



ACESIAN PARTNERS LIMITED
(Registration No: 199505699D)

Condensed interim financial statements
For the six months and full year ended 31 December 2021

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ACESIAN PARTNERS LIMITED

(Registration No: 199505699D)

(the "Company", and together with its subsidiaries, the "Group")

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 ("FY2021")

		The Group			
		6 months ended 31 December 2021 \$'000	6 months ended 31 December 2020 \$'000	12 months ended 31 December 2021 \$'000	12 months ended 31 December 2020 \$'000
	Note				
Revenue	4	9,628	4,898	14,812	9,523
Cost of sales		(5,967)	(3,107)	(9,299)	(6,390)
Gross profit		3,661	1,791	5,513	3,133
Other operating income		155	471	373	812
Administrative expenses		(1,815)	(1,260)	(3,287)	(2,735)
Other operating expenses		(269)	(592)	(355)	(1,107)
Finance costs		(19)	(21)	(47)	(47)
Profit before tax	5	1,713	389	2,197	56
Income tax expense	8	(257)	(6)	(298)	(6)
Profit for the year		1,456	383	1,899	50
Other comprehensive loss:					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations, net of tax		(65)	(59)	(207)	(155)
Total comprehensive income/(loss) for the year, net of tax		1,391	324	1,692	(105)
Profit attributable to:					
Owners of the Company		1,445	368	1,872	23
Non-controlling interests		11	15	27	27
		1,456	383	1,899	50
Total comprehensive income/(loss) attributable to:					
Owners of the Company		1,399	336	1,712	(85)
Non-controlling interests		(8)	(12)	(20)	(20)
		1,391	324	1,692	(105)
Earnings per share attributable to owners of the Company (cents per share):					
Based on weighted average number of shares:					
- Basic		0.29	0.07	0.38	0.005
- Diluted		0.29	0.07	0.38	0.005
Weighted average number of shares in issue		498,498,498	498,498,498	498,498,498	498,498,498

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		The Group		The Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	Note	\$'000	\$'000	\$'000	\$'000
Assets					
Non-current assets					
Property, plant and equipment	6	2,471	2,644	362	194
Investment in subsidiaries	13	-	-	1,269	1,269
		2,471	2,644	1,631	1,463
Current assets					
Inventories	7	3,795	3,381	-	-
Trade and other receivables		2,286	3,283	2,786	2,833
Contract assets		380	58	-	-
Prepaid operating expenses		139	99	43	28
Fixed deposits pledged		93	93	30	30
Cash and cash equivalents		8,982	4,464	3,040	1,979
		15,675	11,378	5,899	4,870
Total assets		18,146	14,022	7,530	6,333
Equity and liabilities					
Current liabilities					
Trade and other payables		8,924	6,560	738	542
Contract liabilities		133	173	-	-
Income tax payable		298	6	-	-
Lease liabilities	11	476	585	101	93
		9,831	7,324	839	635
Non-current liability					
Lease liabilities	11	522	597	207	-
		522	597	207	-
Total liabilities		10,353	7,921	1,046	635
Equity					
Share capital	14	20,322	20,322	20,322	20,322
Accumulated losses		(10,924)	(12,796)	(13,838)	(14,624)
Foreign currency translation reserve		(1,672)	(1,512)	-	-
Attributable to owners of the Company		7,726	6,014	6,484	5,698
Non-controlling interests		67	87	-	-
Total equity		7,793	6,101	6,484	5,698
Total equity and liabilities		18,146	14,022	7,530	6,333

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Attributable to owners of the Company

	Share capital \$'000	Accumulated losses \$'000	Foreign currency translation reserve \$'000	Total \$'000	Non- controlling interests \$'000	Total \$'000
The Group						
Balance at 1 January 2020	20,322	(12,819)	(1,403)	6,100	106	6,206
Profit for the year	-	23	-	23	27	50
<u>Other comprehensive loss</u>						
Exchange difference on translation of foreign operations, net of tax	-	-	(109)	(109)	(46)	(155)
Total comprehensive income/(loss) for the year	-	23	(109)	(86)	(19)	(105)
Balance at 31 December 2020	20,322	(12,796)	(1,512)	6,014	87	6,101
Balance at 1 January 2021	20,322	(12,796)	(1,512)	6,014	87	6,101
Profit for the year	-	1,872	-	1,872	27	1,899
<u>Other comprehensive loss</u>						
Exchange difference on translation of foreign operations, net of tax	-	-	(160)	(160)	(47)	(207)
Total comprehensive income/(loss) for the year	-	1,872	(160)	1,712	(20)	1,692
Balance at 31 December 2021	20,322	(10,924)	(1,672)	7,726	67	7,793
The Company						
Balance at 1 January 2020	20,322	(14,831)	-	5,491	-	5,491
Profit for the period representing total comprehensive income for the year	-	207	-	207	-	207
Balance at 31 December 2020	20,322	(14,624)	-	5,698	-	5,698
Balance at 1 January 2021	20,322	(14,624)	-	5,698	-	5,698
Profit for the period representing total comprehensive income for the year	-	786	-	786	-	786
Balance at 31 December 2021	20,322	(13,838)	-	6,484	-	6,484

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		The Group	
		12 months ended 31 December 2021 \$'000	12 months ended 31 December 2020 \$'000
	Note		
Operating activities			
Profit before tax		2,197	56
Adjustments for:			
Bad debts written off	5	-	24
Depreciation of property, plant and equipment		779	659
Impairment loss on trade and other receivables	5	1	93
Impairment loss on trade receivables written back	5	(93)	(105)
Interest expense		47	47
Interest income		(1)	(3)
Gain on disposal and written off of property, plant and equipment	6	(11)	(9)
Inventories written (back)/down, net	7	(185)	440
Exchange differences		(189)	(128)
Operating cash flows before changes in working capital		2,545	1,074
(Increase)/decrease in inventories		(229)	14
Decrease/(increase) in trade and other receivables, contract assets and prepaid operating expenses		727	(16)
Increase/(decrease) in trade and other payables and contract liabilities		2,324	(185)
Cash flows generated from operations		5,367	887
Interest received		1	3
Income taxes paid		-	(4)
Net cash flows generated from operating activities		5,368	886
Investing activities			
Purchase of property, plant and equipment	6	(220)	(286)
Proceeds from disposal of property, plant and equipment	6	13	51
Net cash flows used in investing activities		(207)	(235)
Financing activities			
Decrease in fixed deposits pledged		-	79
Repayment of lease liabilities		(592)	(403)
Interest paid		(47)	(47)
Net cash flows used in financing activities		(639)	(371)
Net increase in cash and cash equivalents		4,522	280
Effects of currency translation on cash and cash equivalents		(4)	(28)
Cash and cash equivalents at the beginning of the year		4,464	4,212
Cash and cash equivalents at the end of the year		8,982	4,464

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Acesian Partners Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the twelve months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company consist of supply and installation of environment-control exhaust systems and investment holding.

2 Summary of significant accounting policies

2.1 Basis of preparation

The condensed interim consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the twelve months ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. 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 annual financial statements for the year ended 31 December 2020.

The condensed interim financial statements are presented in Singapore Dollars ("SGD" or "\$"), unless otherwise indicated.

2.2 Adoption of new and amended SFRS(I) and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the Group's condensed interim financial statements.

3 Significant accounting judgements and estimates

The preparation of the condensed interim 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. However, 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.

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 2021.

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 5 - provision for ECLs of trade receivables and contract assets
- Note 7 - write down for slow-moving and obsolete inventories

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Statement of operations by segments

For management purposes, the Group is organised into business units based on their activities and services, and has three reportable operating segments as follows:

- 1) Manufacturing, distribution and services
- 2) Engineering services
- 3) Corporate

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

4.1 Disaggregation of revenue

	The Group		The Group	
	6 months ended	6 months ended	12 months ended	12 months ended
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000
Main revenue streams:				
Engineering services	1,399	875	1,922	3,266
Manufacturing, distribution and services	8,229	4,023	12,890	6,257
	9,628	4,898	14,812	9,523
Timing of transfer of goods or services				
At a point in time	9,523	4,741	14,567	9,284
Over time	105	157	245	239
	9,628	4,898	14,812	9,523

4.2 Geographical segments

	The Group		The Group	
	6 months ended	6 months ended	12 months ended	12 months ended
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000
Revenue				
Singapore and Malaysia	7,486	4,605	10,885	8,710
Others	2,142	293	3,927	813
	9,628	4,898	14,812	9,523

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.3 Business segments

	Manufacturing, distribution and services		Engineering services		Corporate		Total	
1 July to 31 December	2021		2020		2021		2020	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE								
Total Segment	12,050	6,146	1,399	875	1,180	591	14,629	7,612
Less: Inter-segment	(3,821)	(2,133)	-	-	(1,180)	(581)	(5,001)	(2,714)
External sales	8,229	4,013	1,399	875	-	10	9,628	4,898
RESULTS								
Segment results	2,051	686	167	(10)	(505)	(287)	1,713	389
Income tax expense							(257)	(6)
Non-controlling interest							(11)	(15)
Net profit attributable to owners of the Company							1,445	368
OTHER INFORMATION								
Bad debts written off	-	-	-	2	-	-	-	2
Capital expenditure	116	61	-	14	7	13	123	88
Depreciation	307	302	11	10	79	79	397	391
Impairment (written back)/loss on trade and other receivables, net	(88)	3	-	(7)	-	1	(88)	(3)
Inventories written (back)/down, net	(58)	291	-	-	-	-	(58)	291
	Manufacturing, distribution and services		Engineering services		Corporate		Total	
1 January to 31 December	2021		2020		2021		2020	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE								
Total Segment	19,417	9,962	1,922	3,266	2,201	1,310	23,540	14,538
Less: Inter-segment	(6,527)	(3,719)	-	-	(2,201)	(1,296)	(8,728)	(5,015)
External sales	12,890	6,243	1,922	3,266	-	14	14,812	9,523
RESULTS								
Segment results	2,936	-	(39)	340	(700)	(284)	2,197	56
Income tax expense							(298)	(6)
Non-controlling interest							(27)	(27)
Net profit attributable to owners of the Company							1,872	23
ASSETS								
Segment assets	13,220	9,626	1,324	1,992	3,602	2,404	18,146	14,022
LIABILITIES								
Segment liabilities	5,385	3,269	3,921	4,017	1,047	635	10,353	7,921
OTHER INFORMATION								
Bad debts written off	-	-	-	24	-	-	-	24
Capital expenditure	213	247	-	14	7	25	220	286
Depreciation	600	482	23	20	156	157	779	659
Impairment (written back)/loss on trade and other receivables, net	(92)	35	-	-	-	(47)	(92)	(12)
Inventories written (back)/down, net	(185)	440	-	-	-	-	(185)	440

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 Profit before tax

5.1 The following significant items have been charged/(credited) to arrive at profit before tax:

	The Group		The Group	
	6 months ended	6 months ended	12 months ended	12 months ended
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000
Bad debt written off	-	2	-	24
Depreciation of property, plant and equipment	397	391	779	659
Impairment loss on trade and other receivables	-	-	1	93
Impairment loss on trade receivables written back	(88)	(3)	(93)	(105)
Inventories written (back)/down, net	(58)	291	(185)	440
(Gain)/loss on disposal and written off of property, plant and equipment	2	(16)	(11)	(9)
Exchange gain	(6)	(13)	(110)	(76)
Interest expense	19	21	47	47

5.2 Related party transactions

There are no material related party transactions apart from those disclosed in other information required by listing rule section.

6 Property, plant and equipment

During the twelve months ended 31 December 2021, the Group acquired property, plant and equipment, excluding right-of-use assets, amounting to approximately \$220,000 (31 December 2020: \$286,000) and disposed of assets at net book value amounting to approximately \$Nil (31 December 2020: \$41,000). The Group's right-of-use assets additions amounted to approximately \$441,000 (31 December 2020: \$414,000) and disposed of assets at net book value amounting to approximately \$24,000 (31 December 2020: \$Nil).

7 Inventories

	The Group	
	31-Dec-21	31-Dec-20
	\$'000	\$'000
Inventories recognised as an expense in profit or loss inclusive of the following charge:		
- Inventories written-down	6	475
- Reversal of inventories written-down	(191)	(35)
	<u>(185)</u>	<u>440</u>

8 Income tax expense

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		The Group	
	6 months ended	6 months ended	12 months ended	12 months ended
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000
Current income tax				
- prior year	-	6	-	6
- current year	257	-	298	-
	<u>257</u>	<u>6</u>	<u>298</u>	<u>6</u>

9 Dividends

No dividend has been declared or recommended for the twelve months ended 31 December 2021 to enable the Group to conserve cash for its working capital purposes.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10 Net asset value

	The Group		The Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	Cents	Cents	Cents	Cents
Net asset value per share	1.55	1.21	1.30	1.14

11 Lease liabilities

	The Group		The Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	\$'000	\$'000	\$'000	\$'000
<u>Current:</u>				
Secured	476	585	101	93
<u>Non-current:</u>				
Secured	522	597	207	-
	998	1,182	308	93

The Group has leases contracts for office and factory premises, plant and machineries and motor vehicles. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

12 Categories of financial instruments

The categories of financial instruments as at the reporting date are as follows:

	The Group		The Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	\$'000	\$'000	\$'000	\$'000
Financial assets				
<u>At amortised cost</u>				
Trade and other receivables *	2,269	3,247	2,786	2,833
Fixed assets pledged	93	93	30	30
Cash and cash equivalents	8,982	4,464	3,040	1,979
	11,344	7,804	5,856	4,842
Financial liabilities				
<u>At amortised cost</u>				
Trade and other payables **	8,661	6,347	650	482
Lease liabilities	998	1,182	308	93
	9,659	7,529	958	575

* Exclude non-financial assets of the Group amounting to \$17,000 (31 December 2020: \$36,000)

** Exclude non-financial liabilities of the Group and the Company amounting to \$263,000 (31 December 2020: \$212,000) and \$88,000 (31 December 2020: 60,000) respectively.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13 Investment in subsidiaries

Acesian Star (S) Pte Ltd ("ASPL"), a wholly-owned subsidiary of the Group, is under liquidation. The Group faced significant restrictions on its ability to access or use ASPL's assets. The carrying amounts of ASPL's assets and liabilities as at 31 December 2021 after eliminations of intercompany balances are as follows:

	Amount \$'000
Total assets	1
Total liabilities	(152)
Carrying amount	<u>(151)</u>

Active Building Technologies Pte Ltd ("ABT") is a wholly-owned subsidiary of ASPL and an indirect wholly-owned subsidiary of the Group. Upon the completion of the liquidation of ASPL, the event which will result in the lost of control of ABT by the Company, ABT will be deconsolidated from the Group's financial statements in accordance with Singapore Financial Reporting Standards (International) on the date where the control of ABT ceases and the assets and liabilities of ABT will be derecognised from the consolidated statement of financial position. ABT continued to be consolidated in the current financial year as the liquidation of ASPL is still ongoing. The carrying amounts of ABT's assets and liabilities as at 31 December 2021 after eliminations of intercompany balances are as follows:

	Amount \$'000
Total assets	47
Total liabilities	(2,828)
Carrying amount	<u>(2,781)</u>

Following wholly-owned subsidiaries of the Group are in the process of liquidation or striking-off:

	Amount \$'000
Acesian Engineering Pte Ltd	7 Placed under creditors' voluntary liquidation on 31 December 2021
Acesian Technologies (International) Pte Ltd	Nil Applied to Accounting and Corporate Regulatory Authority on 27 December 2021 for its name to be struck off the register pursuant to Section 344A of the Companies Act, Chapter 50.

14 Share capital

	The Group and the Company			
	31-Dec-21 Number of shares	31-Dec-20	31-Dec-21 \$'000	31-Dec-20 \$'000
Ordinary shares issued and fully paid				
At beginning and end of the year	<u>498,498,498</u>	498,498,498	<u>20,322</u>	20,322

The Company did not hold any treasury shares and did not have any convertible instruments as at 31 December 2021 and 31 December 2020. The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

15 Subsequent events

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

F. OTHER INFORMATION REQUIRED BY LISTING RULE

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

The condensed consolidated statement of financial position of Acesian Partners Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve-month period 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.

Not applicable

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

Not applicable

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

Not applicable

4 Dividend information

4a Current Financial Period Report on

Any dividend declared for the current financial period reported on?

None.

4b Corresponding Period of the immediately Preceding Financial Year

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

None.

4c Date payable

Not applicable.

4d Books closure date

Not applicable.

5 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 twelve months ended 31 December 2021 to enable the Group to conserve cash for its working capital purposes.

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

There were no significant interested person transactions conducted under general mandate of or over \$100,000 in value during the period ended 31 December 2021.

The Company wishes to advise that there is a general mandate obtained from shareholders for interested person transactions approved on 27 April 2021.

7. 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 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.

Statement of Comprehensive Income (FY2021 vs. FY2020)

Revenue

The pent-up demand for semiconductor chips partly attributed to the global semiconductor chip shortage has led to a surge in construction of new semiconductor plants. This has helped spur revenue growth of the Group in particular in the second half of the year. In line with higher value in order intakes during the current financial year, the Group's revenue increased by \$5.29 million or 55.5% from \$9.52 million in FY2020 to \$14.81 million in FY2021. In tandem with the brisk construction activities, notwithstanding a more disruptive period caused by COVID-19 in the first half of the year, the manufacturing segment overall performed creditably well during the financial year under review with revenue recorded an increase of \$6.65 million or 106.5% from \$6.24 million in FY2020 to \$12.89 million in FY2021.

On the other hand, the business of engineering segment remained laggard partly attributed to the lacklustre demand for Information and Communications Technology (ICT) equipment as customers continued to be cautious on capex spending. The revenue of engineering segment was at \$1.92 million or down by 41.2% year-on year.

Gross profit

Gross profit for the Group increased by \$2.38 million or 76.0% from \$3.13 million in FY2020 to \$5.51 million in FY2021 on the back of higher revenue.

Other operating income

Other operating income decreased by 54.1% or \$0.44 million from \$0.81 million in FY2020 to \$0.37 million in FY2021 mainly due to decrease in other income (such as non-recurring outsource work income of \$0.04 million) by 61.1% or \$0.15 million and government grants (including jobs support scheme to offset local employee's wages) decreased by 51.0% or \$0.29 million.

Administrative expenses and other operating expenses

Administrative expenses increased by 20.2% or \$0.55 million from \$2.74 million in FY2020 to \$3.29 million in FY2021 mainly due to higher staff costs arising from higher salary costs and performance bonuses.

The other operating expenses decreased by \$0.75 million or 67.9% from \$1.10 million in FY2020 to \$0.35 million in FY2021, which was largely attributed to reversal of inventories written-down (net) of \$0.19 million in FY2021 against inventories written-down of \$0.44 million in FY2020 and impairment loss on trade receivables written back of S\$0.09 million in FY2021.

Income tax expense

Income tax expense of \$0.30 million in FY2021 pertains to income tax of current period.

Profit, net of tax

As a result, profit after tax was \$1.90 million in FY2021 as compared to a profit after tax of \$0.05 million in FY2020 on the back of higher revenue and gross profit.

Statement of Financial Position (FY2021 vs. FY2020)

Property, plant and equipment of \$2.47 million as at 31 December 2021, which decreased by \$0.17 million was mainly due to depreciation charges of \$0.78 million offset by purchases of new equipment of \$0.22 million and additions in right-of-use assets of \$0.44 million. The PPE included right-of-use assets at net book value of \$0.90 million as at 31 December 2021.

Inventories increased by \$0.42 million from \$3.38 million as at 31 December 2020 to \$3.80 million as at 31 December 2021 owing mainly to increase in inventory holdings by \$0.23 million and reversal of inventories written-down of \$0.19 million.

The decrease in trade and other receivables by \$1.0 million in FY2021 mainly due to net debt collection (debt collection outpaced new sales invoicing) during FY2021.

Contract assets of \$0.38 million as at 31 December 2021 mainly relate to unbilled receivables.

Trade and other payables increased by \$2.36 million in FY2021 mainly due to increase in trade payables by \$1.29 million arising from increase in trade purchases and other payables increased by \$1.04 million mainly due to increase in deposits received and accrued operating expenses.

The obligation under lease liabilities of \$1.0 million as at 31 December 2021, which decreased by \$0.18 million was mainly due to lease payments of \$0.59 million during FY2021 offset by additions of lease liabilities in relation to new/extension of lease contracts during the year of \$0.44 million.

Statement of Cash Flows

During the year, the Group generated positive overall net cash inflows amounting to \$4.52 million resulting in the increase in cash and cash equivalents from \$4.46 million as at 31 December 2020 to \$8.98 million as at 31 December 2021. The significant cash movements during FY2021 were as follows:

In FY2021, net cash flows of \$5.37 million was generated from operating activities taking into account the working capital changes.

In FY2021, net cash of \$0.21 million in investing activities was mainly used for purchases of equipment.

In FY2021, net cash of \$0.64 million was used in financing activities mainly for payment of obligations under lease liabilities and interest paid during the period.

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

The results for FY2021 is in line with the profit guidance announcement dated 11 Feb 2022.

9. 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.

Market dynamics in FY2021 is expected to continue into FY2022 largely due to accelerating growth in the semiconductor sector, which is fuelled by digital transformation and propelled by supply crunch for chips across a number of industries owing to the COVID-19 pandemic. This has driven more semiconductor plants to be built to meet the pent-up demand for semiconductor chips. For FY2022, construction is forecasted as the sector that will expand the most. The semiconductor sector is expected to continue its robust growth well into next year, where currently there are a number of ongoing constructions for new semiconductor plants. The semiconductor sector is on an upward trajectory and is expected to sustain its growth momentum and set to grow steadily in the next few years, all of which the business of our manufacturing segment should reap the benefits of such growth. To reap the benefits and capitalise on the market uptrend in the semiconductor sector, our efforts had been shifted to further boosting and proactively adjusting production capacity and throughput (apart from product quality) ahead of anticipated increases in demand of our ducts related products. On the downside risks, a further deterioration in the COVID-19 situation, coupled with prolonged global supply chain disruption and exacerbated manpower shortage, may derail the growth in the construction sector. Raw materials supply disruptions and exponential cost escalation, if continued into next year, may erode the gross margin of our manufacturing segment and pose a significant challenge to the Group.

The demand for the Information and Communications Technology (ICT) equipment is expected to remain subdued. Uncertainties in the economy, as well as squeeze on budgets, is keeping customers to stay cautious on capex spending. However, the rise in construction activities could be one of the catalysts driving the demand for ICT equipment.

Given that the headwinds such as supply chain disruptions and COVID-19 infections posing risks to economic recovery, the Group will continue to take the necessary mitigating measures, and prudently manage its business strategies and take a disciplined approach to cost management.

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

Revenue increased in the second half of the year as compared to corresponding period in FY2020 was partly due to improved order intakes and escalated pace of construction activities as compared to a more disruptive effect brought about by COVID-19 in FY2020. The higher profits in the second half of the year was on the back of higher revenue.

11. Breakdown of sales

	FY2021 \$ '000	FY2020 \$ '000	% increase/ (decrease)
	Group	Group	Group
Revenue reported for first half year	5,184	4,625	12.1
Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	443	(333)	N.M
Revenue reported for second half year	9,628	4,898	96.6
Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	1,456	383	280.2

12. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable due to no dividends being declared for both FY2021 and FY2020.

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

The Company wishes to confirm that during FY2021, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or the Managing Director or substantial shareholders of the Company.

14. Confirmation by the Board pursuant to Rule 720(1) of the Listing Manual of SGX-ST.

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company, in the format set out in Appendix 7(H) under Rule 720(1) of the Catalyst Rules.

By Order of the Board

Loh Yih
Managing Director

Wong Kok Chye
Executive Director and Group Chief Operating Officer

24 February 2022

This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors 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 Mr. Liao H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271