ALLIED TECHNOLOGIES LIMITED

Company Registration No: 199004310E

THIRD QUARTER AND NINE MONTHS UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

*Pursuant to the Notice of Compliance in relation to the requirement to perform quarterly reporting issued by Singapore Exchange Regulation Pte Ltd ("**SGX Regco**") on 6 February 2020, the Company is required to continue with the quarterly reporting of its unaudited financial statements under Rules 705(2)(d) and 705(2C) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") with effect from 7 February 2020.*

This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF YEAR AND FULL YEAR RESULTS

Condensed interim consolidated statement of profit or loss and other comprehensive income

		GROUP					
		3 months ended			9 months ended		
	Note	3Q2021	3Q2020	+/(-)	9M2021	9M2020	+/(-)
		S$'000	S$'000	%	S$'000	S$'000	%
Revenue		17,733	25,403	(30%)	76,982	75,114	2%
Cost of revenue		(16,532)	(23,604)	(30%)	(72,093)	(71,964)	0%
Gross profit		1,201	1,799	(33%)	4,889	3,150	55%
Other income		164	170	(4%)	976	873	12%
General and administrative expenses		(1,485)	(1,691)	(12%)	(4,944)	(5,226)	(5%)
Finance costs		(190)	(143)	33%	(576)	(670)	(14%)
(Loss)/profit before tax	6	(310)	135	n.m	345	(1,873)	n.m
Income tax credit/(expense)	7	25	(7)	n.m	(116)	(53)	119%
(Loss)/profit for the financial period		**(285)**	**128**	n.m	**229**	**(1,926)**	n.m
Attributable to:							
Owners of the Company		(271)	127	n.m	279	(1,875)	n.m
Non-controlling interests		(14)	1	n.m	(50)	(51)	(2%)
(Loss)/profit for the financial period		**(285)**	**128**	n.m	**229**	**(1,926)**	n.m
(Loss)/profit per share (cents per share)							
- Basic		(0.02)	0.01		0.02	(0.11)	
- Diluted		(0.02)	0.01		0.02	(0.11)	
Other comprehensive income:							
Foreign currency translation of foreign subsidiaries		(167)	(109)	53%	(453)	(102)	344%
Total comprehensive income for the financial period		**(452)**	**19**	n.m	**(224)**	**(2,028)**	(89%)
Attributable to:							
Owners of the Company		(437)	16	n.m	(172)	(1,976)	(91%)
Non-controlling interests		(15)	3	n.m	(52)	(52)	0%
Total comprehensive income for the financial period		**(452)**	**19**	n.m	**(224)**	**(2,028)**	(89%)

Note:
n.m - not meaningful

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Condensed interim statements of financial position

	Note	GROUP		COMPANY	
		30.09.2021	31.12.2020	30.09.2021	31.12.2020
		S$'000	S$'000	S$'000	S$'000
Non-current assets					
Intangible assets	11	-	-	-	-
Property, plant and equipment	12	24,381	25,620	1	2
Right-of-use assets		3,958	4,615	-	-
Investment in joint venture		-	-	-	-
Investment in subsidiary companies		-	-	30,925	30,925
Goodwill		-	-	-	-
Loan receivables from subsidiary companies		-	-	-	-
Other investments		2,361	2,361	-	-
		30,700	32,596	30,926	30,927
Current assets					
Inventories		14,159	13,534	-	-
Amounts due from subsidiary companies		-	-	-	-
Trade debtors		14,324	22,988	-	-
Other debtors		1,187	986	3	19
Contract assets		200	283	-	-
Income tax recoverable		88	-	-	-
Prepayments and advances to suppliers		1,299	229	8	3
Fixed deposits		2,007	1,676	-	-
Cash and bank balances		6,985	8,899	54	8
Amount due from a law firm		33,153	33,153	33,153	33,153
		73,402	81,748	33,218	33,183
Current liabilities					
Amount due to a subsidiary		-	-	2,361	1,646
Trade creditors		14,968	24,918	-	-
Contract liabilities		375	184	-	-
Lease liabilities		745	858	-	-
Other creditors and accruals		6,919	7,315	2,195	2,149
Deferred grant income		-	54	-	-
Amount due to a former director		1,183	1,183	1,183	1,183
Amount due to a non-controlling shareholder of a subsidiary		417	415	-	-
Loans and borrowings	13	4,840	3,792	-	-
Income tax payable		-	84	-	-
		29,447	38,803	5,739	4,978
Net current assets		43,955	42,945	27,479	28,205
Non-current liabilities					
Accruals		95	85	-	-
Lease liabilities		3,672	4,242	-	-
Loans and borrowings	13	5,808	5,910	-	-
Deferred tax liabilities		19	19	-	-
		9,594	10,256	-	-
TOTAL NET ASSETS		65,061	65,285	58,405	59,132
Equity attributable to owners of the Company					
Share capital	14	115,898	115,898	115,898	115,898
Statutory reserve fund		241	241	-	-
Other reserves		189	189	189	189
Fair value adjustment reserve		156	156	-	-
Accumulated losses		(49,083)	(49,362)	(57,682)	(56,955)
Foreign currency translation reserve		584	1,035	-	-
		67,985	68,157	58,405	59,132
Non-controlling interests		(2,924)	(2,872)	-	-
		65,061	65,285	58,405	59,132

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Condensed interim statements of changes in equity

Group	Note	Ordinary shares $'000	Foreign currency translation reserve $'000	Statutory reserve fund $'000	Other reserves $'000	Fair value adjustment reserve $'000	Accumulated losses $'000	Total equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
9M2021										
Balance as at 1 January 2021		115,898	1,035	241	189	156	(49,362)	68,157	(2,872)	65,285
Profit/(loss) for the period		-	-	-	-	-	601	601	(14)	587
Other comprehensive income:										
Foreign currency translation		-	(171)	-	-	-	-	(171)	(1)	(172)
Balance as at 31 March 2021		**115,898**	**864**	**241**	**189**	**156**	**(48,761)**	**68,587**	**(2,887)**	**65,700**
Loss for the period		-	-	-	-	-	(51)	(51)	(22)	(73)
Other comprehensive income:										
Foreign currency translation		-	(114)	-	-	-	-	(114)	-	(114)
Balance as at 30 June 2021		**115,898**	**750**	**241**	**189**	**156**	**(48,812)**	**68,422**	**(2,909)**	**65,513**
Loss for the period		-	-	-	-	-	(271)	(271)	(14)	(285)
Other comprehensive income										
Foreign currency translation		-	(166)	-	-	-	-	(166)	(1)	(167)
Balance as at 30 September 2021		**115,898**	**584**	**241**	**189**	**156**	**(49,083)**	**67,985**	**(2,924)**	**65,061**
9M2020										
Balance as at 1 January 2020		115,898	1,116	231	189	(135)	(49,990)	67,309	(2,794)	64,515
Loss for the period		-	-	-	-	-	(267)	(267)	(33)	(300)
Other comprehensive income:										
Foreign currency translation		-	31	-	-	-	-	31	(5)	26
Balance as at 31 March 2020		**115,898**	**1,147**	**231**	**189**	**(135)**	**(50,257)**	**67,073**	**(2,832)**	**64,241**
Loss for the period		-	-	-	-	-	(1,735)	(1,735)	(19)	(1,754)
Other comprehensive income:										
Foreign currency translation		-	(21)	-	-	-	-	(21)	2	(19)
Balance as at 30 June 2020		**115,898**	**1,126**	**231**	**189**	**(135)**	**(51,992)**	**65,317**	**(2,849)**	**62,468**
Profit for the period		-	-	-	-	-	127	127	1	128
Other comprehensive income										
Foreign Currency translation			(111)	-	-	-	-	(111)	2	(109)
Balance as at 30 September 2020		**115,898**	**1,015**	**231**	**189**	**(135)**	**(51,865)**	**65,333**	**(2,846)**	**62,487**

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Condensed interim statements of changes in equity

Company	Ordinary shares $'000	Other reserve $'000	Accumulated losses $'000	Total equity attributable to owners of the Company $'000
9M2021				
Balance as at 1 January 2021	115,898	189	(56,955)	**59,132**
Total comprehensive income for the period	-	-	(196)	(196)
Balance as at 31 March 2021	**115,898**	**189**	**(57,151)**	**58,936**
Total comprehensive income for the period	-	-	(275)	(275)
Balance as at 30 June 2021	**115,898**	**189**	**(57,426)**	**58,661**
Total comprehensive income for the period	-	-	(256)	(256)
Balance as at 30 September 2021	**115,898**	**189**	**(57,682)**	**58,405**
9M2020				
Balance as at 1 January 2020	115,898	189	(55,599)	**60,488**
Total comprehensive income for the period	-	-	(303)	(303)
Balance as at 31 March 2020	**115,898**	**189**	**(55,902)**	**60,185**
Total comprehensive income for the period	-	-	(302)	(302)
Balance as at 30 June 2020	**115,898**	**189**	**(56,204)**	**59,883**
Total comprehensive income for the period	-	-	(145)	(145)
Balance as at 30 September 2020	**115,898**	**189**	**(56,349)**	**59,738**

Allied Technologies Limited and Subsidiaries

Condensed interim consolidated statement of cash flows

	Note	Group			
		3 months ended		9 months ended	
		3Q2021	3Q2020	9M2021	9M2020
		S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities					
(Loss)/profit before tax		(310)	135	345	(1,873)
Adjustments for:					
Loss/(gain) on disposal of property, plant and equipment	6	2	82	(16)	83
Depreciation of property, plant and equipment	6	723	758	2,158	2,276
Depreciation of right-of-use assets	6	202	204	612	617
Interest income	6	(9)	(6)	(42)	(52)
Interest expense	6	129	72	384	447
Interest expense - lease liabilities	6	61	71	192	223
Dividend income from other investments	6	-	-	(435)	(232)
Exchange differences		(64)	(25)	(47)	(324)
Operating profit/(loss) before working capital changes		**551**	**1,291**	**2,844**	**1,165**
(Increase)/decrease in inventories		(830)	2,643	(454)	4,021
Decrease/(increase) in trade debtors and other debtors		1,656	(4,183)	7,381	9,678
(Decrease)/increase in trade creditors and other creditors		(1,833)	231	(10,281)	(12,854)
Cash generated (used in)/from operations		(456)	(18)	(510)	2,010
Interest paid		(129)	(72)	(384)	(447)
Interest paid for lease liabilities		(61)	(71)	(192)	(223)
Interest received		9	6	42	52
Tax paid		(55)	(35)	(286)	(273)
Net cash (used in)/generated from operating activities		**(692)**	**(190)**	**(1,330)**	**1,119**
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		-	12	18	15
Purchase of property, plant and equipment		(107)	(278)	(938)	(1,432)
Dividend receipt from other investments		-	-	435	232
Net cash used in investing activities		**(107)**	**(266)**	**(485)**	**(1,185)**
Cash flows from financing activities					
Repayment of lease liabilities		(212)	(195)	(633)	(586)
Increase in amount due to non-controlling shareholder		-	(1)	2	3
Drawdown of bank borrowings		2,573	7,765	16,503	18,752
Repayment of bank borrowings		(1,992)	(7,276)	(15,505)	(16,723)
Net increase in fixed deposits		(9)	(3)	(338)	791
Net cash generated from financing activities		**360**	**290**	**29**	**2,237**
Net (decrease)/increase in cash and cash equivalents		(439)	(166)	(1,786)	2,171
Cash and cash equivalents at beginning of period	A	7,477	8,340	8,899	5,946
Effects of exchange rates on opening cash and cash equivalents		(53)	(71)	(128)	(14)
Cash and cash equivalents at end of period		**6,985**	**8,103**	**6,985**	**8,103**

Note A:

Reference is made to:

(a) the announcement of the Company on 8 May 2019 in relation to the notice of compliance dated 8 May 2019 received by the Company from the Singapore Exchange Securities Trading Limited, and in particular, the funds which have been deposited by the Company into an escrow account held by JLC Advisors LLP ("**JLC**"), a Singapore law firm; and

(b) the announcements of the Company on 23 May 2019, 25 May 2019, 28 May 2019 and 29 May 2019 in relation to escrow monies deposited with JLC.

The opening balance as at the respective period is not inclusive of the funds which have been deposited with JLC of S$33.15 million from JLC (the "**Escrow Funds**").

The Group and the Company have classified the cash of S$33.15 million (31 December 2020: S$33.15 million) and S$33.15 million (31 December 2020: S$33.15 million) as amount due from a law firm respectively as at 30 September 2021 instead of cash and cash equivalents as the Company is monitoring the situation closely and will take rigorous steps to protect its interests and the recovery of escrow funds of S$33.15 million from JLC (the "**JLC Issue**"), as previously announced. However, the whereabouts of the Escrow Funds remain unclear to the Company as at the date of this report. The Company will continue to provide further updates to shareholders on subsequent material developments.

1. Corporate information

Allied Technologies Limited (the "**Company**") is a limited liability company listed on the Singapore Exchange. It is incorporated and domiciled in Singapore with its registered office and principal place of business at 2 Venture Drive, #16-09 Vision Exchange, Singapore 608526. These condensed interim financial statements as at and for the third quarter and nine months ended 30 September 2021 comprise the Company and its subsidiaries (collectively, the "**Group**").

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiary companies are:

(a) Toolmaking, manufacture of metal stamped parts, and provision of value-added assembly services;
(b) Events promoter and ticketing agencies; and
(c) Business and management consultancy services – the wellness, fitness and beauty platform.

2. Basis of preparation

The condensed interim financial statements for the third quarter and nine months ended 30 September 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim 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 unaudited annual financial statements for the year ended 31 December 2020.

The management of the Group's subsidiary, Asia Box Office Pte. Ltd. ("**ABO**") initiated a reconstruction exercise of ABO and its subsidiary's current and previous year financial statements. As at the date of this report, the reconstruction exercise has not been completed due to absence of certain documents and the inability to identify the underlying reasons behind certain transactions. Hence, the management financial statements of ABO have been used for the purpose of preparing the condensed interim financial statements of the Group for the third quarter and nine months ended 30 September 2021. In view of the foregoing, the board of directors is unable to determine whether the financial statements of ABO were appropriately presented and disclosed in the condensed interim financial statements for the third quarter and nine months ended 30 September 2021.

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 to the condensed interim financial statements.

The financial statements, which are presented in Singapore Dollars (SGD or S$), have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

2.1. Basis of going concern assumption

The Group incurred a net loss of S$285,000 and made a net profit S$229,000 and the Company incurred net losses of S$256,000 and S$727,000 during the third quarter and nine months ended 30 September 2021 respectively (Group: a net profit of S$128,000 for the third quarter ended 30 September 2020 ("**3Q2020**") and a net loss of S$1,926,000 for the nine months ended 30 September 2020 ("**9M2020**"); Company: net losses of S$145,000 for 3Q2020 and S$750,000 for 9M2020).

2.1 Basis of going concern assumption (cont'd)

As at 30 September 2021, the Group's and the Company's current and total assets exceeded its current and total liabilities by $43,955,000 and $27,479,000 (31.12.2020: $42,945,000 and $28,205,000) and $65,061,000 and $58,405,000 (31.12.2020: $65,285,000 and $59,132,000) respectively.

Reference is made to Note A of the condensed interim consolidated statement of cash flows above in relation to the Escrow Funds and JLC issue. The Company is monitoring the situation closely and will take rigorous steps to protect its interests. The Company will continue to provide further updates to shareholders on subsequent material developments. In light of the abovementioned, cash of $33,153,417 and $34,542,477 has been classified as amount due from a law firm as at 30 September 2021 and 31 December 2020 respectively, pending recovery of the remaining balance of $33,153,417 subsequent to year end.

The board of directors of the Company (the "**Board**") had on 14 June 2019 appointed PricewaterhouseCoopers Risk Services Pte. Ltd. as special auditor to undertake a special audit to look into issues highlighted by the Company's auditor during the audit for the financial year ended 31 December 2019. More information can be found in Note 2 of the other information to the condensed interim financial statements below. To date, the special auditor has yet to complete the special audit and has given the Company an update as to the factors resulting in further time being required for the preparation and release of the special audit report, as set out in our announcement dated 15 April 2021. As such, the Board is not in a position to comment on the resolution of these issues at the present time.

Arising from the foregoing, the Group's stakeholders including, amongst others, customers, suppliers, bankers and some shareholders have raised concerns on the implication on the business of the Group in relation to the abovementioned matters as well as the negative public news on the Company relating to these matters.

The factors highlighted in the earlier paragraphs indicate the existence of material uncertainties which may cast significant doubts about the Group's and the Company's ability to continue as a going concern.

Nonetheless, the Board believes that the use of the going concern in the preparation of the financial statements for the third quarter and nine months ended 30 September 2021 is still appropriate after taking into consideration the following assumptions and measures:

(a) The Group and the Company are able to obtain new banking facilities and other potential fund-raising options for their working capital requirements for the next twelve months as and when required;

(b) The Group's existing lenders continue to support the current credit facilities for their working capital requirements and purchase of property, plant and equipment for the next twelve months as and when required;

(c) The Group will continue to review and assess the Group's existing business strategies and overall financial performance of the Group and carry out reorganisation and restructuring of the Group as and when appropriate;

(d) Given the positive net tangible assets ("**NTA**") position of the Group of $65,061,000 (NTA of $31,908,000 without taking into consideration the amount due from a law firm) as at 30 September 2021, the ability to unlock some value from a restructuring process;

(e) That the Group is able to preserve and maintain its revenue streams from its business operations over the next twelve months;

2.1 Basis of going concern assumption (cont'd)

(f) The Group will continue to engage and maintain good relationship with the stakeholders of the Group and provide assurance to these stakeholders that business is as usual for the Group; and

(g) The COVID-19 global outbreak does not have a material adverse impact on the demand from customers, our suppliers nor the ability to carry on production in our factories.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2.2 New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.3 Use of judgements and estimates

In preparing the 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 that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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.

2.3 Use of judgements and estimates (cont'd)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 10 to the condensed interim financial statements – Classification of equity investments

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 11 to the condensed interim financial statements – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts

3. Seasonal operations

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

4. Segment and revenue information

For management purposes, the Group is organised into business units based on their business segments and geographical locations in each business segments. There are three business segments: Corporate, Precision Metal Stamping and E-commerce.

Management monitors the operating results of its business units separately for the purpose of making decisions which in certain respects, as explained in the table below, is measured differently from operating income statement in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a Group basis and are not allocated to operating segments. Inter-segment pricing is on terms agreed between the segments.

4.1. Reportable segments

9 months ended 30 Sep 2021	Corporate	Precision Metal Stamping					E-commerce			
(S$'000)	**Singapore**	**Singapore**	**Malaysia**	**Vietnam**	**Thailand**	**Others**	**Singapore**	**Hong Kong**	**Elimination**	**Group**
Segment revenue										
External customers	-	948	29,445	38,828	7,723	38	-	-	-	76,982
Inter segment revenue	-	-	-	-	6	807	-	-	(813)	-
Total revenue	-	948	29,445	38,828	7,729	845	-	-	(813)	76,982
Segment (loss)/profit	(656)	1,075	(1,087)	799	936	(64)	(80)	(2)	-	921
Finance costs										(576)
Profit before tax										345
Income tax expense										(116)
Profit for the period										229
Segment assets	33,219	965	38,833	20,231	7,611	850	31	1	-	101,741
Unallocated assets										2,361
										104,102
Other segment information										
Additions to non-current assets	-	-	228	107	603	-	-	-	-	938
Depreciation	2	61	2,294	282	113	18	-	-	-	2,770
Inventories written off	-	-	(78)	(45)	3	-	-	-	-	(120)
Allowance for/(write-back of) impairment on:								-		
- trade debtors	-	(1)	(26)	-	25	-	-	-	-	(2)
- other debtors	(2)	-	-	-	-	-	-	-	-	(2)
Gain on disposal of property, plant and equipment	-	-	-	(5)	(11)	-	-	-	-	(16)

4.1. Reportable segments (cont'd)

9 months ended 30 Sep 2020	Corporate	Precision Metal Stamping					E-commerce			
(S$'000)	Singapore	Singapore	Malaysia	Vietnam	Thailand	Others	Singapore	Hong Kong	Elimination	Group
Segment revenue										
External customers	-	521	31,955	36,000	6,537	54	47	-	-	75,114
Inter segment revenue	-	-	-	-	5	952	-	-	(957)	-
Total revenue	-	521	31,955	36,000	6,542	1,006	47	-	(957)	75,114
Segment (loss)/profit	(749)	347	(1,927)	100	845	277	(77)	(19)	-	(1,203)
Finance costs										(670)
Loss before tax										(1,873)
Income tax expense										(53)
Loss for the period										(1,926)
Segment assets	33,194	1,308	42,903	21,182	6,431	896	70	2	-	105,986
Unallocated assets										2,070
										108,056
Other segment information										
Additions to non-current assets	-	-	1,201	94	137	-	-	-	-	1,432
Depreciation	2	82	2,294	397	101	17	-	-	-	2,893
Allowance for/(write-back of) inventory obsolescence	-	-	108	439	(37)	-	-	-	-	510
Allowance for/(write-back of) impairment on: - trade debtors	-	1	-	(1)	-	-	-	-	-	-
Loss on disposal of property, plant and equipment	-	-	89	1	-	-	(7)	-	-	83

4.2. Disaggregation of Revenue

	Group 9 months ended 30 September 2021		
	Precision metal stamping	**E-commerce**	**Total revenue**
	S$'000	**S$'000**	**S$'000**
Major product or service lines			
Metal stamped parts	75,398	-	75,398
Tooling	1,521	-	1,521
Provision of design services	63	-	63
Total revenue	76,982	-	76,982
Timing of revenue recognition:			
At a point in time	76,982	-	76,982
Total revenue	76,982	-	76,982
Geographical information:			
Vietnam	38,828	-	38,828
Malaysia	29,445	-	29,445
Thailand	7,723	-	7,723
Singapore	948	-	948
People's Republic of China	38	-	38
Total revenue	76,982	-	76,982

4.2. Disaggregation of Revenue (cont'd)

	Group 9 months ended 30 September 2020		
	Precision metal stamping	**E-commerce**	**Total revenue**
	S$'000	**S$'000**	**S$'000**
Major product or service lines			
Metal stamped parts	72,385	-	72,385
Tooling	2,616	-	2,616
Provision of design services	66	-	66
Sponsorship	-	33	33
Provision of software as a service	-	13	13
Commission fee	-	1	1
Total revenue	75,067	47	75,114
Timing of revenue recognition:			
At a point in time	75,067	47	75,114
Total revenue	75,067	47	75,114
Geographical information:			
Vietnam	36,000	-	36,000
Malaysia	31,955	-	31,955
Thailand	6,537	-	6,537
Singapore	521	47	568
Total revenue	75,067	47	75,114

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2021 and 31 December 2020:

	Group		Company	
	30 Sep 2021 S$'000	31 Dec 2020 S$'000	30 Sep 2021 S$'000	31 Dec 2020 S$'000
Financial assets at amortised cost				
Trade debtors	14,324	22,988	–	–
Other debtors	1,187	532	3	4
Fixed deposits	2,007	1,676	–	–
Cash and bank balances	6,985	8,899	54	8
Amount due from a law firm	33,153	33,153	33,153	33,153
Total	57,656	67,248	33,210	33,165
Financial assets at fair value through other comprehensive income (OCI)				
Other investments	2,361	2,361	–	–
Financial liabilities at amortised cost				
Trade creditors	14,968	24,918	–	–
Other creditors and accruals	6,919	7,339	2,195	2,190
Amount due to a former director	1,183	1,183	1,183	1,183
Amount due to a non-controlling shareholder	417	415	–	–
Loans and borrowings	10,648	10,971	–	–
Lease liabilities	4,417	5,881	–	–
Amount due to a subsidiary	–	–	2,361	1,646
Total	38,552	50,707	5,739	5,019

6. (Loss)/profit before taxation

6.1. Significant items

	Group					
	3 months ended			9 months ended		
	3Q2021	3Q2020	+/(-)	9M2021	9M2020	+/(-)
	S$'000	S$'000		S$'000	S$'000	
Cost of revenue:						
(Write-back of)/allowance for inventory obsolescence	74	292	(75%)	(120)	510	n.m
Depreciation of property, plant and equipment	645	662	(3%)	1,929	1,982	(3%)
Depreciation of right-of-use assets	145	147	(1%)	440	444	(1%)
Salaries, bonus and other costs	2,439	3,458	(29%)	9,877	10,337	(4%)
Other income:						
Interest income	(9)	(6)	50%	(42)	(52)	(19%)
Dividend income from other investment	-	-	n.m	(435)	(232)	88%
Loss/(gain) on disposal of property, plant and equipment	2	82	(98%)	(16)	83	n.m
Government grant Income	(118)	(67)	77%	(364)	(256)	42%
General and administrative expenses:						
Legal and other professional fees	(25)	144	n.m	310	362	(14%)
Salaries, bonus and other costs	869	794	9%	2,487	2,489	(0%)
(Write-back of)/allowance for impairment on						
- trade debtors	31	-	n.m	(2)	-	n.m
- other debtors	-	-	n.m	(2)	-	n.m
Depreciation of property, plant and equipment	78	96	(19%)	229	294	(22%)
Depreciation of right-of-use assets	57	57	0%	172	173	(1%)
Foreign exchange (gain)/loss	(179)	55	n.m	(216)	(98)	120%
Finance costs						
Interest of loans and borrowings	129	72	79%	384	447	(14%)
Interest of lease liabilities	61	71	(14%)	192	223	(14%)

Note:

(i) n.m. - not meaningful

6.2. Related party transactions

In addition to related party transactions disclosed in other notes to the financial statements, the following are significant related party transactions entered into, at terms agreed between the parties, by the Group with:

(i) Transactions with related parties

The transactions and outstanding balances related to key management personnel, close family members of key management personnel and entities in which the key management personnel have control or joint control were as follows:

			Group			
			Transactions for the period ended		Outstanding balances as at	
Related parties	**Transactions**		**30 Sep 2021**	**30 Sep 2020**	**30 Sep 2021**	**31 Dec 2020**
			S$'000	**S$'000**	**S$'000**	**S$'000**
Mr Peter Seow	Advances for working capital to Activpass	(a)	2	3	177	175
Mr Peter Seow	Settlement of liability on behalf for Activpass	(b)	–	–	14	14
Mr Peter Seow	Unpaid director's fee and allowance due to non-controlling shareholder	(c)	–	–	187	187
Ms Amy Leow	Advances for working capital to Activpass	(a)	–	–	10	10
Ms Amy Leow	Outstanding salaries and allowance	(d)	–	–	29	29
Mr Kenneth Low	Deposit paid on behalf of ABO for an event	(e)	–	–	234	234
Mr Kenneth Low	Settlement of liability on behalf of ABO	(b)	–	–	3	3
Platform Capital Asia (Singapore) Pte Ltd	Advances for working capital to ABO	(a)	–	6	255	255
Hawker Food Delivery Pte Ltd	Rendering of services by Activpass	(f)	–	3	2	2
Asia Box Office Pte Ltd	Advances for working capital by the Company	(g)	33	65	3,920*	3,887*
Asia Box Office Pte Ltd	Provision of office space to the Company	(h)	–	–	34*	34*
Asia Box Office Pte Ltd	Corporate support rendered by the Company	(i)	28	64	185*	155*

6.2. Related party transactions (cont'd)

(i) Transactions with related parties (cont'd)

Related parties	Transactions		Group			
			Transactions for the period ended		Outstanding balances as at	
			30 Sep 2021	**30 Sep 2020**	**30 Sep 2021**	**31 Dec 2020**
			S$'000	**S$'000**	**S$'000**	**S$'000**
Asia Box Office (HK) Limited	Advances paid for working capital by the Company	(g)	–	–	15*	15*
Activpass Holdings Pte Ltd	Advances for working capital by the Company	(g)	2	14	233*	231*
Activpass Holdings Pte Ltd	Corporate support rendered by the Company	(i)	5	5	14	9
Allied Technologies Holdings Pte Ltd	Advances to the Company	(j)	670	620	2,300	1,630
Allied Technologies Holdings Pte Ltd	Interest payable	(j)	45	7	61	16

(a) The Group received advances from (i) Mr Peter Seow and Ms Amy Leow who are non-controlling shareholders and directors of Activpass Holdings Pte Ltd ("**Activpass**"), (ii) Platform Capital Asia (Singapore) Pte. Ltd., a company controlled by Mr Kenneth Low, a director of the Company and (iii) Mr Kenneth Low. The advances were received for working capital purpose, are non-interest bearing and due and payable on demand.

(b) Activpass incurred utilities, tele-communication and entertainment expenses which were paid on behalf by Mr Peter Seow.

(c) Activpass incurred director's fee and allowance payable to Mr Peter Seow. The liability is due and payable on demand.

(d) Activpass incurred salaries and allowance payable to Ms Amy Leow. The liability is due and payable on demand.

(e) ABO recorded an event deposit, which was paid on behalf by Mr Kenneth Low, a director of the Company appointed on 27 June 2018. The liability is due and payable on demand.

(f) Activpass rendered administrative services to Hawker Food Delivery Pte Ltd, which Mr Peter Seow has controlling interest in. The services are based on normal market rate for such services and payable on demand.

6.2. Related party transactions (cont'd)

(i) Transactions with related parties (cont'd)

(g) Activpass, ABO and Asia Box Office (HK) Limited ("**ABO HK**") received advances from the Company. The advances were received for working capital purpose, are non-interest bearing and due and payable on demand. The Company did not advance more than S$100,000 in any single transaction to any of Activpass, ABO and ABO HK.

(h) ABO provided office space to the Company from May to September 2019. The services are based on normal market rate for such services. The liability is due and payable on demand.

(i) The Company rendered corporate support services to ABO and Activpass. The services are based on normal market rate for such services. The liability is due and payable on demand.

(j) Allied Technologies Holdings Pte Ltd, a wholly-owned subsidiary of the Company, provided advances to the Company for working capital purpose which are non-trade in nature and bear interest ranging from 3.000% - 3.031% per annum (2020: 2.250% - 2.254%). The liability is due and payable on or before 31 December 2021.

* The Company has provided full impairment on loans receivables from subsidiaries and amount due from subsidiaries.

7. Taxation

The Group calculates the period income tax expense/(credit) using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense/(credit) in the condensed interim consolidated statement of profit or loss are:

	Group			
	3 months ended		9 months ended	
	3Q2020	3Q2020	9M2021	9M2020
	S$'000	S$'000	S$'000	S$'000
Current income credit/(tax expense)				
- Current income taxation	29	(7)	(91)	(38)
- Underprovision in respect of previous years	(5)	–	(25)	(15)
	25	(7)	(116)	(53)

8. (Loss)/ profit earnings per share

	Group			
	3 months ended		9 months ended	
	3Q2021	3Q2020	9M2021	9M2020
(Loss)/profit attributable to the owners of the Company (S$'000)	(271)	127	279	(1,875)
(Loss)/profit per share (cents)				
- Basic	(0.02)	0.01	0.02	(0.11)
- Diluted	(0.02)	0.01	0.02	(0.11)
Weighted average number of ordinary shares ('000)	1,770,329	1,770,329	1,770,329	1,770,329

9. Net Asset Value

	Group		Company	
	30 Sep 2021	31 Dec 2020	30 Sep 2021	31 Dec 2020
Net asset value per ordinary share based on issued share capital as at end of the period/year (in cents)	3.68	3.69	3.30	3.34
Number of ordinary shares ('000)	1,770,329	1,770,329	1,770,329	1,770,329

10. Financial assets at fair value through other comprehensive income (FVOCI)

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table presented the assets measured at fair value:

Group – 30 Sep 2021	**Level 1 (S$'000)**	**Level 2 (S$'000)**	**Level 3 (S$'000)**	**Total (S$'000)**
Financial assets				
FVOCI investments (Quoted investments)	–	–	2,361	2,361
Group – 31 Dec 2020				
Financial assets				
FVOCI investments (Quoted investments)	–	–	2,361	2,361

11. Intangible assets

	The Group				
	Goodwill	Contractual customer relationships	Corporate contract	Consultancy agreement	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
At 31 Dec 2020					
Cost	55,222	76	78	545	55,921
Accumulated amortisation and impairment	(55,222)	(76)	(78)	(545)	(55,921)
Net book amount	-	-	-	-	-
At 30 Sep 2021					
Cost	55,222	76	78	545	55,921
Accumulated amortisation and impairment	(55,222)	(76)	(78)	(545)	(55,921)
Net book amount	-	-	-	-	-

(i) Contractual customer relationships

Contractual customer relationships relate to the existing contracts in force with the Group's subsidiary, Activpass Holdings Pte. Ltd. ("**Activpass**"), that were acquired in a business combination in July 2018. The balance was fully impaired as at 31 December 2019.

(ii) Corporate contract

Corporate contract relates to a material corporate contract with fixed fee in force with the Group's subsidiary, Activpass, that was acquired in a business combination in July 2018. The corporate contract expires in September 2020. The balance was fully impaired as at 31 December 2019.

(iii) Consultancy agreement

Consultancy agreement relates to an agreement for which the Group's subsidiary, Asia Box Office Pte. Ltd. ("**ABO**"), provided consultation services in relation to an international sporting event, that was acquired in business combination in April 2018. As of date of acquisition, the consultancy agreement had remaining useful life of 9 months and the contract expired on 31 December 2018.

Amortisation expense

The amortisation of membership rights, contractual customer relationships, corporate contract, consultancy agreement is included in the "General and administrative expenses" line item in income statement.

Impairment testing of goodwill

Goodwill acquired through business combinations relates to two cash-generating units ("**CGU**") within the e-commerce segment - ABO and Activpass, which was fully impaired as at 31 December 2019.

12. Property, plant and equipment

During the nine months ended 30 September 2021, the Group acquired assets amounting S$938,000 (30 September 2020: S$1,432,000) and disposed of assets amounting to S$375,000 (30 September 2020: S$423,000).

13. Loans and borrowings

	Group	
	30 Sep 2021 S$'000	**31 Dec 2020 S$'000**
Amount repayable within one year or on demand		
Secured	4,840	3,792
Unsecured	909	906
Amount repayable after one year		
Secured	5,808	5,910
Unsecured	–	–

The current and non-current borrowings bear effective interest rates ranging from 3.16% to 4.52% (2020: 3.16% to 4.52%) per annum.

Loans and borrowings are secured facilities granted to the Group. The facilities granted are secured as follows:

(a) S$8,582,000 (2020: S$8,998,000) of the outstanding loans are secured by corporate guarantees of the Company) and fixed deposits pledged by the respective subsidiaries.

(b) S$8,078,000 (2020: S$8,533,000) of the outstanding loans are secured by pledging freehold land of a subsidiary and leasehold properties of certain subsidiaries.

(c) S$2,066,000 (2020: S$704,000) of the loans and borrowings are secured by pledging leasehold land and properties of a subsidiary.

(d) S$8,078,000 (2020: S$8,998,000) of the loans and borrowings are secured using a debenture by way of fixed and floating charge over the entire assets of a subsidiary.

The Group's unsecured borrowings comprise the following:

(i) amount due to a non-controlling shareholder of a subsidiary;
(ii) amount due to a director-related company (included in other creditors and accruals); and
(iii) amount due to a director (included in other creditors and accruals).

The amounts due to a non-controlling shareholder of a subsidiary, a director-related company and a director are non-trade related, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

14. Share capital

	Group and Company			
	30 Sep 2021		31 Dec 2020	
	No. of shares '000	$ S$'000	No. of shares '000	$ S$'000
Beginning of interim period	1,770,329	115,899	1,770,329	115,899
End of interim period	1,770,329	115,899	1,770,329	115,899

Since 31 December 2020, there has been no change in share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose.

As at 30 September 2021, 31 December 2020 and 30 September 2020, the Company did not have any outstanding convertibles, treasury shares or subsidiary holdings. There are no statements to be made on the sales, transfers, cancellation and/or use of treasury shares and subsidiary holdings as at the end of the current financial period reported on, as the Company did not have any treasury shares and subsidiary holdings as at 30 September 2021.

15. Subsequent events

The business environment within the next 12 months is expected to remain challenging for the Group in light of the weak global economic outlook and the JLC issue as disclosed in Note A of the condensed interim consolidated statement of cash flows above and Note 5 of the other information to the condensed interim financial statements below. The worsening business environment is further exacerbated by the recent COVID-19 issue that has particularly affected economies in globally.

Further, as a result of the developing COVID-19 situation despite multiple restrictions imposed previously, the Malaysian Federal Government had, on 10 May 2021, announced that a nationwide Movement Control Order lockdown would be reinstated from 12 May to 7 June 2021. In enforcing this lockdown, dining in, social activities, shopping areas and inter-district and inter-state travel were banned. Subsequently, on 28 May 2021, the Malaysian Federal Government further announced that a nationwide "total lockdown" would be imposed on all social and economic sectors in Malaysia from 1 June to 28 June 2021. Under this lockdown, only essential economic and social services listed by the National Security Council will be allowed to operation. During that period, the Group's operations in both Malacca and Johor Bahru obtained approval from the Malaysian Government to operate at a limited capacity of 60%.

With the reduction of daily average cases and increase in population that has been vaccinated, Malacca and Johor Bahru each entered into Phase 4 on 18 and 25 October 2021 respectively. As of the date of this announcements, the Group's operations in Malacca and Johor Bahru have resumed full operations as they have also met the workers' full vaccination rate of 80% - 100% as stipulated in the Malaysian Government's rule for operating capacity.

15. Subsequent events (cont'd)

Meanwhile in Vietnam, authorities in Ho Chi Minh City have on 15 July 2021 shut down several factories in Saigon Hi-Tech Park, where our Vietnam operation is located in. Arrangements were made for a portion of the employees to stay within the factory premises or nearby hotel to continue our operations in Vietnam while the remaining employees worked from home. The lockdown was lifted on 1 October 2021 and our Vietnam operation resumed full operation on 18 October 2021.

At present, we are unable to assess the impact of the lockdowns and the COVID-19 situation that may have on the Group's financials for the financial year ending 31 December 2021 due to the uncertain and evolving situation in the various countries. The Company wishes to add that the Covid-19 pandemic and its effects on the global and domestic economy may potentially impair the Group's earnings capacity and ability to secure new sales for ongoing and new projects in the next 12 months.

The Company will continue to monitor the evolving situation and will update the shareholders as and when there are material developments on this matter.

The Group will review and assess its existing business strategies and overall financial performance of the Group concurrently and carry out reorganisation and restructuring of the Group as and when appropriate.

PART II - OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

Other information

1. Review

The condensed interim statement of financial position of Allied Technologies Limited and its subsidiaries as at 30 September 2021 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed consolidated statement of cash flows for the third quarter and nine months then ended and certain explanatory notes have not been audited or reviewed.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) updates on the efforts taken to resolve each outstanding audit issue. (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Reference is made to pages 64 to 66 of the FY2019 Annual Report. The disclaimer of opinion by the Company's auditor arose from the following five (5) issues:

1) Funds held with JLC Advisors LLP (the "**Missing Funds**");
2) Purchase price allocation, impairment assessments of goodwill and interest in subsidiaries;
3) Asia Box Office Pte. Ltd. and its subsidiary;
4) On-going special audit and investigation; and
5) Going concern assumption.

(a) Updates on the efforts taken to resolve each outstanding audit issue highlighted above:

In relation to issues (1) to (4) above, the Company has, as announced on 14 June 2019, appointed PricewaterhouseCoopers Risk Services Pte Ltd as the Special Auditor to undertake a special audit to look into, amongst others, the issues pertaining to issues (1) to (4) above. To date, the Special Auditor has yet to complete the special audit and has given the Company an update as to the factors resulting in further time being required for the preparation and release of the special audit report, as set out in our announcement dated 15 April 2021. As such, the Company is not in a position to comment on the resolution of these issues at the present time. Notwithstanding the foregoing, the Company has provided its full cooperation during the course of the special audit. The Board will review the findings of the special audit and use its best efforts to resolve the outstanding issues surrounding the special audit.

As regards the Missing Funds, as the Company had stated in our announcement dated 23 May 2019, JLC informed the Company that the Company's funds of "S$33.4 million" had been purportedly paid out from the escrow account, and that JLC is still investigating, but has reasons to believe that the said funds were paid out on the instructions of its partner, Mr. Ong Su Aun, Jeffrey, and "might have been unauthorized". More information can be found in the Company's announcement dated 23 May 2019.

The Company noted from the media reports on the following dates that the managing director for JLC has since been charged in relation to the Company's Escrow Funds:

(i) On 24 February 2020, he has been charged with 12 different charges, 11 of which involving alleged criminal breach of trust as an attorney in relation to the Escrow Funds;
(ii) On 30 June 2020, he has been charged with additional 15 different charges, 14 of which involving cheating the Company by deceiving the Company into believing its escrow account maintained by JLC contained certain balance amounts on certain dates; and
(iii) On 11 August 2020, he has been charged with additional 4 charges of criminal breach of trust as an attorney in relation to misappropriation of S$11.7 million from the escrow facility held by JLC for the Company.

However, the whereabouts of the escrow funds remain unclear to the Company as at the date of this announcement.

As the Company had previously announced on 30 July 2019, the Company had been advised by our legal counsel to await the conclusion of the special audit and/or further information before deciding on what steps to take, and against who, to recover the Missing Funds. This is in the interest of not incurring unnecessary costs. To date, the special audit is still ongoing, and to the best of the Company's knowledge, the investigations by the Commercial Affairs Department is still ongoing, and such investigations may uncover further facts and/or relevant parties that might be culpable, and to which the Company is unaware of at the present time.

In any event, and as announced on, amongst others, our announcement of 30 July 2019, the Company had already taken all other practicable steps to recover the Missing Funds. More details can be found in our announcement of 30 July 2019.

In relation to issue (5) above, the Board, together with the management of the Company, has assessed and is of the view that the use of the going concern in the preparation of the financial statements for the financial year ended 31 December 2019 is still appropriate. The assumptions and measures for this assessment can be found in our announcement of 13 April 2020. In relation to the assumption set out in item (g) of the announcement dated 13 April 2020 and the Group's efforts in this regard, please refer to the Company's various updates on the movement control orders implemented by the Malaysian Government and the COVID-19 situation in the various countries our subsidiaries operate in, in our announcements dated 30 April 2020 and 12 Aug 2021. The Group's factories have resumed its operations as set out in Note 15 to the condensed interim financial statements above.

(b) Nonetheless, the Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed in these financial statements.

3. Review of performance of the Group

a. Revenue

The Group's revenue decreased by 30% from S$25.40 million in 3Q2020 to S$17.73 million in 3Q2021 and increased by 2% from S$75.11 million in 9M2020 to S$76.98 million in 9M2021 respectively mainly attributable to the decrease/increase in revenue generated by the precision metal stamping segment.

Precision metal stamping

A geographical breakdown of revenue recorded by the precision metal stamping segment is set out as follows:

	3 months ended			9 months ended		
	3Q2021 S$'000	**3Q2020 S$'000**	**3Q +/(-)**	**9M2021 S$'000**	**9M2020 S$'000**	**9M +/(-)**
Singapore	662	88	652%	948	521	82%
Malaysia	7,494	11,908	(37%)	29,445	31,955	(8%)
Vietnam	6,920	10,633	(35%)	38,828	36,000	8%
Thailand	2,656	2,684	(1%)	7,723	6,536	18%
China	1	54	n.m.	38	54	n.m.
	17,733	25,367	(30%)	76,982	75,066	3%

The precision metal stamping recorded a decrease in revenue from S$25.37 million in 3Q2020 to S$17.73 million in 3Q2021 mainly due to the developing COVID-19 situation which resulted in lockdown in our subsidiaries operating in Malaysia and Vietnam as disclosed in Note 15 of the condensed interim financial statements for the second quarter and half year ended 30 June 2021, coupled with the recent global chip shortage, which caused a decline in the demand and production of our customers' products mainly consisting of office equipment such as copiers and printers.

It recorded an increase in revenue from S$75.07 million in 9M2020 to S$76.98 million in 9M2021 and variance from 9M2020 to 9M2021 is not material.

E-commerce

E-commerce segment reported a decrease in revenue from S$36,000 in 3Q2020 to S$Nil in 3Q2021 and from S$48,000 in 9M2020 to S$Nil in 9M2021 respectively.

Asia Box Office Pte. Ltd. ("**ABO**") and its subsidiary, Asia Box Office (HK) Limited (collectively, "**ABO Group**") did not record revenue in 3Q2021 and 9M2021 (3Q2020: S$Nil and 9M2020: S$Nil) as it is still facing challenges in securing contracts in light of the audit matters as announced on 8 May 2019. The COVID-19 pandemic has further worsened the situation as many physical concerts and events have been cancelled and/or postponed.

Activpass Holdings Pte. Ltd. ("**Activpass**") recorded a decrease in revenue from S$36,000 in 3Q2020 to S$Nil in 3Q2021 and from S$48,000 in 9M2020 to S$Nil in 9M2021 respectively. This is due to the audit matters as announced on 8 May 2019 which caused delay in funding and inability to secure funding internally and externally. As such, Activpass is unable to execute marketing plans locally and overseas to motivate merchants and users to join its platform.

b. Operating results

A breakdown of the Group's (loss)/profit before tax by segment is set out as follows:

	3 months ended			9 months ended		
	3Q2021 S$'000	3Q2020 S$'000	3Q +/(-)	9M2021 S$'000	9M2020 S$'000	9M +/(-)
Corporate	(224)	(145)	54%	(656)	(750)	(13%)
Precision Metal Stamping	(57)	278	n.m	1,087	(1,020)	n.m
E-commerce	(29)	2	n.m	(86)	(103)	(17%)
	(310)	135	n.m.	345	(1,873)	n.m.

Note:
n.m. - not meaningful

The Group recorded loss before tax ("**LBT**") of S$0.31 million in 3Q2021 as compared to profit before tax ("**PBT**") of S$0.14 million in 3Q2020 mainly due to the decrease in revenue of the precision metal stamping segment as highlighted under the revenue analysis section in Note 3a of the other information to the financial statements above.

It recorded PBT of S$0.34 million in 9M2021 as compared to LBT of S$1.87 million in 9M2020 mainly due to the higher profit recorded by the precision metal stamping segment and lower losses recorded by the corporate and e-commerce segments as shown in the breakdown above.

Corporate

The increase in LBT by 54% from LBT of S$0.15 million in 3Q2020 to LBT of S$0.22 million 3Q2021 mainly due to reversal of overaccrual of certain general & administrative ("**G&A**")

expenses. The decrease in LBT by 13% from LBT of S$0.75 million in 9M2020 to LBT of S$0.66 million in 9M2021 mainly due to a decrease in payroll related costs and other G&A expenses as part of the cost control measures undertaken by the Company in light of the COVID-19 situation.

Precision metal stamping

The precision metal stamping segment recorded LBT of S$57,000 in 3Q2021 as compared to PBT of S$0.28 million in 3Q2020 largely due to the decrease in revenue as highlighted under the revenue analysis section in Note 3a of the other information to the financial statements above.

It recorded PBT of S$1.09 million in 9M2021 as compared to LBT of S$1.02 million in 9M2020 largely due to the increase in revenue for the first half year and improvements in gross profit as a result of lower labour costs, subcontractor costs and overhead costs as a percentage of revenue, increase in other income and decrease in finance costs.

E-commerce

The e-commerce segment recorded LBT of S$29,000 in 3Q2021 as compared to PBT of S$2,000 in 3Q2020 and it reported a decrease in LBT by 17% from LBT of S$103,000 in 9M2020 to S$86,000 in 9M2021 mainly due to the reasons mentioned in the revenue analysis section in Note 3a of the other information to the financial statements above.

Cost of revenue

Cost of revenue ("**COR**") mainly consists of material cost, labour cost, sub-contractor cost and overhead costs. COR decreased from S$23.60 million in 3Q2020 to S$16.53 million in 3Q2021 and it increased from S$71.96 million in 9M2020 to S$72.09 million in 9M2021 respectively. The decrease/increase in COR is in tandem with the decrease/increase in revenue from 3Q2020 to 3Q2021 and 9M2020 and 9M2021 respectively.

Depreciation

Depreciation of property, plant and equipment ("**PPE**") and right-of-use assets recorded in COR and G&A expenses amounted to S$0.72 million in 3Q2021 and S$2.16 million in 9M2021 as compared to S$0.76 million in 3Q2020 and S$2.28 million in 9M2020 respectively. The variance for 3Q and 9M is not material i.e. less than 10%.

Other income

Other income comprises mainly interest income, gain/(loss) on disposal of PPE and sundry income. The other income decreased from S$0.17 million in 3Q2020 to S$0.16 million in 3Q2021. The variance for 3Q is not material i.e. less than 10%. The other income increased from S$0.87 million in 9M2020 to S$0.98 million in 9M2021. The increase is mainly due to increase in other income arising from dividend income from other income by $0.20 million which is offset by absence of consultancy income of S$0.09 million.

General and administrative expenses

G&A expenses mainly include professional fees, salaries and other payroll related costs, directors' fee, office expenses and foreign exchange (gain)/loss. G&A expenses decreased from S$1.69 million in 3Q2020 to S$1.49million in 3Q2021 mainly due foreign exchange gain of S$0.18 million recorded (3Q2020: foreign exchange loss of $55,000). It decreased from S$5.23 million in 9M2020 to S$4.94 million in 9M2021 and the variance for 9M is not material i.e. less than 10%.

Finance costs

Finance costs increased from S$0.14 million in 3Q2020 to S$0.19 million in 3Q2021 largely due to increase in interest rate of a long-term borrowings by approximately 50 basis points. It decreased from S$5.23 million in 9M2020 to S$4.94 million in 9M2021 mainly due to lower interest on loans and borrowings as a result of decrease in interest rates between approximately 25 basis points to 110 basis points in the first half of the year and lower interest from lease liabilities.

Income tax expense

The Group recorded income tax credit of S$25,000 in 3Q2021 as compared to income tax expense of S$7,000 in 3Q2020 mainly due to reversal of income tax expense accrued in the first half of the year as a result of reduction in taxable income position in 3Q2021. It recorded an increase in income tax expense from S$53,000 in 9M2020 to S$116,000 in 9M2021 mainly due to the accrual of income tax expense arising from subsidiaries which are in taxable income position for 9M2021.

c. Balance Sheet

Group

Intangible assets relate to (i) goodwill arising from the acquisitions of ABO Group and Activpass in April 2018 and July 2018 respectively; (ii) contractual customer relationships arising from existing contracts in force with Activpass; and (iii) corporate contract arising from a material corporate contract with a fixed fee in force with Activpass that were acquired in a business combination in July 2018. Intangible assets are recorded at S$Nil as at 30 September 2021 and 31 December 2020 as they had been fully impaired as at 31 December 2019.

PPE decreased from S$25.68 million as at 31 December 2020 to S$24.38 million as at 30 September 2021 mainly due to depreciation charged of S$2.16 million, which is offset by additions in PPE of S$0.94 million.

Right-of-use assets ("**ROU**") decreased from S$4.62 million as at 31 December 2020 to S$3.96 million as at 30 September 2021 largely due to depreciation charged of S$0.61 million.

Investment in joint venture relates to the Group's 50% interest in the ownership and voting rights in a joint venture ("**JV**"), ABO Labs Pte. Ltd. that is held by ABO, amounting to S$50. This JV is incorporated in Singapore and its principal business activities are software consultancy and development of other software and programming activities with its main focus to develop a proprietary e-commerce ticketing system. The Group jointly controls the venture with another partner under the contractual agreement. The JV did not generate any revenue during the period. The Group has stopped recognising its share of loss and recorded its investment at S$Nil as at 30 September 2021 and 31 December 2020.

Other investments of S$2.36 million as at 30 September 2021 and 31 December 2020 relate to the unquoted shares of 3.85% interest in a Taiwanese company which is in the electronics components industry.

Inventories increased from S$13.53 million as at 31 December 2020 to S$14.16 million as at 30 September 2021 mainly due to increase in work-in-progress and raw materials to cater for customers' demands in the upcoming period.

Trade debtors decreased from S$22.99 million as at 31 December 2020 to S$14.32 million as at 30 September 2021 largely due to the collection from customers during the period.

Other debtors increased from S$0.99 million as at 31 December 2020 to S$1.19 million as at 30 September 2021 mainly due to import duties, pending refund from the local tax authority of the overseas subsidiary.

Contract assets decreased from S$0.28 million as at 31 December 2020 to S$0.20 million as at 30 September 2021 mainly to due to recognition of tooling purchases upon completion of tooling projects.

Prepayments and advances to suppliers increased from S$0.23 million as at 31 December 2020 to S$1.30 million as at 30 September 2021 largely due to the increase in prepayments made to suppliers to purchase PPE.

Fixed deposits increased from S$1.68 million as at 31 December 2020 to S$2.01 million as at 30 September 2021 mainly due to conservation of short-term cashflows for operational requirements.

Amount due from a law firm relates to cash of S$33.15 million as at 30 September 2021 and 31 December 2020 which were held in escrow by JLC as disclosed in Note A of the condensed interim consolidated statement of cash flows.

Trade creditors decreased from S$24.92 million as at 31 December 2020 to S$14.97 million as at 30 September 2021 to mainly due to payments made to suppliers during the period.

Contract liabilities increased from S$0.18 million as at 31 December 2020 to S$0.38 million as at 30 September 2021 largely due to ongoing tooling projects which have yet to be completed.

Lease liabilities (current and non-current) decreased from S$5.10 million as at 31 December 2020 to S$4.42 million as at 30 September 2021 mainly due to payment of lease liabilities of S$0.63 million during the period.

Other creditors and accruals decreased from S$7.32 million as at 31 December 2020 to S$6.92 million as at 30 September 2021 mainly due to payments made for accrued operating expenses such as payroll related costs and other miscellaneous expenses during the period, which is offset by increase in amount due to sundry creditors i.e. non-trade suppliers.

Deferred grant income arises from the accounting treatment of the job support scheme provided by the Singapore government.

Amount due to a former director relates to the compensation payable to a former director of the Company arising from the termination of service agreement with the director.

Amount due to a non-controlling shareholder of a subsidiary relates to advances from the 49% non-controlling shareholder of Activpass to fund the operations of Activpass and director's fee and allowance payable to the same non-controlling shareholder, who is also one of the directors of Activpass.

Loans and borrowings (current and non-current) increased from S$9.70 million as at 31 December 2020 to S$10.65 million as at 30 September 2021 mainly due to drawdown of bank borrowings of S$16.50 million for operational needs which is offset by repayment of bank borrowings of S$15.51 million made during the period.

The Group recorded income tax recoverable of S$88,000 as at 30 September 2021 as compared to $84,000 as at 31 December 2020 largely due to income tax of $0.29 million paid which is offset by provision of current period income tax and previous years' tax of S$0.12 million.

Deferred tax liabilities mainly relate to temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, which include, amongst others, differences in depreciation and amortisation, fair value adjustments on acquisition of subsidiaries and unabsorbed capital allowances.

Equity attributable to owners of the Company decreased from S$68.16 million as at 31 December 2020 to S$67.99 million as at 30 September 2021 largely due to foreign currency translation loss of S$0.45 million which is offset by profit for the period under review, of S$0.28 million.

Company

Amount due to a subsidiary increased from S$1.65 million as at 31 December 2020 to S$2.36 million as at 30 September 2021 due to advances from a subsidiary to the Company for working capital.

d. Consolidated Cash Flows Statement

The Group recorded an increase in net cash flows used in operating activities from S$0.19 million in 3Q2020 to S$0.69 million in 3Q2021 largely due loss from operations as compared to the prior period. The Group recorded net cashflows used in operating activities of S$1.33 million in 9M2021 as compared to net cashflows generated from operating activities of S$1.12 million in 9M2020 mainly due to reduction in working capital generated as compared to the prior period.

The Group recorded a decrease in net cash used in investing activities from S$0.27 million in 3Q2020 to S$0.11 million in 3Q2021 and a decrease in net cash used in investing activities from S$1.19 million in 9M2020 to S$0.49 million in 9M2021 mainly due to decrease in capital expenditure to conserve cashflows for working capital, offset by an increase in dividend receipt from other investments by S$0.20 million.

The Group recorded an increase in net cash flows generated from financing activities of S$0.29 million in 3Q2020 to S$0.36 million in 3Q2021 largely due to higher net bank borrowings in 3Q2021. It recorded a decrease in net cash flows generated from financing activities of S$2.24 million in 9M2020 to S$0.03 million in 9M2021 mainly due to lower net bank borrowings in 9M2021 and increase in fixed deposits due to conservation of short-term cashflows for operational needs.

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

No forecast or prospect statement has been previously disclosed to shareholders.

5. 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 operating period and the next 12 months

The business environment within the next 12 months is expected to remain challenging for the Group in light of the uncertain global economic outlook and the JLC issue as disclosed in Note A of the condensed interim consolidated statement of cash flows. The worsening business environment is further exacerbated by the COVID-19 issue that has particularly affected economies globally.

The COVID-19 pandemic and its effects on the global and domestic economy, coupled with the recent global chip shortage, may cause a decline in global demand and production for our

customers' products, mainly consisting of office equipment such as copiers, which in turn may potentially impair the Group's earnings capacity and ability to secure new sales for ongoing and new projects in the next 12 months.

With the continuing spread of COVID-19 pandemic around the world, there is also no clear indication when COVID-19 can be eradicated globally and when business conditions and market sentiment can return to pre-COVID-19 levels. Besides streamlining its operations, the Group is also exploring possible avenues for business opportunities in its precision metal stamping segment. The Group has explored, and will continue to look for, ways to reduce expenditure. The Group will review and assess its existing business strategies and overall financial performance of the Group concurrently and carry out reorganisation and restructuring of the Group as and when appropriate.

The Group is also working towards completing the special audit, and resolving the audit issues highlighted by our auditor as announced on 8 May 2019. The Group is doing its best to recover the Escrow Funds placed with JLC. Notwithstanding the foregoing, the Group will continue to engage and maintain good relationships with the stakeholders of the Group and provide assurance to these stakeholders that business is as usual for the Group.

6. Dividend information

(a) Whether an interim (final) ordinary dividend has been declared or recommended

None.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend for the period ended 30 September 2021 has been declared or recommended as the Company is in a loss-making position and an accumulated loss position.

8. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for interested person transactions.

9. Negative confirmation by the Board pursuant to Rule 705(5)

The Board of Directors of the Company hereby confirm to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Group and the Company for the third quarter and nine months ended 30 September 2021 to be false or misleading in any material aspect.

10. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H of the Catalist Rules) under Catalist Rule 720(1)

The Company confirms that it has received undertakings from all its directors and executive officers in the format as set out in Appendix 7H of the Catalist Rules, pursuant to Catalist Rule 720(1).

11. Use of proceeds

On 31 October 2017, the Company completed the issuance of 675,164,460 ordinary shares via placement and raised net proceeds of S$33.40 million ("**Net Proceeds**").

On 4 April 2018, the Company announced the completion of acquisition of 51% of the entire issued and fully paid-up capital of ABO Group ("**ABO Acquisition**"). Consideration sum of S$30.00 million and the ABO Acquisition related transaction costs of S$0.15 million had been paid to professional parties.

The table below reflected the status on the use of Net Proceeds as at the date of announcement:

Use of Net Proceeds		**Allocation of Net Proceeds**	**Net Proceeds utilised as at the date of announcement**	**Balance of Net Proceeds as at the date of announcement**
		S$ 'million	S$ 'million	S$ 'million
(i)	Business expansion through acquisitions, joint ventures and collaborations and funding needs of such business expansion	30.06	(30.06)	-
(ii)	General working capital purposes	3.34	(0.09)	3.25
		33.40	(30.15)	3.25

The balance of net proceeds is held with JLC as part of the Escrow Funds pending recovery from JLC as disclosed in Note A of the condensed interim consolidated statement of cashflows to the condensed interim financial statements above.

Other information

On behalf of the Board of Directors

Leow Wee Kia Clement
Chief Executive Officer and Executive Director
11 November 2021