10.6	10.6	–
Total	100.0	109.5	70.2	39.3

The unused amount of the net proceeds of approximately HK\$39.3 million was deposited into licensed banks in Hong Kong.

# Management Discussion and Analysis

## COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

Our Group's operations are mainly carried out by the Company's subsidiaries incorporated in Singapore while the Company itself is incorporated in the Cayman Islands with its shares listed on Stock Exchange. Our Group's establishment and operations accordingly shall comply with relevant laws and regulations in the Cayman Islands, Hong Kong and Singapore. During the six months ended 30 June 2018 and up to the date of this interim report, there is no material breach of or non-compliance with the applicable law and regulations by our Group that has a significant impact on the business and operations of our Group.

## CONTINGENT LIABILITIES

Our Group did not have any material contingent liabilities as at 30 June 2018.

## CAPITAL COMMITMENTS

As at 30 June 2018, the Group did not have any material capital commitments.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Our Group's cash and cash equivalents balances as at 30 June 2018 amounted to approximately S\$6.8 million, representing a decrease of approximately S\$10.6 million as compared to approximately S\$15.4 million as at 31 December 2017. This was mainly attributable to the use of cash for operating activities, purchase of machinery and equipment and repayment of finance leases.

As at 30 June 2018, the total interest-bearing loans of our Group was approximately S\$32.2 million, representing an increase of approximately S\$4.6 million as compared to approximately S\$27.6 million for the year ended 31 December 2017. The current ratio increased from approximately 1.7 times for the year ended 31 December 2017 to approximately 1.8 times for the period ended 30 June 2018, while the gearing ratio decreased from approximately 0.8 times for the year ended 31 December 2017 to approximately 0.7 times for the period ended 30 June 2018.

Our Group's equity balance increased to approximately S\$47.8 million as at 30 June 2018 as compared to approximately S\$46.0 million as at 31 December 2017.



# Management Discussion and Analysis

## EMPLOYEES AND REMUNERATION POLICIES

Our Group had 604 employees as at 30 June 2018 and 570 employees as at 31 December 2017. Remuneration is determined by reference to prevailing market terms and in accordance with the job scope, responsibilities, and performance of each individual employee. The remuneration of the Directors is decided by the Board upon the recommendation from the remuneration committee of our Company having regard to our Group's operating results, individual performance and comparable market statistics.

Our Company has adopted a share option scheme pursuant to which the Directors and eligible employees of our Group are entitled to participate. The local employees are also entitled to discretionary bonus depending on their respective performances and the profitability of our 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.

## CHARGES OF ASSETS

The borrowings as at 30 June 2018 was secured by the legal mortgages of our Group's buildings on leasehold land with carrying amount of approximately S\$5.6 million and the Group's investment properties with carrying amount of approximately S\$2.3 million.

## FOREIGN EXCHANGE EXPOSURE

During the six months ended 30 June 2018, our Group did not have significant financial assets or financial liabilities denominated in foreign currency which are not the functional currency of respective group entities.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Our Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2018.

# Management Discussion and Analysis

## SIGNIFICANT INVESTMENTS HELD

As at 30 June 2018, our Group did not hold any significant investment.

## INTERIM DIVIDEND

The Directors do not recommend the payment of a dividend for the six months ended 30 June 2018.

## PROSPECTS

According to the Building and Construction Authority of Singapore (the “**BCA**”), the projected total construction demand in Singapore in 2018 ranges between S\$26.0 billion and S\$31.0 billion, representing an increase from the S\$24.5 billion (preliminary estimate) awarded in 2017.

The BCA further explains that the projected higher construction demand is due to an anticipated increase in public sector construction demand, which is expected to grow from S\$15.5 billion in 2017 to between S\$16 billion and S\$19 billion in 2018, contributing to about 60% of 2018’s total projected demand. Public construction demand is expected to be boosted by an anticipated increase in demand for institutional and other buildings such as healthcare facilities, and civil engineering works as well as a slate of smaller government projects that have been brought forward in response to the slowdown in 2017. The private sector’s construction demand is similarly expected to improve from S\$9 billion in 2017 to between S\$10 billion and S\$12 billion in 2018, due to a strengthened overall economic outlook and the upturn in property market sentiment.

Therefore, we believe that there will be steady growth of the civil engineering and road works industry in the future and is full of confidence towards the prospects of this industry.

## Management Discussion and Analysis

Our Group expects to:

- expand our Group's market share and maintain strong financial position;
- expand existing fleet of machinery to ensure availability to satisfy the demand of customers;
- acquisition of building to cater for business growth;
- enhance and expand our Group's workforce to keep up with our Group's business expansion; and
- improve productivity with investments in information technology systems.

Our Directors believe that in the second half of 2018, there was no material adverse change in the general economic and market conditions in Singapore or the industry in which it operates that had affected or would affect the business operations or financial condition materially and adversely.

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2018, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 (“Model Code”) of the Listing Rules were as follows:

#### (a) Long positions in the shares of HK\$0.10 each of the Company (“Shares”)

Name of director	Nature of interest	Number of Shares held	Percentage of issued share capital
Mr. Tan Chai Ling (“Mr. Tan”) (Note 1)	Interest in controlled corporation	750,000,000	75%
Ms. Chong Sook Fern (“Ms. Chong”) (Note 2)	Interest of spouse	750,000,000	75%

Notes:

- 750,000,000 Shares are held by Jian Sheng Holdings Limited (“Jian Sheng”) which is owned as to 80% by Mr. Tan and as to 20% by Ms. Alynda Tan Hue Hong (“Ms. Tan”). Therefore, Mr. Tan is deemed to be interested in all the Shares held by Jian Sheng under the SFO.
- Ms. Chong Sook Fern is the spouse of Mr. Tan and accordingly is deemed to be interested in the Shares in which Mr. Tan has interest under the SFO.

## Other Information

### (b) Long position in the shares of associated corporations

Name of director	Name of associated corporation	Nature of interest	No. of shares held	Percentage of interest in associated corporation
Mr. Tan <i>(Note 1)</i>	Jian Sheng	Beneficial owner	88	80%
Ms. Tan <i>(Note 1)</i>	Jian Sheng	Beneficial owner	22	20%

*Note:*

1. The Company is owned as to 75% by Jian Sheng. Jian Sheng is owned as to 80% by Mr. Tan and as to 20% by Ms. Tan.

Save as disclosed above, as at 30 June 2018, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2018, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

#### Long positions in the Shares

Name of shareholder	Nature of interest	Number of Shares held	Percentage of issued share capital
Jian Sheng ( <i>Note 1</i> )	Beneficial owner	750,000,000	75%
Mr. Tan ( <i>Note 1</i> )	Interest in controlled corporation	750,000,000	75%
Ms. Chong ( <i>Note 1</i> )	Interest of spouse	750,000,000	75%

*Note:*

1. Jian Sheng is owned as to 80% by Mr. Tan and as to 20% by Ms. Tan. Mr. Tan is deemed to be interested in all the Shares held by Jian Sheng under the SFO. Ms. Chong is the spouse of Mr. Tan.

Save as disclosed above, as at 30 June 2018, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

# Other Information

## DISCLOSURE OF INFORMATION ON DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the profiles of the Directors of the Company have been updated as follows:

### Independent non-executive Directors

**Mr. Siu Man Ho Simon**, aged 44, was appointed as the independent non-executive Director on 20 October 2017. He is also a member of the audit and remuneration committees of the Company. He is responsible for participating in making significant decisions and giving advice on corporate governance, connected transactions and remuneration and nomination of Directors and senior management of the Group. Mr. Siu is a practicing solicitor of the High Court of Hong Kong and a China Appointed Attesting Officer appointed by the Ministry of Justice of the People's Republic of China. Mr. Siu is currently a partner in a law firm, Sit, Fung, Kwong & Shum, Solicitors, which he first joined as a solicitor in January 2000 and has been continuously serving there since then. His areas of practice include corporate finance, capital markets, securities, mergers and acquisitions, joint ventures and general commercial matters. Mr. Siu also actively participates in charitable and social services in Hong Kong. He is currently acting as the legal adviser for United Hearts Youth Foundation and Hong Kong Taekwondo Association as well as the school manager of The Association of Directors & Former Directors of Pok Oi Hospital Ltd Leung Sing Tak College. Mr. Siu has been an independent non-executive director of each of Wai Yuen Tong Medicine Holdings Limited (a company listed on the Main Board, stock code: 897), Brilliant Circle Holdings International Limited (a company listed on the Main Board, stock code: 1008), Weiye Holdings Limited (a company listed on the Main Board, stock code: 1570) and HKE Holdings Limited (a company listed on the Main Board, stock code: 1726) since August 2001, March 2009, March 2016 and March 2018. He was appointed as the independent non-executive director of Jiashili Group Limited (stock code: 1285) with effect from 12 June 2015 and resigned from the position on 1 December 2015. Mr. Siu obtained his Bachelor of Laws degree from the University of Hong Kong in November 1996.

## Other Information

**Prof. Pong Kam Keung**, aged 56, was appointed as the independent non-executive Director on 20 October 2017. He is also a member of the audit and nomination committees of the Company. He is responsible for participating in making significant decisions and giving advice on corporate governance, connected transactions and remuneration and nomination of Directors and senior management of the Group. Before joining the Group, he was the chief prosecution officer of Environmental Protection Department of the Hong Kong Government from July 2004 to July 2013. He was a member of the Appeal Tribunal Panel of the Housing, Planning and Lands Bureau of the Hong Kong Government from February 2007 to November 2012 and a member of the Advisory Committee on Barrier Free Access of the Buildings Department from August 2001 to July 2003. Prof. Pong served as a director of education and membership of the Hong Kong Institute of Facility Management from October 2008 to October 2009. He has been an adjunct professor at the division of environment of the Hong Kong University of Science and Technology since December 2013 and a member of Governance & Quality Committee of the Hong Kong Green Building Council Limited since January 2017. Prof. Pong has been an independent non-executive director of Wang Yang Holdings Ltd (a company listed on the Main Board, stock code: 1735) since March 2018, an independent non-executive director of FSM Holdings Ltd (stock code: 1721) since June 2018, an independent non-executive director of HKE Holdings Ltd (stock code: 1726) since March 2018, a non-executive director of Star Properties Group (Cayman Islands) Ltd. (stock code: 1560) since March 2016. He was an executive director of Sundart Holdings Ltd. (stock code: 1568) from July 2015 to February 2018. Prof. Pong obtained his bachelor of science degree in building surveying from the Thames Polytechnic, United Kingdom in June 1989, a degree of master of science in property investment from the City University of London, United Kingdom in December 1993, a bachelor degree of laws from the University of Wolverhampton, United Kingdom in September 1995, a master degree of science in urban planning from the University of Hong Kong, Hong Kong in December 2005 and a degree of master of corporate governance from the Hong Kong Polytechnic University, Hong Kong in October 2008. Prof. Pong has been a fellow of the Hong Kong Institute of Facility Management, the Hong Kong Institute of Surveyors, the Chartered Institute of Arbitrators, the Royal Institution of Chartered Surveyors, the Hong Kong Institute of Chartered Secretaries and a member of the Royal Town Planning Institute since July 2000, November 2000, January 2001, January 2006, October 2012 and January 2007, respectively. Prof. Pong registered as a chartered building engineer by the Chartered Association of Building Engineers in February 2014.



## Other Information

**Mr. Yau Chung Hang**, aged 45, was appointed as the independent non-executive Director on 20 October 2017. He is also the chairman of the audit and remuneration committees of the Company and a member of the nomination committee of the Company. He is responsible for participating in making significant decisions and giving advice on corporate governance, connected transactions and remuneration and nomination of Directors and senior management of the Group. Mr. Yau has over 20 years of experience in accounting and financial management. Before joining the Group, he worked as an accountant with Li Tang Chen CPA from June 1995 to January 1997. From January 1997 to May 2000, he worked at Deloitte Touche Tohmatsu and his last position was senior accountant. From May 2000 to October 2001, he joined Valspar Hai Hong Co., Ltd. as a credit manager. He then worked as the chief financial officer and company secretary with Changchun Da Xing Pharmaceutical Company Ltd. (a company listed on the GEM of the Stock Exchange, stock code: 8067) from January 2002 to January 2004. From January 2004 to April 2005, he was a finance manager of Tristate Holdings Limited (a company listed on the Main Board, stock code: 458). From April 2005 to March 2006, he joined Ningbo Yidong Electronic Company Ltd. (a company listed on the GEM of the Stock Exchange, stock code: 8249) as the company secretary. He then worked at Brilliant Circle Group (a company listed on the Main Board, stock code: 1008) as the chief financial officer and company secretary from January 2006 to February 2014. He worked as the chief financial officer and company secretary of Jiashili Group (a company listed on the Main Board, stock code: 1285) from March 2014 to November 2017. Mr. Yau has been working as the Chief Financial Officer in a private company since January 2018, Mr. Yau was the independent non-executive director of Ban Loong Holdings Limited (a company listed on the Main Board, stock code: 30) from 16 May 2013 to 6 October 2014 and has been the independent non-executive director of Wang Yang Holdings Limited (a company listed on the Main Board, stock code: 1735) since 29 March 2018. Mr. Yau obtained his bachelor of arts degree in accountancy from the University of Bolton, the United Kingdom in August 2005. He is a member of The Association of Chartered Certified Accountants and member of the Hong Kong Institute of Certified Public Accountants.

### COMPLIANCE ADVISER'S INTERESTS

As notified by the Company's compliance adviser, Dakin Capital Limited (the "**Compliance Adviser**") as at 30 June 2018, except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 15 November 2017, the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company, which is required to be notified to the Company pursuant to the Listing Rules.

### COMPETING INTERESTS

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the Reporting Period, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

### SHARE OPTION SCHEME

The Company has a share option scheme (the "**Share Option Scheme**") which was approved and adopted by the sole shareholder of the Company by way of written resolutions passed on 20 October 2017. No option has been granted since its effective date and up to the date of this interim report.

### SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as the codes of conduct regarding securities transactions by Directors and by relevant employees of the Company. All Directors have confirmed, following specific enquiries by the Company, that they fully complied with the Model Code and its code of conduct regarding directors' securities transactions throughout the six months period ended 30 June 2018.

## Other Information

### CORPORATE GOVERNANCE

During the six months ended 30 June 2018, the Company complied with the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Listing Rules except for the following deviation:

Under the 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. Mr. Tan Chai Ling is currently the chairman of the Board and chief executive officer (the “CEO”) of the Group who is primarily responsible for the day-to-day management of the Group’s business. The Board considers that vesting the roles of the chairman of the Board and CEO in the same person facilitates the execution of the business strategies and decision making, and maximizes the effectiveness of the Group’s operation. The Board also believes that the presence of three independent non-executive directors of the Company provides added independence to the Board. The Board will review the structure from time to time and consider an adjustment should it become appropriate.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2018.

### AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group’s unaudited condensed consolidated results for the six months ended 30 June 2018 and discussed with the management on the accounting principles and practices adopted by the Group, with no disagreement by the audit committee of the Company.

By Order of the Board  
**Shuang Yun Holdings Limited**  
**Tan Chai Ling**  
*Chairman and Executive Director*

Hong Kong, 30 August 2018