



SHS HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No.: 197502208Z)

Unaudited Condensed Interim Financial Statements For The Half Year Ended 30 June 2024

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SHS HOLDINGS LTD.

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(Company Registration No.: 197502208Z)

Condensed Interim Financial Statements for The Period Ended 30 June 2024

(A) Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group Unaudited First Half Year Ended		
		30-Jun-24	30-Jun-23	Change
		S\$'000	S\$'000	%
Revenue	3.3	32,551	39,006	(16.5)
Cost of sales of goods and services		(28,648)	(31,565)	(9.2)
Gross profit		3,903	7,441	(47.5)
Other income		2,153	1,373	56.8
Selling and distribution expenses		(346)	(208)	66.3
Administrative expenses		(3,905)	(3,540)	10.3
Other operating expenses		(1,991)	(2,301)	(13.5)
(Impairment losses)/reversal of impairment losses on financial assets, net		(348)	45	N.M
Finance costs		(434)	(456)	(4.8)
Share of loss of associate, net of tax*		-	-	N.M
(Loss)/Profit before tax	4	(968)	2,354	(141.1)
Income tax expenses	5	(198)	(88)	125.0
(Loss)/Profit after tax for the period		(1,166)	2,266	(151.5)
Other comprehensive income/(loss), net of tax:				
<i>Items that will be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations		30	(61)	(149.2)
Other comprehensive income/(loss) for the period		30	(61)	(149.2)
Total comprehensive (loss)/income for the period		(1,136)	2,205	(151.5)
(Loss)/Profit for the financial period attributable to:				
Equity holders of the Company		(1,050)	2,176	(148.3)
Non-controlling interest		(116)	90	(228.9)
		(1,166)	2,266	(151.5)
Total comprehensive (loss)/ income for the period attributable to:				
Equity holders of the Company		(1,031)	2,112	(148.9)
Non-controlling interest		(105)	93	(210.8)
		(1,136)	2,205	(151.5)
Earnings per share (cents per share):				
Basic and diluted	6	(0.17)	0.40	(142.5)

*Amount below \$1,000

The above condensed interim consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



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Condensed Interim Financial Statements for The Period Ended 30 June 2024

(B) Condensed Interim Statements of Financial Positions

	Note	Group		Company	
		Unaudited 30-Jun-24 S\$'000	Audited 31-Dec-23 S\$'000	Unaudited 30-Jun-24 S\$'000	Audited 31-Dec-23 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	37,766	39,314	38	44
Right-of-use assets		3,418	3,555	954	1,036
Investment property	10	-	-	6,785	7,371
Investment in subsidiaries		-	-	34,227	34,227
Investment in associates		64	64	-	-
Other financial assets		14,322	14,322	14,320	14,320
Goodwill		6,000	6,000	-	-
Other receivables		2,895	2,680	2,895	2,680
		<u>64,465</u>	<u>65,935</u>	<u>59,219</u>	<u>59,678</u>
Current assets					
Cash and bank balances		29,326	48,036	18,648	23,314
Inventories		10,955	5,886	-	-
Land held for development		5,077	5,077	-	-
Trade receivables	12	26,189	21,482	-	-
Contract assets	11	6,454	9,637	-	-
Other receivables		23,330	25,345	951	925
Amount due from subsidiaries		-	-	56,975	53,782
		<u>101,331</u>	<u>115,463</u>	<u>76,574</u>	<u>78,021</u>
Asset held for sale	13	3,396	3,396	-	-
		<u>104,727</u>	<u>118,859</u>	<u>76,574</u>	<u>78,021</u>
Total assets		<u>169,192</u>	<u>184,794</u>	<u>135,793</u>	<u>137,699</u>
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables and accruals		9,260	9,400	288	339
Contract liabilities	11	3,742	3,727	-	-
Other payables		1,527	2,972	639	630
Amount due to subsidiaries		-	-	-	561
Term loans	14	6,619	3,383	-	-
Other amounts due to bankers	14	3,495	16,430	-	-
Lease liabilities		293	279	163	159
Provision for income tax		440	718	-	-
		<u>25,376</u>	<u>36,909</u>	<u>1,090</u>	<u>1,689</u>
Non-current liabilities					
Term loans	14	3,755	4,833	-	-
Lease liabilities		3,648	3,769	953	1,036
Deferred tax liabilities		2,725	2,725	1,577	1,577
		<u>10,128</u>	<u>11,327</u>	<u>2,530</u>	<u>2,613</u>
Total liabilities		<u>35,504</u>	<u>48,236</u>	<u>3,620</u>	<u>4,302</u>



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Condensed Interim Financial Statements for The Period Ended 30 June 2024

(B) Condensed Interim Statements of Financial Positions (Continued)

	Note	Group		Company	
		Unaudited 30-Jun-24 S\$'000	Audited 31-Dec-23 S\$'000	Unaudited 30-Jun-24 S\$'000	Audited 31-Dec-23 S\$'000
Equity					
Share capital	15	155,547	155,547	155,547	155,547
Treasury shares	16	(11,524)	(11,524)	(11,524)	(11,524)
Asset revaluation reserve		18,329	18,329	8,582	8,582
Fair value reserve		(10,060)	(10,060)	(10,398)	(10,398)
Foreign currency translation reserve		(361)	(380)	-	-
Other reserve		-	-	3,297	3,297
Accumulated losses		(18,535)	(15,751)	(13,331)	(12,107)
Equity attributable to owners of the Company		133,396	136,161	132,173	133,397
Non-controlling interest		292	397	-	-
Total equity		133,688	136,558	132,173	133,397
Total liabilities and equity		169,192	184,794	135,793	137,699

The above condensed interim statements of financial positions should be read in conjunction with the accompanying notes.



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Condensed Interim Financial Statements for The Period Ended 30 June 2024

(C) Condensed Interim Statements of Changes in Equity

	← Attributable to equity holders of the Company →						Total	Non-controlling interest	Total equity
	Share capital	Treasury shares	Asset revaluation reserve	Fair value reserve	Foreign currency translation reserve	Accumulated losses			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Group									
Unaudited									
At 1 January 2024	155,547	(11,524)	18,329	(10,060)	(380)	(15,751)	136,161	397	136,558
(Loss)/Profit for the period	-	-	-	-	-	(1,050)	(1,050)	(116)	(1,166)
Other comprehensive income, net of tax	-	-	-	-	19	-	19	11	30
Total comprehensive loss for the period	-	-	-	-	19	(1,050)	(1,031)	(105)	(1,136)
Dividends (Note 7)	-	-	-	-	-	(1,734)	(1,734)	-	(1,734)
At 30 June 2024	155,547	(11,524)	18,329	(10,060)	(361)	(18,535)	133,396	292	133,688
Unaudited									
At 1 January 2023	155,547	(11,524)	12,473	(9,861)	(334)	(15,175)	131,126	313	131,439
Profit for the period	-	-	-	-	-	2,176	2,176	90	2,266
Other comprehensive loss, net of tax	-	-	-	-	(64)	-	(64)	3	(61)
Total comprehensive income for the period	-	-	-	-	(64)	2,176	2,112	93	2,205
Dividends (Note 7)	-	-	-	-	-	(2,136)	(2,136)	-	(2,136)
At 30 June 2023	155,547	(11,524)	12,473	(9,861)	(398)	(15,135)	131,102	406	131,508



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Condensed Interim Financial Statements for The Period Ended 30 June 2024

(C) Condensed Interim Statements of Changes in Equity (Continued)

← Attributable to equity holders of the Company →

	Share capital S\$'000	Treasury shares S\$'000	Asset revaluation reserve S\$'000	Other Reserve S\$'000	Fair value reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
<u>Company</u>							
<u>Unaudited</u>							
At 1 January 2024	155,547	(11,524)	8,582	3,297	(10,398)	(12,107)	133,397
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	510	510
Dividends (Note 7)	-	-	-	-	-	(1,734)	(1,734)
At 30 June 2024	<u>155,547</u>	<u>(11,524)</u>	<u>8,582</u>	<u>3,297</u>	<u>(10,398)</u>	<u>(13,331)</u>	<u>132,173</u>
<u>Unaudited</u>							
At 1 January 2023	155,547	(11,524)	8,582	3,297	(10,247)	(11,726)	133,929
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	(66)	(66)
Dividends (Note 7)	-	-	-	-	-	(2,136)	(2,136)
At 30 June 2023	<u>155,547</u>	<u>(11,524)</u>	<u>8,582</u>	<u>3,297</u>	<u>(10,247)</u>	<u>(13,928)</u>	<u>131,727</u>

The above condensed interim statements of changes in equity should be read in conjunction with the accompanying notes.



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Condensed Interim Financial Statements for The Period Ended 30 June 2024

(D) Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		Unaudited First Half Year Ended 30-Jun-24 S\$'000	Unaudited First Half Year Ended 30-Jun-23 S\$'000
Cash Flows from Operating Activities			
(Loss)/Profit before tax for the period		(968)	2,354
Adjustments for:			
Depreciation of property, plant and equipment	4	2,074	1,676
Depreciation of right-of-use assets	4	170	166
Gain on disposal of property, plant and equipment		(15)	-
Property, plant and equipment written off		-	4
(Reversal)/allowance for inventory obsolescence		(2)	23
Impairment losses/(reversal of) impairment losses on financial assets, net		348	(45)
Allowance for impairment of investments in associate		-	181
Interest income	4	(555)	(1,017)
Interest expense	4	434	456
Share of loss of associate, net of tax*		-	-
Unrealised foreign exchange (gain)/loss – net		(248)	11
Operating cash flows before working capital changes		1,238	3,809
Changes in working capital:			
Inventories		(5,067)	139
Contract assets, receivables and prepayments		150	(2,366)
Contract liabilities and payables		(1,570)	3,048
Cash (used in)/from operations		(5,249)	4,630
Interest received		555	945
Income tax paid		(483)	(470)
Net cash (used in)/from operating activities		(5,177)	5,105
Cash Flows from Investing Activities			
Payment for purchase of property, plant and equipment		(461)	(1,654)
Proceeds from disposal of property, plant and equipment		13	-
Purchase of notes receivable		-	(5,395)
Interest received		-	72
Loan to investee company		-	(75)
Net cash used in investing activities		(448)	(7,052)
Cash Flows from Financing Activities			
Term loan drawdown		3,200	-
Repayment of bank term loans		(1,042)	(1,193)
Repayment of trust receipts and bills payable		(12,935)	(2,275)
Payment of dividends	7	(1,734)	(2,136)
Payment of lease liabilities		(265)	(185)
Interest paid		(309)	(456)
Net cash used in financing activities		(13,085)	(6,245)
Net changes in cash and cash equivalents		(18,710)	(8,192)
Cash and cash equivalents at the beginning of period		48,036	59,975
Effects of exchange rate changes on the balances of cash held in foreign currencies		-	(69)
Cash and cash equivalents at the end of the period		29,326	51,714

*Amounts below SGD1,000

The above condensed interim consolidated statement of cash flows should be read in conjunction with the accompanying notes.



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E Notes to the Condensed Interim Consolidated Financial Statements

1 Corporate information

SHS Holdings Ltd. (the “Company”) is a public limited liability company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the Group).

The Company’s registered address and principal place of business is at 19 Tuas Avenue 20, Singapore 638830. The principal activities of the Company are investment holding.

The principal activities of the Group are those corrosion prevention services, engineering and construction, solar energy related services and trading of aluminium products.

2 Basis of preparation

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

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended Standards as set out in note 2.2.

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

2.2 New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except that in the current financial period, the Group has adopted all the new and revised standards and interpretations which are effective for annual financial periods beginning on or after 1 January 2024. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group.

2.3 Use of estimates and judgements

In preparing these condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Management is of the opinion that there are no critical judgements made in applying the Group’s accounting policies and no assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.



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E Notes to the Condensed Interim Consolidated Financial Statements

3 Segmental reporting

Segment information reported externally was analysed on the basis of the types of goods supplied and services provided by the Group's operating divisions. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance of the Group. The Group's reportable operating segments are as follows:

Engineering & Construction ("EC")

The engineering & construction segment is in the business of designing, engineering and construction of steel, aluminium and glass structures, and design and construction services including major upgrading works.

Corrosion Prevention ("CP")

The corrosion prevention segment provides coating services to marine, oil and gas, construction and infrastructure industries.

Solar Energy ("Solar")

The solar energy segment specialises in solar energy development and engineering and project management for electrical works.

Trading of Commodities ("Commodities")

The trading segment specialises in promoting and selling of metals and aluminium-related products.

Others

Others segment consists of property development business, warehousing, corporate head office and strategic investments.



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3.1 Segment revenues, results, assets and liabilities

	EC		CP		Solar		Commodities		Others		Total	
	1H 2024 S\$'000	1H 2023 S\$'000	1H 2024 S\$'000	1H 2023 S\$'000	1H 2024 S\$'000	1H 2023 S\$'000	1H 2024 S\$'000	1H 2023 S\$'000	1H 2024 S\$'000	1H 2023 S\$'000	1H 2024 S\$'000	1H 2023 S\$'000
Segment revenue	11,888	19,800	7,355	8,406	11,605	10,800	1,703	-	-	-	32,551	39,006
Results												
Segment results	728	2,848	481	773	951	1,458	19	-	(613)	(147)	1,566	4,932
(Impairment losses)/reversal of impairment losses on financial assets, net	-	-	(216)	45	(132)	-	-	-	-	-	(348)	45
Finance costs	(367)	(366)	(37)	(46)	(30)	(44)	-	-	-	-	(434)	(456)
Share of loss of associate, net of tax*											-	-
Other income											2,153	1,373
Central administration costs and directors' remuneration											(3,905)	(3,540)
(Loss)/Profit before tax											(968)	2,354
Income tax expenses											(198)	(88)
(Loss)/Profit for the period											(1,166)	2,266
Other information												
Depreciation of PPE and ROU	1,073	882	1,078	873	87	87	-	-	6	-	2,244	1,842
Addition to property, plant and equipment	436	-	9	-	16	-	-	-	-	-	461	-
Impairment on investment in associate	-	181	-	-	-	-	-	-	-	-	-	181
	EC		CP		Solar		Commodities		Others		Total	
	30-Jun-24 S\$'000	31-Dec-23 S\$'000	30-Jun-24 S\$'000	31-Dec-23 S\$'000	30-Jun-24 S\$'000	31-Dec-23 S\$'000	30-Jun-24 S\$'000	31-Dec-23 S\$'000	30-Jun-24 S\$'000	31-Dec-23 S\$'000	30-Jun-24 S\$'000	31-Dec-23 S\$'000
Assets												
Segment assets	63,151	59,748	27,432	30,006	9,539	17,385	25,079	28,805	43,927	48,786	169,128	184,730
Investment in associates	64	64	-	-	-	-	-	-	-	-	64	64
Total segment assets											169,192	184,794
Liabilities												
Segment liabilities	21,235	21,676	3,264	3,135	1,626	6,422	5,257	12,564	956	996	32,338	44,793
Unallocated liabilities												
- Provision for taxation											441	718
- Deferred income tax											2,725	2,725
Total segment liabilities											35,504	48,236

*Amount below \$1,000



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E Notes to the Condensed Interim Consolidated Financial Statements

3.1 Segment revenues, results, assets and liabilities (continued)

Revenue reported above represents revenue generated from external customers. Inter-segment sales for 1H2024 were S\$4,293,000 (1H2023: S\$624,700). Segment results represent the profit/(loss) earned by each segment without allocation of central administration costs and directors' remuneration, share of loss of associates and other income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

3.2 Geographical information

The Group's continuing operations is primarily carried out in Singapore. The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical locations are detailed below.

	<u>Group's revenue from</u>		<u>Group's non-current assets (i)</u>	
	<u>external customers</u>		<u>30 Jun 24</u>	<u>31 Dec 23</u>
	<u>1H 2024</u>	<u>1H 2023</u>	<u>S\$'000</u>	<u>S\$'000</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	28,063	37,010	50,056	51,591
Rest of South East Asia (ii)	2,783	1,996	75	12
People of Republic China	1,703	-	12	10
Others (iii)	2	-	-	-
	<u>32,551</u>	<u>39,006</u>	<u>50,143</u>	<u>51,613</u>

(i) Non-current assets exclude other financial assets

(ii) Rest of South East Asia includes Malaysia, Vietnam and Indonesia

(iii) Others include Greece

3.3 Disaggregation of revenue from contracts with customers

	Group	
	<u>1H 2024</u>	<u>1H 2023</u>
	S\$'000	S\$'000
<u>Principal geographical market</u>		
<i>Singapore</i>		
- Engineering & construction services	11,888	19,800
- Services rendered – grit blasting and painting	5,951	6,696
- Solar power installation service	6,776	6,829
- Sale of blasting equipment goods	789	1,298
- Sale of solar power equipment goods	2,659	2,387
	<u>28,063</u>	<u>37,010</u>
<i>Rest of South East Asia (i)</i>		
- Sale of solar power equipment goods	2,170	1,584
- Sale of blasting equipment goods	613	412
	<u>2,783</u>	<u>1,996</u>
<i>People of Republic China</i>		
- Sales of aluminium products	1,703	-
<i>Others (ii)</i>		
- Sale of blasting equipment goods	2	-
	<u>2</u>	<u>-</u>
Total Revenue	<u>32,551</u>	<u>39,006</u>



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3.3 Disaggregation of revenue from contracts with customers (continued)

	Group	
	<u>1H 2024</u>	<u>1H 2023</u>
	S\$'000	S\$'000
<u>Major products or service lines and time of revenue recognition</u>		
<i>At a point in time</i>		
- Sale of solar power equipment goods	4,829	3,971
- Sale of blasting equipment goods	1,404	1,710
- Sale of aluminium products	1,703	-
	7,936	5,681
<i>Over time</i>		
- Engineering & construction services	11,888	19,800
- Services rendered – grit blasting and painting	5,951	6,696
- Solar power installation service	6,776	6,829
	24,615	33,325
Total Revenue	32,551	39,006

(i) Rest of South East Asia includes Malaysia, Vietnam and Indonesia

(ii) Others include Japan and Europe

4 (Loss)/Profit before tax

(Loss)/Profit before tax for the period is arrived at after crediting/(charging) the following:

	Group	
	<u>1H 2024</u>	<u>1H 2023</u>
	S\$'000	S\$'000
Other income	161	183
Rental income	438	54
Interest income	555	1,017
Interest on borrowings and leases	(434)	(456)
Depreciation of property, plant and equipment	(2,074)	(1,676)
Depreciation of right-of-use assets	(170)	(166)
(Impairment losses)/reversal of impairment losses on financial assets, net	(348)	45
Reversal/(allowance) for inventory obsolescence	2	(23)
Impairment on investments in associate	-	(181)
Foreign currency exchange gain/(loss), (net)	999	(19)
	999	(19)



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E Notes to the Condensed Interim Consolidated Financial Statements

5 Income tax expense

	Group	
	<u>1H 2024</u>	<u>1H 2023</u>
	S\$'000	S\$'000
Current income tax:		
- Current period	141	92
- Under/(over) provision in respect of prior year	57	(6)
	198	86
Deferred tax:		
- Origination and reversal of temporary differences	-	2
	-	2
	198	88

The corporate income tax applicable to the Company and other Singapore incorporated entities of the Group is 17% (1H2023: 17%). The entities of the Group in Malaysia and Indonesia are subject to a corporate income tax rate of 24% and 22% (1H2023: 24% Malaysia and 22% Indonesia). The remaining entities of the Group operating in other jurisdictions are considered not material.

6 (Loss)/Earnings per share

(Loss)/Earnings per share based on the net (loss)/profit of the Group attributable to the shareholders:

	Group	
	<u>1H 2024</u>	<u>1H 2023</u>
(Loss)/Earnings per ordinary share for the period based on net (loss)/profits attributable to the equity holders of the Company		
(i) Based on weighted average number of ordinary shares	(0.17) cents	0.40 cents
Weighted average number of shares	610,403,412	610,403,412
(ii) On a diluted basis	(0.17) cents	0.40 cents
Weighted average number of shares	610,403,412	610,403,412

7 Dividends

	Group	
	<u>1H 2024</u>	<u>1H 2023</u>
	S\$'000	S\$'000
<i>Dividends on ordinary shares paid:</i>		
Final exempt (one-tier) dividend of S\$0.0035 per ordinary share in respect of the financial year ended 31 December 2022	-	2,136
Final exempt (one-tier) dividend of S\$0.00284 per ordinary share in respect of the financial year ended 31 December 2023	1,734	-

There is no dividend recommended for the period ended 30 June 2024 (30 June 2023: Nil).



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8 Net asset value

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
Net asset backing per ordinary share	21.90 cents	22.37 cents	21.65 cents	21.85 cents
Based on the number of shares in issue, excluding treasury shares	610,403,412	610,403,412	610,403,412	610,403,412

9 Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired property, plant and equipment with an aggregate cost amounting to S\$461,000 (30 June 2023: S\$1,654,000).

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets may be impaired. If any such indication exists, an impairment assessment will be performed accordingly. The recoverable amount of an asset or group of assets is assessed as the higher of its fair value less costs of disposal and its value in use.

The Group carried out a review and determined that there is no indicator of impairment loss to these assets for the current financial period. The leasehold buildings are mortgaged to secure the credit facilities of the Group.

10 Investment property

	<u>Company</u>	
	<u>30 Jun 2024</u> S\$'000	<u>31 Dec 2023</u> S\$'000
<u>At cost</u>		
At beginning and end of the reporting period	14,400	14,400
<u>Accumulated depreciation</u>		
At beginning of the reporting period	6,444	5,858
Depreciation charge	1,171	1,171
At end of the reporting period	7,615	7,029
<u>Net book value</u>		
At end of the reporting period	6,785	7,371

The Group's leasehold buildings located at 81 Tuas South Street 5 is leased to certain subsidiaries of the Group to earn leasing revenue. Accordingly, the leasehold building is classified as an investment property on the statement of financial position of the Company. Investment property held for long-term rental yields and/or for capital appreciation, is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.



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10 Investment property (continued)

The fair value of the investment property disclosed below is measured using valuation inputs categorised as Level 3 in the Fair Value Hierarchy as follows:

	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
<u>30 Jun 2024</u>				
Investment property	-	-	11,685	11,685
<u>31 Dec 2023</u>				
Investment property	-	-	11,685	11,685

The Group carried out a review and determined that there is no indicator of impairment loss to these assets for the current financial period.

11 Contract balances

	<u>Group</u>	
	<u>30 Jun 2024</u> S\$'000	<u>31 Dec 2023</u> S\$'000
Contract assets – current	6,454	9,637
Contract liabilities – current	3,742	3,727

- (i) Contract assets represent the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when invoices are billed to the customer.



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12 Trade receivables

	Group	
	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
	S\$'000	S\$'000
Trade receivables:		
- third parties	27,257	23,075
- related party	148	148
	<u>27,405</u>	<u>23,223</u>
Less: Allowance for expected credit loss	(1,216)	(1,741)
	<u><u>26,189</u></u>	<u><u>21,482</u></u>

The credit period for trade receivables ranges from 30 to 90 days (2023: 30 to 90 days). No interest is charged on the outstanding balances of trade receivables.

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical default rates analysed in accordance to days past due. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

13 Asset held for sale

	Group	
	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
	S\$'000	S\$'000
Group		
Cost, representing net carrying amount:		
Freehold Land	<u>3,396</u>	<u>3,396</u>

During last year, a subsidiary of the Group entered into an agreement for the sale of a freehold land in Malaysia and the deposit was received subsequent to year end. Accordingly, the freehold land was classified as held for sale at the end of the last financial year. The sale has not been completed as at the date of authorisation of the interim financial statements.



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E Notes to the Condensed Interim Consolidated Financial Statements

14 Bank borrowings

	Group	
	<u>30 Jun 2024</u> S\$'000	<u>31 Dec 2023</u> S\$'000
Amounts due to bankers - Current		
Bills payable	1,786	11,629
Trust receipts	1,709	4,801
	3,495	16,430
Term Loans - Secured		
<i>Amount repayable in one year or less, or on demand</i>		
Term loan I	1,124	1,108
Term loan II	1,286	1,270
Money market line loan	4,209	1,005
	6,619	3,383
<i>Amount repayable after one year</i>		
Term loan I, Secured	3,422	3,850
Term loan II, Secured	333	983
	3,755	4,833
Total	13,869	24,646

The credit facilities of the Group are generally secured by the following:

- (i) first legal mortgage over the leasehold property at 81 Tuas South Street 5, Singapore 637651;
- (ii) first legal mortgage over the leasehold property at 19 Tuas Avenue 20, Singapore 638830;
- (iii) first deed of debenture duly executed, incorporating a fixed and floating charge over the present and future undertaking, assets, revenues and rights of a subsidiary of the Group;
- (iv) fixed deposits amounting to S\$1,786,000; and
- (v) corporate guarantee from the Company for a total of \$\$45 million (2023: S\$65.1 million).

15 Issued and paid-up capital

	Group and Company			
	<u>30 June 2024</u>		<u>31 December 2023</u>	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
<i>Issued and fully paid, with no par value:</i>				
At beginning and end of the period/year	678,109,912	155,547	678,109,912	155,547

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction, except for treasury shares, at general meetings of the Company and rank equally with regards to the Company's residual assets.

There were no subsidiary holdings as at 30 June 2024 and 31 December 2023.



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16 Treasury shares

	Group and Company			
	<u>30 June 2024</u>		<u>31 December 2023</u>	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
<i>Issued and fully paid, with no par value:</i>				
At beginning and end of the period/year	67,706,500	(11,524)	67,706,500	(11,524)

Number of issued shares (excluding Treasury Shares) as at 30 June 2024 is 610,403,412 (31 December 2023: 610,403,412).

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on. There are no sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

17 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into transactions with related parties during the financial period, on terms agreed between the parties, as shown below.

	Group	
	<u>1H 2024</u>	<u>1H 2023</u>
	S\$'000	S\$'000
(a) Sales of goods to a related party	553	143
(b) Sales of goods from a related party	1	-
(c) Purchase of goods from a related party	1,773	-
(d) Logistics storage management services	12	-
(e) Service income received from an associate	-	1
(f) Key Management personnel compensation	729	722

18 Seasonal operations

The Group's businesses are not significantly affected by seasonal or cyclical factors during the financial period.

19 Subsequent events

There are no known material subsequent events which have resulted in adjustments to this set of interim financial statements.



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F Other Information Required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of SHS Holdings Ltd. and its subsidiaries as at 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the auditors.

2. Review of performance of the Group

Overview

For the first half ended 30 June 2024 (“1H24”), the Group faced a challenging period and experienced a revenue decline of 16.5%, amounting to S\$32.6 million compared to S\$39.0 million in 1H23. The Group reported a net loss attributable to equity holders of S\$1.0 million, a reversal from the net profit of S\$2.2 million in 1H23.

As at 30 June 2024, the Group’s total equity was S\$133.7 million, compared to S\$136.6 million as at 31 December 2023.

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue	1H24	1H23	Change
	S\$’000	S\$’000	(%)
Engineering & Construction (“EC”)	11,888	19,800	(40.0)
Corrosion Prevention (“CP”)	7,355	8,405	(12.5)
Solar Energy (“Solar”)	11,605	10,800	7.5
Commodities	1,703	-	N.M
Others	-	-	N.M
Total	32,551	39,005	(16.5)

N.M: No meaning

The Group’s revenue decreased by 16.5% to S\$32.6 million in 1H24, compared to S\$39.0 million in the same period last year. This decline was primarily due to a reduction in project revenue from the EC and lesser work order from the CP. This had partially offset by the Solar and Commodities segment.

EC Segment

The revenue decline in the EC segment for the 1H FY2024, compared to 1H FY2023, was primarily due to several new projects being scheduled only to commence in July 2024. Consequently, revenue for the EC segment decreased by 40.0%, dropping from S\$19.8 million in 1H23 to S\$11.9 million in 1H24.

CP Segment

Revenue for the CP segment decreased by 12.5%, falling to S\$7.4 million in 1H24 from S\$8.4 million in 1H23. The decrease in revenue compared to the previous period was primarily due to a reduction in orders for site and blasting jobs.

Solar Segment

Revenue for the Solar Energy segment increased to S\$11.6 million in 1H24, up from S\$10.8 million in 1H23, primarily due to the contribution of EPC progressive projects that enhanced revenue performance.



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2. Review of performance of the Group

Gross Profit and Gross Profit Margin

	Gross Profit			Gross Profit Margin	
	1H24	1H23	Change	1H24	1H23
	S\$'000	S\$'000	(%)		
EC	1,644	3,982	(58.7)	13.8	20.1
CP	1,034	1,795	(42.4)	14.1	21.4
Solar	1,200	1,664	(27.9)	10.3	15.4
Commodities	25	-	N.M	1.5	N.M
Others	-	-	-	-	-
Total	3,903	7,441	(47.5)	12.0	19.1

N.M: No meaning

The Group's gross profit decreased by 47.5% from S\$7.4 million in 1H23 to S\$3.9 million in 1H24, in line with the decrease in revenue for the period for EC and CP segment.

EC segment

Gross profit for the EC segment decreased from S\$4.0 million in 1H23 to S\$1.6 million in 1H24. This decline was primarily due to increase overheads, subcontractor and labour costs driven by inflation and project schedule delays.

CP segment

The CP segment reported a 42.4% decrease in gross profit, falling to S\$1.0 million in 1H24. This decline was mainly due to increased direct costs and more competitive pricing pressures from the shipyard.

Solar segment

For 1H24, gross profit decreased from S\$1.7 million in 1H23 to S\$1.2 million in 1H24, primarily due to an increase in costs.

Other Income

Other income increased by 56.8%, rising from S\$1.4 million in 1H23 to S\$2.2 million in 1H24. This growth was primarily driven by rental income from its leasehold buildings and favorable gains on foreign exchange from USD against SGD for bank deposits.



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2. Review of performance of the Group

Selling, Distribution, Administrative and Other Operating Expenses

	1H24	1H23	Change
	S\$'000	S\$'000	(%)
Selling and distribution	(346)	(208)	66.3
Administrative	(3,905)	(3,540)	10.3
Other operating expenses	(1,991)	(2,301)	(13.5)
(Impairment losses)/reversal of impairment losses on financial assets, net	(348)	45	N.M
Total OPEX	(6,590)	(6,004)	9.8

Total OPEX in 1H24 was 9.8% higher than the corresponding period in the previous year, primarily contributed by the increase in travelling, depreciation and staff-related expenses.

Selling and distribution expenses increased in 1H24 due to increase in travelling and entertainment expense.

Administrative expenses increased by 10.3% to S\$3.9 million from S\$3.5 million mainly due to higher staff-related expenses.

Other operating expenses decreased significantly by 13.5%, falling to S\$2.0 million from S\$2.3 million. This reduction was mainly due to lower rental costs for container offices and as well as the decrease in other indirect business-related expenses. However, this decrease was partially offset by higher depreciation costs for revalued property and additional plant and equipment.

Impairment loss on financial assets increased to S\$0.3 million, primarily due to the CP segments. This increase is primarily attributable to the CP segments, where increase the credit risk and changes in market conditions have affected the value of contract assets.

Finance Costs

Finance costs were slightly decreased by 4.8% to S\$0.43 million from S\$0.46 million as compared to 1H23.

Share of Associate' Results

For 1H24, share of loss from associated company was insignificant.



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F Other Information Required by Listing Rule Appendix 7.2

2. Review of performance of the Group

Condensed Interim Statements of Financial Positions

Non-current assets slightly decreased by S\$1.5 million to S\$64.5 million as at 30 June 2024 mainly due to depreciation amounting to S\$2.2 million and offset by the addition to assets of S\$0.4 million. The increase in non-current receivables were mainly due to the favorable movement of USD.

Current assets decreased by S\$14.0 million to S\$104.7 million as at 30 June 2024. This was largely attributed to:

- Decrease in cash and bank balances due to the repayment of bank borrowings
- Decrease in contract assets mainly due to several new projects under EC being scheduled only to commence in July 2024
- Increase in trade receivables mainly due to increase in progress billing by EC segment
- Increase in inventories mainly due to increase inventory in Commodities segment

Current liabilities of the Group decreased to S\$25.3 million for 30 June 2024 from S\$36.9 million as at 31 Dec 2023. This was largely attributed to:

- Increase in term loans from S\$3.4 million as at 31 Dec 2023 to S\$6.6 million, primarily due to the drawdown of additional money market loans to support the projects for EC segment
- Decrease in other amount due to bankers are due to repayment during the period as well as lower utilization of trust receipts in Solar segment

Non-current liabilities decreased mainly due to repayment of term loan.

Shareholders' equity decreased marginally to S\$133.40 million as at 30 June 2024 from S\$136.2 million as at 31 December 2023. The decrease was largely attributed to the dividend payout S\$1.74 million and loss for the period S\$1.1 million.

Condensed Interim Consolidated Statement of Cash Flows

During 1H24, the Group recorded a net cash outflow of S\$18.7 million due to: -

- Net cash used in operating activities amounted to S\$5.2 million, primarily for inventory purchases.
- Net cash used in investing activities amounted to S\$0.4 million in 1H24 mainly due to capital expenditure in EC, CP and Solar segment.
- Net cash used in financing activities in 1H24 was mainly for the dividend payout of \$1.7 million and the repayment of trust receipts and bill payables of S\$12.4 million. This had partially offset with the new term loan drawdown during the period.

After taking into account the above net cash flows and net foreign currency translation adjustments, the Group's cash and cash equivalents as at 30 June 2024 stood at sum of S\$29.33 million.



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

The current announced results are in line with the prospect commentary previously disclosed to shareholders in the results announcement for the year ended 31 December 2023.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group is cautiously optimistic of business opportunities in the E&C segment, driven by major government projects such as MRT network expansion and redevelopment of older estates. While demand remains strong in the solar energy segment, this segment remains highly competitive, facing significant price pressures and a fragmented market with numerous players. The corrosion prevention segment also faces stiff competition, stricter regulations, expected regulatory changes, heightened customer demands and rising costs. To navigate these challenges, the Group will focus on balancing cost control with competitive pricing to maintain competitive and sustain growth.

5. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

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

It is not the Company's policy to declare interim dividends and will only declare dividends at year end subject to company's performance as well as its cash requirements.



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7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect,

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Tamaco Private Limited	100% owned by Teng Choon Kiat, a Director and Controlling shareholder of the company	S\$11,491	--
Entraco Marine Engineering Pte Ltd	100% owned by Teng Choon Kiat, a Director and Controlling shareholder of the company	S\$554	--
Synertech Group Co. Pte. Ltd.	Wholly-owned by Tidal New Energy Investment Pte. Ltd. which is a Controlling Shareholder of the Company	S\$1,773,750	--
Total		S\$1,785,795	--

8. Confirmation Pursuant to Rule 705(5) of the Listing Manual

We, Ng Han Kok, Henry and Teng Choon Kiat being two directors of SHS Holdings Ltd. (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the first half year ended 30 June 2024 condensed interim financial statements to be false or misleading in any material respect.

9. Undertaking from Directors and Executive Officers pursuant to Rule 720(1) of the SGX Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

BY ORDER OF THE BOARD

NG HAN KOK, HENRY

Group CEO

12 August 2024