



**ACESIAN PARTNERS LIMITED**  
(Registration No: 199505699D)

**Condensed interim financial statements**  
**For the six months ended 30 June 2022**

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**ACESIAN GROUP**

**ACESIAN PARTNERS LIMITED**

(Registration No: 199505699D)

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

**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2022 ("1H2022")**

	Note	The Group	
		1H2022 \$'000	1H2021 \$'000
Revenue	4	16,683	5,184
Cost of sales		(11,013)	(3,332)
Gross profit		5,670	1,852
Other operating income		117	218
Administrative expenses		(2,210)	(1,472)
Other operating expenses		(391)	(86)
Finance costs		(17)	(28)
Profit before tax	5	3,169	484
Income tax expense	8	(608)	(41)
Profit for the period		2,561	443
Other comprehensive income/(loss):			
Item that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations, net of tax		60	(142)
Total comprehensive income for the period, net of tax		2,621	301
Profit/(loss) attributable to:			
Owners of the Company		2,572	427
Non-controlling interests		(11)	16
		2,561	443
Total comprehensive income/(loss) attributable to:			
Owners of the Company		2,613	313
Non-controlling interests		8	(12)
		2,621	301
Earnings per share attributable to owners of the Company (cents per share):			
Based on weighted average number of shares:			
- Basic		0.52	0.09
- Diluted		0.52	0.09
Weighted average number of shares in issue		498,498,498	498,498,498

## B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	2,311	2,471	284	362
Investment in subsidiaries	13	-	-	1,269	1,269
		<b>2,311</b>	<b>2,471</b>	<b>1,553</b>	<b>1,631</b>
<b>Current assets</b>					
Inventories	7	4,102	3,795	-	-
Trade and other receivables		5,455	2,286	2,588	2,786
Contract assets		731	380	-	-
Prepaid operating expenses		118	139	35	43
Fixed deposits pledged		92	93	2,422	30
Cash and cash equivalents		10,544	8,982	3,988	3,040
		<b>21,042</b>	<b>15,675</b>	<b>9,033</b>	<b>5,899</b>
<b>Total assets</b>		<b>23,353</b>	<b>18,146</b>	<b>10,586</b>	<b>7,530</b>
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables		11,337	8,924	832	738
Contract liabilities		45	133	-	-
Income tax payable		752	298	-	-
Lease liabilities	11	465	476	104	101
		<b>12,599</b>	<b>9,831</b>	<b>936</b>	<b>839</b>
<b>Non-current liability</b>					
Lease liabilities	11	340	522	154	207
		<b>340</b>	<b>522</b>	<b>154</b>	<b>207</b>
<b>Total liabilities</b>		<b>12,939</b>	<b>10,353</b>	<b>1,090</b>	<b>1,046</b>
<b>Equity</b>					
Share capital	14	20,322	20,322	20,322	20,322
Accumulated losses		(8,352)	(10,924)	(10,826)	(13,838)
Foreign currency translation reserve		(1,631)	(1,672)	-	-
Attributable to owners of the Company		10,339	7,726	9,496	6,484
Non-controlling interests		75	67	-	-
<b>Total equity</b>		<b>10,414</b>	<b>7,793</b>	<b>9,496</b>	<b>6,484</b>
<b>Total equity and liabilities</b>		<b>23,353</b>	<b>18,146</b>	<b>10,586</b>	<b>7,530</b>

## C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Attributable to owners of the Company

	Share capital \$'000	Accumulated losses \$'000	Foreign currency translation reserve \$'000	Total \$'000	Non- controlling interests \$'000	Total \$'000
<b>The Group</b>						
Balance at 1 January 2021	20,322	(12,796)	(1,512)	6,014	87	6,101
Profit for the period	-	427	-	427	16	443
<u>Other comprehensive income/(loss)</u>						
Exchange difference on translation of foreign operations, net of tax	-	-	(114)	(114)	(28)	(142)
Total comprehensive income/(loss) for the period	-	427	(114)	313	(12)	301
Balance at 30 June 2021	<u>20,322</u>	<u>(12,369)</u>	<u>(1,626)</u>	<u>6,327</u>	<u>75</u>	<u>6,402</u>
Balance at 1 January 2022	<b>20,322</b>	<b>(10,924)</b>	<b>(1,672)</b>	<b>7,726</b>	<b>67</b>	<b>7,793</b>
Profit/(loss) for the period	-	2,572	-	2,572	(11)	2,561
<u>Other comprehensive income</u>						
Exchange difference on translation of foreign operations, net of tax	-	-	41	41	19	60
Total comprehensive income for the period	-	2,572	41	2,613	8	2,621
Balance at 30 June 2022	<u><b>20,322</b></u>	<u><b>(8,352)</b></u>	<u><b>(1,631)</b></u>	<u><b>10,339</b></u>	<u><b>75</b></u>	<u><b>10,414</b></u>
<b>The Company</b>						
Balance at 1 January 2021	20,322	(14,624)	-	5,698	-	5,698
Profit for the period representing total comprehensive income for the period	-	328	-	328	-	328
Balance at 30 June 2021	<u>20,322</u>	<u>(14,296)</u>	<u>-</u>	<u>6,026</u>	<u>-</u>	<u>6,026</u>
Balance at 1 January 2022	<b>20,322</b>	<b>(13,838)</b>	<b>-</b>	<b>6,484</b>	<b>-</b>	<b>6,484</b>
Profit for the period representing total comprehensive income for the period	-	3,012	-	3,012	-	3,012
Balance at 30 June 2022	<u><b>20,322</b></u>	<u><b>(10,826)</b></u>	<u><b>-</b></u>	<u><b>9,496</b></u>	<u><b>-</b></u>	<u><b>9,496</b></u>

## D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	The Group	
		1H2022 \$'000	1H2021 \$'000
<b>Operating activities</b>			
Profit before tax		3,169	484
Adjustments for:			
Depreciation of property, plant and equipment		421	382
Impairment loss on trade and other receivables	5	16	1
Impairment loss on trade receivables written back	5	-	(5)
Interest expense		17	28
Interest income		(1)	-
Gain on disposal and written off of property, plant and equipment	6	(26)	(13)
Inventories written down/(back), net	7	30	(127)
Exchange differences		(60)	(118)
<b>Operating cash flows before changes in working capital</b>		<b>3,566</b>	<b>632</b>
Increase in inventories		(337)	(197)
(Increase)/Decrease in trade and other receivables, contract assets and prepaid operating expenses		(3,515)	621
Increase in trade and other payables and contract liabilities		2,325	71
<b>Cash flows generated from operations</b>		<b>2,039</b>	<b>1,127</b>
Interest received		1	-
Income taxes paid		-	(6)
<b>Net cash flows generated from operating activities</b>		<b>2,040</b>	<b>1,121</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	6	(251)	(97)
Proceeds from disposal of property, plant and equipment	6	60	13
<b>Net cash flows used in investing activities</b>		<b>(191)</b>	<b>(84)</b>
<b>Financing activities</b>			
Decrease in fixed deposits pledged		1	1
Repayment of lease liabilities		(267)	(321)
Interest paid		(17)	(28)
<b>Net cash flows used in financing activities</b>		<b>(283)</b>	<b>(348)</b>
Net increase in cash and cash equivalents		1,566	689
Effects of currency translation on cash and cash equivalents		(4)	(4)
Cash and cash equivalents at the beginning of the period		8,982	4,464
<b>Cash and cash equivalents at the end of the period</b>		<b>10,544</b>	<b>5,149</b>

## E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1 General information

Acesian Partners Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the "Group").

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

### 2 Summary of significant accounting policies

#### 2.1 Basis of preparation

The condensed interim consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the six months ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

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

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

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the Group's condensed interim financial statements.

### 3 Significant accounting judgements and estimates

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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

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

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

### 4 Statement of operations by segments

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

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

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

#### 4.1 Disaggregation of revenue

	The Group	
	1H2022	1H2021
	\$'000	\$'000
Main revenue streams:		
Engineering services	313	523
Manufacturing, distribution and services	16,370	4,661
	<u>16,683</u>	<u>5,184</u>
Timing of transfer of goods or services		
At a point in time	16,584	5,044
Over time	99	140
	<u>16,683</u>	<u>5,184</u>

#### 4.2 Geographical segments

	The Group	
	1H2022	1H2021
	\$'000	\$'000
Revenue		
Singapore and Malaysia	16,482	3,399
Others	201	1,785
	<u>16,683</u>	<u>5,184</u>

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

4.3 Business segments

1 January to 30 June	Manufacturing, distribution and services		Engineering services		Corporate		Total	
	1H2022		1H2021		1H2022		1H2021	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE								
Total Segment	<b>23,230</b>	7,367	<b>313</b>	523	<b>4,321</b>	1,021	<b>27,864</b>	8,911
Less: Inter-segment	<b>(6,860)</b>	(2,706)	-	-	<b>(4,321)</b>	(1,021)	<b>(11,181)</b>	(3,727)
External sales	<b>16,370</b>	4,661	<b>313</b>	523	-	-	<b>16,683</b>	5,184
RESULTS								
Segment results	<b>4,157</b>	885	<b>(190)</b>	(206)	<b>(798)</b>	(195)	<b>3,169</b>	484
Income tax expense							<b>(608)</b>	(41)
Non-controlling interest							<b>11</b>	(16)
Net profit attributable to owners of the Company							<b>2,572</b>	427
ASSETS								
Segment assets	<b>15,847</b>	9,800	<b>650</b>	1,156	<b>6,856</b>	3,140	<b>23,353</b>	14,096
LIABILITIES								
Segment liabilities	<b>8,757</b>	3,775	<b>3,604</b>	4,068	<b>578</b>	(149)	<b>12,939</b>	7,694
OTHER INFORMATION								
Capital expenditure	<b>248</b>	97	-	-	<b>3</b>	-	<b>251</b>	97
Depreciation	<b>330</b>	293	<b>10</b>	12	<b>81</b>	77	<b>421</b>	382
Impairment loss/(written back) on trade and other receivables, net	-	(4)	<b>16</b>	-	-	-	<b>16</b>	(4)
Inventories written down/(back), net	<b>30</b>	(127)	-	-	-	-	<b>30</b>	(127)



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

### 5 Profit before tax

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

	The Group	
	1H2022	1H2021
	\$'000	\$'000
Depreciation of property, plant and equipment	421	382
Impairment loss on trade and other receivables	16	1
Impairment loss on trade receivables written back	-	(5)
Inventories written down/(back), net	30	(127)
Gain on disposal and written off of property, plant and equipment	(26)	(13)
Exchange gain	(24)	(104)
Interest expense	17	28

### 5.2 Related party transactions

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

### 6 Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired property, plant and equipment, excluding right-of-use assets, amounting to approximately \$251,000 (30 June 2021: \$97,000) and disposal of assets of net book value amounting to approximately \$34,000 (30 June 2021: \$Nil). The Group's right-of-use assets additions amounted to approximately \$80,000 (30 June 2021: \$Nil) and there were no disposal of right-of-use assets (30 June 2021: \$Nil).

### 7 Inventories

	The Group	
	1H2022	1H2021
	\$'000	\$'000
Inventories recognised as an expense in profit or loss inclusive of the following charge:		
- Inventories written-down	30	12
- Reversal of inventories written-down	-	(139)
	<u>30</u>	<u>(127)</u>

### 8 Income tax expense

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

	The Group	
	1H2022	1H2021
	\$'000	\$'000
Current income tax		
- current year	608	41
	<u>608</u>	<u>41</u>

### 9 Dividends

No dividend has been declared or recommended for the six months ended 30 June 2022 to enable the Group to conserve cash for its working capital purposes.

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

### 10 Net asset value

	The Group		The Company	
	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
	Cents	Cents	Cents	Cents
Net asset value per share	2.07	1.55	1.90	1.30

### 11 Lease liabilities

	The Group		The Company	
	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
	\$'000	\$'000	\$'000	\$'000
<u>Current:</u>				
Secured	465	476	104	101
<u>Non-current:</u>				
Secured	340	522	154	207
	<b>805</b>	<b>998</b>	<b>258</b>	<b>308</b>

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

### 12 Categories of financial instruments

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

	The Group		The Company	
	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
<u>At amortised cost</u>				
Trade and other receivables *	5,454	2,269	2,588	2,786
Fixed assets pledged	92	93	2,422	30
Cash and cash equivalents	10,544	8,982	3,988	3,040
	<b>16,090</b>	<b>11,344</b>	<b>8,998</b>	<b>5,856</b>
<b>Financial liabilities</b>				
<u>At amortised cost</u>				
Trade and other payables **	10,950	8,661	768	650
Lease liabilities	805	998	258	308
	<b>11,755</b>	<b>9,659</b>	<b>1,026</b>	<b>958</b>

\* Exclude non-financial assets of the Group amounting to \$1,000 (31 December 2021: \$17,000)

\*\* Exclude non-financial liabilities of the Group and the Company amounting to \$387,000 (31 December 2021: \$263,000) and \$64,000 (31 December 2021: \$88,000) respectively.

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

### 13 Investment in subsidiaries

Acesian Star (S) Pte Ltd ("ASPL"), a wholly-owned subsidiary of the Group, is under liquidation. The Group faced significant restrictions on its ability to access or use ASPL's assets. The carrying amounts of ASPL's assets and liabilities as at 30 June 2022 after eliminations of intercompany balances are as follows:

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

Active Building Technologies Pte Ltd ("ABT") is a dormant wholly-owned subsidiary of ASPL and an indirect wholly-owned subsidiary of the Group. Upon the completion of the liquidation of ASPL, the event which will result in the lost of control of ABT by the Company, ABT will be deconsolidated from the Group's financial statements in accordance with in accordance with SFRS(I) on the date when the control of ABT ceases and the assets and liabilities of ABT will be derecognised from the consolidated statement of financial position. ABT continued to be consolidated in the current financial year as the liquidation of ASPL is still ongoing. The carrying amounts of ABT's assets and liabilities as at 30 June 2022 after eliminations of intercompany balances are as follows:

	Amount \$'000
Total assets	47
Total liabilities	<u>(2,829)</u>
Carrying amount of net liabilities	<u>(2,782)</u>

ABT had been placed in creditors' voluntary liquidation pursuant to the special resolution passed at the Extraordinary General Meeting of ABT and confirmation by the creditors of ABT at the creditors' meeting, both held on 7 April 2022, and the liquidation is still in progress.

The liquidation of Acesian Engineering Pte Ltd ("AEPL") has been completed. On 1 August 2022, the Liquidator had lodged with the Registrar of Companies and the Official Receiver a return of the holding and date of the Final Meeting of AEPL. On the expiration of 3 months after the lodging of the return with the Registrar of Companies and with the Official Receiver, AEPL will be officially dissolved.

### 14 Share capital

	The Group and the Company			
	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
	Number of shares		\$'000	\$'000
<b>Ordinary shares issued and fully paid</b>				
At beginning and end of the period/year	<u>498,498,498</u>	498,498,498	<u>20,322</u>	20,322

The Company did not hold any treasury shares and did not have any convertible instruments as at 30 June 2022 and 31 December 2021. The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

### 15 Subsequent events

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

## F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

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

The condensed consolidated statement of financial position of Acesian Partners Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

**2 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

Not applicable

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

Not applicable

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

Not applicable

**4 Dividend information**

**4a Current Financial Period Report on**

Any dividend declared for the current financial period reported on?

None.

**4b Corresponding Period of the immediately Preceding Financial Year**

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

None.

**4c Date payable**

Not applicable.

**4d Books closure date**

Not applicable.

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

No dividend has been declared or recommended for the six months ended 30 June 2022 to enable the Group to conserve cash for its working capital purposes.

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

There were no significant interested person transactions conducted under general mandate of or over \$100,000 in value during the period ended 30 June 2022.

The Company wishes to advise that there is a general mandate obtained from shareholders for interested person transactions approved on 27 April 2022.

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

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

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

#### **Statement of Comprehensive Income (1H2022 vs. 1H2021)**

##### **Revenue**

The Group's revenue for 1H2022 increased by 221.8% to \$16.68 million from \$5.18 million in 1H2021. The strong revenue growth was driven by the solid performance from the manufacturing segment. The manufacturing segment received several significant new sales orders, which was attributed to the brisk construction activities (particularly in semiconductor sector) and ramp-up of our production capacity. The manufacturing segment contributed to the bulk of the Group's revenue at 98.1%, where revenue grew by 251.2% to \$16.37 million in 1H2022 from \$4.66 million in 1H2021. The revenue from engineering segment remained laggard, where revenue declined by 40.2% to \$0.31 million in 1H2022 from \$0.52 million in 1H2021. In light of the highly competitive business environment in Information and Communications Technology (ICT) sector, the business has been scaled down significantly.

##### **Gross profit**

Gross profit for the Group increased by \$3.82 million or 206.2% from \$1.85 million in 1H2021 to \$5.67 million in 1H2022 on the back of higher revenue.

##### **Other operating income**

Other operating income decreased by 46.3% or \$0.10 million from \$0.22 million in 1H2021 to \$0.12 million in 1H2022 mainly due to lower government grants (including jobs support scheme to offset local employee's wages) by 80.2% or \$0.15 million.

##### **Administrative expenses and other operating expenses**

Administrative expenses increased by 50.1% or \$0.74 million from \$1.47 million in 1H2021 to \$2.21 million in 1H2022 mainly due to higher staff costs arising from higher performance bonuses.

The other operating expenses increased by \$0.30 million or 355.8% from \$0.09 million in 1H2021 to \$0.39 million in 1H2022, which was largely attributed to reversal of inventories written-down (net) of \$0.13 million in 1H2021 against inventories written-down of \$0.03 million in 1H2022. Exchange gains decreased by \$0.08 million.

##### **Income tax expense**

Income tax expense of \$0.61 million in 1H2022 pertains to income tax of current period.

##### **Profit, net of tax**

As a result, profit after tax was \$2.56 million in 1H2022 as compared to a profit after tax of \$0.44 million in 1H2021 on the back of higher revenue and correspondingly higher gross profit, which offset higher operating expenses.

### **Statement of Financial Position (1H2022 vs. FY2021)**

Property, plant and equipment of \$2.31 million as at 30 June 2022, which decreased by \$0.16 million was mainly due depreciation charges of \$0.42 million offset by purchases of new equipment of \$0.25 million and additions in right-of-use assets of \$0.08 million. The PPE included right-of-use assets at net book value of \$0.76 million as at 30 June 2022.

Inventories increased by \$0.30 million from \$3.80 million as at 31 December 2021 to \$4.10 million as at 30 June 2022 owing mainly to increase in inventory holdings by \$0.34 million.

The increase in trade and other receivables by \$3.17 million in 1H2022 mainly due to net invoicing (sales invoicing outpaced debt collection) during 1H2022.

Contract assets of \$0.73 million as at 30 June 2022 mainly related to unbilled receivables.

Trade and other payables increased by \$2.41 million in HY2022 mainly due to increase in trade payables by 15.6% and other payables by 51.0%.

The obligation under lease liabilities of \$0.81 million as at 30 June 2022, which decreased by \$0.19 million was mainly due to lease payments of \$0.27 million during 1H2022 offset by additions of lease liabilities in relation to new/extension of lease contracts during the period of \$0.08 million.

### **Statement of Cash Flows**

During the year, the Group generated positive overall net cash inflows amounting to \$1.56 million resulting in the increase in cash and cash equivalents from \$8.98 million as at 31 December 2021 to \$10.54 million as at 30 June 2022. The significant cash movements during 1H2022 were as follows:

In 1H2022, net cash flows of \$2.04 million was generated from operating activities taking into account the working capital changes.

In 1H2022, net cash of \$0.19 million in investing activities was mainly used for purchases of equipment.

In 1H2022, net cash of \$0.28 million was used in financing activities mainly for payment of obligations under lease liabilities and interest paid during the period.

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

The results for 1H2022 is in line with the profit guidance announcement dated 21 July 2022.

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

The current general market sentiment has turned pessimistic in light of the uncertainty in market situation and in anticipation of multiple headwinds in next few quarters, including among others, rising inflation and economic activity slow down. The delivery of several secured significant orders is expected to be continued in the second half of the year, barring unforeseen circumstances such as project delays. In view of the current geopolitical tensions and strong infrastructure support in Singapore, it is expected to draw interest from overseas semiconductor manufacturers to set up a plant in Singapore. The rising business costs (in particular unstable raw material prices and labour costs) and shortage of manpower pose a significant challenge to the Group, and may erode the gross margin of our manufacturing segment. The market fragility and economic downturn may have impact on future order intakes if construction activities are scaled down or deferment of new construction projects. Other business risks remain a threat such as strained supply chain, China lockdowns and fresh waves of COVID-19 driven by newer omicron subvariants.

Given the current hard-to-predict market situation, the Group will take the necessary mitigating measures, and prudently manage its business strategies and take a disciplined approach to cost management.

**10. Negative confirmation by the Board pursuant to Rule 705(5) of the Listing Manual of SGX-ST.**

On behalf of the Board of Directors of the Company, we, confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the half-year ended 30 June 2022 to be false or misleading in any material aspect.

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

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

By Order of the Board

**Loh Yih**

**Managing Director**

11 August 2022

**Wong Kok Chye**

**Executive Director and Group Chief Operating Officer**

This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Liao H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271