SDAI LIMITED
(Company Registration No. 201107179D)
(Incorporated in the Republic of Singapore)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2023

Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the SGX-ST requires SDAI Limited (the "**Company**", and together with its subsidiaries, the "**Group**") to announce its quarterly financial statements, in view of the disclaimer of opinion on (i) the audited consolidated financial statements of the Group for the financial year ended 30 June 2021 ("**FY2021**"), dated 3 March 2022; and (ii) the latest audited consolidated financial statements of the Group for the period of eighteen months from 1 July 2021 to 31 December 2022, which was announced on 25 April 2024.

The board of directors (the "**Board**" or "**Directors**") of the Company had on 14 September 2022 announced the change in the financial year end of the Company from 30 June to 31 December. Accordingly, this announcement is in relation to the condensed interim consolidated financial statements of the Group for the fourth quarter ended 31 December 2023 ("**4Q2023**") and twelve months period ended 31 December 2023 ("**FY2023**"), together with the comparative figures for the three months period ended 31 December 2022 ("**4Q2022**") and the restated eighteen months period ended 31 December 2022 ("**FP2022**"). The comparative figures for FP2022 have been restated to reflect the presentation of the discontinued operations as defined below.

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Catalist Rules.*

This announcement has not been examined or approved by the 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.

The contact person for the Sponsor is Ms Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone: (65) 6636 4201.

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Condensed Interim Financial Statement of Profit and Loss and Other Comprehensive Income for Fourth Quarter and Twelve Months Ended 31 December 2023

		Group					
		3 months ended			12 months ended	18 months ended	
	Note	31.12.2023 (Unaudited) S$	31.12.2022 (Unaudited) S$ Restated	Change % +/(-)	31.12.2023 (Unaudited) S$	31.12.2022 (Audited) S$ Restated	Change % +/(-)
Continuing operations							
Revenue	4	341,069	980,036	(65.2%)	1,712,131	5,804,491	(70.5%)
Cost of sales		(201,625)	(1,070,446)	(81.2%)	(1,057,687)	(4,236,857)	(75.0%)
Gross profit/(loss)		**139,444**	**(90,410)**	N.M.	**654,444**	**1,567,634**	(58.3%)
Other income	7	89,397	(29,638)	N.M.	184,687	87,951	110.0%
Selling and distribution expenses		(340,175)	(1,106,993)	(69.3%)	(379,898)	(1,756,498)	(78.4%)
Other operating expenses		(326,091)	(1,230,616)	(73.5%)	(380,984)	(1,531,058)	(75.1%)
General and administrative expenses		(691,216)	(395,347)	74.8%	(3,161,334)	(5,359,546)	(41.0%)
Loss from operations		**(1,128,641)**	**(2,853,004)**	(60.4%)	**(3,083,085)**	**(6,991,517)**	(55.9%)
Finance costs	8	6,407	42,584	(85.0%)	(111,750)	(116,421)	(4.0%)
Share of results of associated companies	10	(18,382)	(524,690)	(96.5%)	(503,471)	(1,396,454)	(63.9%)
Impairment loss on investment in associate		(1,790,529)	(17,121,904)	(89.5%)	(1,790,529)	(17,121,904)	(89.5%)
Impairment loss on property, plant and equipment		(69,388)	–	N.M.	(69,388)	–	N.M.
Loss before tax	6	**(3,000,533)**	**(20,457,014)**	(85.3%)	**(5,558,223)**	**(25,626,296)**	(78.3%)
Tax expense		–	–	–	–	(80,590)	N.M.
Loss from continuing operations		**(3,000,533)**	**(20,457,014)**	(85.3%)	**(5,558,223)**	**(25,706,886)**	(78.4%)
Loss from discontinued operations, net of tax	9	–	–	–	–	(3,008,541)	N.M.
Loss for the period		**(3,000,533)**	**(20,457,014)**	(85.3%)	**(5,558,223)**	**(28,715,427)**	(80.6%)
Net loss attributable to:							
Owners of the Company							
- Loss from continuing operations		(2,982,478)	(20,047,293)	(85.1%)	(5,602,020)	(25,133,789)	(77.7%)
- Loss from discontinued operations		–	–	–	–	(3,008,541)	N.M.
		(2,982,478)	**(20,047,293)**	(85.1%)	**(5,602,020)**	**(28,142,330)**	(80.1%)
Non-controlling interests							
- (Loss)/profit from continuing operations		(18,055)	(409,721)	(95.6%)	43,797	(573,097)	N.M.
		(18,055)	(409,721)	(95.6%)	43,797	(573,097)	N.M.
Loss for the period		**(3,000,533)**	**(20,457,014)**	(85.3%)	**(5,558,223)**	**(28,715,427)**	(80.6%)
Loss per share:		**S$ cents**	**S$ cents**		**S$ cents**	**S$ cents**	
From continuing and discontinued operations - Basic and diluted		(0.70)	(4.72)		(1.32)	(6.63)	
From continuing operations – Basic and diluted		(0.70)	(4.72)		(1.32)	(5.92)	

N.M. denotes Not Meaningful

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Condensed Interim Financial Statement of Profit and Loss and Other Comprehensive Income for Fourth Quarter and Twelve Months ended 31 December 2023 (cont'd)

		Group					
		3 months ended			12 months ended	18 months ended	
	Note	**31.12.2023 (Unaudited) S$**	**31.12.2022 (Unaudited) S$ Restated**	**Change % +/(-)**	**31.12.2023 (Unaudited) S$**	**31.12.2022 (Audited) S$ Restated**	**Change % +/(-)**
Loss for the period		**(3,000,533)**	**(20,457,014)**	(85.3%)	**(5,558,223)**	**(28,715,427)**	(80.6%)
Other comprehensive income, after tax:							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation differences relating to foreign operations		105,515	(38,799)	N.M.	110,285	28,137	N.M.
Foreign currency translation differences of subsidiaries reclassified to profit or loss upon derecognition		–	–	–	–	(196,110)	N.M.
Items that will not be reclassified subsequently to profit or loss							
Foreign currency translation differences relating to foreign operations		10,360	(10,456)	N.M.	26,973	(1,050)	N.M.
Other comprehensive profit/(loss) for the period (nil tax)		**115,875**	**(49,255)**	N.M.	**137,258**	**(169,023)**	N.M.
Total comprehensive loss for the period		**(2,884,658)**	**(20,506,269)**	(85.9%)	**(5,420,965)**	**(28,884,450)**	(81.2%)
Total comprehensive loss attributable to:							
Owner of the Company		(2,893,576)	(20,096,548)	(85.6%)	(5,491,735)	(28,310,303)	(80.6%)
Non-controlling interests		8,918	(409,721)	N.M.	70,770	(574,147)	N.M.
Total comprehensive loss for the period		**(2,884,658)**	**(20,506,269)**	(85.9%)	**(5,420,965)**	**(28,884,450)**	(81.2%)

N.M. denotes Not Meaningful

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Condensed Interim Statement of Financial Position

	Note	Group 31.12.2023 (Unaudited) S$	Group 31.12.2022 (Audited) S$ Restated	Company 31.12.2023 (Unaudited) S$	Company 31.12.2022 (Audited) S$ Restated
ASSETS					
Non-current assets					
Property, plant and equipment		–	354,287	–	223,658
Investment in associated companies	10	–	2,294,000	–	2,294,000
Total non-current assets		**–**	**2,648,287**	**–**	**2,517,658**
Current assets					
Inventories		152,221	245,731	–	–
Trade receivables	11	201,553	563,941	–	–
Other receivables	11	295,216	1,033,721	214,870	486,881
Contract assets		31,941	13,649	–	–
Cash and bank balances		475,835	185,538	458,661	123,251
Total current assets		**1,156,766**	**2,042,580**	**673,531**	**610,132**
Total Assets		**1,156,766**	**4,690,867**	**673,531**	**3,127,790**
EQUITY					
Capital and reserves					
Share capital	13	58,948,250	58,948,250	58,948,250	58,948,250
Foreign currency translation reserves		233,378	123,093	–	–
Accumulated losses		(63,975,862)	(58,373,842)	(66,454,477)	(60,746,701)
Equity attributable to owners of the Company		**(4,794,234)**	**697,501**	**(7,506,227)**	**(1,798,451)**
Non-controlling interests		(777,929)	(848,699)	–	–
Total equity		**(5,572,163)**	**(151,198)**	**(7,506,227)**	**(1,798,451)**
LIABILITIES					
Non-current liabilities					
Lease liabilities		6,384	–	–	–
Total non-current liabilities		**6,384**	**–**	**–**	**–**
Current liabilities					
Lease liabilities		51,702	330,834	–	217,394
Borrowings	12	4,000,000	1,398,219	4,000,000	1,398,219
Trade payables		35,534	430,383	–	–
Other payables		2,483,262	1,686,992	4,179,758	3,310,628
Contract liabilities		152,047	995,637	–	–
Total current liabilities		**6,722,545**	**4,842,065**	**8,179,758**	**4,926,241**
Total liabilities		**6,728,929**	**4,842,065**	**8,179,758**	**4,926,241**
Total Liabilities and Equity		**1,156,766**	**4,690,867**	**673,531**	**3,127,790**

Condensed Interim Statement of Changes in Equity

	Attributable to equity holders of the Company					
Group	**Share capital S$**	**Foreign currency translation reserves S$**	**Accumulated losses S$**	**Attributable to equity holders of the Company S$**	**Non-controlling interests S$**	**Total equity S$**
At 01.01.2023 (audited)	58,948,250	123,093	(58,373,842)	697,501	(848,699)	(151,198)
(Loss)/profit for the period	–	–	(5,602,020)	(5,602,020)	43,797	(5,558,223)
Other comprehensive income						
Foreign currency translation differences relating to foreign operations	–	110,285	–	110,285	26,973	137,258
Total comprehensive profit/(loss) for the period	**–**	**110,285**	**(5,602,020)**	**(5,491,735)**	**70,770**	**(5,420,965)**
At 31.12.2023 (unaudited)	**58,948,250**	**233,378**	**(63,975,862)**	**(4,794,234)**	**(777,929)**	**(5,572,163)**
At 01.07.2021 (audited)	58,948,250	291,066	(30,231,512)	29,007,804	(274,552)	28,733,252
Loss for the period	–	–	(28,142,330)	(28,142,330)	(573,097)	(28,715,427)
Other comprehensive income						
Foreign currency translation differences relating to foreign operations	–	28,137	–	28,137	(1,050)	27,087
Foreign currency translation differences of subsidiaries reclassified to profit or loss upon derecognition	–	(196,110)	–	(196,110)	–	(196,110)
Total comprehensive loss for the period	**–**	**(167,973)**	**(28,142,330)**	**(28,310,303)**	**(574,147)**	**(28,884,450)**
At 31.12.2022 (audited)	**58,948,250**	**123,093**	**(58,373,842)**	**697,501**	**(848,699)**	**(151,198)**

Condensed Interim Statement of Changes in Equity (cont'd)

Company	Share capital S$	Accumulated losses S$	Total equity S$
At 01.01.2023 (audited)	**58,948,250**	**(60,746,701)**	**(1,798,451)**
Loss and total comprehensive loss for the period	–	(5,707,776)	(5,707,776)
At 31.12.2023 (unaudited)	**58,948,250**	**(66,454,477)**	**(7,506,227)**
At 01.07.2021 (audited)	**58,948,250**	**(28,675,056)**	**30,273,194**
Loss and total comprehensive loss for the period	–	(32,071,645)	(32,071,645)
At 31.12.2022 (audited)	**58,948,250**	**(60,746,701)**	**(1,798,451)**

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Condensed Interim Consolidated Statement of Cash Flow

	Group 12 months ended 31.12.2023 (Unaudited) S$	Group 18 months ended 31.12.2022 (Audited) S$ Restated
Cash flows from operating activities		
Loss for the period	**(5,558,223)**	**(28,715,427)**
Adjustments for:		
Amortisation investment properties	–	10,658
Bad debts written off	–	7,273
Depreciation of property, plant and equipment	307,172	1,997,487
(Reversal of impairment loss)/Impairment loss on trade receivables	(110,812)	256,632
Impairment loss on other receivables	–	233,256
Impairment loss on investment in associate	1,790,529	17,121,904
Impairment loss on property, plant and equipment	69,388	–
Interest expense	110,981	142,727
Interest income	(1)	(1,022)
Gain on disposal of property, plant and equipment	(28,204)	(149,770)
Gain on derecognition of subsidiaries	–	(1,630,383)
Gain on lease modification	(2,421)	–
Property, plant and equipment written off	–	20,029
Share of results of associated companies	503,471	1,396,454
Tax expense	–	82,663
Unrealised foreign exchange differences, net	114,935	485
Operating cash flows before working capital changes	**(2,803,185)**	**(9,227,034)**
Changes in working capital:		
- Inventories	85,709	874,355
- Trade and other receivables	1,182,431	695,620
- Contract assets	(19,072)	563,993
- Trade and other payables	415,213	3,291,547
- Contract liabilities	(818,818)	(452,580)
Cash used in from operations	**(1,957,722)**	**(4,254,099)**
Income tax paid	–	(2,073)
Net cash used in operating activities	**(1,957,722)**	**(4,256,172)**
Cash flows from investing activities		
Interest received	1	1,022
Additions to property, plant and equipment	–	(177,305)
Proceed from disposal of property, plant and equipment	51,601	809,597
Derecognition of a subsidiaries, net of cash disposed	–	(383,248)
Net cash from investing activities	**51,602**	**250,066**

Restated Condensed Interim Consolidated Statement of Cash Flow (cont'd)

	12 months ended 31.12.2023 (Unaudited) S$	18 months ended 31.12.2022 (Audited) S$ Restated
Cash flows from financing activities		
Proceeds from borrowings	4,000,000	1,500,000
Repayment of borrowings	(1,500,000)	–
Repayment of loan from a shareholder of a subsidiary	–	(413,874)
Interest paid	(9,200)	(244,508)
Principal payment of lease liabilities	(315,532)	(2,185,832)
Net cash generated from/(used in) financing activities	**2,175,268**	**(1,344,214)**
Net increase/(decrease) in cash and cash equivalents	**269,148**	**(5,350,320)**
Cash and cash equivalents at beginning of the financial period	185,538	5,535,483
Effects of foreign exchange rate changes on cash and cash equivalents	21,149	375
Cash and cash equivalents at end of the financial period	**475,835**	**185,538**

Notes to the Condensed Interim Financial Statements

1. Corporate information

SDAI Limited (the "**Company**") is a limited liability company, incorporated and domiciled in Singapore, and listed on the Catalist board of the SGX-ST. The address of its registered office is Level 39 Marina Bay Financial Centre, Tower 2, 10 Marina Boulevard, Singapore 018983.

The Company changed its financial year end from 30 June to 31 December as announced on 14 September 2022. These condensed interim consolidated financial statements for the fourth quarter and twelve months period ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the "**Group**").

The principal activity of the Company is investment holding. The Group is primarily involved in the selling and distribution of imported high-end kitchen systems and appliances, wardrobe systems and household furniture and accessories.

On 17 November 2023, the Company changed its name from Kitchen Culture Holdings Ltd. to SDAI Limited.

2. Basis of preparation

The condensed interim financial statements for 4Q2023 and 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 of 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 condensed interim financial statements for the third quarter and nine months period ended 30 September 2023.

Save as disclosed in Note 2.1 below, the Group has applied the same accounting policies and methods of computation as in the Group's latest audited consolidated financial statements for the period of 18 months from 1 July 2021 to 31 December 2022, which was announced on 25 April 2024.

The restated condensed interim financial statements for the comparative 4Q2022 and FP2022 have been restated to reflect the latest changes and more accurate financial numbers as the latest audited consolidated financial statements have been finalised on 25 April 2024 and material variances between the unaudited financial statements and audited financial statements were announced on the same day.

The condensed interim financial statements are presented in Singapore Dollar which is the Company's functional currency. All financial information is presented in Singapore Dollar, unless otherwise stated.

2.1 New and amended standards adopted by the Group

A number of amendments to SFRS(I) have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those SFRS(I). The adoption of the new and revised SFRS(I) and interpretation of SFRS(I) has no material impact on the financial performance or position of the Group and the Company reported for the current or prior reporting periods.

2.2 Critical judgements and key sources of estimate uncertainty

In the application of the Group's accounting policies and assessment of going concern, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

There are no critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial period, are discussed below.

<u>Impairment of investment in subsidiaries</u>

The Company assesses impairment of investment in subsidiaries whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable or indicate that the recoverable amount of the investments may be lower than the carrying amount. If any such indication exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of the investment is estimated to determine the impairment loss or write-back of impairment.

As at 31 December 2023, the recoverable amount of investment in subsidiaries was determined based on fair value less costs of disposal. An impairment loss of S$2.25 million for investment in subsidiaries was recognised in FP2022.

As at 31 December 2023 and 31 December 2022, sensitivity analysis is not prepared as these subsidiaries are dormant and do not generate any revenue.

<u>Impairment of investment in associated companies</u>

As at 31 December 2023, the Group and the Company have zero investment in associated companies (FP2022: S$2.29 million and S$2.29 million respectively), as disclosed in Note 10.

The Group and the Company undertake an annual review of the carrying amount of the investment in associate to identify any objective of evidence of impairment. If such objective evidence of impairment is identified, the recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use) of the investment is estimated to determine the impairment loss or reversal of any previous impairment.

As at 31 December 2023, the recoverable amount of investment in associated companies was determined based on fair value less costs of disposal. An impairment loss of S$1,790,529 and S$2,294,000 (FP2022: S$17,121,904 and S$19,428,000 respectively) for the Group's and the Company's investment in associated companies, respectively was recognised during the financial year.

2.2 Critical judgements and key sources of estimate uncertainty (cont'd)

Valuation of inventories

A review is made periodically on inventory for obsolete and excess inventory and declines in net realisable value below cost and a write-off or write-down is recorded against the carrying amount of the inventory balance for any such obsolescence, excess and declines. The realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting date and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of write-off or write-down include management's expectations for future sales and inventory management which may materially affect the carrying amounts of inventories at the reporting date. Possible changes in these estimates could result in revisions to the stated value of the inventories but these changes would not arise from the assumptions or other sources of estimation uncertainty at the reporting date. No written down and written off of inventories of the Group as at 31 December 2023 (31 December 2022: S$1.04 million).

Impairment of trade receivables and contract assets

As at 31 December 2023, the Group's trade receivables and contract assets amounted to S$92,348 and S$31,941 respectively (FP2022: S$0.56 million for trade receivables and S$13,649 for contract assets).

Based on the Group's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each revenue segment. Within each revenue segment, the Group has common customers across the different geographical regions and applies credit evaluations by customer. Accordingly, management has determined the expected loss rates by grouping the receivables across geographical regions in each revenue segment. An impairment loss of S$253,899 (FP2022: S$263,601) for trade receivables was recognised as at 31 December 2023.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. There was no customer in financial difficulties during the financial year/period. As such, there was no impairment loss on trade receivables of the Group as at 31 December 2023.

2.2 Critical judgements and key sources of estimate uncertainty (cont'd)

Impairment of other receivables due from former subsidiaries, former associate, subsidiaries and associate

In the FP2022, the Group and the Company, as the case may be, recognised impairment losses of S$18.94 million and S$23.10 million respectively due from former subsidiaries, former associates, and subsidiaries.

The Group and the Company use an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement).

The Group and the Company assessed the credit exposure of these receivables for the three months period ended 31 December 2023 to be insignificant based on the historical default rates and measured the impairment losses based on 12 months expected loss basis, except for amount of stated above, which is measured at an amount equal to lifetime expected credit losses.

Construction contracts

The Group recognises contract revenue by reference to the stage of completion of the project activity at the end of reporting date, when the outcome of a construction project can be estimated reliably. The stage of completion is measured by reference to the proportion of value of work certified for work performed to-date compared to the total project revenue (output method).

Significant assumptions are required in determining the stage of completion, the extent of the project costs incurred, the estimated total project revenue and total budgeted project costs, as well as the recoverability of the projects. Total project revenue also includes an estimation of the variation works and claims that are recoverable from the customers. In making these estimates, the Group relies on past experience and knowledge of the project managers.

3. Seasonal operations

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

4. Segment information

The Group is organised into business units based on its products and services for management purposes. The reportable segments are residential projects, distribution and retail, and others.

Residential projects segment is involved in designing, assembling, installing, testing and inspection of various furniture and fittings, kitchen equipment and related products.

The distribution and retail segment is involved in selling and distributing of products through a network of authorised dealers and retailers.

Discontinued operations refer to the deconsolidated subsidiaries' residential project, distribution and retail segment.

Others are the investment holding, dormant and inactive companies.

Management monitors the operating results of its reportable segments separately for making decisions about allocation of resources and assessment of performances of each segment.

Notes to the Condensed Interim Financial Statements (cont'd)

4. Segment information (cont'd)

The revenue of the Group was solely derived from Hong Kong in FY2023.

	Residential Projects		Distribution and retail		Others		Discontinued operations		Total	
	FY2023 S$	FP2022 S$ Restated	FY2023 S$	FP2022 S$ Restated	FY2023 S$	FP2022 S$ Restated	FY2023 S$	FP2022 S$ Restated	FY2023 S$	FP2022 S$ Restated
Reportable segment revenue	1,049,780	1,746,736	662,351	4,057,755	–	–	–	7,151,079	1,712,131	12,955,570
Reportable segment losses	(321,936)	(2,358,448)	(222,711)	(2,078,515)	(2,538,439)	(2,555,526)	–	(4,593,449)	(3,083,086)	(11,585,938)
Reportable segment assets	389,933	790,452	252,062	1,235,721	514,771	370,694	–	–	1,156,766	2,396,867
Reportable segment liabilities	1,288,826	1,700,055	849,008	1,903,780	4,591,095	1,238,230	–	–	6,728,929	4,842,065
Capital expenditure*	(62,146)	(45,124)	(39,733)	(84,524)	–	(12,231)	–	(324,539)	(101,879)	(466,418)
Depreciation of property, plant and equipment	(91,127)	(558,515)	(59,119)	(605,588)	(156,926)	(410,924)	–	(422,460)	(307,172)	(1,997,487)
Amortisation investment properties	–	–	–	–	–	–	–	(10,658)	–	(10,658)
Impairment loss/(Reversal of impairment loss) on trade receivables	67,595	(76,989)	43,217	(179,643)	–	–	–	–	110,812	(256,632)
Impairment loss on other receivables	–	(90,970)	–	(41,986)	–	(100,300)	–	–	–	(233,256)
Property, plant and equipment written off	–	–	–	–	–	–	–	(20,029)	–	(20,029)
Inventories written down	–	(158,059)	–	(368,805)	–	(512,035)	–	–	–	(1,038,899)
Inventories written off	–	–	–	–	–	–	–	(5)	–	(5)
Bad debts written off	–	–	–	–	–	–	–	(7,273)	–	(7,273)

* Included in the capital expenditure is the addition of right-of-use assets.

4. Segment information (cont'd)

	Residential Projects		Distribution and retail		Others		Discontinued operations		Total	
	4Q2023 S$	4Q2022 S$ Restated	4Q2023 S$	4Q2022 S$ Restated	4Q2023 S$	4Q2022 S$ Restated	4Q2023 S$	4Q2022 S$ Restated	4Q2023 S$	4Q2022 S$ Restated
Reportable segment revenue	128,782	207,627	212,287	772,409	–	–	–	–	341,069	980,036
Reportable segment losses	(124,093)	(891,288)	(98,849)	(1,141,385)	(905,700)	(820,331)	–	–	(1,128,642)	(2,853,004)
Reportable segment assets	389,933	790,452	252,062	1,235,721	514,771	370,694	–	–	1,156,766	2,396,867
Reportable segment liabilities	1,288,826	1,700,055	849,008	1,903,780	4,591,095	1,238,230	–	–	6,728,929	4,842,065
Capital expenditure	(62,146)	(20,281)	(39,733)	(81,148)	–	1,840	–	–	(101,879)	(99,589)
Depreciation of property, plant and equipment	(35,637)	(96,371)	(29,533)	(195,492)	(5,853)	(58,458)	–	–	(71,023)	(350,321)
Impairment loss/(Reversal of impairment loss) on trade receivables	67,595	(76,989)	43,217	(179,643)	–	–	–	–	110,812	(256,632)
Impairment loss on other receivables	–	(90,970)	–	(41,986)	–	(100,300)	–	–	–	(233,256)
Inventories written down	–	(158,059)	–	(368,805)	–	(512,035)	–	–	–	(1,038,899)

Notes to the Condensed Interim Financial Statements (cont'd)

5. Financial assets and liabilities

	Group		Company	
	31.12.2023 (Unaudited) S$	31.12.2022 (Audited) S$	31.12.2023 (Unaudited) S$	31.12.2022 (Audited) S$
Financial assets				
Trade and other receivables*	408,574	1,273,242	189,870	461,881
Cash and cash equivalents	475,835	185,538	458,661	123,251
	884,409	1,458,780	648,531	585,132
Financial liabilities				
Trade and other payables^	2,518,796	2,117,375	4,179,758	3,310,628
Lease liabilities	58,086	330,834	–	217,394
Borrowings	4,000,000	1,398,219	4,000,000	1,398,219
	6,576,882	3,846,428	8,179,758	4,926,241

* Excludes prepayments
^ Excludes contract liabilities

6. Loss before tax

Loss before tax has been arrived at after charging/(crediting):

	Group			
	3 months ended		12 months ended	18 months ended
	31.12.2023 (Unaudited) S$	31.12.2022 (Unaudited) S$	31.12.2023 (Unaudited) S$	31.12.2022 (Audited) S$
Cost of inventories recognized as an expense included in cost of sales	131,418	756,526	442,705	2,629,520
Depreciation of property, plant and equipment	71,023	350,322	307,172	1,575,027
Directors' fee	(33,194)	66,240	139,306	239,043
Legal and professional fees	178,499	525,717	1,501,078	2,032,740
Net loss/(gain) on foreign exchange differences	81,836	82,608	114,935	(33,298)
Impairment loss on investment on associate	1,790,529	1,038,899	1,790,529	17,121,904
(Reversal of impairment loss)/impairment loss on trade receivables	(110,812)	256,632	(110,812)	256,632
Impairment loss on other receivables	–	233,256	–	233,256
Inventories written down	–	1,038,899	–	1,038,899
Inventories written off	–	5	–	5
Rental expense on operating lease	128,156	(130,959)	302,532	155,840
Salaries and related costs	317,222	245,184	757,841	2,108,937

Notes to the Condensed Interim Financial Statements (cont'd)

7. Other income

	Group			
	3 months ended		12 months ended	18 months ended
	31.12.2023 (Unaudited) S$	31.12.2022 (Unaudited) S$	31.12.2023 (Unaudited) S$	31.12.2022 (Audited) S$
Gain/(loss) on disposal of property, plant and equipment	(21,975)	–	28,204	5,500
Gain on lease modification	2,421	–	2,421	–
Government grants	–	22,931	–	63,218
Service income	(41,688)	10,669	–	–
Interest income	(616)	546	1	972
Write-back of allowance for inventory write-downs	38,615	–	38,615	–
Reversal of impairment loss on trade receivables	110,812	–	110,812	–
Others	4,634	19,018	4,634	18,261
Net (loss)/gain on foreign exchange differences	(2,806)	(82,802)	–	–
	89,397	**(29,638)**	**184,687**	**87,951**

8. Finance costs

	Group			
	3 months ended		12 months ended	18 months ended
	31.12.2023 (Unaudited) S$	31.12.2022 (Unaudited) S$	31.12.2023 (Unaudited) S$	31.12.2022 (Audited) S$
Interest expense on borrowings	(8,801)	(51,774)	101,781	48,219
Interest expense on lease liabilities	5,093	8,522	9,200	63,881
	(3,708)	(43,252)	110,981	112,100
Bank charges	(2,699)	668	769	4,321
	(6,407)	**(42,584)**	**111,750**	**116,421**

9. Discontinued operations

On 5 April 2022, KHL Marketing Asia-Pacific Pte. Ltd. ("**KHLM**"), a subsidiary of the Company entered into a compulsory liquidation. Accordingly, KHLM and its subsidiaries met the definition of discontinued operations in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*. Accordingly, KHLM and its subsidiaries are deconsolidated from the consolidated financial statements of the Company in FP2022, with effect from 5 April 2022.

	Group 18 months ended 31.12.2022 (Audited) S$
Revenue	7,151,079
Cost of sales	(7,690,167)
Gross profit	(539,088)
Other income	243,612
Selling and distribution expenses	(335,361)
Other operating expenses	(172,081)
General and administrative expenses	(3,790,481)
Loss from operations	(4,593,399)
Finance costs	(43,452)
Loss before tax	(4,636,851)
Tax expense	(2,073)
Loss from discontinued operations	(4,638,924)
Gain on derecognition of discontinued operation	1,630,383
Loss for the period	(3,008,541)
	S$ cent
Loss per share	
Basic and diluted loss per share from discontinued operations	(0.07)

Notes to the Condensed Interim Financial Statements (cont'd)

9. Discontinued operations (cont'd)

Loss before tax has been arrived at after charging/(crediting):

	18 months ended 31.12.2022 (Audited) S$
Amortisation of investment properties	10,658
Audit fees paid to other auditors	4,519
Bad debts written-off	7,273
Cost of inventories recognised as an expense included in cost of sales	1,080,645
Depreciation of property, plant and equipment	422,460
Government grants	(74,280)
Interest income on bank deposits	(50)
Legal and professional fees	434,018
Net loss on foreign exchange differences	55,746
Net gain on disposal of property, plant and equipment	(144,270)
Property, plant and equipment written off	20,029
Rental expense on operating lease	188,352
Service income	(4,000)
Employee benefits expense	
Salaries and related costs	2,699,580
Finance costs	
Interest expense on lease liabilities	30,627
Bank charges	12,825
	43,452

Effect of derecognition of the subsidiaries

The following table summaries the amounts of assets and liabilities of discontinued operation as at the date of derecognition of 5 April 2022:

	5 April 2022 (Audited) S$
Property, plant and equipment (net of accumulated depreciation)	1,023,591
Investment property	197,013
Inventories	994,529
Trade receivables	4,304,878
Other receivables	1,910,074
Cash and cash balances	383,248
Lease liabilities	(954,512)
Trade payables	(2,442,759)
Other payables	(3,904,393)
Contract liabilities	(2,945,942)
Net liabilities disposed	(1,434,273)
Foreign currency translation differences reclassified to profit or loss	(196,110)
Gain on derecognition of discontinued operation	(1,630,383)
Net cash outflow	
Net cash outflow arising from derecognition of the subsidiaries	383,248

Notes to the Condensed Interim Financial Statements (cont'd)

10. Investment in associated companies

	Group		Company	
	31.12.2023 (Unaudited) S$	31.12.2022 (Audited) S$	31.12.2023 (Unaudited) S$	31.12.2022 (Audited) S$
Equity investment at cost:				
Beginning of financial year/period	2,294,000	20,812,358	2,294,000	21,722,000
Impairment loss on investment in associated companies	(1,790,529)	(1,396,454)	–	–
Share of results of associated company	(503,471)	(17,121,904)	(2,294,000)	(19,428,000)
At end of financial period	**–**	**2,294,000**	**–**	**2,294,000**

Set out below is the associated company of the Group:

Name	Principal activities	Country of business/ incorporation	% of ownership interest FY2023	% of ownership interest FP2022
Held by SDAI Limited				
OOWAY Technology Pte. Ltd.	Holding company and provision of management consultancy services	Republic of Singapore	27.65	27.65

11. Trade and other receivables

	Group		Company	
	31.12.2023 (Unaudited) S$	31.12.2022 (Audited) S$	31.12.2023 (Unaudited) S$	31.12.2022 (Audited) S$
Trade receivables	346,247	827,542	–	–
Impairment losses	(144,694)	(263,601)	–	–
Net trade receivables	201,553	563,941	–	–
Other receivables	12,976	120,903	5,939	114,756
Deposits	194,045	588,398	183,931	347,125
Prepayments	88,195	324,420	25,000	25,000
Amounts due from former subsidiaries	18,608,998	18,706,705	18,608,379	18,706,086
Amounts due from former associate	233,256	233,256	233,256	233,256
Amounts due from subsidiaries	–	–	4,244,045	4,144,868
Impairment losses	(18,842,254)	(18,939,961)	(23,085,680)	(23,084,210)
Total other receivables	295,216	1,033,721	214,870	486,881
Trade and other receivables	496,769	1,597,662	214,870	486,881

The average credit period on sale of goods is 60 days. No interest is charged on the trade receivables. Before accepting any new customer, the Group will assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically.

11. Trade and other receivables

Movement in the allowance for impairment in respect of other receivables during the year/period was as follows:

	Group		Company	
	31.12.2023 (Unaudited) S$	**31.12.2022 (Audited) S$**	**31.12.2023 (Unaudited) S$**	**31.12.2022 (Audited) S$**
At beginning of financial year/period	18,939,961	–	23,084,210	17,247,557
Impairment loss recognised	–	233,256	99,177	5,836,653
Written off	(97,707)	–	(97,707)	–
Derecognition of subsidiaries	–	18,706,705	–	–
At end of financial year/period	**18,842,254**	**18,939,961**	**23,085,680**	**23,084,210**

12. Borrowings

	Group		Company	
	31.12.2023 (Unaudited) S$	**31.12.2022 (Audited) S$**	**31.12.2023 (Unaudited) S$**	**31.12.2022 (Audited) S$**
Amount repayable within one year or less, or on demand				
Unsecured loans				
Loan 1	–	933,973	–	933,973
Loan 2	–	464,246	–	464,246
Loan 3	4,000,000	–	4,000,000	–
	4,000,000	**1,398,219**	**4,000,000**	**1,398,219**

During calendar year 2022, the Group and the Company had unsecured loans from a third party of S$1.0 million ("**Loan 1**") and S$0.5 million ("**Loan 2**") with a maturity date on 29 August 2023 and 18 September 2023, respectively. These unsecured loans from a third party bear an interest rate of 10% per annum. Loan 1 and Loan 2 were fully settled on 23 August 2023 and an announcement by the Company was made on 24 August 2023.

Loan 1 and Loan 2 contained an equity conversion option, which enables the lender to convert the loans to ordinary shares of the Company upon the expiry of the loan contracts or resumption of trading of the shares of the Company. This equity conversion feature does not qualify as an equity instrument because the conversion term does not meet the "fixed-for-fixed" test, where the number of ordinary shares to be converted was not fixed and may vary with the changes in the fair value of the ordinary shares of the Company.

The equity conversion option meets the definition of derivative financial instrument and the Group and the Company assessed that the fair value of the derivative financial instrument to be insignificant as at FP2022.

On 17 July 2023, the Company received a letter of demand from the lawyer of the lender that the change in composition of the existing board of directors of the Company ("**Existing Board**") on 26 June 2023 without the prior written consent of the lender amounted to an event of default. Upon the occurrence of the event of default, the lender demanded repayment of Loan 1 and Loan 2 granted to the Company amounting to a total of S$1.5 million. On 23 August 2023, the Company announced that the Company made the full payment of a total of S$1.5 million to the lender. The Company also received a confirmation from the lender's lawyer regarding the receipt of the aforementioned sum.

On 26 June 2023, the Company entered into a loan agreement with Asian Accounts Receivable Exchange Pte Ltd ("**Loan Agreement**") for an interest free loan of S$4,000,000 with full repayment 12 months from the date of the Loan Agreement ("**Loan 3**"). The salient terms of the Loan Agreement can be found on the announcement made by the Company on 26 June 2023. As at 31 December 2023, the Company has drawdown a total of S$4,000,000.

13. Share capital

	The Group and the Company			
	FY2023		FP2022	
	No. of shares	S$	No. of shares	S$
Issued and paid-up				
Beginning and end of financial period	424,665,283	58,948,250	424,665,283	58,948,250

All shares rank equally with regard to the Company's residual assets. All issued shares are fully paid, with no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

There were no changes in the share capital of the Company since 30 September 2023.

The Company did not have any treasury shares, subsidiary holdings or other convertibles as at the end of the current financial period reported on and corresponding period of the immediately preceding financial year.

The Company did not hold any treasury shares and the Company's subsidiaries did not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

14. Significant related party transactions

There were no material related party transactions during 4Q2023 and FY2023.

15. Subsequent events

Save as disclosed below, there are no known subsequent events which led to adjustments to this set of interim financial statements:

(a) On 12 July 2021, the Company voluntarily suspended trading of its shares on the SGX-ST as the board of directors of the Company (the "**Board**") was unable to confirm that all relevant material information has been announced, pending, *inter alia*, the completion of the additional agreed-upon-procedures or a special audit then being considered by the Audit and Risk Committee ("**ARC**"). Please refer to the Company's announcement dated 12 July 2021 for further details.

(b) The Company has on 14 July 2021 and 19 August 2021 received notices of compliance from the Singapore Exchange Regulation ("**SGX RegCo**"):

(i) The first notice of compliance ("**NOC**") issued by SGX RegCo on 14 July 2021 required the Company's ARC to commission its Internal Auditor ("**IA**") to expand its scope of work (the "**Additional Scope**") to include, among others, looking into the circumstances that led to breaches and/or potential breaches of the Catalist Rules as well as internal control weaknesses as stated in the IA's draft interim report ("**Interim Report**") which was mentioned in the Company's announcement dated 12 July 2021.

15. Subsequent events (cont'd)

Save as disclosed below, there are no known subsequent events which led to adjustments to this set of interim financial statements:

(ii) The second NOC issued by SGX RegCo on 19 August 2021 directed the Company to appoint a suitable independent special auditor ("**Special Auditor**") as recommended by the Company's continuing sponsor and approved by SGX RegCo. The second NOC superseded the instruction in the first NOC. The Special Audit must cover the following:

- Review the matters raised in the first NOC;
- Review the circumstances surrounding the payroll matter as disclosed below ("**Payroll Matters**"), including but not limited to whether the payments were made in accordance with the respective employment contracts and whether proper approvals had been obtained for such payments;
- Review the circumstances surrounding the unauthorised transactions and assess if there were other unauthorised transactions in the past one (1) year;
- Review the Group's internal controls, processes and procedures in relation to due diligence performed on acquisitions and disposals in the past one (1) year;
- Review the Group's whistleblowing policies, processes and procedures and advise on whether such policies, processes and procedures are adequate and effective. In addition, the Special Auditor must review all whistleblowing reports received by the Company and/or its directors, assess whether internal policies, processes and procedures have been adhered to, whether issues brought up by the whistleblower(s) have been robustly investigated into by non-conflicted persons and addressed in the process;
- Where internal control weaknesses are noted by the IA (in its Interim Report prior to the issue of the second NOC) and the Special Auditor, the Special Auditor must make recommendations on enhancements to ensure adequacy and effectiveness of the internal controls going forward; and
- Where breaches/potential breaches of the Catalist Rules, laws or regulations are noted, the Special Auditor must set out clearly the circumstances that led to the breaches and/or potential breaches as well as the parties responsible.

The Special Auditor reports only and directly to SGX RegCo and the Company's continuing sponsor.

In December 2021, the ARC (by way of majority votes) has also mandated the IA to perform the following:

(i) Review the implementation status of the remedial steps taken by management to address the internal control weaknesses and potential lapses as stated in the Interim Report ("**Follow-up Review**"); and

(ii) Perform certain agreed upon procedures ("**AUP**") for the utilisation of proceeds up to 30 November 2021.

15. Subsequent events (cont'd)

Save as disclosed below, there are no known subsequent events which led to adjustments to this set of interim financial statements:

(c) On 23 March 2022, the ARC received the Follow-up Review report and AUP report ("**AUP Report**") issued by the IA in connection with the utilisation of proceeds up to 30 November 2021. These Follow-up Review report and AUP Report had been shared by the management with the Special Auditor on 31 March 2022 for their information.

Following the release of the Follow Up Review Report, the management revised the draft Policies, Procedures and Delegation of Authority manual for the ARC's review and recommendation to the Board for Board's approval. In addition, the Board will continue to monitor Management's ongoing implementation of the recommendations raised in the Interim Report and the Follow Up Report.

Following the release of AUP Report, there were certain unmatched expenses items reported by the IA in connection with the utilisation of proceeds up to 30 November 2021. The Management was in the midst of conducting further analysis and investigations of the "unmatched" items quantified in the AUP Report in order to assess the accuracy of (i) the allocated amounts, the utilised amounts and the remaining balance of the proceeds, and (ii) the breakdown of the use of proceeds up to 30 November 2021.

The Company had subsequently provided multiple announcements on the information of the use of proceeds. On 19 October 2022, the Company further announced that, pending the conclusion of the Special Audit, the Board provided an update on the use of net proceeds raised to 30 September 2022, where the proceeds utilised has been further broken down into 5 separate time periods, (a) up to 7 July 2021, (b) from 8 July 2021 to 30 November 2021, (c) from 1 December 2021 to 31 March 2022, (d) 1 April 2022 to 31 July 2022, and (e) from 1 August 2023 to 30 September 2022, for the purposes of identifying the amounts of proceeds that were utilised by the Group during the respective periods in which Mr Lim Wee Li (former CEO of the Company) and Mr Lincoln Teo Choong Han (former Interim CEO of the Company), were respectively principally responsible for the management and conduct of the business of the Group during the period under review in the AUP Report, where Mr Lim Wee Li ceased to be the CEO of the Company on 7 July 2021, and Mr Lincoln Teo Choong Han was appointed as Interim CEO of the Company on 8 July 2021 and ceased to be the Interim CEO of the Company on 15 July 2022.

(d) On 21 July 2023, the Special Auditor issued the first phase of the Special Audit, which covered the auditing findings of the Payroll Matters and Unauthorised Transactions (as defined below).

<u>Payroll Matters</u>

In respect of suspected payroll irregularities of S$520,000 arising from the past employment of two foreign nationals by its subsidiary, KHLM, the Special Auditor was unable to independently verify whether the two former employees were meaningfully employed by KHLM. Based on the available evidence, it appeared that Mr Lim Wee Li had directed the said employment for the purpose of securing employment passes in exchange for monetary benefits, which may be a contravention of Sections 22 and 23 of the Employment of Foreign Manpower Act of Singapore. Additionally, the Special Auditor also noted that the employment and determination of their compensation appeared to lack justification, and the hiring and termination process departed from the Group's policy and practice.

15. Subsequent events (cont'd)

Save as disclosed below, there are no known subsequent events which led to adjustments to this set of interim financial statements:

Unauthorised Transactions

In respect of transfer of the Company's fund of US$480,010 carried out by Mr Lincoln Teo Choon Han without the requisite approval of the Board of the Company ("**Unauthorised Transactions**"), the Special Auditor uncovered a total of five agreements which Mr Lincoln Teo Choon Han had executed on behalf of the Company's wholly-owned subsidiary, KC Technologies Pte Ltd ("**KC Technologies**") without obtaining approval from the Board of the Company.

Under these agreements, KC Technologies and Sino Allied (HK) Limited ("**Sino Allied**") were to jointly establish a structured finance scheme for one (1) year, to support Amazon's e-commerce merchants with their collective procurements. KC Technologies was to fund 80% (US$480,000) of the total investment amount (US$600,000) and Sino Allied was to fund the remaining 20% (US$120,000). It was not in the Group's ordinary course of business to provide such financing. The Group had since terminated the financing business and recovered monies extended in relation to the Unauthorised Transactions and its corresponding interest pursuant to the agreements on 14 October 2021.

Arising from the above issues surrounding the Payroll Matters and Unauthorised Transactions, the Special Auditor highlighted potential listing rule breaches relating to internal control lapses involving the Company's hiring processes and new investment proposals, potential breaches of the Employment of Foreign Manpower Act of Singapore and Ministry of Manpower of Singapore guidelines, as well as potential contravention of directors' fiduciary duties under Section 157 of the Companies Act 1967 of Singapore.

As at the date of these financial statements, the Special Auditor has yet to complete its Special Audit mentioned under Note 15(b)(ii) above in connection with the internal control weaknesses identified by the IA in its Interim Report, Follow-Up Report and AUP Report.

(e) On 26 June 2023, the Company entered into a loan agreement with Asian Accounts Receivable Exchange Pte Ltd for an interest-free loan of S$4 million with a maturity period of 1 year. On 27 March 2024, the Company renewed the loan with a new maturity date on 26 September 2025.

On 27 March 2024, the Company entered into a loan agreement with a director of the Company for an interest-free loan of S$4 million with a maturity date on 26 September 2025.

(f) On 8 October 2024, the Company incorporated a wholly-owned subsidiary, Beijing Blue Code Biotechnology Co., Ltd. in the People's Republic of China. The subsidiary is currently dormant.

Other Information Required by Appendix 7C of the Catalist Rules

Part I Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcements

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

The condensed interim consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the fourth quarter and twelve months ended 31 December 2023, and the explanatory notes herein have not been audited or reviewed by the independent auditor of the Company (the "**Auditor**").

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

Not applicable.

3. 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.

The Group's latest audited consolidated financial statements for FP2022 contained a Disclaimer of Opinion issued by the Auditor. The following subjects were included in the said audit opinion:

(i) Use of going concern assumption;
(ii) Notice of Compliance issued by Singapore Exchange Regulation;
(iii) Impairment of property, plant and equipment;
(iv) Opening balances and comparative information and the financial effect on the current period's figures;
(v) Discontinued operations;
(vi) Significant subsidiary;
(vii) Investment in subsidiaries and amounts due from subsidiaries and associate;
(viii) Completeness, existence and accuracy of bank balances; and
(ix) Completeness, existence and accuracy of other payables

The management is in the midst of resolving the audit issues raised by the Auditor as stated above.

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

The Directors confirm that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

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 for the adoption of the new and revised SFRS(I)s, and amendments to SFRS(I), effective for the current financial period that are relevant to them, the Group has adopted the same accounting policies and methods of computation as stated in its latest audited consolidated financial statements for FP2022. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those SFRS(I). The adoption of the new and revised SFRS(I), and amendments to SFRS(I), has no material impact on the financial performance or position of the Group and the Company reported for the current or prior reporting periods.

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.

Please refer to item 4 above.

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

	3 months ended		12 months ended	18 months ended
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Audited)**
	S$	**S$**	**S$**	**S$**
Loss for the period attributable to equity holders of the Company	(2,982,478)	(20,047,293)	(5,602,020)	(28,142,330)
Loss from continuing operations	(2,982,478)	(20,047,293)	(5,602,020)	(25,133,789)
Loss from discontinued operations	–	–	–	(3,008,541)
Weighted average number of ordinary shares in use	424,665,283	424,665,283	424,665,283	424,665,283
Basic loss per share	**S$ cents**	**S$ cents**	**S$ cents**	**S$ cents**
From continuing and discontinued operations	(0.70)	(4.72)	(1.32)	(6.63)
From continuing operations	(0.70)	(4.72)	(1.32)	(5.92)
From discontinued operations	–	–	–	(0.71)

There were no dilutive potential ordinary shares for the financial periods ended FY2023, FP2022, 4Q2023 and 4Q2022. The diluted loss per share was the same as the basis loss per share for the aforementioned financial periods.

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:

	Group		Company	
	31.12.2023 (Unaudited)	**31.12.2022 (Audited)**	**31.12.2023 (Unaudited)**	**31.12.2022 (Audited)**
Net asset value per ordinary share (S$ cents)	(1.13)	0.16	(1.77)	(0.42)
Number of ordinary shares in issue as at period end	424,665,283	424,665,283	424,665,283	424,665,283

Net asset value per ordinary share is calculated by dividing the respective equity attributable to equity holders of the Company by the aggregate number of ordinary shares as at the end of the respective financial periods.

8. A review of the performance of the group

Review of Consolidated Statement of Profit and Loss

The current period under review refers to the twelve-month financial year ended 31 December 2023 ("**FY2023**"), while the comparative period refers to the eighteen-month financial period ended 31 December 2022 as a result of the change in the financial year end of the Company from 30 June to 31 December as announced by the Company on 14 September 2022.

8. A review of the performance of the group (cont'd)

Review of Consolidated Statement of Profit and Loss

Revenue
The Group recorded revenue of S$1.71 million in FY2023, a decrease of 70.5% or S$4.09 million from S$5.80 million in FP2022. The decrease was mainly due to the decline in the distribution and retail segment of S$0.56 million as a result of the termination of one of the dealerships for the kitchen business of the Group at the end of FP2022 ("**Termination**") and an additional six months of revenue recognised from the change in the financial year end from 30 June to 31 December in FP2022 as compared with FY2023.

Cost of sales
The Group's cost of sales decreased by 75.0%, or S$3.18 million, to S$1.06 million in FY2023 from S$4.24 million in FP2022. The decrease was primarily attributed to a decline in purchases and sales due to the downsizing of Hong Kong's business pursuant to the Termination at the end of FP2022 and an additional six months of costs of sales recognised from the change in the financial year end from 30 June to 31 December in FP2022 as compared with FY2023.

Gross profit
Gross profit decreased by 58.3%, or S$0.91 million, to S$0.65 million in FY2023 from S$1.57 million in FP2022, mainly due to a decrease in gross profit for the distribution and retail segment in FY2023 by S$1.19 million and partially offset by the increase in residential project segment by S$0.29 million in FY2023.

Other income
Other income increased by 110.0%, or approximately S$97,000, to S$0.18 million in FY2023 from approximately S$88,000 in FP2022, mainly due to the reversal of impairment loss on trade receivables for funds collected.

Selling and distribution expenses
Selling and distribution expenses decreased by 78.4%, or S$1.38 million, from S$1.76 million in FP2022 to S$0.38 million in FY2023, mainly due to lower staff count following the downsizing of Hong Kong's business in FY2023.

Other operating expenses
Other operating expenses decreased by S$1.15 million, or 75.1%, from S$1.53 million in FP2022 to S$0.38 million in FY2023, mainly due to the write-down of inventory of S$1.04 million, higher impairment loss on trade and other receivables of S$0.26 million recognised in FP2022, partially offset with GST expense of S$0.23 million recognised in FY2023.

General and administrative expenses
General and administrative expenses decreased by 41.0%, or S$2.20 million, from S$5.36 million in FP2022 to S$3.16 million in FY2023. The decrease was mainly due to an additional six months of expenses recognised from the change in the financial year from 30 June to 31 December in FP2022.

Finance costs
Finance costs decreased by approximately S$5,000, or 4.0%, to S$0.11 million in FY2023 from S$0.12 million in FP2022 mainly due to the over recognition of interest expenses in FP2022.

Loss before tax
Due to the above, and additional impairment loss on investment in associated companies of S$1.79 million in FY2023, the Group recorded a loss before tax of S$5.56 million in FY2023, which was 78.3%, or S$20.06 million, lower than the loss before tax of S$25.63 million in FP2022.

8. A review of the performance of the group (cont'd)

Review of Statements of Financial Position

Non-Current Assets
As at 31 December 2023, the Group recorded no non-current assets which was S$2.65 million lower as compared to S$2.65 million as at 31 December 2022. The decrease was mainly due to (i) a depreciation charge of S$0.30 million resulting from the early termination of the Singapore office lease, (ii) impairment of approximately S$68,000 on the property, plant and equipment, and (iii) a decrease in investment in associated companies of S$2.29 million from a share of losses from the investment in associated companies of S$0.5 million and additional impairment provided of S$1.79 million.

Current assets
The Group recorded current assets of S$1.16 million as at 31 December 2023, as compared to S$2.04 million as at 31 December 2022. The decrease was mainly due to (i) lower trade receivables of S$0.36 million due to collections, and (ii) lower other receivables of S$0.78 million due to the reduction of deposits in Hong Kong, partially offset by higher cash and bank balances of S$0.29 million.

Non-current liabilities
The Group recorded a non-current liability in relation to lease liabilities of approximately S$6,000 as at 31 December 2023 due to additional lease term committed for Hong Kong's office rental, which was absent as at 31 December 2022.

Current liabilities
The Group recorded current liabilities of S$6.72 million as at 31 December 2023, which was S$1.88 million higher than S$4.84 million as at 31 December 2022. The increase was mainly due to (i) an interest-free loan of S$4.0 million extended by Asian Accounts Receivables Exchange Pte. Ltd., partially offset by the loan repayment (including interest) of S$1.50 million entered by the previous board of directors of the Company, and (ii) the increase in other payables of S$0.84 million due to the higher professional fees charged. The increase was partially offset by (i) a decrease in lease liabilities of S$0.28 million, (ii) a decrease in trade payables of S$0.39 million, and (iii) a decrease in contract liabilities of S$0.84 million due to the recognition of deferred revenue.

Equity
The Group recorded negative total equity of S$5.57 million as at 31 December 2023, as compared to negative total equity S$0.15 million as at 31 December 2022 mainly due to losses of S$5.56 million for FY2023.

Working capital position
The Group reported a negative working capital position of approximately S$5.57 million as at 31 December 2023, as compared to a negative working capital of approximately S$2.80 million as at 31 December 2022.

The Group recorded a negative working capital balance as at 31 December 2023, which may indicate that the Group may not be able to meet its short-term debt obligations when they become due. The Board acknowledges the uncertainties in relation to the ability of the Group to realise its assets and discharge its liabilities in the normal course of business. However, the Board is confident that the Group will be able to meet its obligations as and when they fall due and that the preparation of these condensed interim consolidated financial statements on a going concern basis remains appropriate, taking into consideration that the Group and the Company are able to (a) address all matters raised in the notices of compliance ("**NOC**") issued by Singapore Exchange Regulation on 14 July 2021 and on 19 August 2021, (b) successfully complete the corporate turnaround plans and restructuring, and (c) obtain sufficient new loan financing and further extend the maturity date of the existing loans which will mature on 26 September 2025. On 27 March 2024, the Company entered into a loan agreement with a Director for an interest-free loan of S$4.0 million with a maturity date on 26 September 2025. In addition, the Company had, on 27 March 2024, entered into a side letter agreement to the loan agreement with Asian Accounts Receivable Exchange Pte. Ltd. to mutually agree to extend the repayment date for the redeemable loan of a principal sum of S$4.0 million to 26 September 2025. The Company is also actively working on securing new business(es), which will offer new business opportunities for the Group, provide new revenue streams for growth and improve the prospects of the Group.

8. A review of the performance of the group (cont'd)

Review of Consolidated Statement of Cash Flows

The operating cash outflows of the Group in FY2023 prior to adjustments for changes in working capital was S$2.80 million. The net cash used in operating activities was S$1.96 million after taking into account the net changes to working capital of (i) increase in inventories by approximately S$86,000, (ii) increase in trade and other receivables by S$1.18 million, and (iii) increase in trade and other payables by S$0.42 million, partially offset by the decrease in contract assets of approximately S$19,000 and contract liabilities of S$0.82 million.

The net cash generated from investing activities amounting to approximately S$52,000 in FY2023, mainly consisted of the proceeds from the disposal of property, plant and equipment.

The net cash generated from financing activities was S$2.18 million in FY2023, mainly due to the interest-free loan of S$4.0 million extended by Asian Accounts Receivables Exchange Pte. Ltd., partially offset by the loan repayment (including interest) of S$1.50 million entered by the previous board of directors of the Company and principal payment of lease liabilities of S$0.32 million.

As a result of the above, the Group recorded cash and cash equivalents of S$0.48 million in FY2023, an increase of S$0.26 million from S$0.19 million in FP2022 and taking into account the effects of foreign exchange rate changes on cash and cash equivalents of approximately S$21,000.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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.

The Group's kitchen business has been shifted to Hong Kong after its principal wholly-owned subsidiary, KHLM, entered into compulsory liquidation on 5 April 2022. Management expects a slowdown in the residential projects segment of the Group.

The business of the Group's associated company, OOWAY Technology Pte. Ltd. ("**OOWAY**"), has also been adversely affected by the COVID-19 pandemic and the zero-COVID policy adopted by the government of the People's Republic of China. The market slowdown in China during 2023 reflects a complex interplay of domestic challenges and external pressures. As the country navigates this period of adjustment, the focus will be on balancing recovery efforts while addressing underlying economic vulnerabilities.

On 26 June 2023, the Company announced changes to the board composition, resulting in the constitution of a new Board. Subject to a more in-depth study, the Board intends to further develop the Company's big data analytics and artificial intelligence businesses in the People's Republic of China. In the view of the Board, this strategy is consistent with the disclosures in the Company's circular to shareholders dated 22 September 2020, particularly in relation to the "Proposed Diversification on the Core Business of the Group to include the Proposed New Business".

11. Dividend

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

No dividend has been declared or recommended for the current financial year reported on.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

No interim dividend was declared or recommended in the previous corresponding period.

(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 Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

(f) 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 by the Directors for FY2023 as the Group has been loss-making for the financial year and has accumulated losses in FY2023.

12. If the group has obtained a general mandate from shareholders for interested person tractions ("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 general mandate from shareholders for IPTs pursuant to Rule 920(1)(a)(ii) of the Catalist Rules. There were no IPTs entered into by the Group for 4Q2023 and FY2023 as required to be disclosed pursuant to Rule 1204(17) of the Catalist Rules.

13. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

Not applicable for this announcement on the Group's full year results for FY2023.

14. 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).

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

15. Disclosure of acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since the end of the previous reporting period pursuant to Rule 706A of the Catalist Rules.

The Group does not have any acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since the end of the previous reporting period, up to 31 December 2023.

SDAI LIMITED
(Company Registration No. 201107179D)
(Incorporated in the Republic of Singapore)

Part II Additional Information Required for Full Year Announcement

16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Please refer to page 14 and page 15 of this announcement.

17. A breakdown of sales as follows:

		Group		
		12 months ended 31.12.2023 (Unaudited)	**18 months ended 31.12.2022 (Audited)**	**increase/ (decrease)**
		S$	**S$**	**%**
			Restated	
(a)	Sales reported for first 6 months	–	2,487,637	N.M.
(b)	Operating loss after tax before deducting non-controlling interests reported for first 6 months	–	(5,369,044)	N.M.
(c)	Sales reported for second 6 months	833,331	1,211,934	(31.2%)
(d)	Operating loss after tax before deducting non-controlling interest reported for second 6 months	(1,429,930)	(2,181,961)	(34.5%)
(e)	Sales reported for third 6 months	878,800	2,104,920	(58.3%)
(f)	Operating loss after tax before deducting non-controlling interest reported for third 6 months	(4,172,090)	(21,164,422)	(80.3%)

N.M. denotes Not Meaningful

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:—

Not applicable. No dividend has been declared or recommended for FY2023 and FP2022.

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

Not applicable. There is no person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Yip Kean Mun
Executive Director
21 October 2024