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Corporate Information

EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

COMPANY SECRETARY

Ms. Leung Hoi Yan

AUTHORISED REPRESENTATIVES

Ms. Alynda Tan Hue Hong
Ms. Leung Hoi Yan

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
(alias Mr. Chen Zhilong)
Mr. Siu Man Ho Simon

NOMINATION COMMITTEE

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

REGISTERED OFFICE

Cricket Square Hutchins Drive
PO 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
PO 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

RSM Hong Kong (*Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance*)
29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

PRINCIPAL BANKERS

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

COMPANY'S WEBSITE

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.

Dear Shareholders,

On behalf of the board of directors (the “**board**”) of Shuang Yun Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), I would like to present to our shareholders the interim report of our Group for the six months ended 30 June 2022.

During the six months ended 30 June 2022, the revenue of our Group was approximately S\$53.3 million, representing an increase by approximately 28.7% from approximately S\$41.4 million for the same period of previous year. Our Group's gross profit increased from approximately S\$7.0 million for the six months ended 30 June 2021 to approximately S\$9.3 million for the six months ended 30 June 2022, representing an increase of approximately 32.9%. The increase in revenue and corresponding gross profit were mainly attributable to most construction works were recovering and catching up in 2022.

After more than two years since the onset of COVID-19, more than 93% of Singapore's population has been fully inoculated Ministry of Health, Singapore, July 2022, as the country continues to prepare to live with COVID-19. While the Omicron variant has brought upon a spike in cases across the region, we further lifting of social restrictions and reopening of our borders, treating COVID-19 as endemic as we do with seasonal influenza. After battling a high number of COVID-19 cases for the last few months, Malaysia has finally lifted most restrictions. This has facilitated the transport of construction materials from Malaysia to Singapore, which has been welcomed by Singapore's construction industry.

According to the press release by the Building and Construction Authority (BCA), the total construction demand (i.e. the value of construction contracts to be awarded) in 2022 to be between S\$27 billion and S\$32 billion. The public sector is expected to contribute about 60 per cent of the total construction demand, between S\$16 billion and S\$19 billion. The private sector construction demand is anticipated to reach between S\$11 billion and S\$13 billion in 2022, comparable with the volume in 2021.

Over the medium-term, the total construction demand to reach between S\$25 billion and S\$32 billion per year from 2023 to 2026.



Chairman's Statement

Look ahead, our Group is positive about the prospects of the road construction market and construction ancillary service market in Singapore. As these public infrastructure projects are larger scale projects which will generally require more resources, we will continue to invest and expand our capacity by acquiring more machinery and also expand our workforce to support our operations.

On behalf of the Board, I would like to express our gratitude to all our customers, management and staff of our Group, business partners and shareholders for their continuous support.

Shuang Yun Holdings Limited

Tan Chai Ling

Chairman

31 August 2022



The board (the “**Board**”) of directors (the “**Directors**”) 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 2022 together with comparative figures for the corresponding period in 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Six months ended 30 June	
		2022 (Unaudited) S\$	2021 (Unaudited) S\$
Revenue	4	53,321,803	41,403,385
Cost of services		(44,038,474)	(34,425,845)
Gross profit		9,283,329	6,977,540
Other income	5	1,115,640	1,157,524
Administrative expenses		(7,258,154)	(5,688,355)
Other (losses)/gains	6	(45,039)	138,424
Finance costs	7	(1,286,455)	(1,380,864)
Profit before taxation	8	1,809,321	1,204,269
Income tax expense	9	(293,000)	(198,000)
Profit and other comprehensive income for the period		1,516,321	1,006,269
EARNING PER SHARE			
Basic (S\$ cents)	11	0.1516	0.1006

Condensed Consolidated Statement of Financial Position

		As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) S\$
	NOTES		
Non-current assets			
Property, plant and equipment	12	10,115,034	11,305,265
Right-of-use assets	13	9,154,266	8,913,362
Investment properties	14	2,315,000	2,315,000
		21,584,300	22,533,627
Current assets			
Trade receivables	15	82,614,745	80,760,558
Other receivables, deposits and prepayments	16	562,799	682,912
Contract assets	17	39,511,234	37,682,800
Bank deposit		200,000	200,000
Bank balances and cash		6,768,921	5,389,225
		129,657,699	124,715,495
Current liabilities			
Trade and other payables	18	23,146,636	20,178,968
Contract liabilities	17	26,163	26,163
Lease liabilities		4,434,135	4,394,258
Income tax payable		798,440	857,356
Borrowings		43,228,370	53,447,488
Loan from the ultimate parent		3,680,000	3,680,000
		75,313,744	82,584,233
Net current assets		54,343,955	42,131,262



Condensed Consolidated Statement of Financial Position

	As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) S\$
<i>NOTES</i>		
Non-current liabilities		
Lease liabilities	4,460,936	5,229,411
Borrowings	12,372,252	1,856,731
Deferred tax liabilities	540,299	540,300
	17,373,487	7,626,442
Net assets	58,554,768	57,038,447
Capital and reserves		
Share capital	17,381,244	17,381,244
Share premium	5,130,991	5,130,991
Reserves	36,042,533	34,526,212
Equity attributable to owners of the Company	58,554,768	57,038,447

Condensed Consolidated Statement of Changes in Equity

	Share capital	Share premium (Note (a))	Reserves			Total
			Other reserves (Note (b))	Revaluation reserves	Accumulated profits	
	S\$	S\$	S\$	S\$	S\$	S\$
At 1 January 2021 (Audited)	17,381,244	5,130,991	10,700,000	717,176	21,287,114	55,216,525
Total comprehensive income for the period (Unaudited)	-	-	-	-	1,006,269	1,006,269
At 30 June 2021 (Unaudited)	17,381,244	5,130,991	10,700,000	717,176	22,293,383	56,222,794
At 1 January 2022 (Audited)	17,381,244	5,130,991	10,700,000	573,555	23,252,657	57,038,447
Total comprehensive income for the period (Unaudited)	-	-	-	-	1,516,321	1,516,321
At 30 June 2022 (Unaudited)	17,381,244	5,130,991	10,700,000	573,555	24,768,978	58,554,768

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, 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	
	2022 (Unaudited) S\$	2021 (Unaudited) S\$
Net cash from operating activities	4,461,113	3,312,877
Net cash (used in)/generated from in investing activities	(1,793,862)	60,899
Net cash used in financing activities	(1,287,555)	(3,475,395)
Net increase/(decrease) in cash and cash equivalents	1,379,696	(101,619)
Cash and cash equivalents at beginning of the period	5,389,225	5,381,293
Cash and cash equivalents at end of the period, represented by bank balances and cash	6,768,921	5,279,674





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

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 unaudited condensed 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.

3. ADOPTION OF NEW AND REVISED STANDARDS

All IFRSs effective for the accounting period commencing from 1 January 2022, together with the relevant transitional provisions, have been adopted by the Group in preparation of these condensed consolidated financial statements. The adoption of these new/revised IFRSs has no material effect on the amounts reported for the current or prior period.

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), and construction ancillary services (including road maintenance works).

Segment 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 and provision of construction ancillary services, 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	
	2022 (Unaudited)	2021 (Unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by nature of works:		
– Revenue from road construction services	15,296,123	12,523,034
– Revenue from construction ancillary services	38,025,680	28,880,351
Revenue from external customers	53,321,803	41,403,385
By timing of recognition		
Over time	53,321,803	41,403,385

2. Geographical information

The Group principally operates in Singapore. Approximately 100% (2021: 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.

Notes to the Condensed Consolidated Financial Statements

5. OTHER INCOME

	Six months ended 30 June	
	2022 (Unaudited) S\$	2021 (Unaudited) S\$
Government grants	806,901	907,410
Rental income	118,000	131,429
Sundry income	190,739	118,685
	1,115,640	1,157,524

6. OTHER GAINS/(LOSSES)

	Six months ended 30 June	
	2022 (Unaudited) S\$	2021 (Unaudited) S\$
(Losses)/gains arising on disposal of property, plant and equipment	(45,039)	138,424



Notes to the Condensed Consolidated Financial Statements

7. FINANCE COSTS

	Six months ended 30 June	
	2022 (Unaudited) S\$	2021 (Unaudited) S\$
Interest on:		
Borrowings	1,088,753	1,097,909
Lease liabilities	197,702	282,955
	1,286,455	1,380,864

8. PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2022 (Unaudited) S\$	2021 (Unaudited) S\$
Depreciation of property, plant and equipment and right of use assets	2,698,150	2,870,167
Staff costs	7,708,767	6,341,143
Cost of materials recognised as expenses	26,630,102	24,865,252
Subcontractor costs recognised as costs of services	7,993,526	1,662,392
Gross rental income from investment properties	118,000	50,697
Less:		
Direct operating expenses incurred for investment properties that generated rental income during the period	(48,070)	(18,337)
	69,930	32,360

Notes to the Condensed Consolidated Financial Statements

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2022 (Unaudited) S\$	2021 (Unaudited) S\$
Tax expense comprises:		
Current tax – Singapore corporate income tax	293,000	198,000

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\$190,000 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.

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share for the periods ended 30 June 2022 and 2021 were based on the following data:

	Six months ended 30 June	
	2022 (Unaudited) S\$	2021 (Unaudited) S\$
Earnings:		
Earnings for the purpose of basic earnings per share (Profit for the period attributable to owners of the Company)	1,516,321	1,006,269
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	1,000,000,000	1,000,000,000
Basic earnings per share (S\$ cents)	0.1516	0.1006

For the periods ended 30 June 2022 and 2021, 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 2022, the Group acquired items of plant and machinery with a cost of S\$1,830,580 (six months ended 30 June 2021: S\$32,721). Items of plant and machinery with a net book value of S\$81,754 were disposed of during the six months ended 30 June 2022 (six months ended 30 June 2021: S\$178,564), resulting in a loss on disposal of S\$45,039 (six months ended 30 June 2021: gain on disposal of S\$138,424).

(b) Valuation

The valuations of land and buildings held for own use carried at fair value were updated at 30 June 2022 by the Group's independent valuer using the same valuation techniques as were used by this valuer when carrying out the December 2021 valuations. No change in valuation was noted for the six months ended 30 June 2022.

13. RIGHT-OF-USE ASSETS

The Group leases several assets including dormitories, land, equipment, machinery and motor vehicles.

14. INVESTMENT PROPERTIES

(a) Acquisitions and disposals

There were no additions and disposals for the six months ended 30 June 2022.

Notes to the Condensed Consolidated Financial Statements

14. INVESTMENT PROPERTIES (Continued)

(b) Valuation

The valuations of investment properties carried at fair value were updated at 30 June 2022 by the Group's independent valuer using the same valuation techniques as were used by this valuer when carrying out the December 2021 valuations. No change in valuation was noted during the six months ended 30 June 2022.

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 2022		
No. 28 Sing Ming Lane#07-133, Singapore 573972	710,000	710,000
No. 28 Sing Ming Lane#07-134, Singapore 573972	745,000	745,000
No. 26 Sing Ming Lane#08-116, Singapore 573971	860,000	860,000
	2,315,000	2,315,000
	Carrying value S\$	Fair value – Level 3 S\$
– As at 31 December 2021		
No. 28 Sing Ming Lane#07-133, Singapore 573972	710,000	710,000
No. 28 Sing Ming Lane#07-134, Singapore 573972	745,000	745,000
No. 26 Sing Ming Lane#08-116, Singapore 573971	860,000	860,000
	2,315,000	2,315,000

There was no transfer into or out of Level 3 during the financial period ended 30 June 2022 and 2021.



Notes to the Condensed Consolidated Financial Statements

15. TRADE RECEIVABLES

	As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) S\$
Trade receivables	5,873,047	3,420,539
Loss allowance	(68,567)	(68,567)
	5,804,480	3,351,972
Unbilled revenue (<i>Note a</i>)	76,810,265	77,408,586
	82,614,745	80,760,558

- (a) Unbilled revenue relates to maintenance service rendered and yet to invoice the customer as at end of reporting period.

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

	As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) S\$
Less than 30 days	3,052,041	1,683,446
31 days to 60 days	1,258,430	660,842
61 days to 90 days	556,781	216,910
More than 90 days	937,228	790,774
	5,804,480	3,351,972

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

15. TRADE RECEIVABLES (Continued)

Loss allowance for trade receivables has always been measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a default rate model by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The expected credit loss is not expected to be material for trade receivables from third parties in all days past due categories as management have assessed and concluded that the amounts are recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

As part of the Group's credit risk management, the Group assesses the impairment for its customers based on different group of customers including government-based customers and customers in similar industries which share common risk characteristics that are representative of the customers' ability to pay all amounts due in accordance with the contract terms.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

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

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) S\$
Deposits	173,144	139,400
Prepayments	290,253	317,182
Others	99,402	226,330
	562,799	682,912



Notes to the Condensed Consolidated Financial Statements

17. CONTRACT ASSETS AND CONTRACT LIABILITIES

	As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) S\$
Contract assets		
Construction services	39,511,234	37,682,800
Contract liabilities		
Construction services	26,163	26,163

18. TRADE AND OTHER PAYABLES

	As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) S\$
Trade payables	17,430,338	14,065,988
Retention payables	2,014,647	1,406,466
Accruals	987,005	2,417,790
Other payables		
GST payables	256,885	421,981
Payroll payables	1,233,779	1,183,805
Others	1,223,982	682,938
	23,146,636	20,178,968

Notes to the Condensed Consolidated Financial Statements

18. 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 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) S\$
Within 90 days	10,146,946	9,049,471
91 days to 180 days	6,324,756	1,770,937
Over 180 days	958,636	3,245,580
	17,430,338	14,065,988

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

19. SHARE CAPITAL

	No. of shares	Par Value HK\$	Share Capital HK\$
Authorised share capital of the Company:			
At 31 December 2021 (audited) and			
30 June 2022 (unaudited)	2,000,000,000	0.10	200,000,000
	No. of shares	Share Capital HK\$	Share Capital S\$
Issued and fully paid			
At 31 December 2021 (audited) and			
30 June 2022 (unaudited)	1,000,000,000	100,000,000	17,381,244



Notes to the Condensed Consolidated Financial Statements

20. RELATED PARTY TRANSACTIONS

The Group entered into the following transactions with related parties during the financial periods ended 30 June 2022 and 2021:

Compensation of key management personnel

The remuneration of directors and other members of key management during the financial periods ended 30 June 2022 and 2021 were as follows:

	Six months ended 30 June	
	2022 (Unaudited) S\$	2021 (Unaudited) S\$
Short-term benefits	744,367	708,360
Post-employment benefits	48,960	58,980
	793,327	767,340

21. 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 lease liabilities 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

The Building and Construction Authority (BCA) predicts the value of construction contracts to be awarded in 2022 is approximately between S\$27 billion and S\$32 billion. The public sector is expected to contribute about 60 per cent of the total construction demand, between S\$16 billion and S\$19 billion. Hence, Singapore's construction is anticipated to rebound to pre-pandemic level in this year. As compared to the period when travel restrictions and tightened entry approvals were imposed last two years, the current monthly inflow of foreign workers has more than doubled and steadily improved. However, the rising of material cost and oil price will become the key challenge in this year. Thus, tender prices for construction projects are expected to grow between 5% and 8% across the industry in 2022.

Revenue

During the six months ended 30 June 2022, the revenue of our Group was approximately S\$53.3 million, representing an increase by approximately 28.7% from approximately S\$41.4 million for the same period of previous year. The increase in revenue was mainly attributable to recovery of construction activity to pre-pandemic level.

Gross profit

Our Group's gross profit increased from approximately S\$7.0 million for the six months ended 30 June 2021 to approximately S\$9.3 million for the six months ended 30 June 2022, representing an increase of approximately 32.9%. However, Our Group's gross profit margin remained at 17% for the six months ended 30 June 2022 and 2021.

Other income

Other income remained at approximately S\$1 million for the six months ended 30 June 2022 and 2021.

Administrative expenses

Administrative expenses increased from approximately S\$5.7 million for the six months ended 30 June 2021 to approximately S\$7.3 million for the six months ended 30 June 2022, due to the staff cost increased.

Management Discussion and Analysis



Finance costs

Finance costs decreased by approximately 7.0% from approximately S\$1.4 million for the six months ended 30 June 2021 to approximately S\$1.3 million for the period ended 30 June 2022.

Income tax expenses

Our Group's income tax expense was S\$0.3 million for the six months ended 30 June 2022, which was primarily due to the increase in the profit before taxation from approximately S\$1.2 million to approximately S\$1.8 million.

Profit for the period

Profit after taxation increased from approximately S\$1.0 million for the six months ended 30 June 2021 to approximately S\$1.5 million for the six months ended 30 June 2022 due to the combined effect of the aforesaid factors.

Management Discussion and Analysis

USE OF NET PROCEEDS FROM THE LISTING

The use of the net proceeds from the Listing as at 30 June 2022 was approximately as follows:

Use of proceeds	Revised allocation of the net proceeds (in HK\$ million)	Percentage of net proceeds (%)	Utilisation as at 31 December 2021 (in HK\$ million)	Remaining balance of the net proceeds as at 31 December 2021 (in HK\$ million)	Amount utilised for the six months ended 30 June 2022 (in HK\$ million)	Amount remaining (in HK\$ million)
- Purchase equipment and machinery to Strengthen market position	15.0	13.7	15.0	-	-	-
- Acquire a property for	39.0	35.6	34.0	5.0	-	5.0
(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	8.1	7.4	8.1	-	-	-
- Upgrade of information technology system	2.0	1.8	2.0	-	-	-
- Working capital	33.4	30.5	33.4	-	-	-
- Repayment of financial liabilities	12.0	11.0	12.0	-	-	-
Total	109.5	100	104.5	5.0	-	5.0

TIMELINE IN THE USE OF PROCEEDS

It remains uncertain how long the COVID-19 crisis will last. However, what is certain is that Singapore construction industry is still facing manpower shortages, supply chain constraints, and escalating construction costs. Under this uncertain circumstance, we estimate that we can consume the balance of net proceeds brought forward from issue of equity securities in previous financial year, after the construction industry in Singapore recovered from the impact of COVID-19, according to the intentions disclosed in the prospectus.

Management Discussion and Analysis



REASONS FOR THE DELAYED USE OF PROCEEDS

The unutilised proceeds are pertaining to acquire a property and build-up an asphalt plant. The reasons for the delayed use of proceeds are as follows: The owner's price for our target property is much higher than the market price. The Board of directors decided not to acquire the property and will look for more suitable property. From the end of the year 2019, the COVID-19 pandemic to spread around the world disrupting large parts of the global economy. Although the COVID-19 vaccination programmes are well underway across major economies in the world, an end to the pandemic is far from assured with the emergence of new COVID-19 variants which will possibly impede the global economic recovery. Manpower shortages, supply chain constraints and escalating construction costs have adversely affected the pace of construction activities and dampened output. Those factors will increase the Group's project costs and also increase the Group's financial pressure. We were newly awarded construction projects with a total contract value of approximately HK\$84 million during period ended 30 June 2022. To ensure the smooth progress of the projects, guarantee our profit margin and be able to flexibly respond to changes in Singapore construction market, the Board intends to retain the balance proceeds raised from IPO and will wait and see the development of the epidemic, and rationally use financial resources to deal with this uncertain.

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 2022 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.



Management Discussion and Analysis

CONTINGENT LIABILITIES

Our Group did not have any material contingent liabilities as at 30 June 2022.

CAPITAL COMMITMENTS

As at 30 June 2022, the Group did not have any material capital commitments.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Our Group's cash and cash equivalents balances increased from S\$5.4 million as at 31 December 2021 to S\$6.8 million as at 30 June 2022, mainly due to the improvement of trade receivable collection.

The total interest-bearing loans of our Group remained approximately S\$55 million for the six months ended 30 June 2022 and for the year ended 31 December 2021. The current ratio increased from approximately 1.5 time for the year ended 31 December 2021 to 1.7 time for the period ended 30 June 2022. The gearing ratio remained at approximately 1.0 time for the six months ended 30 June 2022 and for the year ended 31 December 2021.

Our Group's equity balance increased to approximately S\$58.6 million as at 30 June 2022 as compared to approximately S\$57.0 million as at 31 December 2021, which was attributable to the profits recorded for the period.

EMPLOYEES AND REMUNERATION POLICIES

Our Group had 454 employees as at 30 June 2022 and 360 employees as at 31 December 2021. 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.

Management Discussion and Analysis



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 2022 was secured by the legal mortgages of our Group's buildings on leasehold land with carrying amount of approximately S\$3.0 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 2022, 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 2022.

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2022, 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 2022.

Other Information

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 2022, 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 of Hong Kong (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 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 (the "Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

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

Name of Director	Nature of interest	Number of Shares held	Percentage of issued share capital
Mr. Tan Chai Ling (alias Mr. Chen Zhilong) ("Mr. Tan") (Note 1)	Interest in controlled corporation	750,000,000	75%
Ms. Chong Sook Fern (alias Ms. Zhang Shufen) ("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 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.

(b) Long positions in the shares of associated corporations

Name of Director	Name of associated corporation	Nature of interest	Number 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:

- 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 2022, 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 as set out in Appendix 10 of the Listing Rules.

Other Information

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

As at 30 June 2022, 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 2022, 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.

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 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 Group. All Directors have confirmed, following specific enquiries by the Company, that they fully complied with the Model Code and its code of conduct regarding the Directors' securities transactions throughout the six months period ended 30 June 2022.

CORPORATE GOVERNANCE

During the six months ended 30 June 2022, 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:



Other Information

Under the code provision C.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 (alias Mr. Chen Zhilong) 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 the 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.

Under the code provision C.1.8 of the CG Code, the Company should arrange appropriate insurance cover in respect of legal action against its directors. During the six months ended 30 June 2022, the Company does not have insurance cover in this respect because the Board believes that the Director’s risk of being sued or getting involved in litigation in their capacity as Directors is relatively low. The Board is seeking for the proposal of insurance companies and will arrange for the appropriate insurance cover as soon as possible.

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 2022.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group’s unaudited condensed consolidated results for the six months ended 30 June 2022 and discussed with the management of the Company 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
(alias Chen Zhilong)
Chairman and Executive Director

Hong Kong, 31 August 2022