VCPLUS LIMITED

(Company Registration No.: 201531549N)
(Incorporated in the Republic of Singapore)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

*This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**")*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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VCPLUS LIMITED
AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD/YEAR ENDED 31 DECEMBER 2023

		6-months ended			12-months ended		
		31.12.2023 S$'000	31.12.2022 S$'000	Incr/ (Decr)	31.12.2023 S$'000	31.12.2022 S$'000	Incr/ (Decr)
	Note	(Unaudited)	(Unaudited)	%	(Unaudited)	(Audited)	%
Revenue	4	196	424	(54)	398	828	(52)
Other income	5	(41)	243	N.M.	117	364	(68)
Cost of services and sales		(53)	(74)	(28)	(162)	(141)	15
Depreciation and amortisation expense		(105)	(129)	(19)	(210)	(269)	(22)
Employee benefits expenses		(677)	(639)	6	(1,293)	(1,525)	(15)
Operating lease expenses		(2)	(2)	-	(3)	(11)	(73)
Other expenses		(579)	(1,850)	(69)	(965)	(2,144)	(55)
Loss allowance on third party trade receivables		(27)	(21)	29	(27)	(21)	29
Finance costs		(73)	(7)	N.M.	(79)	(17)	N.M.
Loss before income tax from continuing operations	6	(1,361)	(2,055)	(34)	(2,224)	(2,936)	(24)
Income tax expense	8	38	1	N.M.	38	(6)	N.M.
Loss from continuing operations	6	(1,323)	(2,054)	(36)	(2,186)	(2,942)	(26)
Loss from discontinued operations, net of tax	7	-	(96)	N.M.	-	(200)	N.M.
Loss for the financial period		(1,323)	(2,150)	(38)	(2,186)	(3,142)	(30)
Other comprehensive loss:							
Item that may be reclassified: subsequently to profit and loss							
- Exchange differences on translating foreign operations		-	-	-	-	(84)	N.M.
Total comprehensive loss for the financial period		(1,323)	(2,150)	(38)	(2,186)	(3,226)	(32)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD/YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

		6-months ended			12-months ended		
		31.12.2023 S$'000	31.12.2022 S$'000	Incr/ (Decr)	31.12.2023 S$'000	31.12.2022 S$'000	Incr/ (Decr)
	Note	(Unaudited)	(Unaudited)	%	(Unaudited)	(Audited)	%
Loss for the financial period attributable to equity holders of the Company:							
Loss from continuing operations, net of tax		(1,323)	(1,957)	(32)	(1,982)	(2,749)	(28)
Loss from discontinued operations, net of tax		-	(96)	N.M.	-	(200)	N.M.
		(1,323)	(2,053)	(36)	(1,982)	(2,949)	(33)
Non-controlling interest		-	(97)	N.M.	(204)	(193)	6
		(1,323)	(2,150)	(38)	(2,186)	(3,142)	(30)
Total comprehensive income attributed to equity holders of the Company:							
Loss from continuing operations, net of tax		(1,323)	(1,957)	(32)	(1,982)	(2,833)	(30)
Loss from discontinued operations, net of tax		-	(96)	N.M.	-	(200)	N.M.
		(1,323)	(2,053)	(36)	(1,982)	(3,033)	(35)
Non-controlling interest		-	(97)	N.M.	(204)	(193)	6
		(1,323)	(2,150)	(38)	(2,186)	(3,226)	(32)
Loss per share attributable to equity holders of the Company							
S$ cents (continuing operations)	16	(0.0280)	(0.0430)		(0.0416)	(0.0603)	
S$ cents (discontinuing operations)	16	-	(0.0021)		-	(0.0044)	

N.M. – Not meaningful

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		Group		Company	
		31.12.2023 S$'000	31.12.2022 S$'000	31.12.2023 S$'000	31.12.2022 S$'000
	Notes	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS					
Non-current assets					
Property, plant and equipment	10	178	354	177	345
Intangible assets	11	3,123	2,406	-	-
Investments in subsidiaries	12	-	-	4,282	3,710
		3,301	2,760	4,459	4,055
Current assets					
Trade and other receivables	13	64	279	554	1,282
Prepayments		24	776	17	29
Cash and cash equivalents		401	2,217	162	1,864
		489	3,272	733	3,175
Total assets		**3,790**	**6,032**	**5,192**	**7,230**
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	14	884	864	1,046	1,355
Lease liabilities		139	133	139	133
		1,023	997	1,185	1,488
Non-current liabilities					
Lease liabilities		-	139	-	139
Deferred tax liabilities		42	71	-	-
		42	210	-	139
Total liabilities		**1,065**	**1,207**	**1,185**	**1,627**
Equity					
Share capital	15	98,834	98,386	98,834	98,386
Other reserves		(554)	(187)	110	94
Currency translation reserve		1,435	1,435	1,275	1,275
Accumulated losses		(96,990)	(95,008)	(96,212)	(94,152)
Equity attributable to equity holders of the Company		2,725	4,626	4,007	5,603
Non-controlling interest		-	199	-	-
Total equity		**2,725**	**4,825**	**4,007**	**5,603**
Total liabilities and equity		**3,790**	**6,032**	**5,192**	**7,230**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD/YEAR ENDED 31 DECEMBER 2023**

	Note	Share capital	Other reserve	Currency translation reserve	Accumulated losses	Equity attributable to owners of the parent	Non-controlling interests	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group								
Balance at 1 January 2023		98,386	(187)	1,435	(95,008)	4,626	199	4,825
Loss for the financial year		-	-	-	(1,982)	(1,982)	(204)	(2,186)
Other comprehensive loss for the financial year		-	-	-	-	-	-	-
Total comprehensive loss for the year		-	-	-	(1,982)	(1,982)	(204)	(2,186)
Transactions with owners:								
Acquisition of additional interests in a subsidiary from non-controlling interests	12	378	(383)	-	-	(5)	5	-
Recognition of share based payment	15	70	16	-	-	86	-	86
Total transactions with owners, recognised directly in equity		448	(367)	-	-	81	5	86
Balance at 31 December 2023		**98,834**	**(554)**	**1,435**	**(96,990)**	**2,725**	**-**	**2,725**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD/YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

	Note	Share capital	Other reserve	Currency translation reserve	Accumulated losses	Equity attributable to owners of the parent	Non-controlling interests	Total
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
The Group								
Balance at 1 January 2022		96,713	(39,247)	8	(53,093)	4,381	392	4,773
Effect of change in presentation currency		-	-	1,511	-	1,511	-	1,511
Balance at 1 January 2022, as restated		96,713	(39,247)	1,519	(53,093)	5,892	392	6,284
Loss for the financial year		-	-	-	(2,949)	(2,949)	(193)	(3,142)
Other comprehensive loss for the financial year								
Exchange differences		-	-	(84)	-	(84)	-	(84)
Transfer of merger reserves due to disposal of subsidiary	7	-	38,966	-	(38,966)	-	-	-
Total comprehensive loss for the year		-	38,966	(84)	(41,915)	(3,033)	(193)	(3,226)
Transactions with owners:								
Issuance of new ordinary shares	15	1,673	-	-	-	1,673	-	1,673
Recognition of share based payment		-	94	-	-	94	-	94
Total transactions with owners, recognised directly in equity		1,673	94	-	-	1,767	-	1,767
Balance at 31 December 2022		**98,386**	**(187)**	**1,435**	**(95,008)**	**4,626**	**199**	**4,825**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD/YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	Share capital	Other reserve	Currency translation reserve	Accumulated losses	Total
		$'000	$'000	$'000	$'000	$'000
The Company						
Balance at 1 January 2023		98,386	94	1,275	(94,152)	5,603
Loss for the financial year		-	-	-	(2,060)	(2,060)
Other comprehensive loss for the financial year		-	-	-	-	-
Total comprehensive loss for the year		-	-	-	(2,060)	(2,060)
Transactions with owners:						
Acquisition of additional interests in a subsidiary from non-controlling interests	12	378	-	-	-	378
Recognition of share based payment	15	70	16	-	-	86
Total transactions with owners, recognised directly in equity		448	16	-	-	464
Balance at 31 December 2023		**98,834**	**110**	**1,275**	**(96,212)**	**4,007**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD/YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

	Note	Share capital	Other reserve	Currency translation reserve	Accumulated losses	Total
		$'000	$'000	$'000	$'000	$'000
The Company						
Balance at 1 January 2022		96,713	-	1,117	(91,616)	6,214
Loss for the financial year		-	-	-	(2,378)	(2,378)
Other comprehensive loss for the financial year		-	-	-	-	-
Total comprehensive loss for the year		-	-	-	(2,378)	(2,378)
Transactions with owners:						
Issuance of new ordinary shares	15	1,673	-	-	-	1,673
Exchange differences		-	-	158	(158)	-
Recognition of share based payment		-	94	-	-	94
Total transactions with owners, recognised directly in equity		1,673	94	158	(158)	1,767
Balance at 31 December 2022		**98,386**	**94**	**1,275**	**(94,152)**	**5,603**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD/YEAR ENDED 31 DECEMBER 2023

	31 December 2023 S$'000 (Unaudited)	31 December 2022 S$'000 (Audited)
Operating activities		
Loss before income tax from continuing operations	(2,224)	(2,936)
Loss before income tax from discontinued operations	-	(200)
Loss before income tax, total	(2,224)	(3,136)
Adjustments for:		
Amortisation of intangible asset	32	80
Depreciation of property, plant and equipment	178	228
Share based compensation	86	94
Interest expenses	79	18
Loss allowance on third party trade receivables	27	21
Bad debts written off	35	-
Gain on disposal of subsidiaries	-	(13)
Impairment loss on goodwill	-	1,220
Impairment loss on Intangibles assets	-	62
Unrealised exchange differences	-	17
Operating cash flows before working capital changes	(1,787)	(1,409)
Working capital changes:		
Inventories	-	9
Trade and other receivables	133	23
Prepayments	3	(261)
Trade and other payables	(28)	157
Cash used in operations	(1,679)	(1,481)
Income tax refund	9	-
Net cash used in operating activities	**(1,670)**	**(1,481)**
Investing activities		
Disposal of subsidiary	-	322
Purchase of property, plant and equipment	(2)	(147)
Net cash (used in)/generated from investing activities	**(2)**	**175**
Financing activities		
Proceeds from issuance of new ordinary shares	-	1,673
Lease liability interest portion	(11)	(18)
Lease liability principle portion	(133)	(144)
Net cash (used in)/generated from financing activities	**(144)**	**1,511**
Net change in cash and cash equivalents	**(1,816)**	**205**
Cash and cash equivalents at beginning of financial period	**2,217**	**2,012**
Cash and cash equivalents at end of financial period	**401**	**2,217**

1. General corporate information

VCPlus Limited (the "Company") is a public limited company incorporated and domiciled in Singapore with its principal place of business at 223 Mountbatten Road #03-10 Singapore 398008. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Company's registration number is 201531549N.

These condensed interim consolidated financial statements as at and for the six months and financial year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the "Group").

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

The principal activities of the Group currently comprise of the provision of advisory, consultancy and/or management services related to financial technology regulation and licensing as well as the adoption of financial technology strategies and technology ("FinTech Business").

2. Basis of preparation

2.1 Statement of compliance and basis of measurement

The condensed interim financial statements for the six months financial period ended 31 December 2023 ("HY2023") and financial year ended 31 December 2023 ("FY2023") have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the financial period ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.3.

The condensed interim financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

The condensed interim financial statements are expressed in Singapore Dollars, which is the functional currency of the Company. The condensed interim financial statements are rounded to the nearest thousand ("S$'000"), unless otherwise stated.

2.2 Going concern assumptions

During the financial year ended 31 December 2023, the Group incurred a net loss of S$2,186,000. In addition, the Group has negative cash flow in operating activities of S$1,670,000. As at 31 December 2023, the Group has net current liabilities of S$534,000.

2. Basis of preparation (continued)

2.2 Going concern assumptions (continued)

Notwithstanding the above, the directors of the Company are of the view that the use of the going concern assumption in the preparation and presentation of the condensed interim financial statements for the financial year ended 31 December 2023 is appropriate, based on the reasons as set out below.

Management has prepared a cash flow projection and concluded that the Group and the Company will have sufficient working capital for its operational requirements and to meet its obligations as and when they fall due for at least the next 12 months from the end of the financial year. The key assumptions and events applied in the cash flow forecast are:

i. Subsequent to the financial year on 7 February 2024, the Company completed a placement of 200,000,000 new Shares at the issue price of S$0.003 per Share, and the gross proceeds amounting to S$600,000 have been received. The investor has the option to invest another S$1.11 million in the Company. The Company will continue to evaluate various strategies to obtain alternative sources of financing where necessary to enable the Group to meet its obligations as and when they fall due;

ii. APEC Solutions business is expected to continue generating positive cash flows in the next financial year; and

iii. The Group will be implementing cost control measures in the next 12 months, which includes manpower alignment in line with changing business sentiments.

The Board had reviewed and is satisfied with the cash flow projection prepared by Management.

2.3 New and amended standards adopted by the Group

Unless otherwise stated in the condensed interim financial statements, the HY2023 and FY2023 financial results had been prepared using the same accounting policies and methods of computation as presented in the Group's most recently audited financial statements for the FY2022.

The Group has adopted the new and revised SFRS(I)s and Interpretation of SFRS(I) which are effective for the financial period/year ended 31 December 2023. The adoption of these new and revised standards did not have a material impact on the Group's condensed interim financial statements.

Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases, the Group is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date.

Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Management has assessed that the adoption of these standards did not have a material effect on the financial performance or position of the Group. Accordingly, no adjustments have been made to the condensed interim financial statements.

Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*

The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), and require new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, the amendments have no impact on the Group as the Group's consolidated revenue is less than EUR 750 million per year and it is not in scope of the Pillar Two model rules.

2. Basis of preparation (continued)

2.3 New and amended standards adopted by the Group (continued)

Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS (I) Practice Statement 2: *Disclosure of Accounting Policies*

The amendments require the disclosure of "material", rather than "significant" accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed elsewhere in the condensed interim financial statements.

2.4 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions about the future, including climate-related risks and opportunities that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at end for the financial year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there are no significant judgements made in applying accounting policies and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

- Note 12 – Impairment of investments in subsidiaries
- Note 12 – Determination of fair value of contingent consideration relating to the acquisition of 45% interests in Custody Plus Pte. Ltd.
- Note 11 – Impairment of goodwill and other intangible assets

3. Seasonal operations

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

4. Segment and revenue information

4.1 Disaggregation of revenue

The Group has disaggregated revenue into various categories in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data; and
- enable users to understand the relationship with revenue segment information provided to the financial statements.

4. Segment and revenue information (continued)

	6-months ended 31.12.2023 (Unaudited)	6-months ended 31.12.2022 (Unaudited)
	Continuing operations and total	Continuing operations and total
	S$'000	S$'000
Primary geographical markets		
Singapore	196	424
Timing of transfer of goods and services		
Over time	148	348
Point in time	48	76
	196	424
Type of goods and services		
Advisory, consultancy and management services	188	424
Sale of goods	8	-
	196	424

	12-months ended 31.12.2023 (Unaudited)	12-months ended 31.12.2022 (Audited)		
	Continuing operations and total	Continuing operations	Discontinued operations	Total
	S$'000	S$'000	S$'000	S$'000
Primary geographical markets				
Singapore	398	828	-	828
South East Asia	-	-	38	38
	398	828	38	866
Timing of transfer of goods and services				
Over time	329	680	-	680
Point in time	69	148	38	186
	398	828	38	866
Type of goods and services				
Advisory, consultancy and management services	390	828	-	828
Sale of goods	8	-	38	38
	398	828	38	866

4.2 Reportable segments

(i) Business segments

Except as indicated below, no operating segments has been aggregated to form the above reportable segment. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, liabilities and expenses.

Segment revenue and expenses include transfers between business segments that are eliminated on consolidation.

4. Segment and revenue information (continued)

For management purposes, the Group is organized into business units based on their products and services. The Group's reportable segments for financial period/year ended 31 December 2023 are as follows:

- FinTech Business: provision of advisory, consultancy and/or management services related to financial technology regulation and licensing as well as the adoption of financial technology strategies and technology;
- Corporate & others: investment holding as well as business and management consulting services.

In FY2022, the Company completed the disposal of its wholly owned subsidiary GGTM and the Group exited from the Granite Business. The Group's reportable segment in financial year ended 31 December 2022 included the Granite business, as follows:

- Granite business: exploration, mining, quarry extraction, processing and sales of granite products and dimension stone granites as well as architectural stone and interior fit-out.

(ii) Geographical information

The Group operated the FinTech Business in Singapore. The remaining reportable segments of the Group are in Singapore. Following the disposal of GGTM in FY2022, the Group does not have any material assets in Malaysia.

(iii) Major customers

During the financial year ended 31 December 2023, the revenue from a group of two (2022: three) customers in the FinTech segment business amounted to approximately S$114,590 (2022: S$335,000) representing approximately 29% (2022: 40%) of the Group's total revenue.

(iv) The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments:

	6-months ended 31.12.2023 (Unaudited)			6-months ended 31.12.2022 (Unaudited)			
	FinTech business	Corporate & others	Total	FinTech business	Granite business	Corporate & others	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group							
Revenue –							
Continuing operations	196	-	196	496	-	(72)	424
Results							
Operating loss	(653)	(635)	(1,288)	(1,689)	-	(358)	(2,047)
Interest expense	-	(73)	(73)	-	-	(8)	(8)
Loss before income tax	(653)	(708)	(1,361)	(1,689)	-	(366)	(2,055)
Income tax	38	-	38	1	-	-	1
Loss after income tax from continuing operations	(615)	(708)	(1,323)	(1,688)	-	(366)	(2,054)
Loss discontinued operations	-	-	-	-	(96)	-	(96)
Loss for the financial period	(615)	(708)	(1,323)	(1,688)	(96)	(366)	(2,150)

4. Segment and revenue information (continued)

(iv) The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments (continued):

	12-months ended 31.12. 2023 (Unaudited)			12-months ended 31.12.2022 (Audited)			
	FinTech business	Corporate & others	Total	FinTech business	Granite business	Corporate & others	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group							
Revenue -							
Continuing operations	398	-	398	828	-	-	828
Discontinued operations	-		-	-	38	-	38
	398	-	398	828	38	-	866
Results							
Operating loss	(1,364)	(781)	(2,145)	(1,777)	-	(1,142)	(2,919)
Interest expense	-	(79)	(79)	-	-	(17)	(17)
Loss before income tax	(1,364)	(860)	(2,224)	(1,777)	-	(1,159)	(2,936)
Income tax	38	-	38	(6)	-	-	(6)
Loss after income tax from continuing operations	(1,326)	(860)	(2,186)	(1,783)	-	(1,159)	(2,942)
Loss from discontinued operations	-	-	-	-	(200)	-	(200)
Loss for the financial year	(1,326)	(860)	(2,186)	(1,783)	(200)	(1,159)	(3,142)

	12-months ended 31.12. 2023 (Unaudited)			12-months ended 31.12.2022 (Audited)			
	FinTech business	Corporate & others	Total	FinTech business	Granite business	Corporate & others	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group							
Segment total assets	3,397	393	3,790	3,726	-	2,306	6,032
Segment total liabilities	142	923	1,065	519	-	688	1,207
Other segment information							
Impairment of goodwill and intangible assets	-	-	-	(1,282)	-	-	(1,282)
Additions to non-current assets							
- Property, plant and equipment	-	2	2	6	-	141	147
- Intangible assets	749	-	749	-	-	-	-
Depreciation and amortisation expenses	(38)	(172)	(210)	(9)	(39)	(260)	(308)
Loss allowance for trade receivable	(27)	-	(27)	(21)	-	-	(21)
Gain on disposal of subsidiary	-	-	-	-	-	13	13

5. Other income

	6-months ended		12-months ended	
	31.12.2023 S$'000 (Unaudited)	31.12.2022 S$'000 (Unaudited)	31.12.2023 S$'000 (Unaudited)	31.12.2022 S$'000 (Audited)
Group				
Management fees	-	144	72	144
Government grant	(6)	75	27	159
Gain on disposal of subsidiaries	-	(21)	-	13
Foreign exchange gain	-	24	-	24
Others	(35)	21	18	24
	(41)	243	117	364

On 19 May 2022, the Company completed the disposal of GGTM as the Group exited the Dimension Stone Business to focus on the FinTech Business. This disposal of GGTM resulted in a gain from disposal of S$13,000.

6. Loss before income tax

6.1 Significant items

	Continuing operations, representing total		Continuing operations, representing total	Continuing operations	Discontinued operations	Total
	6-months ended		12-months ended			
	31.12.2023 S$'000 (Unaudited)	31.12.2022 S$'000 (Unaudited)	31.12.2023 S$'000 (Unaudited)	31.12.2022 S$'000 (Audited)	31.12.2022 S$'000 (Audited)	31.12.2022 S$'000 (Audited)
Group						
Depreciation and amortisation	105	129	210	269	39	308
Impairment loss on goodwill	-	1,220	-	1,220	-	1,220
Impairment loss on intangible assets	-	62	-	62	-	62
Loss allowance for trade receivables	27	21	27	21	-	21
Bad debts written off	35	-	35	-	-	-
Professional fees	316	118	586	235	15	250
Repair and maintenance	-	2	-	4	9	13
Travelling and accommodation	6	4	15	8	1	9
Share award expenses	86	94	86	94	-	94
Utilities	5	4	8	8	-	8
Interest expenses – lease liabilities	5	7	11	17	1	18
Interest expenses – finance charges	68	-	68	-	-	-

6. Loss before income tax (continued)

6.2 Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. The following were related party transactions at rates and terms agreed between the Group and the Company with their related parties during the financial period.

	6-months ended		12-months ended	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
	S$'000	**S$'000**	**S$'000**	**S$'000**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Audited)**
Group				
With a director of the Company				
Disposal of GGTM – Consideration	-	-	-	632
With related parties				
Digital marketing services rendered	40	-	40	-

On 19 May 2022, the Company completed the disposal of GGTM to the Company's previous executive director, Mr Lim Chiau Woei. This disposal was approved by independent shareholders in the extraordinary general meeting held on 29 April 2022. More information is available in the circular in connection to the disposal dated 14 April 2022.

7. Discontinued operations

On 14 March 2022, the Company announced the proposed disposal of its wholly owned subsidiary GGTM Sdn. Bhd and its subsidiary, to the Company's executive director Mr Lim Chiau Woei. More information is available in the circular in connection to the disposal dated on 14 April 2022.

An extraordinary general meeting was held on 29 April 2022 pursuant to which approval for this disposal was obtained from independent shareholders. On 19 May 2022, the Company completed the disposal of GGTM and exited the Granite Business.

In accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations*, the results from GGTM which were of the Granite Business was presented separately on the consolidated statement of comprehensive income as discontinued operations.

	2022
	S$'000
Results of the discontinued operations	
Revenue	38
Raw materials and consumables used	(9)
Depreciation and amortisation expense	(39)
Employee benefits expenses	(43)
Operating lease expenses	(2)
Other expenses	(144)
Finance costs	(1)
Loss before income tax from discontinuing operations	(200)
Income tax expense	-
Loss from discontinued operations, net of tax	(200)

7. Discontinued operations (continued)

	2022 S$'000
Impact of the discontinued operations on the cash flows	
Operating cash outflows	(93)
Financing cash outflows	(18)
Total cash outflows	(111)

	2022 S$'000
Disposal of net identified assets of GGTM	
Property, plant and equipment	550
Trade and other receivables	220
Mine properties	37
Inventories	39
Cash and cash equivalents	317
	1,163
Trade and other payables	(597)
Lease liabilities	(41)
	(638)
Net identifiable assets	525
Gain on disposal	13
Cost of disposal	94
Sale consideration	632
Currency translation reserve	7
Cash balance from discontinued operations	(317)
Net proceeds from disposal of subsidiaries	322

Upon completion of the disposal of GGTM in 2022, the associated merger reserves of S$38.97 million has been transferred to accumulated losses.

8. Taxation

	6-months ended		12-months ended	
	31.12.2023 S$'000 (Unaudited)	31.12.2022 S$'000 (Unaudited)	31.12.2023 S$'000 (Unaudited)	31.12.2022 S$'000 (Audited)
Group				
Current income tax				
-over/(under)provision in prior years	9	1	9	(6)
Deferred income tax				
-current year	5	-	5	-
-prior year	24	-	24	-
	38	1	38	(6)

9. Financial assets and financial liabilities

	Group		Company	
	31.12.2023 S$'000	31.12.2022 S$'000	31.12.2023 S$'000	31.12.2022 S$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
At amortised costs				
Financial assets				
Trade and other receivables	64	279	554	1,282
Cash and cash equivalents	401	2,217	162	1,864
	465	2,496	716	3,146
Financial liabilities				
Trade and other payables	847	809	1,046	1,355
Lease liabilities	139	272	139	272
	986	1,081	1,185	1,627

10. Property, plant and equipment

As at 31 December 2023, the Group's property, plant and equipment amounted to S$178,000 (31 December 2022: S$354,000). The decrease was mainly due to depreciation of the property, plant and equipment amounting to S$178,000 for the financial year ended 31 December 2023 (31 December 2022: S$228,000).

Rights-of-use assets under leasing arrangements are presented together with the owned assets of the same class.

11. Intangible assets

	Goodwill S$'000	Intellectual property S$'000	Unfinished contracts S$'000	Software S$'000	Total S$'000
Group					
31.12.2023 (Unaudited)					
Cost					
At 1 January 2023	3,347	315	112	-	3,774
Additions	-	-	-	749	749
At 31 December 2023	3,347	315	112	749	4,523
Less: Accumulated amortisation and impairment					
At 1 January 2023	1,220	36	112	-	1,368
Amortisation charged	-	32	-	-	32
At 31 December 2023	1,220	68	112	-	1,400
Carrying amount					
At 31 December 2023	2,127	247	-	749	3,123

11. Intangible assets (continued)

	Goodwill S$'000	Intellectual property S$'000	Unfinished contracts S$'000	Software S$'000	Total S$'000
Group					
31.12.2022 (Audited)					
Cost					
At 1 January 2022 and 31 December 2022	3,347	315	112	-	3,774
Less: Accumulated amortisation and impairment					
At 1 January 2022	-	4	2	-	6
Amortisation charged	-	32	48	-	80
Impairment loss	1,220	-	62	-	1,282
At 31 December 2022	1,220	36	112	-	1,368
Carrying amount					
At 31 December 2022	2,127	279	-	-	2,406

At 31 December 2023, the remaining useful life of the intellectual property is 8 years (2022: 9 years), unfinished contracts is nil (2022: nil). The software for custody business will commence amortisation when customisation is completed and in operational use. The software was transferred from "Prepayment" account to "Intangible Assets" as the Group received the full capital markets services license from MAS in March 2023.

Goodwill and impairment

Goodwill arose from the acquisition of APEC Solutions Pte. Ltd ("APEC Solutions") in year 2021.

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The use of this method requires the estimation of future cash flows and determination of a discount rate in order to calculate the present value of the cash flows.

The recoverable amounts of the cash-generating units ("CGU") are determined from value in use calculations based on cash flow forecasts from financial budgets approved by management for the next 5 years and projection to terminal year. Management take into consideration the existing sales contracts secured, the new revenue stream and strategy plans of APEC Solutions and the future business outlook of the business.

The key assumptions used in the cash flow projections are discount rate, revenue and terminal growth rates as follows:

	31.12.23	31.12.22
Pre-tax discount rate	22.0%	30.5%
Revenue growth rate	26.0%	16.9%
Terminal growth rate	1.5%	1.5%

11. Intangible assets (continued)

Goodwill and impairment (continued)

Management estimates discount rate that reflect current market assessments of the time value of money and risk specific to the CGU. Revenue and terminal growth rates were projected based on historical growth, past experience and management's best estimation of future business outlook. The terminal growth rate is used to extrapolate budgeted cash flows to terminal year.

The process of evaluating the potential impairment of intangible assets and the calculations in the cash flow forecast requires significant estimates and assumptions. Changes to these estimates and assumptions would result in changes in the carrying value of the goodwill at the reporting date. During the financial year ended 31 December 2023, based on the value in use calculations, the recoverable amounts are higher than the carrying amounts and no impairment loss on goodwill are recognised. If management's estimated discount rate applied to the value in use cash flow increased by 1.0%, there is no impairment loss on goodwill at 31 December 2023.

12. Investments in subsidiaries

	Company	
	2023	**2022**
	S$'000	**S$'000**
	(Unaudited)	**(Audited)**
Unquoted equity investments, at cost		
At 1 January	5,210	51,028
Additional investment in a subsidiary	1,772	-
Disposal of subsidiary	-	(45,720)
Liquidation of subsidiary	-	(98)
Less: Accumulated impairment losses	(2,700)	(1,500)
At 31 December	4,282	3,710
Accumulated impairment losses		
At 1 January	1,500	45,216
Impairment loss for financial year	1,200	1,500
Write off of impairment loss due to disposal of subsidiary	-	(45,216)
At 31 December	2,700	1,500

On 25 July 2023, the Company completed the acquisition of the remaining 45% stake in Custody Plus Pte. Ltd. ("Custody Plus"). Following the completion of the acquisition, the Company's interests in Custody Plus increased from 55% to 100% and became a wholly owned subsidiary of the Company.

During the financial year ended 31 December 2023, the increase in the investment in Custody Plus included a capitalisation of non-trade receivables amounting to S$1.39 million.

As at 31 December 2023, the Company's significant subsidiaries are:
- APEC Solutions Pte Ltd - Provision of IT consultancy, services and solutions and other investments
- Custody Plus Pte Ltd - Provision of custodian services for digital assets

Acquisition of 45% interests in Custody Plus from non-controlling interests

Under the terms of the Sale and Purchase Agreement, the Aggregate Purchase Consideration are made up of:

(i) Base Consideration – issuance of 63,000,000 new ordinary shares of the Company.
(ii) Incentive Consideration – based on upside valuation of the Company, determined based on average audited revenue for FY2024 and FY2025.

For details, to refer to the announcement set out on 30 June 2023.

12. Investments in subsidiaries (continued)

Acquisition of 45% interests in Custody Plus from non-controlling interests (continued)

In deriving the Base Consideration, the fair value of the new ordinary shares makes referenced to the closing price at the date of completion of the Sale and Purchase Agreement.

In deriving the Incentive Consideration, management takes into consideration the revenue forecast of Custody Plus for FY2024 and FY2025. Management has estimated the fair value of the Incentive Consideration to be nil at the date of acquisition and reporting date. This will be re-assessed at 31 December 2024 and 31 December 2025 and any changes in the fair value of the Incentive Consideration will be recognised in profit or loss in the respective financial years.

Impairment assessment on subsidiaries

During the financial year ended 31 December 2023, the Company recorded an impairment loss on investment in Custody Plus Pte. Ltd. amounting to S$1.2 million, as the recoverable amounts determined based on the higher of fair value less cost to sell or value in use calculations based on cash flow forecasts prepared by management are lower than its carrying amounts.

During the financial year ended 31 December 2022, the Company recorded an impairment loss on investment in APEC Solutions Pte Ltd amounting to S$1.5 million, as the recoverable amounts determined from value in use calculations based on cash flow forecasts prepared by management are lower than its carrying amounts.

13. Trade and other receivables

	Group		Company	
	31.12.2023 S$'000 (Unaudited)	**31.12.2022 S$'000 (Audited)**	**31.12.2023 S$'000 (Unaudited)**	**31.12.2022 S$'000 (Audited)**
Trade receivables - third parties	44	253	-	29
Less: Loss allowance	(32)	(21)	-	-
	12	232	-	29
Other receivables				
Due from subsidiaries	-	-	517	1,216
Accrued income	5	-	-	-
Deposits	47	47	37	37
	52	47	554	1,253
Total	64	279	554	1,282

Deposits mainly relate to refundable rental deposits for office premises and equipment.

Movement in the loss allowance for trade receivables are as follows:

	Group	
	2023 S$'000	**2022 S$'000**
At 1 January	21	213
Provision of loss allowances	27	21
Write off of loss allowance	(16)	-
Disposal of subsidiaries	-	(213)
At 31 December	32	21

13. Trade and other receivables (continued)

The Group applies the simplified approach to measure the expected credit losses for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing. The expected loss rates are based on the Group's historical credit losses experienced. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

14. Trade and other payables

	Group		Company	
	31.12.2023 S$'000	**31.12.2022 S$'000**	**31.12.2023 S$'000**	**31.12.2022 S$'000**
	(Unaudited)	**(Audited)**	**(Unaudited)**	**(Audited)**
Trade payables				
- third parties	-	2	-	-
Non-trade payables				
- third parties	642	659	612	641
- subsidiaries	-	-	263	608
Accrued expenses	205	148	171	106
Deferred revenue	37	55	-	-
	884	864	1,046	1,355

Trade payables are unsecured, non-interest bearing and are normally settled between 30 to 60 days' (2022: 30 to 60 days') terms.

The non-trade amounts due to third parties and subsidiaries are unsecured, non-interest bearing and repayable on demand.

15. Share capital

	Group and Company			
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
	No. of ordinary shares		**S$'000**	**S$'000**
Issued and fully paid:				
At 1 January	4,720,082,101	4,550,082,101	98,386	96,713
Issuance of new shares	71,750,000	170,000,000	448	1,673
At 31 December	4,791,832,101	4,720,082,101	98,834	98,386

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

During the financial year ended 31 December 2023, the following shares are issued:
- (i) Issuance of 8,750,000 new ordinary shares under the Performance Share Plan;
- (ii) Issuance of 63,000,000 new ordinary Shares as part of the acquisition of 45% interests in Custody Plus. The fair value of the consideration amounted to S$378,000. (Note 12)

During the financial year ended 31 December 2022, 170,000,000 new ordinary shares amounting to S$1.673 million were issued pursuant to a placement exercise completed on 19 December 2022.

15. Share capital (continued)

Anchor Resources Employee Performance Share Plan ("Performance Share Plan" or "PSP")

Pursuant to the PSP, on 21 September 2022, the Company awarded 26,250,000 new ordinary shares to the Company's Chief Executive Officer, Chong Heng Loong, to be vested in three equal tranches of 8,750,000 Shares per tranche on 30 December 2022, 30 December 2023 and 30 December 2024 respectively, subject to conditions being met.

The first tranche of 8,750,000 ordinary shares vested on 30 December 2022 and were issued on 3 January 2023. The second tranche of 8,750,000 ordinary shares vested on 30 December 2023 and were issued subsequently on 3 January 2024. At 31 December 2023, the remaining number of contingent shares awarded but not released pursuant to the PSP was 8,750,000.

An amount of $86,000 in relation to the share award was recognised during the financial year ended 31 December 2023.

16. Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial years as follows:

	31.12.2023	**31.12.2022**		
	Continuing operations, representing total	**Continuing operations**	**Discontinued operations**	**Total**
Basic loss per share	**(Unaudited)**		**(Audited)**	
Numerator Loss attributable to equity holders of the Company (S$'000)	(1,982)	(2,749)	(200)	(2,949)
Denominator Weighted average number of ordinary shares in issue during the financial year	4,760,543,060	4,556,136,896	4,556,136,896	4,556,136,896
Basic loss per share (S$ cents)	(0.0416)	(0.0603)	(0.0044)	(0.0647)

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, net loss attributable to equity holders of the Company and the weighted average number of ordinary shares in issue are adjusted for the effects of all potential dilutive ordinary shares.

The diluted loss per share is computed to be the same as the loss per share for the financial year ended 31 December 2023 and 31 December 2022 as these are antidilutive for the periods presented. At the date of this report, the Company has the following dilutive potential ordinary shares:

(a) 17,500,000 new ordinary shares issued under the Performance Share Plan (Note 15), of which 8,750,000 ordinary shares were issued subsequently on 3 January 2024 and the remaining number of 8,750,000 ordinary shares to be vested on 30 December 2024.

(b) 200,000,000 new ordinary shares, amounting to approximately S$600,000 were issued pursuant to a placement exercise completed on 7 February 2024.

(c) 370,000,000 Option Shares (Call Option) at the option exercise price of S$0.003 per Option Share.

17. Subsequent Event

Subsequent to the financial year, the Company had on 7 February 2024 completed a placement of 200,000,000 new Shares at the issue price of S$0.003 per Share, and the gross proceeds amounting to S$600,000 have been received. The Company further grant 370,000,000 call option at the option exercise price of S$0.003 per Option Share and pursuant to such options, the investor has the option to invest another S$1.11 million in the Company

OTHER INFORMATION

1(a)(i) Details of any changes in the company's share capital arising from right 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.

	Number of ordinary shares	Share capital (S$'000)
As at 1 January 2023	4,720,082,101	98,386
Issuance of new shares	8,750,000	70
As at 30 June 2023	4,728,832,101	98,456
Issuance of new shares	63,000,000	378
As at 31 December 2023	4,791,832,101	98,834

The Company does not have any treasury shares and subsidiary holdings at 31 December 2023 and 31 December 2022.

Refer to Note 15 for further details on the PSP and Note 17 for further details on the placement exercise completed in February 2024. Save as disclosed in Notes 15 and 17, the Company does not have any outstanding options or convertibles as at 31 December 2023 and 31 December 2022.

1(a)(ii) To show the 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.

The total number of issued shares are 4,791,832,101 (2022: 4,720,082,101). The Company does not have any treasury shares as at 31 December 2023 and 31 December 2022.

1(a)(iii) 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 does not have any treasury shares during and as at the end of the current financial period reported on.

1(a)(iv) 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. The Company does not have any subsidiary holdings during and as at the end of the current financial period reported on.

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

The condensed interim statements of financial position of VCPlus Limited and its subsidiaries as at 31 December 2023 and the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six months and full year ended 31 December 2023 and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: —
(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

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

Except as disclosed in the condensed interim financial statements, the HY2023 and FY2023 financial results had been prepared using the same accounting policies and methods of computation as presented in the Group's most recently audited financial statements for the FY2022.

5. 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.

Refer to Note 2.3 for details on new standards adopted during the financial year and the impact on the condensed interim financial statements, if any.

6. Loss per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Refer to Note 16, above in the condensed interim financial statements.

7. 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 current period reported on; and immediate preceding financial year

	Group		Company	
	31.12.2023 (Unaudited)	**31.12.2022 (Audited)**	**31.12.2023 (Unaudited)**	**31.12.2022 (Audited)**
Net asset value attributable to owners of the Company (S$'000)	2,725	4,626	4,007	5,603
Number of shares at the end of the period	4,791,832,101	4,720,082,101	4,791,832,101	4,720,082,101
Net asset value per share: (S$ cent)	0.06	0.10	0.08	0.12

8. 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:-

(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;

The following review of the Group's performance is in relation to FY2023 as compared to FY2022.

Revenue

The Group recorded S$0.40 million in FY2023 as compared to S$0.83 million revenue in FY2022. The lower revenue generated from the Fintech Business during the year was due to lower revenue contributed by subsidiary company APEC Solutions as its customers were more cautious in their expenses allocated for technology and digital marketing services in view of the economic uncertainty and increase in operating costs arising from higher interest rates and inflation. In FY2023, the custody business has not generated any revenue.

Other income

Other income comprised of management fee, government wages subsidy and rental income. The Group recorded other income of S$0.12 million for FY2023, representing a decrease of S$0.24 million from S$0.36 million for FY2022. The decrease was mainly due to lower management fee as well as lower government grant received in the financial year as compared to prior year.

Operating expenses

Operating expenses comprised cost of services and sales, depreciation and amortisation expenses, employee benefits expenses, operating lease expenses, other expenses, loss allowance on third party trade receivables and finance costs.

Total operating expenses decrease by S$1.39 million to S$2.74 million in FY2023 from S$4.13 million in FY2022. The decrease in total operating expenses was mainly due to:

- the decrease in depreciation and amortisation expenses to S$0.21 million in FY2023 from S$0.27 million in FY2022 mainly due to lower charges of amortisation of intangibles after the full impairment made to unfinished contracts recognised as intangibles in FY2022.
- the decrease in employee benefits expenses by S$0.23 million to S$1.3 million in FY2023 from S$1.5 million in FY2022 mainly due to lower employee headcount in FY2023 as compared to FY2022 since the exit from Granite Business in May 2022.
- the decrease in other expenses by S$1.17 million from S$2.14 million in FY2022 to S$0.97 million in FY2023 mainly due to the impairment loss on goodwill in FY2022 which is one-off in nature, partially offset by higher professional fees and expenses incurred in FY2023 in preparation for Custody operations and obtaining of MAS license and in the acquisition of 45% stake in Custody Plus;

  partially offset by the increases below:-

- the increase in cost of services and sales from S$0.14 million in FY2022 to S$0.16 million mainly due to higher costs of direct expenses incurred arising from inflationary pressure;
- the increase in the loss allowance on third party trade receivables from S$21,000 in FY2022 to S$27,000 in FY2023 due to slow payment from certain customers;
- the increase in finance costs from S$17,000 in FY2022 to S$79,000 in FY2023 due to higher bank charges in FY2023.

The Group incurred net loss from continuing operation of S$2.19 million and S$2.94 million in FY2023 and FY2022, respectively.

8 (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 following review of the Group's financial position is in relation to 31 December 2023 as compared to 31 December 2022.

Assets

Property, plant and equipment decreased by $0.17 million from S$0.35 million as at 31 December 2022 to S$0.18 million as at 31 December 2023 mainly due to depreciation charges for the financial year.

Intangible assets increased by S$0.71 million from S$2.41 million as at 31 December 2022 to S$3.12 million as at 31 December 2023 mainly due to reclassification of prepayment of software to "Intangible assets" amounting to S$0.75 million, partially offset by amortisation charges in FY2023.

Trade and other receivables decrease by S$0.22 million from S$0.28 million as at 31 December 2022 to S$0.06 million as at 31 December 2023 mainly due to faster collection of receivables from external customers during the financial year.

Prepayments decreased by S$0.76 million from S$0.78 million as at 31 December 2022 to S$0.02 million as at 31 December 2023 mainly due to capitalisation of software to "Intangible assets" during the financial year.

Cash and cash equivalents decreased by S$1.82 million from S$2.22 million as at 31 December 2022 to S$0.40 million as at 31 December 2023 mainly due to cash flow used in operating activities amounting to S$1.67 million and financing activities amounting to S$0.14 million during the financial year.

Liabilities

Total liabilities of the Group decreased by S$0.14 million from S$1.21 million as at 31 December 2022 to S$1.07 million as at 31 December 2023. The decrease in total liabilities was mainly due to the repayment of lease liabilities of S$0.13 million during the financial year.

Equity

As at 31 December 2023, total equity attributable to owners of the parent amounted to S$2.73 million, comprising share capital of S$98.83 million, accumulated losses of S$96.99 million and reserves of S$0.88 million.

Cash flows

Net cash used in operating activities

During the financial year, the Group recorded a net cash used in operating activities of S$1.67 million. The net operating cash outflow was mainly due to operating cash flows before working capital changes of S$1.79 million and net off working capital changes.

Net cash used in investing activities

During the financial year, the net cash used in investing activities was due to additions of property, plant and equipment.

Net cash used in financing activities

During the financial year, the net cash used in financing activities was primarily for repayment of lease obligations and interests amounting to S$0.14 million.

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

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

10. 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.

Custody for Security Digital Assets Business

The Company's subsidiary Custody Plus successfully obtained the full license from the Monetary Authority of Singapore to carry out the business of digital assets custodian on 28 March 2023. To expand the custodian business under full control of the Company, the Company acquired the remaining 45% stake in Custody Plus it did not own, in which the transaction was completed on 25 July 2023.

As we worked on getting the business ready to go to market, the digital assets sector is subject to more stringent regulatory requirements and coupled with the weakening economic sentiments, the Company expects the custody business to remain in the red in FY2024.

FinTech and Blockchain Consultancy Business

APEC Solutions generated lower revenue in FY2023 as its customers were more cautious in their expenses allocated for technology and digital marketing services in view of the economic uncertainty and increase in operating costs arising from higher interest rates and inflation. We expect this business sentiment to continue in the next three to six months as economic environment remains challenging due to factors such as inflationary pressure and high interest rate. However, we believe digital marketing service is increasingly being viewed as a core marketing tool for companies to reach out to customers and hence, we remain optimistic of APEC Solutions' prospects.

On 5 October 2023, the Company announced a strategic collaboration framework agreement ("Framework Agreement") with Delta Investment Holding Group Ltd ("Delta"). To expand the product offering of APEC Solutions, the Company intends to advance the discussion with Delta.

General Market Sentiments

The business environment continues to face headwinds amid the uncertain global economic outlook, rising inflationary pressures and interest rates and geopolitical tensions. Singapore registered a lower economic growth in 2023 of 1.1% as compared to 3.6% in 2022, amid a global economic slowdown[(1)]. According to the Singapore government, the external environment will remain challenging not just in 2024 but for several years[(2)].

In view of the above, the Group expects the business environment in which it operates to remain challenging in the next 12 months. The Group will be vigilant in managing its expenses and continue to strategise, adapt and navigate through the business environment changes.

Sources:
(1) https://www.businesstimes.com.sg/singapore/singapores-2023-gdp-growth-revised-down-marginally-11-2024-forecast-kept-1-3;
(2) https://www.businesstimes.com.sg/singapore/singapores-economy-grows-12-2023-much-will-depend-global-tensions-2024-pm-lee

11. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

No dividend has been declared or recommended for financial year ended 31 December 2023.

(b) Amount per share (cents) and previous corresponding period (cents).

Not applicable. No dividend was declared or recommended for financial year ended 31 December 2022.

(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) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended for FY2023 as the Group currently does not have profits available for the declaration of dividends.

13. 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 does not have a general mandate from shareholders for interested person transactions.

There are no disclosable IPTs in FY2023.

14. Use of proceeds

Placement on 19 December 2022

The Company had on 19 December 2022 issued 170,000,000 new ordinary shares in respect of the subscription of the Company’s shares by the investors in accordance with the subscription agreements dated 7 December 2022. The Company has raised net proceeds of approximately S$1.67 million from the allotment and issuance of 170,000,000 Shares.

As at the date of this announcement, with the cut-off date as at 31 December 2023, the Company had utilised the proceeds as follows:

Purpose	**Amount allocated S$'000**	**Amount utilised S$'000**	**Balance S$'000**
To fund the commencement of the business of custodial services after receiving the in-principle approval from the Monetary Authority of Singapore	668	618	50
Working capital including, inter alia, professional fees, staff salaries and general overheads	1,002	840	162
Total	1,670	1,458	212

The proceeds were utilised in accordance with its intended use.

Placement on 7 February 2024

The Company had on 7 February 2024 issued 200,000,000 new ordinary shares in respect of the subscription of the Company's shares by an investor in accordance with the subscription agreement dated 30 January 2024. The Company has raised net proceeds of approximately S$0.56 million from the allotment and issuance of 200,000,000 Shares.

As at the date of this announcement, with the cut-off date as at 31 January 2024, the Company had not utilised the proceeds, which shall be allocated as follows:

Purpose	**Amount allocated S$'000**	**Amount utilised S$'000**	**Balance S$'000**
Working capital including, inter alia, professional fees, staff salaries and general overheads of the Group	560	-	560
Total	560	-	560

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

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Listing Manual.

16. Change in the composition of the Group

During the financial year ended 31 December 2023, the Company acquired 45% stake in Custody Plus which was completed on 25 July 2023. Following such transaction, Custody Plus became wholly owned subsidiary of the Company. Please refer to the Company's announcement dated 30 June 2023 and 25 July 2023 for more information on the acquisition.

Save as disclosed above, there was no changes in the composition of the Group during the current financial period under review.

17. Additional Information Required for Full Year Announcement

17.1 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.

Refer to Note 4 disclosed in the interim condensed financial statements.

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

Refer to Note 4 disclosed in the interim condensed financial statements.

17.3 A breakdown of sales and operating loss after tax before deducting non-controlling interests

Purpose	FY2023 S$'000	FY2022 S$'000	Increase / (Decrease)
Sales reported in 1st half of year	202	404	(50%)
Operating loss after tax before deducting non-controlling interests for first half year, continuing operations	(863)	(888)	(3%)
Sales reported in 2nd half of year	196	424	(54%)
Operating loss after tax before deducting non-controlling interests for second half year, continuing operations	(1,323)	(2,054)	(36%)

17.4 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 years ended 31 December 2023 and 31 December 2022.

17.5 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 executive officer or substantial shareholder of the Company.

By Order of the Board
VCPLUS LIMITED

Chong Heng Loong
Executive Director
29 February 2024