
**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
31 MARCH 2024**

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Background

AcroMeta Group Limited (together with its subsidiaries, the "Group") was listed on Catalist of the SGX-ST on 18 April 2016, pursuant to an initial public offering (the "IPO") exercise. The Group is primarily a Singapore-based specialist engineering services provider in the field of controlled environments. It currently serves mainly the healthcare, pharmaceutical, biomedical science, research and academia, and electronics sectors.

The Group's business is divided into three main business segments:

- (1) Engineering, Procurement and Construction ("EPC") segment;
- (2) Maintenance segment; and
- (3) Co-working Laboratory Space segment.

The EPC segment provides engineering, procurement and construction services, specialising in architectural, mechanical, electrical and process works within controlled environment. The Maintenance segment provides maintenance and repair services for facilities and equipment of controlled environments and their supporting infrastructure.

In 2023, the Group has expanded and diversified its core business to include the operate and manage of co-working laboratory space business which is conducted through its 70% owned subsidiary Life Science Incubator Holdings Pte Ltd ("LSI Holdings"). The Group currently operates a 6,500 square feet co-working laboratory space at The German Centre in Singapore. In October 2023, the Group entered into a Management Agreement with HB Universal Pte Ltd, a subsidiary of Mainboard-listed Ho Bee Land Limited, to operate and manage a 21,538 square feet co-working laboratory centre at Elementum, One-North, a building in the heart of Singapore's biomedical industry district. In December 2023, a strategic cooperation framework agreement was signed with Fenglin Healthcare Industry Development (Group) Co. Ltd. a company registered in the People's Republic of China to develop new business opportunities for co-working laboratory space in Shanghai.

A. Condensed Interim Consolidated Statement of Comprehensive Income for the six months ended 31 March 2024

		Group		
		6 months ended 31 Mar		
	Note	2024	2023	Inc/ (Dec)
		S\$'000	S\$'000	%
Revenue	5	23,493	38,631	(39)
Cost of sales		(18,958)	(32,715)	(42)
Gross profit		4,535	5,916	(23)
Other operating income		146	128	14
Administrative expenses		(4,907)	(3,591)	37
Other operating expenses		(690)	(605)	14
Finance costs		(186)	(250)	(26)
(Loss)/Profit before income tax	6	(1,102)	1,598	N.M
Income tax expense		(3)	-	-
(Loss)/Profit from continuing operations		(1,105)	1,598	N.M
Profit/(Loss) from discontinued operations	14	3,512	(1,020)	N.M
Profit for the financial period		2,407	578	>100
Other comprehensive profit/(loss):				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		(1)	(5)	(80)
Total comprehensive profit		2,406	573	>100
Profit/(Loss) attributable to:				
- Owners of the Company		1,426	1,069	33
- Non-controlling interests		981	(491)	N.M
Profit/(Loss) attributable to Owners of the Company relates to:				
- (Loss)/Profit from continuing operations		(980)	1,640	N.M
- Profit/(Loss) from discontinued operations	14	2,406	(571)	N.M
Total comprehensive profit/(loss) attributable to:				
- Owners of the Company		1,425	1,066	34
- Non-controlling interests		981	(493)	N.M
Earnings/(Losses) per share ("EPS/(LPS)"):				
Basic (cents)	7			
- From continuing and discontinued and operations		0.49	0.57	
- From continuing operations		(0.34)	0.87	
Diluted (cents)	7			
- From continuing and discontinued and operations		0.46	0.57	
- From continuing operations		(0.32)	0.87	

N.M : Not meaningful

B. Condensed Interim Statements of Financial Position as at 31 March 2024

	Note	Group		Company	
		31 Mar 2024 S\$'000	30 Sep 2023 S\$'000	31 Mar 2024 S\$'000	30 Sep 2023 S\$'000
ASSETS					
Non-current assets					
Investment in subsidiaries		-	-	15,181	15,180
Goodwill		2,533	2,533	-	-
Investment property	10	1,509	1,527	-	-
Right-of-use assets		2,159	3,387	58	84
Property, plant and equipment	9	2,160	2,150	10	11
Total non-current assets		8,361	9,597	15,249	15,275
Current assets					
Trade receivables		4,283	4,777	-	-
Other receivables, deposits and prepayments		1,033	770	1,520	686
Inventories		366	597	-	-
Contract assets		11,876	11,892	-	-
Loan to subsidiaries		-	-	33	60
Cash and bank balances ⁽¹⁾		4,943	6,346	340	782
		22,501	24,382	1,893	1,528
Asset of disposal group classified as held-for-sale	14	954	278	-	-
Total current assets		23,455	24,660	1,893	1,528
Total assets		31,816	34,257	17,142	16,803
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables		21,195	19,631	783	217
Bill payables	11	2,222	4,413	-	-
Contract liabilities		52	380	-	-
Lease liabilities	11	429	590	53	53
Bank loans	11	2,152	2,456	-	-
Provision	14	-	1,000	-	1,000
Tax payable		29	21	-	-
		26,079	28,491	836	1,270
Liabilities directly associated with disposal group classified as held-for-sale	14	235	3,063	-	-
Total current liabilities		26,314	31,554	836	1,270

	Note	Group		Company	
		31 Mar 2024 S\$'000	30 Sep 2023 S\$'000	31 Mar 2024 S\$'000	30 Sep 2023 S\$'000
Non-current liabilities					
Trade and other payables		651	651	-	-
Lease liabilities	11	1,711	1,933	4	31
Bank loans	11	1,438	1,968	-	-
Deferred tax liabilities		22	22	-	-
Total non-current liabilities		3,822	4,574	4	31
Net assets		1,680	(1,871)	16,302	15,502
Equity attributable to the owners of the Company					
Share capital	12	20,011	18,866	20,011	18,866
Merger reserve		(4,718)	(4,718)	-	-
Capital reserve		(69)	(69)	-	-
Foreign translation reserve		11	12	-	-
Accumulated losses		(9,561)	(10,987)	(3,709)	(3,364)
Shareholders' equity		5,674	3,104	16,302	15,502
Non-controlling interests		(3,994)	(4,975)	-	-
Total equity		1,680	(1,871)	16,302	15,502
Total liabilities and equity		31,816	34,257	17,142	16,803

Note:

- (1) The amount stated includes fixed deposits pledged as collaterals for banking facilities. 31 March 2024: S\$1,924,000 (30 September 2023: S\$1,924,000).

C. Condensed Interim Statements of Changes in Equity

Group

	Note	Attributable to Owners of the Company						Non-controlling interests	Total Equity
		Share capital	Merger reserve	(Accumulated losses)/ Retained earnings	Capital reserves	Translation reserves	Total		
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance as at 1 October 2023		18,866	(4,718)	(10,987)	(69)	12	3,104	(4,975)	(1,871)
Profit for the financial period		-	-	1,426	-	-	1,426	981	2,407
Other comprehensive loss		-	-	-	-	(1)	(1)	-	(1)
Shares issued pursuant to Subscription issue, net of transaction cost	12	455	-	-	-	-	455	-	455
Shares issued pursuant to AcroMeta Performance Share Scheme	12	690	-	-	-	-	690	-	690
Balance as at 31 March 2024		20,011	(4,718)	(9,561)	(69)	11	5,674	(3,994)	1,680
Balance as at 1 October 2022		16,225	(4,718)	(4,028)	(139)	15	7,355	97	7,452
Profit/(Loss) for the financial period		-	-	1,069	-	-	1,069	(491)	578
Other comprehensive loss		-	-	-	-	(3)	(3)	(2)	(5)
Shares issued pursuant to rights issue, net of transaction cost		2,641	-	-	-	-	2,641	-	2,641
Balance as at 31 March 2023		18,866	(4,718)	(2,959)	(139)	12	11,062	(396)	10,666

Company

	Share capital	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2023	18,866	(3,364)	15,502
Total comprehensive loss for the period	-	(345)	(345)
Shares issued pursuant to Subscription issue, net of transaction cost	455	-	455
Shares issued pursuant to AcroMeta Performance Share Scheme	690	-	690
Balance as at 31 March 2024	<u>20,011</u>	<u>(3,709)</u>	<u>16,302</u>
Balance as at 1 October 2022	16,225	(1,623)	14,602
Total comprehensive loss for the period	-	(153)	(153)
Shares issued pursuant to rights issue, net of transaction cost	2,641	-	2,641
Balance as at 31 March 2023	<u>18,866</u>	<u>(1,776)</u>	<u>17,090</u>

D. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		Financial Period ended 31 Mar	
		2024 S\$'000	2023 S\$'000
Operating activities			
Profit before income tax		2,410	578
Adjustments for:			
Depreciation and amortisation	6	683	619
Employee share expense	12	690	-
Gain on waiver of loan from non-controlling interest	14	(2,863)	-
Write-off of trade receivables	14	349	-
Interest income		(19)	(4)
Interest expense		186	252
Loss on disposal of property, plant and equipment		14	-
Reversal of provision for liability	14	(1,000)	-
Operating cash flows before movements in working capital		450	1,445
Trade receivables		200	8,110
Other receivables, deposits and prepayments		(243)	35
Inventories		231	(92)
Contract assets/liabilities		(164)	193
Trade and other payables		1,598	(6,996)
Bill payables		(2,190)	469
Cash from operations		(118)	3,164
Income taxes paid		4	(9)
Net cash (used in)/from operating activities		(114)	3,155
Investing activities			
Purchase of property, plant and equipment	9	(274)	(358)
Proceeds from disposal of property, plant and equipment		6	-
Net cash used in investing activities		(268)	(358)
Financing activities			
Repayment of lease liabilities		(445)	(163)
Repayment of bank loans		(833)	(812)
Interest paid		(186)	(222)
Proceeds from issuance of share capital, net of transaction cost	12	455	2,641
Net cash (used in)/from financing activities		(1,009)	1,444
Net (decrease)/increase in cash and cash equivalents		(1,391)	4,241
Cash and cash equivalents at beginning of financial year		4,432	4,109
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		(1)	(5)
Cash and cash equivalents at end of financial period ^{(1) (2)}		3,040	8,345

Note:

(1) The amount stated excludes fixed deposits pledged as collaterals for banking facilities. 31 March 2024: S\$1,924,000 (31 March 2023: S\$1,916,000)

(2) The amount stated included a disposal group held-for-sale. 31 March 2024: S\$21,000 (31 March 2023: S\$19,000)

E. Notes to the Condensed Interim Consolidated Financial Statements for the six months ended 31 March 2024

1. Corporate information

AcroMeta Group Limited (the “Company”) (Registration No. 201544003M) is incorporated in the Republic of Singapore with its registered office and principal place of business at 11 Woodlands Terrace, Singapore 738436. The Company was listed on the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on April 18, 2016. The financial statements are expressed in Singapore dollars.

The principal activities of the Company is that of investment holding, engineering design and consultancy activities.

The Group’s business is divided into three main business segments:

1. Engineering, Procurement and Construction (“EPC”) segment;
2. Maintenance segment; and
3. Co-working Laboratory Space segment.

2. Basis of preparation

a) Basis of accounting

These consolidated financial statements are unaudited and prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. They do not include all of the information required for full annual financial statements and should be read in conjunction with the last audited annual financial statements for the year ended 30 September 2023 (2023 Audited Financial Statements).

The 2023 Audited Financial Statements were prepared under Singapore Financial Reporting Standards (International) (SFRS(I)).

b) Material accounting policies

The accounting policies and presentation adopted for this consolidated interim financial report are consistent with those adopted for the 2023 Audited Financial Statements.

c) New and amended standards adopted by the Group

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) (SFRS(I)) and Interpretations of SFRS(I) (INT SFRS(I)) that are mandatory for the accounting periods beginning on or after 1 October 2023. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

3. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported

amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2023.

4. Seasonal operations

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

5. Segment and revenue information

5.1 Reportable segments

For management purposes, the Group is organised into three operating segments:

- (i) Engineering, Procurement and Construction ("EPC") segment;
- (ii) Maintenance segment; and
- (iii) Co-working Laboratory Space segment.

The EPC segment provides engineering, procurement and construction services, specialising in architectural, mechanical, electrical and process works within controlled environment.

The Maintenance segment provides maintenance and repair services for facilities and equipment of controlled environments and their supporting infrastructure.

In 2023, the Group has expanded and diversified its core business to include the operate and manage of co-working laboratory space business which is conducted through its 70% owned subsidiary Life Science Incubator Holdings Pte Ltd ("LSI Holdings"). The Group currently operates a 6,500 square feet co-working laboratory space at The German Centre in Singapore. In October 2023, the Group entered into a Management Agreement with HB Universal Pte Ltd, a subsidiary of Mainboard-listed Ho Bee Land Limited, to operate and manage a 21,538 square feet co-working laboratory centre at Elementum, One-North, a building in the heart of Singapore's biomedical industry district. In December 2023, a strategic cooperation framework agreement was signed with Fenglin Healthcare Industry Development (Group) Co. Ltd. a company registered in the People's Republic of China to develop new business opportunities for co-working laboratory space in Shanghai.

On 24 November 2023, the Company's indirect subsidiary, Acropower Pte. Ltd. in which it had an effective interest holding of 56%, had placed its wholly owned subsidiary, Neo Tiew Power Pte. Ltd. ("NTP") under creditors' voluntary winding up ("CVL"). NTP was incorporated in February 2020 to produce renewable energy by converting biomass poultry waste into green electricity through the process of pyrolysis. However, due to the Covid-19 pandemic and major changes to regulations for the safe handling of potentially dangerous animal waste products, it has not been able to commence operations. As a result, the Renewable Energy Segment is reported under discontinued operations (see Note 14).

Group	Business segment								
	Segment Information - S\$'000								
	6 months ended 31 Mar 2024					6 months ended 31 Mar 2023			
	EPC	Maintenance	Renewable Energy	Co-working Laboratory	Consolidated Total	EPC	Maintenance	Renewable Energy	Consolidated Total
Revenue from external customers	18,994	3,991	-	508	23,493	35,526	3,105	-	38,631
Cost of sales	(15,961)	(2,561)	-	(436)	(18,958)	(30,762)	(1,953)	-	(32,715)
Gross profit	3,033	1,430	-	72	4,535	4,764	1,152	-	5,916
Segment result	(106)	(22)	(58)	(66)	(252)	2,224	194	(69)	2,349
Depreciation expense					(683)				(505)
Interest income					19				4
Finance costs					(186)				(250)
(Loss)/Profit before tax					(1,102)				1,598
Income tax					(3)				-
(Loss)/Profit for the financial period					(1,105)				1,598

The results of the discontinued operations' segment information are as follows:

	6 months ended 31 Mar	
	2024	2023
	S\$'000	S\$'000
<u>Discontinued operations</u>		
Revenue from external customers	133	333
Cost of sales	(113)	(1,051)
Gross profit	20	(718)
Segment result	(2)	(904)
Depreciation expense	-	(114)
Finance costs	-	(2)
Gain on waiver of loan from non-controlling interest	2,863	-
Write-off of trade receivables	(349)	-
Reversal of provision for liability related to renewable energy	1,000	-
Profit/(Loss) before tax	3,512	(1,020)
Income tax	-	-
Profit/(Loss) for the financial period	3,512	(1,020)

Geographical segment

The Group's activities are mainly located in Singapore. The geographical locations of the Group's customers and assets are mainly in Singapore. Accordingly, there are no geographical segments presented.

5.2 Breakdown of revenue

During the financial year, the Group derives revenue from the transfer of goods and services at a point in time and over time in the following categories:

	<u>Group</u>	
	6 months ended 31 Mar	
	2024	2023
	S\$'000	S\$'000
<u>Continuing operations</u>		
Over time		
Revenue from projects	18,849	35,428
Revenue from maintenance services rendered	3,991	3,105
Revenue from co-working laboratory	421	-
At a point in time		
Revenue from sale of goods	232	98
Revenue from continuing operations	<u>23,493</u>	<u>38,631</u>
<u>Discontinued operations</u>		
At a point in time		
Revenue from manure handling	133	333
Total revenue	<u><u>23,626</u></u>	<u><u>38,964</u></u>

6. (Loss)/Profit before tax

6.1 Significant items

	<u>Group</u>	
	6 months ended 31 Mar	
	2024	2023
	S\$'000	S\$'000
<u>Continuing operations</u>		
Expenses/(Income)		
Depreciation of property, plant and equipment and investment property	262	144
Depreciation of right-of-use assets	421	361
<u>Discontinued operations</u>		
Expenses/(Income)		
Depreciation of property, plant and equipment and investment property	-	105
Depreciation of right-of-use assets	-	9
Write-off of trade receivables	349	-
Gain on waiver of loan from non-controlling interest	(2,863)	-
Reversal of provision for liability related to renewable energy	(1,000)	-

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Earnings per share

	Group	
	6 months ended 31 Mar	
	2024	2023
Basic earnings per share		
Profit attributable to owners of the Company from continuing and discontinued operations (S\$'000)	1,426	1,069
(Loss)/Profit attributable to owners of the Company from continuing operations (S\$'000)	(980)	1,640
Weighted average number of ordinary shares	290,634,186	188,051,113
Earnings/(Losses)/ per share (basic and diluted) (cents)		
- From continuing and discontinued operations	0.49	0.57
- From continuing operations	(0.34)	0.87
Diluted earnings per share		
Weighted average number of ordinary shares	308,509,186	188,051,113
Earnings/(Losses)/ per share (basic and diluted) (cents)		
- From continuing and discontinued operations	0.46	0.57
- From continuing operations	(0.32)	0.87

The Company has 17,875,000 Award Shares under AcroMeta Performance Share Scheme. The weighted average number of shares on issue has been adjusted as if all dilutive Award Shares were exercised. No adjustment is made to the net profit.

For the financial period ended 31 March 2023, the basic and diluted earnings per share is the same as there were no potentially dilutive ordinary shares in issue.

8. Net asset value

	Group		Company	
	31-Mar-2024	30-Sep-2023	31-Mar-2024	30-Sep-2023
Net Asset Value per share (cents)	1.80	1.12	5.17	5.59
Net Asset Value (S\$'000) ⁽¹⁾	5,674	3,104	16,302	15,502
Number of ordinary shares	315,196,956	277,127,956	315,196,956	277,127,956

Note:

⁽¹⁾ Net Asset Value for the various periods excludes non-controlling interests

9. Property, plant and equipment

During the 6 months ended 31 March 2024, the Group acquired assets amounting to S\$274,000 (31 March 2023: S\$358,000) and disposed of assets amounting to S\$6,000 (31 March 2023: S\$Nil).

10. Investment property

	<u>Group</u> <u>S\$'000</u>
<u>At cost:</u>	
At October 1, 2022, September 30, 2023 and March 31, 2024	1,750
<u>Accumulated depreciation:</u>	
At October 1, 2022	186
Depreciation for the year	37
At September 30, 2023	223
Depreciation for the period	18
At March 31, 2024	241
<u>Carrying amount:</u>	
March 31, 2024	1,509
September 30, 2023	1,527

11. Borrowings

Group	31 Mar 2024		30 Sep 2023	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	2,480	2,011	5,047	2,014
Amount repayable after one year	1,353	154	1,484	3,171
Total borrowings	<u>3,833</u>	<u>2,165</u>	<u>6,531</u>	<u>5,185</u>

Details of collaterals

- i. Bill payables of S\$2,222,000 (30 September 2023: S\$4,413,000) is secured by fixed deposits pledged with banks.
- ii. Bank loans of S\$1,425,000 (30 September 2023: S\$1,499,000) is secured on the Group's properties and Nil (30 September 2023: S\$300,000) is secured on fixed deposits. Bank loans of S\$2,165,000 (30 September 2023: S\$2,625,000) is unsecured.
- iii. Lease liabilities of S\$186,000 (30 September 2023: S\$319,000) is secured on the Group's motor vehicles and factory machinery.

- iv. Loan from non-controlling interest of Nil (30 September 2023: S\$2,560,000) is unsecured. On 25 March 2024, NTP entered into a deed of waiver with its non-controlling interest, whereby the non-controlling interest agree to waive and release NTP from all liabilities and claims which it may have against NTP. Refer to note 14.

12. Share capital

	Group and Company	
	Number of ordinary shares	Issued and paid-up share capital
Issued and paid-up share capital as at 30 September 2023	277,127,956	S\$ 18,866,000
Shares issued pursuant to Subscription Shares on 17 January 2024	12,500,000	S\$ 500,000
Subscription Shares expenses	-	(S\$ 45,000)
Shares issued pursuant to AcroMeta Performance Share Scheme on 1 February 2024	25,569,000	S\$ 690,000
Issued and paid-up share capital as at 31 March 2024	315,196,956	S\$ 20,011,000

On 17 January 2024, the Company allotted and issued 12,500,000 new ordinary shares (“Subscription Shares”) in the capital of the Company at an issue price of S\$0.04 for each Subscription Share pursuant to the Subscription Agreement dated 7 November 2023 and the Restatement Agreement dated 26 December 2023. The newly issued Subscription Shares rank pari passu in all respects with the existing shares. Refer to the Company’s announcements dated 7 November 2023, 5 January 2024, 16 January 2024 and 19 January 2024.

On 1 February 2024, the Company allotted and issued 25,569,000 new ordinary shares (“Award Shares”) in the capital of the Company pursuant to the vesting of the grant of share awards to certain executives and employees under the AcroMeta Performance Share Scheme. The Award Shares rank pari passu in all respects with the existing issued ordinary shares of the Company.

Saved as disclosed, there are no other changes in the Company’s share capital since the end of the previous period reported on.

	Number of shares that may be issued upon release of Award Shares
<u>As at 31 March 2024</u>	
AcroMeta Performance Share Scheme	17,875,000

Save as disclosed, there are no other outstanding convertibles, treasury shares and subsidiary holdings as at 31 March 2024 and 30 September 2023.

The total number of issued ordinary shares, excluding treasury shares, as at 31 March 2024 was 315,196,956 (30 September 2023: 277,127,956). There were no treasury shares held by the Company as at 31 March 2024 and 30 September 2023.

13. Acquisition and disposal of subsidiaries/associates

On 31 January 2024, the Company through its indirect 70% owned subsidiary, Life Science Incubator Holdings Pte Ltd, has incorporated an 51% owned subsidiary, known as LSI Shanghai Co., Ltd, a company incorporated in Shanghai, People's Republic of China, with an issued share capital of S\$3,000,000. Refer to the Company's announcement dated 4 March 2024.

14. Discontinued operations and disposal group classified as held-for-sale

Following the consideration of the Group's management in FY2023 to put NTP under CVL, the entire assets and liabilities related to NTP are classified as a disposal group held-for sale on the balance sheet, and the entire results related to NTP are presented separately on the statement of comprehensive income as "Discontinued operations". The transaction is expected to be completed in FY2024.

Subsequently on 25 March 2024, the Company's wholly-owned subsidiary, Acromec Engineers Pte Ltd ("Acromec Engineers") has on 25 March 2024, entered into an Asset Purchase Agreement (the "APA") with Neo Tiew Power Pte. Ltd. (in Creditors' Voluntary Liquidation) ("NTP"), to acquire over the assets of NTP and assume the liabilities of NTP for a consideration of S\$1.00. At the same time, Acromec Engineers and the Company have entered into a Settlement Agreement (the "SA") with Chew's Agriculture Pte Ltd ("Chew's") to sell a part of the assets acquired from NTP for S\$1.00. NTP entered into a deed of waiver and release with each of Acromec Engineers, Acropower Pte Ltd ("Acropower"), Chew's and Nutara Investment Pte Ltd ("Nutara") (collectively, the "Waiver Deeds"), whereby each of Acromec Engineers, Acropower, Chew's and Nutara, agree to waive and release NTP from all Liabilities and claims which it may have against NTP, and vice versa. The Company had previously provided for the amounts owing from NTP in FY2023 and as such, do not expect further any impact from the Waivers, except for a gain resulting from a waiver of debt from Nutara under "loan from shareholder" of S\$2.86 million and a loss from write-off of trade receivables from Chew's of S\$349k. The Company is unable to determine the full impact of the assumption of the remaining Liabilities and Disposal Works as referred to the APA and the SA respectively until NTP is dissolved under the CVL. However, the Company is cautiously optimistic that the aggregate financial effects of the Transactions are expected to be positive with the Company having to write-back the Corporate Guarantee of S\$1.0 million previously provided.

Further, as announced on 18 March 2024, the Company's wholly-owned subsidiary, Acro Harvest Engineering Pte Ltd ("Acro Harvest") has on 15 March 2024, entered into an Option to Purchase ("OTP") with Wood King Investment Pte Ltd of 38 Prince of Wales Road, Singapore 266990, for the sale of its office unit located at 51 Bukit Batok Crescent #02-22 Unity Centre Singapore 658077 for a consideration of S\$940,000.00, on the terms and subject to the conditions of the OTP. Therefore, the right-of-use asset is classified as a disposal group held-for sale on the balance sheet.

- a) The results of the discontinued operations and the re-measurement of the disposal group are as follows:

	Group	
	6 months ended 31 Mar	
	2024	2023
	S\$'000	S\$'000
Revenue	133	333
Expense	(135)	(1,353)
Gain on waiver of loan from non-controlling interest	2,863	-
Write-off of trade receivables	(349)	-
Reversal of provision for liability related to renewable energy	1,000	-
Profit/(Loss) from discontinued operations	3,512	(1,020)

- b) Details of the assets in disposal group classified as held-for-sale are as follows:

	Group	
	31 Mar 2024	30 Sep 2023
	S\$'000	S\$'000
Property, plant and equipment	9	9
Leasehold property	871	-
Trade receivables	-	55
Other receivables, deposits and prepayments	53	55
Contract assets	-	148
Cash and bank balances	21	11
Total assets	954	278

- c) Details of the liabilities directly associated with disposal group classified as held-for-sale are as follows:

	Group	
	31 Mar 2024	30 Sep 2023
	S\$'000	S\$'000
Trade and other payables	538	503
Loan from shareholder	2,560	2,560
Total liabilities	3,098	3,063
Liabilities de-recognised from waiver of debt from shareholder loan	(2,863)	-
Net liabilities	235	3,063

15. Subsequent events

On 5 March 2024, the Company and AESM Holding Pte. Ltd. (the “Buyer”) have entered into a sale and purchase agreement (the “SPA”) for the sale and purchase of 100% of the issued and paid-up share capital (the “Sale Shares”) of Acromec Engineers Pte Ltd (the “Target”), a wholly-owned subsidiary of the Company, for an aggregate consideration of S\$3,300,000 (the “Proposed Disposal”). Mr. Chew Chee Keong is a shareholder of Ingenieur Holdings, a Controlling Shareholder of the Company, a director of the Target, and a director of the Company until 30 January 2024. Accordingly, the Buyer is an interested person (as defined in the Catalist Rules) and the Proposed Disposal between the Company and the Buyer is an interested person transaction (as defined in the Catalist Rules). A circular setting out information relating to, inter alia, the Proposed Disposal has been issued to the Shareholders on 6 May 2024 to seek Shareholders’ approval for the same at an extraordinary general meeting to be convened on 21 May 2024.

F. ADDITIONAL INFORMATION REQUIRED BY CATALIST RULES FOR SIX MONTHS ENDED 31 MARCH 2024

- 1. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
 - (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF GROUP RESULTS

Revenue for the six months ended 31 March 2024 ("1H24") dipped 39% to S\$23.5 million, when compared to the same corresponding period last year of S\$38.6 million due to lower business activities from the EPC segment. Revenue contributed from the new co-working laboratory business amounted to S\$508k in 1H24.

Cost of sales for 1H24 decreased correspondingly by 42%, in line with decrease in revenue. The Group registered improved gross profit margin for 1H24 of 19.3% as compared with 15.3% for the same period last year. The Group will continue to exercise close cost monitoring and control over its projects.

Other operating income for 1H24 increased due to higher interest income and government incentives received.

Administrative expenses for 1H24 increased by 37% mainly due to higher staff salary and related expenses incurred to support expansion of new business segments. Other operating expenses for 1H24 increased by 14% mainly due to increase in worker accommodation caused by increase in rental rates. Finance costs decreased on the back of lower borrowings and in line with lower business activities.

The Group has recorded under discontinued operations in 1H24 a gain on waiver of loan from Nutara of S\$2.86 million, a loss from write-off of trade receivables from Chew's of S\$349k and a gain on the Company's reversal of provision for liability for a Corporate Guarantee of S\$1.0 million previously provided. These adjustments were resulted from the SA and Waiver Deeds entered into with Chew's and Nutara. Refer to note 14 for more information.

Non-controlling interests mainly relate to the share of results from the Group's subsidiary, Neo Tiew Power Pte Ltd, which is currently under CVL. NTP is a wholly-owned subsidiary of Acropower Pte. Ltd., which the Company has an effective interest of 56% in. The effect of non-controlling interest related to the above gains in discontinued operations amounted to S\$1.1 million.

On the back of gains from the discontinued operations, the Group reported net profit attributable to owners of the Company of approximately S\$1.4 million in 1H24, as compared to S\$1.1 million in the same period last year.

REVIEW OF GROUP'S FINANCIAL POSITION

Non-current assets decreased mainly due to the right-of-use assets for leasehold property classified as asset of disposal group held-for-sale. Refer to note 14.

Current assets decreased mainly due to decrease in cash and bank balances to support expansion of new business segments. Trade receivables decreased in line with lower business activities.

Likewise, current liabilities decreased mainly due to decrease in bill payables and contract liabilities. Also, the Company has made a reversal of provision for liability for a Corporate Guarantee of S\$1.0 million previously provided. Non-current liabilities reduced mainly due to repayment of bank loans.

As at 31 March 2024, the Group was at a net current liabilities position of S\$2.9 million, largely due to losses in the discontinued operations. Notwithstanding, less non-controlling interest, the Group has a positive net asset value of S\$5.7 million.

After taking into consideration of the continued positive cashflow generated from the Group's current business activities of the co-working laboratory and maintenance businesses, the cash proceeds from the proposed disposal of Acromec Engineers Pte Ltd, the reasonableness of management's cashflow forecast for the next twelve months, and continued support from the Group's lenders and vendors, the Board is of the opinion that the Group is able to meet its short-term obligations as and when they fall due. The Group will continue to explore suitable corporate funds raising exercise to facilitate investments to support business growth, including potential acquisition of income generating assets.

REVIEW OF GROUP'S CASH FLOWS

Overall, the Group's cash and bank balances decreased S\$1.4 million in 1H24. Net cash used in operations of approximately S\$0.1 million was mainly due to working capital changes. Net cash used in investing activities of S\$0.3 million relates to purchase of property, plant and equipment. Net cash used in financing activities of S\$1.0 million was mainly due to repayment of borrowings, lease liabilities and interest payment offset by proceeds from issuance of Subscription Shares of S\$0.5 million.

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

No forecast or prospect statement was previously made to shareholders.

3. 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.

The Group expects continued pressure on its margins and its operating conditions to remain challenging as the business environment continues to be affected by higher cost from materials,

labour and energy prices, driven by inflationary pressure, partly from the heightened geopolitical risks and macroeconomic uncertainties. It will continue to focus on improving its efficiency and manage its costs.

The Group's maintenance business contribution is expected to remain stable. The maintenance business provides the Group with recurring revenue and income streams which augments well and adds stability to the Group's existing revenue.

In 2023, the Group has expanded and diversified its core business to include the operate and manage of co-working laboratory space business which is conducted through its 70% owned subsidiary Life Science Incubator Holdings Pte Ltd ("LSI Holdings"). The Group currently operates a 6,500 square feet co-working laboratory space at The German Centre in Singapore. In October 2023, the Group entered into a Management Agreement with HB Universal Pte Ltd, a subsidiary of Mainboard-listed Ho Bee Land Limited, to operate and manage a 21,538 square feet co-working laboratory centre at Elementum, One-North, a building in the heart of Singapore's biomedical industry district. In December 2023, a strategic cooperation framework agreement was signed with Fenglin Healthcare Industry Development (Group) Co. Ltd. a company registered in the People's Republic of China to develop new business opportunities for co-working laboratory space in Shanghai. The Group is currently focus on expanding the co-working laboratory space businesses.

In another potential business opportunity, the Company incorporated a wholly-owned entity, AcroMeta Minerals Pte Ltd, in relation to the MOU signed for new business opportunities as announced on 6 November 2023. A non-binding non-exclusive MOU was signed between ACROMETA and PT. Swadaya Buana Makmur ("PTSBM") for the supply of high-grade silica sand from West Kalimantan, Indonesia. The Company is confident in the long-term prospects of AcroMeta Minerals given the high demand for 99.5% purity silica sand which is used in the manufacture of precision glass and ceramic instruments, ophthalmic lenses, and LCD screens required by many industries such as the biotechnology, electronics, and pharmaceutical industries. In construction, it is the main structural component in several construction products such as flooring, mortars, cement, roofing shingles, and asphalt. The Group is currently negotiating with potential international buyers before entering into formal offtake agreements with PTSBM.

On 5 March 2024, the Company and AESM Holding Pte. Ltd. (the "Buyer") have entered into a sale and purchase agreement (the "SPA") for the sale and purchase of 100% of the issued and paid-up share capital (the "Sale Shares") of Acromec Engineers Pte Ltd (the "Target"), a wholly-owned subsidiary of the Company, for an aggregate consideration of S\$3,300,000 (the "Proposed Disposal"). Mr. Chew Chee Keong is a shareholder of Ingenieur Holdings, a Controlling Shareholder of the Company, a director of the Target, and a director of the Company until 30 January 2024. Accordingly, the Buyer is an interested person (as defined in the Catalist Rules) and the Proposed Disposal between the Company and the Buyer is an interested person transaction (as defined in the Catalist Rules). Accordingly, a circular setting out information relating to, inter alia, the Proposed Disposal has been issued to the Shareholders on 6 May 2024 to seek Shareholders' approval for the same at an extraordinary general meeting to be convened on 21 May 2024.

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

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

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

Not applicable.

6. 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. The Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

7. Dividend:

If a decision regarding dividend has been made:

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

Nil.

- (b)(i) Amount per share:**

Nil.

- (b)(ii) Previous corresponding period:**

Nil.

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax 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 Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

8. 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 current reporting period in view of the operating losses incurred during the financial period and to conserve cash for the Group's business operations and growth.

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

The Group does not have a shareholders' mandate for interested person transactions.

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

The Company has procured undertakings from all its directors and executive officers as set out in Appendix 7H under Rule 720(1).

11. Negative confirmation pursuant to Rule 705(5) of the listing manual.

The Board of Directors confirms, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements for half year ended 31 March 2024 to be false or misleading in any material aspect.

12. Disclosures on Acquisition and Realisation of Shares (pursuant to Rule 706A of Catalyst Rules).

The Company has acquired/disposed the following subsidiaries and associates during FY2024. Please refer to Note E13 and the relevant announcements for more information.

Name of Entity	Nature of transaction	Date of Relevant Announcement / Date of Transaction
LSI Shanghai Co., Ltd	Incorporation	31 January 2024

13. Use of Proceeds

Pursuant to the rights issue of 138,563,978 shares on 26 January 2023, the Company received net proceeds of S\$2.64 million (Rights Proceeds). As at 31 March 2024, the Rights Proceeds has been utilised as follows:

	Amount allocated S\$'000	Amount utilised S\$'000	Balance S\$'000
General working capital requirements of the Group	2,641	(2,641)	-
Total	2,641	(2,641)	-

The breakdown of specific uses of the general working capital requirements were 55% in staff costs, 28% for LSI Holdings, AcroMeta Minerals and Acro Harvest working capital and expansion, 15% in listing compliance and professional fees, and 2% in rental and overheads.

The above utilisation of the Right Proceeds is in accordance with the intended use as stated in the Company's announcement dated 26 January 2023.

Pursuant to the issue of 12,500,000 Subscription Shares on 17 January 2024, the Company received net proceeds of S\$455,000 (Subscription Proceeds). As at 31 March 2024, the Subscription Proceeds has been utilised as follows:

	Amount allocated S\$'000	Amount utilised S\$'000	Balance S\$'000
General working capital requirements of the Group	455	(455)	-
Total	455	(455)	-

The breakdown of specific uses of the general working capital requirements were 55% for LSI Holdings expansion, 39% in listing compliance and professional fees, and 6% in rental and overheads.

The above utilisation of the Subscription Proceeds is in accordance with the intended use as stated in the Company's announcement dated 17 January 2024.

On behalf of the Board of Directors

Lim Say Chin
Executive Chairman and Chief Executive Officer

10 May 2024