



**VibroPower Corporation Limited
and its subsidiaries
Company Registration No. 200004436E**

**Condensed Interim Financial Statements
For the six months ended 30 June 2021**

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A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
Period ended 30 June 2021

	Notes	The Group		Change (%)
		6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	
Revenue	4	6,528	2,768	135.8
Cost of sales		(4,407)	(2,988)	47.5
Gross profit / (loss)		2,121	(220)	NM
Other items of income				
Interest income		1	–	NM
Other credits		57	140	(59.3)
Other items of expenses				
Marketing and distribution costs		(69)	(49)	40.8
Administrative expenses		(1,130)	(1,128)	0.2
Finance costs		(186)	(236)	(21.2)
Impairment losses on financial assets		(249)	–	NM
Other charges		(91)	(50)	82.0
Share of results of an associate		(20)	(28)	(28.6)
Profit/(loss) before tax	5	434	(1,571)	NM
Income tax expenses	6	(26)	(2)	1200.0
Profit/(loss) net of tax		408	(1,573)	NM
Other comprehensive income / (loss):				
<u>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</u>				
Exchange differences on translating foreign operations (net)		160	212	(24.5)
Total comprehensive income/(loss)		568	(1,361)	NM
Profit / (loss) attributable to:				
Owners of the Company		409	(1,571)	NM
Non-controlling interests		(1)	(2)	(50.0)
		408	(1,573)	NM
Total comprehensive income/ (loss) attributable to:				
Owners of the Company		573	(1,357)	NM
Non-controlling interests		(5)	(4)	25.0
		568	(1,361)	NM
Earnings per share:				
Basic (cent) [A]		0.55	(3.0)	
Diluted (cent) [B]		0.58	(2.87)	

[A] Basic earnings per share is calculated on the basis of consolidated profit after tax attributable to equity holders of the Company of S\$409,000 (30 June 2020: loss of S\$1,571,000) and on 73,696,114 (30 June 2020: 52,388,554) weighted average ordinary shares in issue during the period under review.

[B] Diluted earnings per share is calculated on the basis of consolidated profit after tax attributable to equity holders of the Company of S\$409,000 (30 June 2020: loss of S\$1,571,000) and on 70,861,359 (30 June 2020: 54,795,909) weighted average ordinary shares in issue during the period under review and after taking into account the converted shares from the assumed conversions of warrants.

Explanatory Notes to the Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

- a. Increase in revenue was mainly due to higher revenue from deliveries of generators after resumptions of construction activities and electricity revenue from coal mine methane power plant in China for the period ended 30 June 2021.
- b. Increase in gross profit margin was in tandem with the increase in revenue from project and power plant segment.
- c. Decrease in other credits was mainly due to the Group recording a foreign exchange loss for the period ended 30 June 2021 as compared to a foreign exchange gain for 30 June 2020.
- d. Increase in marketing and distribution costs was mainly due to commissions paid to agents.
- e. Decrease in finance costs is mainly due to lower cost of borrowings.
- f. Increase in Impairment loss on financial assets was mainly due to provision for expected credit losses on trade receivables.
- g. Increase in other charges was mainly due to increase in provision for slow moving inventories for the period ended 30 June 2021.

**B. Condensed Interim Statements of Financial Position
As at 30 June 2021**

Notes	The Group		The Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	8	6,722	6,689	–
Investment property	9	3,066	3,116	–
Right-of-use assets		1,109	1,150	–
Investments in subsidiaries		–	–	14,914
Investments in an associate		662	665	–
Deferred tax assets		20	19	–
Trade and other receivables		23	22	–
Total non-current assets		11,602	11,661	14,914
Current assets:				
Inventories		4,081	2,570	–
Trade and other receivables		11,080	10,364	3,679
Contract assets		2,102	2,290	–
Other assets		1,298	608	5
Cash and cash equivalents		2,371	3,417	30
Total current assets		20,932	19,249	3,709
Total assets		32,534	30,910	18,623
EQUITY AND LIABILITIES				
Equity:				
Share Capital	11	19,084	19,084	19,084
Treasury shares		(388)	(388)	(388)
Accumulated losses		117	(291)	(472)
Reserves		(583)	(747)	–
Equity attributable to equity holders of the Company		18,230	17,658	18,224
Non-controlling interests		1,678	1,683	–
Total equity		19,908	19,341	18,341
Non-current liabilities:				
Loans and borrowings	10	4,694	3,793	–
Lease liabilities		546	559	–
Total non-current liabilities		5,240	4,352	–
Current liabilities:				
Provisions		17	8	–
Income tax payable		120	119	–
Payables and accruals		4,390	3,224	399
Loans and borrowings	10	2,541	3,562	–
Lease liabilities		25	29	–
Other liabilities		293	275	–
Total current liabilities		7,386	7,217	399
Total liabilities		12,626	11,569	399
Total equity and liabilities		32,534	30,910	18,740

Explanatory Notes to the Condensed Interim Statements of Financial Position

- a. Increase in inventory was due to inventories purchased to build for generators of ongoing projects during the period.
- b. Trade and other receivables increased in tandem with higher revenue for the period ended 30 June 2021.
- c. Other assets increased mainly due to increase in deposits paid to suppliers.
- d. The movement in cash and cash equivalents are disclosed in the Consolidated Statements of Cash Flow at page 5 of this announcement.
- e. Trade and other payables increased mainly due to purchases for the projects to be delivered in second half 2021.
- f. Increase in non-current loans and borrowings was mainly due to temporary bridging loan obtained during the period for working capital purpose.

C. Condensed Interim Consolidated Statements of Cash Flows
Period ended 30 June 2021

	The Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
	S\$'000	S\$'000
Cash flows from operating activities		
Profit/(Loss) before tax	434	(1,571)
<u>Adjustments for:</u>		
Interest income	(1)	–
Finance costs	186	236
Depreciation of property, plant and equipment	362	296
Depreciation of right-of-use assets	67	68
Reversal for product warranty expenses	5	2
Provision for slow moving inventories	86	50
Provision for expected credit losses on trade receivables	249	–
Share of results of an associate	20	28
Currency translation differences	(27)	(4)
Operating cash flows before changes in working capital	1,381	(895)
<u>Changes in working capital:</u>		
(Increase)/Decrease in inventories	(1,539)	1,061
(Increase)/Decrease in trade and other receivables	(927)	57
Decrease/(Increase) in contract assets	225	(1,774)
Increase in other assets	(672)	(321)
Increase/(Decrease) in payables and accruals	1,087	(796)
Increase in other liabilities	16	680
Cash flows used in operations	(429)	(1,988)
Income taxes paid	(26)	–
Interest paid	(174)	(139)
Net cash flows used in operating activities	(629)	(2,127)
Cash flows from investing activities		
Purchase of property, plant and equipment	(193)	(69)
Net cash flows used in investing activities	(193)	(69)
Cash flows from financing activities		
Proceeds from rights cum warrants issue	–	1,536
Proceeds from loans and borrowings	4,195	5,297
Repayment of loans and borrowings	(4,414)	(4,399)
Repayment of principal portion of lease liabilities	(21)	(51)
Net cash flows (used in)/from financing activities	(240)	2,383
Net (decrease)/increase in cash and cash equivalents	(1,062)	187
Effects of exchange rate changes on cash and cash equivalents	16	12
Cash and cash equivalents, statement of cash flows, beginning balances	3,417	1,342
Cash and cash equivalents, statement of cash flows, ending balances	2,371	1,541

Explanatory Notes to the Condensed Interim Statements of Cash Flows

The Group's cash and cash equivalents decreased by S\$1.0 million from S\$3.4 million at 31 December 2020 to S\$2.4 million at 30 June 2021. This was mainly due to use of cash flow for operating activities of S\$0.6 million, purchase of plant and equipment of S\$0.2 million and repayment of loans and borrowings of S\$0.2 million. The cash flows used in operations were mainly due to more sales in 1H2021 and purchase of inventories for on-going projects which partly offset against with less payment made to suppliers in 1H2021.

D. Condensed Interim Statements of Changes in Equity
Period ended 30 June 2021

The Group	Share capital S\$'000	Treasury Shares S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000	Non-Controlling Interests S\$'000	Total Equity S\$'000
Balance at 1 January 2021, as previously reported	19,084	(388)	(747)	(291)	17,658	1,683	19,341
Total comprehensive income for the period	–	–	164	408	572	(5)	567
Balance at 30 June 2021	19,084	(388)	(583)	117	18,230	1,678	19,908
			(a)				
Balance at 1 January 2020, as previously reported	15,322	(388)	(715)	(447)	13,772	1,691	15,463
Issuance of ordinary shares pursuant to rights cum warrants issue, net of transaction costs	1,536	–	–	–	1,536	–	1,536
Total comprehensive loss for the period	–	–	214	(1,571)	(1,357)	(4)	(1,361)
Balance at 30 June 2020	16,858	(388)	(501)	(2,018)	13,951	1,687	15,638
			(a)				

(a) Unrealised and not available for distribution as cash dividends.

The Company	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Balance at 1 January 2021	19,084	(388)	(355)	18,341
Total comprehensive loss for the period	–	–	(117)	(117)
Balance at 30 June 2021	19,084	(388)	(472)	18,224
Balance at 1 January 2020	15,322	(388)	(148)	14,786
Issuance of ordinary shares pursuant to rights cum warrants issue, net of transaction costs	1,536	–	–	1,536
Total comprehensive loss for the period	–	–	(103)	(103)
Balance at 30 June 2020	16,858	(388)	(251)	16,219

E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

The Company is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 11 Tuas Avenue 16, Singapore 638929.

The principal activities of the Group are:

- (a) supply, installation, commissioning and servicing of generators, parts and accessories
- (b) development, operations and management of power generators projects

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with 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 financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

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 up 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 period. The Group did not have to change its accounting policies or make retrospective adjustment as a result of adopting those standards.

2.2 Use of judgments and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. In the process of applying the Group's accounting policies, the management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices. Management has assessed that prices are mainly denominated and settled in the respective local currency of the entities of the Group. In addition, most of the entities' cost base is mainly denominated in their respective local currency. Therefore, management concluded that the functional currency of the entities of the Group is their respective local currency.

(b) Key source of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of the customer's actual default in the future.

Net realisable value of inventories

A review is made periodically on inventory for excess inventory, obsolescence and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the most acceptable evidence available at the end of the financial year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the financial year. Possible changes in these estimates could result in revisions to the stated value of the inventories.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available.

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

The group is organized into the following main business segments:

- Segment 1: Projects (supplying generators)
- Segment 2: Power plant (supplying electricity) and
- Segment 3: Others

4.1. Reportable segments

(a) Segment information by business described above is presented below:

	Projects		Power Plant		Others		Elimination		Total	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
Revenue by segments										
External parties	4,851	2,648	1,677	120	-	-	-	-	6,528	2,768
Inter-segment	2,008	2,252	-	-	-	-	(2,008)	(2,252)	-	-
Total revenue	6,859	4,900	1,677	120	-	-	(2,008)	(2,252)	6,528	2,768
Interest income	-	-	1	-	82	68	(82)	(68)	1	-
Finance expenses	(196)	(214)	(15)	(22)	-	-	25	-	(186)	(236)
Depreciation	(199)	(346)	(227)	(20)	-	-	-	-	(426)	(366)
Impairment losses on financial assets	(249)	-	-	-	-	-	-	-	(249)	-
Share of loss of associated company	-	-	(20)	(28)	-	-	-	-	(20)	(28)
Segment profit/(loss) before tax	(60)	(1,257)	695	(141)	(119)	(105)	(82)	(68)	434	(1,571)
Addition of non-current assets	-	26	190	42	-	-	-	-	190	68
Non-current assets	1,920	1,851	4,804	4,153	288	290	2,776	2,797	9,788	9,091
Segment assets	43,433	43,631	8,493	7,125	18,943	17,125	(38,335)	(38,461)	32,534	29,420
Segment liabilities	31,870	32,453	4,582	4,904	377	547	(24,203)	(24,124)	12,626	13,780

(b) Segment information of these geographical areas described above presented below:

	The Group	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
Revenue		
Singapore	3,717	2,314
Asia (excluding Singapore)	2,811	454
	<u>6,528</u>	<u>2,768</u>
	S\$'000	S\$'000
Non-current assets		
Singapore	1,916	1,689
Asia (excluding Singapore)	7,872	7,402
	<u>9,788</u>	<u>9,091</u>

4.2. Disaggregation of Revenue

	The Group	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
Major Product or service lines		
Sales of generators	4,665	2,555
Electricity supply	1,720	120
Rendering of services	143	93
	<u>6,528</u>	<u>2,768</u>
Timing of transfer of goods or services		
At a point in time	1,918	274
Over time	4,610	2,494
	<u>6,528</u>	<u>2,768</u>

5. Profit before taxation

5.1 Significant items:

	The Group	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
Employees benefit expenses	1,188	999
Depreciation of property, plant and equipment	362	296
Inventories recognized as an expense in cost of sales	3,098	2,005

5.2 Related party transactions:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The current related party balances are unsecured without fixed repayment terms and non-interest bearing unless stated otherwise.

Purchases were made at an arm's length basis in a manner similar to transactions with third parties.

Significant related party transactions:

In addition to the transactions and balances disclosed elsewhere in the notes to the interim financial statements, this item includes the following:

	The Group	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
Rental income from a related party	15	15
Purchases of goods and services from related parties	998	661
Subcontractor costs paid to a related party	481	112
Interest on loan from a substantial shareholder and director	16	-

6. Taxation

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

	The Group	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000
Current income tax expense	(25)	-
Under provision in respect of prior years	(1)	(2)
Income tax expense recognized in profit or loss	(26)	(2)

7. Net Asset Value

	The Group		The Company	
	30 June 2021 Cents	31 December 2020 Cents	30 June 2021 Cents	31 December 2020 Cents
Net Asset Value per Ordinary Share based on issued Share Capital at the end of the year	24.74	23.96	24.73	24.89

The Group's net asset per ordinary share is calculated based on net assets attributable to equity holders of the Company of S\$18,230,000 (31 December 2020: S\$17,658,000) and the share capital of 73,696,114 (31 December 2020: 73,696,114) ordinary shares.

The Company's net asset per ordinary share is calculated based on net assets of S\$18,224,000 (31 December 20: S\$18,341,000) and the share capital of 73,696,114 (31 December 20: 73,696,114) ordinary shares.

8. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$190,000 (30 June 2020: \$68,000) and disposed of assets amounting to \$157,000 (30 June 2020: Nil)

9. Investment property

The Investment property pertains to a freehold land held by a subsidiary. The Group is using the freehold land to generate rental income. The land is located in Kluang, Malaysia.

Group	Freehold land
Cost	\$'000
At 1 January and 31 December 2020	3,116
Currency translation differences	(50)
At 30 June 2021	<u>3,066</u>
Net book value	
At 31 December 2020	<u>3,116</u>
At 30 June 2021	<u>3,006</u>

Valuation of investment property

Independent professional valuation of the Group's investment property has been performed annually by an independent valuer with appropriate recognised professional qualifications and recent experience with the location and category of the property being valued. The valuer has considered the direct comparison method for comparative properties in deriving the valuation of \$3,992,774 as at 31 December 2020, net of lease payments.

Key inputs used in the valuations are the estimated annual net rent, internal rate of return and comparable sales in the area. The outbreak of COVID-19 has resulted in market uncertainty and volatility, and accordingly the valuation of investment property may fluctuate more rapidly and significantly subsequent to valuation date as compared to normal market conditions.

The fair value of the investment property is within level 3 of the fair value hierarchy.

10. Loans and borrowings

	The Group		The Company	
	30 June 2021 S\$'000	31 December 2020 S\$'000	30 June 2021 S\$'000	31 December 2020 S\$'000
Amount payable within one year or on demand				
Secured	660	2,065	-	-
Unsecured	1,881	1,497	-	-
	<u>2,541</u>	<u>3,562</u>	<u>-</u>	<u>-</u>
Amount payable after one year				
Secured	1,849	1,980	-	-
Unsecured	2,845	1,813	-	-
	<u>4,694</u>	<u>3,793</u>	<u>-</u>	<u>-</u>
Total loans and borrowings	<u>7,235</u>	<u>7,355</u>	<u>-</u>	<u>-</u>

The bank borrowings and credit facilities of the Group are secured over certain properties of the Group.

11. Share capital

The Company	30 June 2021		31 December 2020	
	Number of shares '000	Amount S\$'000	Number of shares '000	Amount S\$'000
Beginning of interim period	73,696	19,084	35,951	15,322
Issuance of ordinary shares pursuant to Rights cum Warrants Issue	-	-	17,975	1,536
Issuance of ordinary shares pursuant to share placement	-	-	9,500	1,199
Issuance of ordinary shares on exercise of warrants pursuant to Rights cum Warrants Issue	-	-	10,270	1,027
End of interim period	73,696	19,084	73,696	19,084

The total number of issued shares excluding treasury shares as at 30 June 2021 was 73,696,114 (31 December 2020: 73,696,114)

(a) Treasury shares

	30 June 2021		31 December 2020	
	Number of shares '000	Amount S\$'000	Number of shares '000	Amount S\$'000
Beginning of interim period	(1,077)	(388)	(1,077)	(388)
End of interim period	(1,077)	(388)	(1,077)	(388)

(b) Subsidiary holdings

The Company's subsidiaries do not hold any shares in the Company as of 30 June 2021 and 31 December 2020.

12. Subsequent events

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

Other Information Required by Listing Rule Appendix 7.2

- 1. 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.

- 2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

The Group revenue increased by 135.8% to S\$6.5 million for the period ended 30 June 2021 mainly due to higher revenue in 1H2021 because there were little construction activities due to the Circuit breaker period in 1H2020. The increase in revenue from the Group's coal mine methane power plant contributed to the revenue in 1H2021. The gross profit increased in tandem with the increase in the revenue,

The Group's expenses increased by S\$0.25 million mainly due to impairment losses on financial assets and partly offset against by the decrease in the finance costs.

As a result of the above, the Group registered a net profit after tax of S\$0.4 million for the period ended 30 June 2021.

- 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results include a discussion of the following:-**

Not applicable.

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

Due to the continuing COVID 19 pandemic, the economic outlook remains uncertain as to whether the economy will operate freely or face further restrictions. This will impact construction activities which the Group is engaged in.

The Group will monitor closely the operations and the costs of on-going projects to mitigate impact from the revision of deliveries and site installation for on-going projects, supply chain constraints, manpower disruptions resulting in an increase in raw material prices.

To address these challenges, the Group is focusing on improving productivity. The Group continues to leverage on its engineering expertise and track record especially for government tenders to secure projects that will strengthen its order books.

5. Dividend

(a) Current Financial Period reported on

None.

(b) Corresponding Period of the immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Book Closure Date

Not applicable.

6. 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 during the period under review. In view of the challenging environment, the board considers it prudent to reserve fund for working capital purposes.

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

Nature of relationship	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Mason Industries Pte Ltd	Note 1	–	1,387,804
Wizdenki Pte Ltd	Note 2	–	–

Note 1. 95.5% of the issued and paid-up share capital of Mason Industries Pte Ltd is held by Mr Chen Siew Meng, who is the brother of Mr Benedict Chen Onn Meng, a Director and Controlling Shareholder of the Company.

Note 2. 100% of the issued and paid-up share capital of Wizdenki Pte Ltd is held by Mr Chen Siew Meng, who is the brother of Mr Benedict Chen Onn Meng, a Director and Controlling Shareholder of the Company.

8. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

9. Confirmation by the Board pursuant to Rule 705 (5) of the Listing Manual

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the Half-Year ended 30 June 2021 to be false or misleading in any material aspect.



BY ORDER OF THE BOARD

Benedict Chen Onn Meng
Chief Executive Officer

13 August 2021