



SEVENS ATELIER LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 197902790N)

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER AND FULL YEAR
ENDED 31 DECEMBER 2024**

Pursuant to Rule 705(2C) of the SGX-ST Catalist Listing Manual (“Catalist Rules”), the Company is required by the SGX-ST to announce its quarterly financial statements in view of the qualified opinion and material uncertainty related to going concern, and the material uncertainty related to going concern issued by the Company’s auditors in its audited financial statements for the financial year ended 31 December 2022 and 31 December 2023 respectively.

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	GROUP					
		Three months Ended		Incr/ (Decr)	Full Year Ended		Incr/ (Decr)
		31-Dec-24 (Unaudited)	31-Dec-23 (Unaudited)		31-Dec-24 (Unaudited)	31-Dec-23 (Audited)	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	5	2,732	3,860	-29%	9,099	14,330	-37%
Cost of sales		(2,267)	(3,496)	-35%	(7,313)	(12,122)	-40%
Gross profit		465	364	28%	1,786	2,208	-19%
Other gains		457	-	NM	767	89	NM
Marketing and distribution costs		-	-	NM	(121)	(178)	-32%
Administrative expenses		(368)	(1,186)	-69%	(2,109)	(4,134)	-49%
Finance costs		(6)	(8)	-25%	(28)	(38)	-26%
Other losses		-	(2,153)	NM	-	(2,186)	NM
Profit/(loss) for the year before tax	6	548	(2,983)	NM	295	(4,239)	NM
Income tax credit	7	1	35	-97%	16	186	-91%
Profit/(loss) for the year net of tax		549	(2,948)	NM	311	(4,053)	NM
<u>Other comprehensive income</u>							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation		-	-	NM	-	-	NM
- Gains							
Reclassification to profit or loss arising from disposal of subsidiaries, assets and liabilities		-	-	NM	-	-	NM
Other comprehensive income for the period, net of tax		-	-	NM	-	-	NM
Total comprehensive profit/(loss)		549	(2,948)	NM	311	(4,053)	NM
Earning/(Loss) per share							
Basic and diluted		0.26	(1.38)		0.14	(1.89)	

NM - Not Meaningful

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 S ATELIER (Company registration number: 197902790N)
B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		As at 31-Dec-24 Unaudited S\$'000	As at 31-Dec-23 Audited S\$'000	As at 31-Dec-24 Unaudited S\$'000	As at 31-Dec-23 Audited S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	651	716	1	2
Right-of-use assets	9	300	515	-	-
Goodwill	10	9,193	9,193	-	-
Investments in subsidiaries		-	-	10,905	10,905
Total non-current assets		10,144	10,424	10,906	10,907
Current assets					
Other assets		65	74	1	-
Contract assets	12	414	163	-	-
Trade and other receivables	11	1,633	1,336	-	472
Cash and cash equivalents	13	380	1,692	72	27
Total current assets		2,492	3,265	73	499
Total assets		12,636	13,689	10,979	11,406
EQUITY AND LIABILITIES					
Equity attributable to owner of the parent					
Share capital	14	15,390	15,300	15,390	15,300
Accumulated losses		(8,217)	(8,528)	(5,843)	(5,311)
Total equity		7,173	6,772	9,547	9,989
Non-current liabilities					
Deferred tax liabilities		-	16	-	-
Other financial liabilities	17	9	61	-	-
Lease liabilities, non-current	15,17	201	320	-	-
Total non-current liabilities		210	397	-	-
Current liabilities					
Provision		108	148	-	-
Other financial liabilities,	17	52	51	-	-
Lease liabilities	15,17	126	131	-	-
Contract liabilities	12	655	3,521	-	-
Trade and other payables	16	4,312	2,669	1,432	1,417
Total current liabilities		5,253	6,520	1,432	1,417
Total liabilities		5,463	6,917	1,432	1,417
Total equity and liabilities		12,636	13,689	10,979	11,406
Net Asset value per ordinary share based on issued share capital		3.34	3.16	4.44	4.66
		Singapore Cents	Singapore Cents	Singapore Cents	Singapore Cents

C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Share Capital S\$'000	Accumulated losses S\$'000	Total Equity S\$'000
GROUP:			
Balance as at 1 January 2024	15,300	(8,528)	6,772
Movements in equity:			
Issuance of shares	100	-	100
Shares issuance expense	(10)	-	(10)
Profit for the year	-	311	311
Balance as at 31 December 2024	15,390	(8,217)	7,173
Balance as at 1 January 2023	15,300	(4,475)	10,825
Movements in equity:			
Loss for the year	-	(4,053)	(4,053)
Balance as at 31 December 2023	15,300	(8,528)	6,772
COMPANY:			
Balance as at 1 January 2024	15,300	(5,311)	9,989
Movements in equity:			
Issuance of shares	100	-	100
Shares issuance expense	(10)	-	(10)
Loss for the year	-	(532)	(532)
Balance as at 31 December 2024	15,390	(5,843)	9,547
Balance as at 1 January 2023	15,300	(3,727)	11,573
Movements in equity:			
Loss for the year	-	(1,584)	(1,584)
Balance as at 31 December 2023	15,300	(5,311)	9,989

D. CONSOLIDATED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL ENDED 31 DECEMBER 2024

		<u>Group</u>	
	<u>Note</u>	Unaudited 31-Dec-24 S\$'000	Audited 31-Dec-23 S\$'000
Cash flows from operating activities			
Profit/(loss) before tax		295	(4,239)
Adjustments for:			
Impairment loss on goodwill		-	1,790
Amortisation of intangible assets		-	910
Depreciation of property, plant and equipment	6	169	194
Depreciation of right-of-use assets	6	225	367
Interest expense	6	28	38
Loss on disposal of property, plant and equipment		-	118
Allowance for expected credit losses on other receivables		-	51
Allowance for expected credit losses on trade receivables		-	165
Operating cash flow before changes in working capital		717	(606)
Changes in working capital:			
Trade and other receivables		(297)	203
Inventories		-	10
Contract assets		(251)	77
Contact liabilities		(2,866)	105
Other assets		9	79
Trade and other payables		1,603	(116)
Provision		-	51
Net cash flows used in operations		(1,085)	(197)
Income taxes paid		-	-
Net cash flows used in operating activities		(1,085)	(197)
Cash flows from investing activities			
Disposal of property, plant and equipment		-	118
Purchase of property, plant and equipment		(114)	(355)
Net cash flows used in investing activities		(114)	(237)
Cash flows from financing activities			
Proceeds from issuance of shares		100	-
Share issuance expenses		(10)	-
Interest paid		(2)	(3)
Loans and borrowings paid		(51)	(58)
Repayment of lease liabilities		(150)	(215)
Net cash flows used in financing activities		(113)	(276)
Net decrease in cash and cash equivalents		(1,312)	(710)
Cash and cash equivalents, statement of cash flows, beginning balance		1,692	2,402
Cash and cash equivalents, statement of cash flows, ending balance		380	1,692

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. General

Sevens Atelier Limited (the “**Company**”) is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the Company, which is also the ultimate holding company, and its subsidiaries (the “**Group**”).

All financial information has been rounded to the nearest thousand (S\$’000), except when otherwise indicated.

The principal activity of the Company is that of an investment holding company.

The principal activities of the Group comprise:

- investment holding;
- building construction; and
- renovation and interior design.

The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited.

The registered office is 31 Joo Chiat Place, Singapore 427755. The Company is situated in Singapore.

2. Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS (I) s**”) 1-34 Interim Financial Reporting (“**Standards**”) 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 Group’s last annual report for the financial year ended 31 December 2023. They are also in compliance with the International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) and the requirements of the Catalist Rules.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, and methods of computation applied in these condensed consolidated interim financial statements are consistent with those of the latest audited annual financial statements for the financial year ended 31 December 2023, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

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

2.2 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.

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

2.2 Use of judgements and estimates (cont'd)

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.

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 were applied to the consolidated financial statements as at and for the year ended 31 December 2023.

3. Seasonality of operations

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

4. Financial information by operating segments

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard in relation to operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes, the Group's reporting operating segments are as follows:

- a. Sevens Build – building construction and design
- b. Sevens Design – renovation and interior design

The segments are managed separately as each business requires different strategies. Performance is measured based on segment profit after tax, which is reviewed by the Group's Chief Executive Officer or the equivalent personnel. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The Group operates in Singapore.

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

4. Financial information by operating segments (cont'd)

4B-1. Profit or loss from operations and reconciliations

	<u>Building construction & design</u>		<u>Renovation and interior design</u>		<u>Others</u>		<u>Unallocated</u>		<u>Consolidated</u>	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
3 months from 1 Oct 2024 to 31 Dec 2024										
Revenue by segment										
External sales	2,731	2,848	1	1,012	-	-	-	-	2,732	3,860
Segment results:-										
Gross profit	470	90	(5)	275	-	-	-	-	465	365
Finance costs	(6)	(8)	-	-	-	-	-	-	(6)	(8)
Amortisation of intangible assets	-	-	-	-	-	(455)	-	-	-	(455)
Depreciation of property, plant and equipment	(43)	(49)	-	-	(1)	-	-	-	(44)	(49)
Depreciation of right-of-use assets	(30)	(17)	-	-	-	(207)	-	-	(30)	(224)
Employee benefits expenses	(81)	(124)	2	(15)	(48)	(319)	-	-	(127)	(458)
Other losses	-	(1,407)	-	(163)	-	(584)	-	-	-	(2,154)
Unallocated expenses	-	-	-	-	-	-	(168)	-	(168)	-
Other income and gains	705	-	10	-	53	-	(310)	-	458	-
Profit/(Loss) before income tax	1,015	(1,515)	7	97	4	(1,565)	(478)	35	548	(2,983)
Income tax credit	-	-	-	-	-	-	1	35	1	35
Profit/(Loss) for the period, net of tax	1,015	(1,515)	7	97	4	(1,565)	(477)	35	549	(2,948)

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

4. Financial information by operating segments (cont'd)

4B-2. Profit or loss from operations and reconciliations

	<u>Building construction & design</u>		<u>Renovation and interior design</u>		<u>Others</u>		<u>Unallocated</u>		<u>Consolidated</u>	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
12 months from 1 January to 31 Dec										
Revenue by segment										
External sales	8,527	11,695	572	2,635	-	-	-	-	9,099	14,330
Segment results:-										
Gross profit	1,543	1,600	243	608	-	-	-	-	1,786	2,208
Finance costs	(26)	(33)	(2)	(3)	-	(2)	-	-	(28)	(38)
Amortisation of intangible assets	-	-	-	-	-	(910)	-	-	-	(910)
Depreciation of property, plant and equipment	(168)	(194)	-	-	(1)	-	-	-	(169)	(194)
Depreciation of right-of-use assets	(122)	(111)	-	-	(103)	(256)	-	-	(225)	(367)
Employee benefits expenses	(327)	(498)	(138)	(417)	(473)	(676)	-	-	(938)	(1,591)
Other losses	-	(1,407)	-	(163)	-	(616)	-	-	-	(2,186)
Unallocated expenses	-	-	-	-	-	-	(898)	(1,250)	(898)	(1,250)
Other income and gains	705	-	10	-	52	89	-	-	767	89
Profit/(Loss) before income tax	1,605	(643)	113	25	(525)	(2,371)	(898)	(1,250)	295	(4,239)
Income tax credit	-	-	-	-	-	-	16	186	16	186
Profit/(Loss) for the year, net of tax	1,605	(643)	113	25	(525)	(2,371)	(882)	(1,064)	311	(4,053)

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

4. Financial Information by operating segments (cont'd)

4C. Assets, liabilities and reconciliations

Group as at 31 December 2024

	<u>Building construction & design</u>		<u>Renovation and interior design</u>		<u>Others</u>		<u>Unallocated</u>		<u>Consolidated</u>	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Continuing Operations										
Business Segments										
<u>Segment assets</u>										
Property, plant and equipment	650	714	-	-	1	2	-	-	651	716
Right-of-use assets	300	413	-	-	-	10	-	92	300	515
Intangible assets	-	-	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	9,193	9,193	9,193	9,193
Inventories	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	1,633	1,061	-	275	-	-	-	-	1,633	1,336
Contract assets	414	50	-	113	-	-	-	-	414	163
Other assets	59	59	1	3	5	12	-	-	65	74
Cash and cash equivalents	284	1,142	15	134	81	416	-	-	380	1,692
Total assets									<u>12,636</u>	<u>13,689</u>
<u>Segment liabilities</u>										
Deferred tax liabilities	-	-	-	-	-	-	-	16	-	16
Other financial liabilities	-	-	61	112	-	-	-	-	61	112
Lease liabilities	327	440	-	-	-	11	-	-	327	451
Provisions	108	148	-	-	-	-	-	-	108	148
Contract liabilities	634	3,307	21	214	-	-	-	-	655	3,521
Trade and other payables	3,893	1,873	50	364	369	432	-	-	4,312	2,669
Income tax payable	-	-	-	-	-	-	-	-	-	-
Total liabilities									<u>5,463</u>	<u>6,917</u>

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

5. Revenue

The Group has disaggregated revenue in the following table which is intended to enable users to understand the revenue segments information provided to the financial statements:

Revenue from contract with customers:

	4Q24		12 Months Ended 31 December	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
Timing of transfer of goods				
- Over time	2,732	3,860	9,099	14,330
Type of goods and services				
- Building Construction, and Design	2,731	2,848	7,717	10,605
- Renovation and Interior Design	1	1,012	1,382	3,725
	2,732	3,860	9,099	14,330

6. Profit/(loss) before taxation

The following items have been included in arriving at Profit/(loss) before taxation:

	4Q24		12 Months ended 31 December	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of Intangible Assets	-	455	-	910
Depreciation – Property, Plant and Equipment	44	49	169	194
Depreciation – Right-of-Use Asset	30	224	225	367
Employee Benefits Expenses	126	458	938	1,591
Interest Expenses	6	8	28	38

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

7. Income tax credit

	4Q24		12 Months Ended 31 December	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax expenses	-	-	-	-
Deferred tax income	1	35	16	186
	1	35	16	186

Deferred tax income recognised in profit or loss relates to amortisation of intangible assets – order backlog and fair value adjustment arising from acquisition of subsidiaries.

The income tax credit is mainly related to recognition of customer contracts arose from acquisition of Sevens Creation Group in FY2022.

8. Property, plant and equipment

For the three months ended 31 December 2024 (4Q24), the Group has no movement in assets purchase (4Q23: nil).

For the financial year ended 31 December 2024, the Group acquired assets amounting to S\$104,000 (FY23): S\$103,000).

9. Right-of-use assets

	Office space S\$'000	Office equipment S\$'000	Total S\$'000
Group			
Cost:			
At 1 January 2023	1,245	11	1,256
Write-off	(42)	-	(42)
At 31 December 2023	1,203	11	1,214
Additions	-	10	10
At 31 December 2024	1,203	21	1,224
Accumulated depreciation:			
At 1 January 2023	369	5	374
Depreciation for the year	364	3	367
Write-off	(42)	-	(42)
At 31 December 2023	691	8	699
Depreciation for the year	222	3	225
At 31 December 2024	913	11	924
Carrying value:			
At 31 December 2023	512	3	515
At 31 December 2024	290	10	300

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

10. Goodwill

	<u>Group</u>	
	31-Dec-24	31-Dec-23
	S\$'000	S\$'000
Cost:		
At beginning of the year	9,193	10,983
Impairment	-	(1,790)
At end of the reporting period	9,193	9,193

The goodwill was tested for impairment at the end of the reporting year. Impairment allowance was required if the carrying amounts of the cash-generating unit (“**CGU**”) was lower than their estimated recoverable amounts. The recoverable amounts of CGU have been measured based on the higher of value in use or Fair Value Less Cost of Disposal method. The value in use was measured by management. The value in use is a recurring fair value measurement (Level 3).

11. Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	<u>31-Dec-24</u>	<u>31-Dec-23</u>	<u>31-Dec-24</u>	<u>31-Dec-23</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Trade receivables:</u>				
Outside parties	1,364	1,497	-	-
Less allowance for expected credit losses	(15)	(165)	-	-
Trade receivables – subtotal	<u>1,349</u>	<u>1,332</u>	<u>-</u>	<u>-</u>
<u>Other receivables:</u>				
Subsidiaries	-	-	-	472
Outside parties	284	322	-	-
Less allowance for expected credit losses	-	(318)	-	-
Other receivables – subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total trade and other receivables	<u>1,633</u>	<u>1,336</u>	<u>-</u>	<u>472</u>

The average credit period generally granted to trade receivable customers for this reporting period is about 7 to 30 days (31 December 2023: 7 to 30 days), but some customers take a longer period to settle the amounts.

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

12. Contract assets and contract liabilities

	<u>Group</u>	
	31-Dec-24	31-Dec-23
	S\$'000	S\$'000
Contract assets	414	163
Contract liabilities	(655)	(3,521)
At end of the reporting period	(241)	(3,358)

The contract assets are entity's rights to consideration for work completed but not billed at the reporting date on the contracts. The contract assets are transferred to the receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers. The entity recognises revenue for each respective performance obligation when control of the product or service transfers to the customer.

13. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
Not restricted in use	380	1,692	72	27

The interest earning balances are not significant.

14. Share capital

	<u>Group and Company</u>	
	<u>Number of shares issued</u>	<u>Amount S\$'000</u>
<u>Issued and fully paid ordinary shares</u>		
Issued and paid-up share capital as at 31 December 2023	214,202,036	15,300
Issuance of shares pursuant to a supplemental subscription agreement on 9 May 2024	714,285	90
Issued and paid-up share capital as at 31 December 2024	<u>214,916,321</u>	<u>15,390</u>

The ordinary shares of no par value which are fully paid carry no right to fixed income. The Company is not subject to any externally imposed capital requirements.

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

15. Lease liabilities

	Group		Company	
	31-Dec-24 S\$'000	31-Dec-23 S\$'000	31-Dec-24 S\$'000	31-Dec-23 S\$'000
Current	126	131	-	-
Non-current	201	320	-	-
	327	451	-	-

16. Trade and other payables

	Group		Company	
	31-Dec-24 S\$'000	31-Dec-23 S\$'000	31-Dec-24 S\$'000	31-Dec-23 S\$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	4,312	2,669	340	409
Trade payables – subtotal	<u>4,312</u>	<u>2,669</u>	<u>340</u>	<u>409</u>
<u>Other payables:</u>				
Subsidiaries	-	-	1,092	1,008
Other payables – subtotal	<u>-</u>	<u>-</u>	<u>1,092</u>	<u>1,008</u>
Total trade and other payables	<u>4,312</u>	<u>2,669</u>	<u>1,432</u>	<u>1,417</u>

The average credit period generally granted by trade payables suppliers for the reporting period is about 30 to 90 days (31 December 2023: 30 to 90 days).

17. Aggregate amount of the Group's borrowings and debt securities

	As at 31-Dec-24		As at 31-Dec-23	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	unsecured S\$'000
<u>Amount repayable within one year</u>				
Other financial liabilities – bank loan	-	52	-	51
Lease liabilities	-	126	-	131
	<u>-</u>	<u>178</u>	<u>-</u>	<u>182</u>
<u>Amount repayable after one year</u>				
Other financial liabilities – bank loan	-	9	-	61
Lease liabilities	-	201	-	320
	<u>-</u>	<u>210</u>	<u>-</u>	<u>381</u>

The bank loan of S\$0.06 million as at 31 December 2024 (31 December 2023: S\$ 0.11 million) is covered by personal guarantee (unlimited) by an ex-shareholder of a subsidiary who is currently an advisor of the Group.

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

18. Financial instruments: information on financial risks

18A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting period:

	<u>Group</u>		<u>Company</u>	
	<u>31-Dec-24</u>	<u>31-Dec-23</u>	<u>31-Dec-24</u>	<u>31-Dec-23</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>Financial assets:</u>				
Financial assets at amortised cost	<u>2,013</u>	<u>3,028</u>	<u>72</u>	<u>499</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	<u>4,701</u>	<u>3,232</u>	<u>1,432</u>	<u>1,417</u>

18B. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

19. Earnings per share

	<u>Group</u>	
	<u>31-Dec-24</u>	<u>31-Dec-23</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Earning/(Loss) attributable to equity holders for basic losses period	310	(4,053)
Weighted average number of ordinary shares ('000)	<u>214,580</u>	<u>214,202</u>
Basic on the weighted average number of ordinary shares per share		
- Basic & Diluted (in cents)	<u>0.14</u>	<u>1.89</u>

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

20. Net asset value per share

Net asset value per ordinary share as at 31 December 2024 and 31 December 2023 are calculated based on the number of ordinary shares in issue:

	<u>Group</u>		<u>Company</u>	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
Net asset value attributable to equity holders of the Company	7,173	6,772	9,547	9,989
Net asset value per share (in cents)	<u>3.34</u>	<u>3.15</u>	<u>4.45</u>	<u>4.65</u>

21. Events after the end of the reporting period

There are no known subsequent events which led to adjustments to this set of condensed consolidated interim financial statements.

F. Other information required by Appendix 7C of the Catalyst Rules

1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed interim consolidated statement of financial position of Sevens Atelier Limited and its subsidiaries as at 31 December 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Where the figures are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue; and

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Company received an unmodified opinion with material uncertainty related to going concern and emphasis of matter for the Group 's latest audited consolidated financial statements for the financial year ended 31 December 2023.

The Group's negative working capital position has improved, narrowing from S\$3.26 million as of 31 December 2023 to S\$2.76 million as of 31 December 2024. Nevertheless, the Board of Directors believes that the going concern basis remains appropriate for the preparation of these combined financial statements, given the net liability position. As of 31 December 2024, the Group had cash and cash equivalents of approximately S\$0.38 million and a secured order book amounting to S\$12.36 million. The nature of these secured contracts generally yields higher profit margins as compared to previous years contracts, and the Group was profitable in the previous financial year. These contracts are expected to generate sufficient cash flows to support ongoing operations. Accordingly, the Board is confident that the Group can meet its short-term liabilities as and when they fall due and that its operations will remain unaffected over the next 12 months.

3. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year as compared to the audited financial statements for the financial year ended 31 December 2023.

4. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted the new Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Amendments and interpretations of SFRS(I)s that are relevant to its operations and effective from 1 January 2024.

The adoption of these pronouncements did not have any significant impact on the financial performance or position of the Group.

5. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flows, working capital, assets or liabilities of the Group during the current financial period reported on.

(a) Review of Group Performance

Revenue

For the three months ended 31 December 2024 (4Q24), the Group 's revenue decreased by S\$1.13 million to S\$2.73 million as compared to S\$3.86 million in 4Q23.

For the full year result ended 31 December 2024 (FY24), the Group 's revenue decreased by S\$5.23 million to S\$9.10 million as compared to S\$14.33 million in FY23.

The decrease in revenue for both three months and full year is mainly due to on-going projects in building construction and design for which majority performance obligations of past signed contracts had been delivered and were towards end stages. For new signed contracts during the financial year, they were still in early stage where performance obligations have yet been met or delivered.

Cost of sales

Cost of sales for 4Q24 recorded at S\$2.27 million, a decrease of S\$1.23 million from S\$3.50 million recorded for 4Q23.

Cost of sales for FY24 recorded at S\$7.31 million, a decrease of S\$4.81 million from S\$12.12 million recorded for FY23.

For both three months and full year result decrease was in line with the decrease in revenue.

Gross profit

For the three months ended 31 December 2024 (4Q24), the Group recorded a gross profit of S\$0.47 million as compared to a gross profit of S\$0.36 million in 4Q23.

The increased in gross profit for three months results as mainly due to increase in revenue recognition.

For the full year result ended 31 December 2024 (FY24), the Group recorded a gross profit of S\$1.79 million as compared to a gross profit of S\$2.21 million in FY23.

The decreased in gross profit for full year result was mainly due to decrease in revenue recognition.

Other gains

For the three months ended 31 December 2024 (4Q24), the Group recorded other gains of S\$0.46 million, compared to none in 4Q23. This was primarily due to:

- A one-time consultancy fee recorded at S\$0.27 million,
- An adjustment of over-provision for doubtful debts amounting to S\$0.11 million, and
- An adjustment of over-provision for a loss-making project amounting to S\$0.05 million.
- An adjustment of over-provision for professional fee amounting to S\$0.03 million.

For the twelve months ended 31 December 2024 (FY24), the Group recorded other gains of S\$0.77 million, compared to S\$0.09 million in FY23. The increase was mainly attributable to:

- a) A S\$0.27 million reimbursement from a subcontractor related to a completed project, following a change in subcontractor,
- b) A one-time consultancy service charge of S\$0.27 million,
- c) An adjustment of approximately S\$0.11 million due to an over-provision for impairment, and
- d) An adjustment of over-provision for a loss-making project amounting to S\$0.05 million.
- e) An adjustment of over-provision for professional fee amounting to S\$0.03 million.

Marketing and distribution cost

There is no marketing and distribution cost recorded for the three months ended 4Q24 and 4Q23..

For the twelve months ended 31 December 2024 (FY24), the marketing and distribution cost recorded of S\$0.12 million as compared to S\$0.18 million in FY23.

Both three months and twelve months of marketing and distribution cost decreased primarily due to cost saving efforts that reduced marketing related activities expenses.

Administrative expenses

For the three months ended 31 December 2024 (4Q24), administrative expenses recorded of S\$0.37 million as compared to S\$1.19 million in 4Q23.

For the twelve months ended 31 December 2024 (FY24), administrative expenses recorded of S\$2.11 million as compared to S\$4.13 million in FY23.

Both three months and twelve months administrative expenses decreased mainly due to the following:

- (a) Employee benefits expense decreased by S\$0.65 million in FY2024, mainly due to cost savings efforts from internal restructuring to streamline business operations.
- (b) No amortisation expenses in FY24 (FY23: S\$0.90 million) mainly due to the fact that intangible asset was fully amortized.
- (c) There is no external supporting professional fee in FY24 (FY23: S\$0.30 million).

Profit/(Loss) before income tax

The Group recorded a profit of S\$0.55 million in Q424 as compared to a loss of S\$2.95 million in Q423 for the reasons stated above.

Overall, the Group recorded a profit of S\$0.31 million in FY24 as compared to a loss of S\$4.05 million in FY23 for the reasons stated above.

(b) Review of Statement of Financial Position

The Group's current assets decreased by approximately S\$0.77 million mainly due to decrease in cash and cash equivalent of S\$1.31 million due to payment to sub-contractors, partially offset by increase of contract asset S\$0.25 million and trade and other receivables of S\$0.30 million.

The Group's non-current assets decreased by S\$0.28 million mainly due to the following:

- (a) Decrease in property, plant and equipment by S\$0.06 million. The reduction in property, plant and equipment is due to depreciation.
- (b) Decrease in right-of-use assets by S\$0.22 million. The reduction in right-of-use assets is due to depreciation.

The Group's current liabilities decreased by S\$1.27 million mainly due to decrease in contract liabilities of S\$2.87 million due to delivery of contract obligation, partially offset by increase in trade and other payables of S\$1.64 million due to amount owing to subcontractors.

The Group's non-current liabilities decreased by S\$0.19 million mainly due to decrease in lease liabilities by lease payment and decrease in deferred tax liabilities from unwinding of the deferred tax liability of order backlog.

The Group's equity increased by S\$0.40 million as a result of profit of S\$0.31 million and receipt of proceeds from the placement exercise amounting to S\$0.09 million.

(c) Review of change in cash flow

The Group reported a net decrease in cash and bank balances mainly due to net cash used in operating activities, investing activities and net cash spent from financing activities.

The net cash used in operating activities was primarily due to payment to sub-contractors on the progress claims for build and design projects.

The net cash used in investing activities was primarily due to show room development in Joo Chiat place.

The net cash used in financing activities was primarily due to repayment of bank borrowings and lease liabilities that was partially offset by the proceeds from the placement exercise.

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

No forecast, or a prospect statement, has been previously disclosed.

7. 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.

As of December 31, 2024, the Group's Design & Build division maintained a total order book of S\$12.36 million. Committed to continuous growth, our leadership remains proactive in securing new contracts by leveraging cutting-edge technologies, strategic resource allocation, and targeted marketing initiatives to expand our reach across diverse market segments.

According to the Building and Construction Authority (BCA), Singapore's construction sector is poised for sustained demand in 2025, with total construction activity projected to range between S\$47 billion and S\$53 billion. The BCA expects the public sector to remain the primary driver, contributing between S\$18 billion and S\$21 billion, while private sector demand is forecasted at S\$14 billion to S\$17 billion. ⁽ⁱ⁾

Despite challenges such as cost inflation and rising competition, the Design & Build industry continues to thrive. Demand for our services remains strong, particularly in the redevelopment and acquisition of landed properties. This momentum is supported by Singapore's resilient economy, stabilizing inflation, and an increasingly favourable interest rate environment. Economic growth forecasts for 2025 range between 1% and 3%, reinforcing a stable and optimistic outlook. ⁽ⁱⁱ⁾

With expectations of further global interest rate adjustments and improved financing conditions, market appetite for redevelopment and renovation continues to grow. Notable trends in 2024 include heightened state land tender activity and sustained interest in collective sales. While the resale price growth of HDB flats has moderated, market fundamentals remain strong, presenting new opportunities for strategic expansion.

In December 2024, the U.S. Federal Reserve reduced its key interest rate by a quarter-point to a range of 4.25% to 4.5%. This shift is anticipated to impact Singapore's interest rates, potentially lowering borrowing costs and driving further investment in the sector. ⁽ⁱⁱⁱ⁾

To adapt to these evolving market conditions, the Group continues to reinforce cost efficiency and enhance project profitability. We are intensifying our marketing efforts, including the successful launch of our newly refurbished showroom in 2024, while also embracing digital innovation. Our adoption of virtual design and construction technologies has improved project visualization, minimized miscommunication, and streamlined execution timelines.

Additionally, the Group remains committed to prudent financial management to support operational stability and long-term growth. By optimizing cash flow, refining cost structures, and prioritizing high-impact projects, we continue to navigate market dynamics effectively while positioning ourselves for future opportunities.

Note:

(i) BCA : <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025>

(ii) Singapore economic: <https://www.straitstimes.com/business/economic-trends-to-watch-for-singapore-in-2025>

(iii) US Fed rate : <https://www.federalreserve.gov/>

8. Details of any changes in the company's 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 since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in share capital of the Company during the financial period

To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Total Number of issued shares (excluding treasury shares)	Share capital (S\$'000)
As at 31 December 2023	214,202,036	15,300
As at 31 December 2024	214,916,321	15,390

On 9 May 2024, the Company entered into a supplemental share subscription agreement with Huang Gang. Huang Gang has agreed to subscribe for an aggregate of 714,285 new ordinary shares in the share capital of the Company (the "Subscription Shares") at an issue price of S\$0.140 for each Subscription Share amounting to an aggregate cash consideration of S\$100,000 (the "Proposed Subscription"). Pursuant to the completion of the Proposed Subscription, 714,285 new ordinary shares were allotted and issued on 20 May 2024.

There were no convertible securities, treasury shares or subsidiary holdings outstanding as at the financial year end of 31 December 2024 and 31 December 2023.

The Company did not have any treasury shares during and as at the end the current financial year reported on and corresponding period of the immediately preceding financial year.

9. A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

10. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as at the end of the current financial year reported on.

11. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

12. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

13. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern):—

(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.

Please refer to Point 2 of Section F above.

14. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year as compared to the audited financial statements for the financial year ended 31 December 2023.

15. If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new SFRS(I) and amendments and interpretations of SFRS(I)s that are relevant to its operations and effective from 1 January 2024.

The adoption of these pronouncements did not have any significant impact on the financial performance or position of the Group.

16. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -

- (a) current period reported on; and**
(b) immediately preceding financial year

Please refer to the condensed interim statements of financial position on Section B of this announcement.

17. Dividend

(a) Any dividend recommended/declared for the current financial period reported on?

No dividend has been recommended or declared for the financial year ended 31 December 2024.

(b) Any dividend recommended/declared for the corresponding period of the immediately preceding financial year?

Not applicable.

(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) Record date

Not applicable.

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

No dividend has been declared or recommended for the period under review in view of accumulated losses of the Group.

19. If the Group has obtained a general mandate from shareholders for interested person transactions (“IPT”), 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.

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

There are no interested person transactions of S\$100,000 and above entered during the fourth quarter and financial year ended 31 December 2024.

20. Use of proceeds

The following table summarises the utilisation of Net Proceeds raised from Placement exercise as at the date of this announcement.

Intended use of Net Proceeds	Allocation of the Net Proceeds (S\$'000)	Balance as per last announced (S\$'000)	Amount utilized as at 31 December 2024 (S\$'000)	Balance as at the date of this announcement (S\$'000)
Marketing expenses	75	70	-	70
Working capital*	15	2	(2)	-
Total	90	72	(2)	70

Note :

*The breakdown of the total funding for working capital is as follows:

S\$'000

Travelling and related expenses 2

The use of Net Proceeds from the Placement is in accordance with the intended use as disclosed in the announcements.

21. Confirmation of directors and executive officers' undertakings pursuant to the Rule 720(1) (in the format set out in Appendix 7H under Rule 720(1))

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

22. Disclosures on Acquisition and Realisation of Shares pursuant to Rule 706A (if any)

There are no acquisitions and disposal of subsidiaries or associated companies for the financial period ended 31 December 2024.

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

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

Additional Information Required for Full Year Announcement

24A Segmented revenue and results for business or geographical segments (of the Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the Company's most recently audited financial statements, with comparative information for the immediately preceding year.

Please refer to Note 4B-1 and 4B-2 of Section F above.

24B. In the review of the performance, the factors leading to any material changes in the contributions to the turnover and earning by the business or geographical segments.

Please refer to Note 5 of Section F above.

24C. A breakdown of sales:

	FY2024	FY2023	Inr/(Decr)
	S\$'000	S\$'000	%
	Group	Group	
Sales reported 1st half of year	4,127	6,524	(37%)
Operating loss after tax for 1st half year	(190)	(799)	(76%)
Sales reported 2nd half of year	4,972	7,806	(36%)
Operating profit/(loss) after tax for 2nd half year	501	(3,254)	N.M.
N.M. – not meaningful			

24D. A breakdown of the total annual dividend for the Company's latest full year and its previous full year

No dividend was paid during the financial year ended 31 December 2024 and 31 December 2023.

24E. Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10) in the format below. If there are no such persons, the Company must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Listing Manual, the Company hereby confirms that as at the date of this announcement, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries, is a relative of a director or chief financial officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Lawrence Chen Tse Chau
Independent Director and Non-Executive Chairman

25 February 2025

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange 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.

The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg