

Unaudited Condensed Interim Financial Statements

For the six months ended 30 June 2024

Koyo International Limited and its Subsidiaries

(Incorporated in Singapore)

(Company Registration No: 200100075E)

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(A) Condensed interim consolidated statement of profit or loss and other comprehensive income

The Group

	NOTE	Six Months Ended		Increase/ (Decrease) %
		30-Jun-24	30-Jun-23	
		(Unaudited) S\$ '000	(Unaudited) S\$ '000	
Revenue	4	27,146	22,531	20.5
Cost of construction		(21,935)	(19,650)	11.6
Gross profit		5,211	2,881	80.9
Other income		261	193	35.2
Selling and distribution expenses		(99)	(71)	39.4
Administrative expenses		(4,875)	(5,014)	(2.8)
Other operating expenses		(202)	(714)	(71.7)
Finance expenses		(247)	(77)	220.8
Profit / (Loss) before income tax	6	49	(2,802)	N.M.
Income tax expense	7	-	-	-
Net profit / (loss)		49	(2,802)	N.M.
Other comprehensive (loss) / income:				
Items that will not be reclassified to profit or loss:				
Net fair value loss on equity instruments at fair value through other comprehensive income		(1)	(1)	-
Other comprehensive loss, net of tax		(1)	(1)	-
Total comprehensive income / (loss)		48	(2,803)	N.M.
Profit / (Loss) attributable to:				
Equity holders of the Company		49	(2,802)	N.M.
Total comprehensive income / (loss) attributable to:				
Equity holders of the Company		48	(2,803)	N.M.
Earnings / (Loss) per share (Singapore cents)				
Basic		0.03	(1.48)	
Diluted		0.03	(1.48)	
Earnings / (Loss) per share was calculated based on weighted average number of ordinary shares in issue ('000):				
(a) Basic		189,824	189,824	
(b) Diluted		189,824	189,824	

Basic and diluted earnings per share of the Group were the same as there were no potential dilutive securities in issue as at 30 June 2024, 31 December 2023 and 30 June 2023.

N.M.: not meaningful

(B) Condensed interim statements of financial position

	Note	<u>Group</u>		<u>Company</u>	
		30-Jun-24 (Unaudited)	31-Dec-23 (Audited)	30-Jun-24 (Unaudited)	31-Dec-23 (Audited)
		S\$ '000	S\$ '000	S\$ '000	S\$ '000
<u>ASSETS</u>					
<u>Non-current Assets</u>					
Property, plant and equipment	11	6,112	6,237	-	-
Investments in subsidiaries		-	-	18,850	18,850
Investment securities, at FVOCI	10	14	15	-	-
Investment securities, at FVPL	14	-	665	-	665
Other receivables		1,200	1,200	-	-
		<u>7,326</u>	<u>8,117</u>	<u>18,850</u>	<u>19,515</u>
<u>Current Assets</u>					
Inventories		26	30	-	-
Trade and other receivables		3,906	8,147	10	12
Contract assets		24,755	20,589	-	-
Cash and bank balances		6,455	9,387	208	194
		<u>35,142</u>	<u>38,153</u>	<u>218</u>	<u>206</u>
Total Assets		<u>42,468</u>	<u>46,270</u>	<u>19,068</u>	<u>19,721</u>
<u>LIABILITIES</u>					
<u>Non-current Liabilities</u>					
Lease liabilities	12	1,532	1,484	-	-
Bank borrowing	12	-	3,500	-	-
		<u>1,532</u>	<u>4,984</u>	<u>-</u>	<u>-</u>
<u>Current Liabilities</u>					
Trade and other payables		15,991	18,632	693	1,254
Contract liabilities		2,583	3,875	-	-
Lease liabilities	12	199	163	-	-
Bank borrowing	12	5,012	1,513	-	-
		<u>23,785</u>	<u>24,183</u>	<u>693</u>	<u>1,254</u>
Total Liabilities		<u>25,317</u>	<u>29,167</u>	<u>693</u>	<u>1,254</u>
Net Assets		<u>17,151</u>	<u>17,103</u>	<u>18,375</u>	<u>18,467</u>
<u>EQUITY</u>					
Share capital	13	4,477	4,477	40,072	40,072
Treasury shares	13	(630)	(630)	(630)	(630)
Other reserves		1,640	1,641	-	-
Retained profits / (accumulated losses)		11,664	11,615	(21,067)	(20,975)
Total Equity		<u>17,151</u>	<u>17,103</u>	<u>18,375</u>	<u>18,467</u>

(C) Condensed interim statements of changes in equity

<u>The Group (Unaudited)</u>	Note	Attributable to equity holders of the Company				Total Equity S\$'000
		Share Capital S\$'000	Treasury Shares S\$'000	Other Reserves S\$'000	Retained Profits S\$'000	
2024						
At 1 January 2024		4,477	(630)	1,641	11,615	17,103
Profit for the period		-	-	-	49	49
<u>Other comprehensive loss (“OCI”)</u>						
Net fair value loss on equity securities at fair value through OCI		-	-	(1)	-	(1)
Total comprehensive income/ (loss) for the period		-	-	(1)	49	48
At 30 June 2024		4,477	(630)	1,640	11,664	17,151
2023						
At 1 January 2023 (restated)		4,477	(630)	1,644	10,076	15,567
Loss for the period		-	-	-	(2,802)	(2,802)
<u>Other comprehensive loss</u>						
Net fair value loss on equity securities at fair value through OCI		-	-	(1)	-	(1)
Total comprehensive loss for the period		-	-	(1)	(2,802)	(2,803)
At 30 June 2023		4,477	(630)	1,643	7,274	12,764

(C) Condensed interim statements of changes in equity (cont'd)

<u>The Company</u> (Unaudited)	Note	Attributable to equity holders of the Company				
		Share Capital S\$'000	Treasury Shares S\$'000	Other Reserves S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
2024						
At 1 January 2024		40,072	(630)	-	(20,975)	18,467
Total comprehensive loss for the period		-	-	-	(92)	(92)
At 30 June 2024		<u>40,072</u>	<u>(630)</u>	<u>-</u>	<u>(21,067)</u>	<u>18,375</u>
2023						
At 1 January 2023		40,072	(630)	-	(20,815)	18,627
Total comprehensive loss for the period		-	-	-	(72)	(72)
At 30 June 2023		<u>40,072</u>	<u>(630)</u>	<u>-</u>	<u>(20,887)</u>	<u>18,555</u>

(D) Condensed interim consolidated statement of cash flows

<u>The Group</u>	Note	Six Months Ended	
		30-Jun-24 (Unaudited) S\$'000	30-Jun-23 (Unaudited) S\$'000
Cash flows from operating activities			
Net Profit / (loss)		49	(2,802)
Adjustments for:			
Depreciation of property, plant and equipment		366	376
Allowance for expected credit loss		-	453
Interest expenses		247	77
Interest income	6	(42)	(8)
Dividend income		(2)	(5)
Fair value gain on financial assets, at FVPL		-	(61)
Exchange loss on financial assets, at FVPL		-	6
Operating profit / (loss) before working capital changes		618	(1,964)
Changes in working capital:			
Inventories		4	16
Trade and other receivables, contract assets		72	(2,427)
Trade and other payables, contract liabilities		(3,408)	(819)
Bank borrowing		(1)	-
Provision		-	(1,720)
Disposal of financial assets, at FVPL		665	-
Cash used in operations		(2,050)	(6,914)
Income tax paid		-	(129)
Net cash used in operating activities		(2,050)	(7,043)
Cash flows from investing activities			
Additions to property, plant & equipment		(34)	(622)
Dividend received		2	-
Interest received		45	7
Net cash generated from / (used in) investing activities		13	(615)
Cash flows from financing activities			
Proceeds from bank borrowing		-	5,000
Proceeds from director's loan		-	500
Repayment of lease liabilities		(123)	(119)
Net changes in trust receipts		(623)	(213)
Interest paid		(149)	(59)
Net cash (used in) / generated from financing activities		(895)	5,109
Net decrease in cash and cash equivalents		(2,932)	(2,549)
Cash and cash equivalents at beginning of the period		8,260	7,772
Cash and cash equivalents at the end of the period		5,328	5,223

(D) Condensed interim consolidated statement of cash flows (cont'd)

Non-cash transaction:

During the six months ended 30 June 2024 ("HY2024"), the Group acquired property, plant and equipment with an aggregate cost of S\$241,000 (30 June 2023: S\$622,000), of which S\$207,000 (30 June 2023: nil) was acquired under leases and S\$34,000 (30 June 2023: S\$622,000) via cash payment.

Reconciliation of liabilities arising from financing activities

	1-Jan-24	Financing cash inflow	Principal & Interest	Acquisition	Interest Expense	30-Jun-24
	S\$'000		S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	1,647	-	(133)	207	10	1,731
Bank borrowings	5,013	-	(137)	-	136	5,012
Director's loan	527	-	-	-	14	541
Related party's loan	3,059	-	-	-	84	3,143
Trust receipts	-	1,951	(626)	-	3	1,328

	1-Jan-23	Financing cash inflow	Principal & Interest	Acquisition	Interest Expense	30-Jun-23
	S\$'000		S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	1,815	-	(131)	-	12	1,696
Bank borrowings	-	5,000	-	-	17	5,017

For the purpose of the condensed interim consolidated statement of cash flows, cash and cash equivalents comprise the following:

The Group	Six Months Ended	
	30-Jun-24	30-Jun-23
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
Short-term bank deposits	2,348	2,546
Cash and bank balances	4,107	3,802
	<u>6,455</u>	<u>6,348</u>
Less: Fixed deposits pledged to banks	<u>(1,127)</u>	<u>(1,125)</u>
	<u>5,328</u>	<u>5,223</u>

E. Notes to the unaudited condensed interim consolidated financial statements

1. General information

Koyo International Limited ("Company") is listed on the Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore. These unaudited condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise the financial statements of the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company are those of investment holding and business of providing integrated mechanical and electrical engineering ("M&E") services.

The principal activities of its subsidiaries are:

- (a) Providing integrated mechanical and electrical engineering services and facilities management services;
- (b) Engineering contract works;
- (c) Supply of essential construction materials, including but not limited to reclamation sand, construction sand, armour rock, granite and other aggregates;
- (d) Supply and installation of audio, video and security and communication systems;
- (e) Environmental engineering work;
- (f) General trading of products; and
- (g) Building construction, air-conditioner, mechanical ventilation system installation and engineering works.

E. Notes to the unaudited condensed interim consolidated financial statements (cont'd)

2. Basis of preparation

The unaudited condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* (“SFRS(I)s”) issued by the Accounting Standards Council Singapore. The unaudited 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 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The unaudited condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

Going concern assumption

The Company incurred a net loss of S\$92,000 (31 December 2023: \$160,000) during the financial period ended 30 June 2024 and as at that date, the Company’s current liabilities exceeds its current assets by S\$475,000 (31 December 2023: S\$1,048,000). Included in the current liabilities is an amount of S\$650,000 (31 December 2023: S\$1,100,000) due to a subsidiary.

Notwithstanding the above, the directors are of the view that it is appropriate to prepare the financial statements on a going concern basis as the subsidiary has undertaken not to seek immediate repayment of the amount due from the Company until the Company’s external liabilities have been settled or when the Company’s cashflows permit.

2.1 New and amended standards adopted by the Group

The Group has adopted all the new and revised SFRS(I) that are relevant to its operations and effective for the current financial period under review.

The adoption of these new/revised SFRS(I)s did not result in material changes to the Group’s accounting policies and has no material effect on the financial results or position of the Group and the Company.

E. Notes to the unaudited condensed interim consolidated financial statements (cont'd)

2.2 Use of judgements and estimates

In preparing the unaudited condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the financial year ended 31 December 2023.

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

3. Seasonal operations

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

4. Segment and revenue information

The Group is organised into the following main business segments:

- Mechanical Engineering
- Electrical Engineering
- Facilities Management; and
- Investment Holding

These operating segments are reported in a manner consistent with internal reporting provided to the Board of Directors who are responsible for allocating resources and assessing performance of the operating segments. The Group's operations are mainly located in Singapore.

E. Notes to the unaudited condensed interim consolidated financial statements (cont'd)

4.1 Reportable segments

	Mechanical Engineering S\$'000	Electrical Engineering S\$'000	Facilities Management S\$'000	Investment Holding S\$'000	Total S\$'000
HY2024					
Revenue from external parties	23,749	-	2,684	713	27,146
Gross profit	3,869	73	1,221	48	5,211
Segment assets	26,214	2	1,573	-	27,789
Segment liabilities	9,758	480	532	-	10,770
HY2023					
Revenue from external parties	19,434	728	2,308	61	22,531
Gross profit/(loss)	3,389	(1,465)	896	61	2,881
Segment assets	18,551	1,448	1,207	644	21,850
Segment liabilities	10,787	1,393	745	-	12,925

4.2 Disaggregation of revenue

	Group	
	Six Months Ended	
	30 June 2024	30 June 2023
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
Construction contracts (Singapore)		
Mechanical		
- Over time	23,749	19,434
Electrical		
- Over time	-	728
	23,749	20,162
Facilities management (Singapore)		
- Over time	2,684	2,308
Investment holding-gains		
	713	61
	27,146	22,531

E. Notes to the unaudited condensed interim consolidated financial statements (cont'd)

5. Financial assets and financial liabilities

	<u>Group</u>		<u>Company</u>	
	<u>30-Jun-24</u> <u>(Unaudited)</u>	<u>31-Dec-23</u> <u>(Audited)</u>	<u>30-Jun-24</u> <u>(Unaudited)</u>	<u>31-Dec-23</u> <u>(Audited)</u>
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Financial Assets				
Financial assets at amortised cost	8,837	17,605	209	204
Financial Liabilities				
Financial liabilities at amortised cost	22,726	24,654	694	1,254

6. Profit / (loss) before taxation

6.1. Significant items

The Group

	<u>Six Months Ended</u>	
	<u>30-Jun-24</u> <u>(Unaudited)</u> S\$ '000	<u>30-Jun-23</u> <u>(Unaudited)</u> S\$ '000
<u>Income</u>		
Interest income	(42)	(8)
Dividend income	(2)	(5)
Fair value gain on financial assets, at FVPL	-	(61)
<u>Expenses</u>		
Depreciation of property, plant and equipment	366	376
Allowance for expected credit loss	-	453
Interest expense	247	77
Exchange loss on financial assets, at FVPL	-	6

E. Notes to the unaudited condensed interim consolidated financial statements (cont'd)

6.2. Related party transactions

No transactions took place between the Group and related parties other than those disclosed elsewhere in the financial statements for HY2024 which included the followings:

- (a) Outstanding balances as at 30 June 2024, arising from sales/purchases of goods and services, are unsecured and receivables/payable within 12 months (30 June 2023: 12 months) from the end of reporting period are disclosed as follows:

	Group		Company	
	30-Jun-24 (Unaudited) S\$ '000	30-Jun-23 (Unaudited) S\$ '000	30-Jun-24 (Unaudited) S\$ '000	30-Jun-23 (Unaudited) S\$ '000
Other payables				
- Subsidiary	-	-	(650)	(1,100)

- (b) Key management remuneration

The key management remuneration representing directors' and other key management personnel's are as follows:

	Group	
	30 Jun 24 (Unaudited) S\$'000	30 Jun 23 (Unaudited) S\$'000
Directors' fees	42	52
Salaries and short-term employee benefits	1,230	1,243
Employer's contribution to Central Provident Fund	77	84
	1,349	1,379

The above includes total remuneration to directors of the Company and its subsidiaries amounting to \$449,000 (30 June 2023: \$509,000).

E. Notes to the unaudited condensed interim consolidated financial statements (cont'd)

7. Taxation

The Group calculates the current financial period's 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:

	Six Months Ended	
	30-Jun-24 (Unaudited) S\$ '000	30-Jun-23 (Unaudited) S\$ '000
Current income tax expense	-	-

8. Dividends

No dividend is recommended for the period ended 30 June 2024 (30 June 2023: Nil).

9. Net asset value

	The Group		The Company	
	30-Jun-24 (Unaudited)	31-Dec-23 (Audited)	30-Jun-24 (Unaudited)	31-Dec-23 (Audited)
Net asset value per ordinary share (Singapore cents/share)	9.04	9.01	9.68	9.73
Number of Shares (excluding treasury shares) as at end of period/ year ('000)	189,824	189,824	189,824	189,824

E. Notes to the unaudited condensed interim consolidated financial statements (cont'd)

10. Financial assets at fair value through other comprehensive income (OCI)

	30-Jun-24 (Unaudited) S\$ '000	31-Dec-23 (Audited) S\$ '000
Investment securities - OCI	<u>14</u>	<u>15</u>

10.1. Fair value measurements

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measure hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Group Level 1 S\$'000
<u>Fair value through OCI</u> 30 June 2024	<u>14</u>
<u>Fair value through OCI</u> 31 December 2023	<u>15</u>

The fair value of investment securities traded in active markets is based on quoted market prices at the end of the reporting period. These instruments are included in Level 1.

The carrying amount less allowance for expected credit losses of trade receivables and payables are assumed to approximate their fair values due to the short-term nature of these balances.

11. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to \$241,000 (30 June 2023: \$622,000) and there was no disposal of assets (30 June 2023: nil).

E. Notes to the unaudited condensed interim consolidated financial statements (cont'd)

12. Lease liabilities/Borrowings

	<u>30-Jun-24 (Unaudited)</u>		<u>31-Dec-23 (Audited)</u>	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less				
Lease liabilities	-	199	3	160
Bank borrowings	5,012	-	1,513	-
Amount repayable after one year				
Lease liabilities	-	1,532	-	1,484
Bank borrowings	-	-	3,500	-
	5,012	1,731	5,016	1,644

Details of collateral:

The Group's secured borrowings relates to lease, secured against the respective motor vehicles with carrying amount of approximately S\$102,000 (31 Dec 2023: S\$136,000). The bank borrowings are secured by a first legal mortgage on the leasehold property of the subsidiary, an assignment of project proceeds, a corporate guarantee provided by the Company and a charge on fixed deposit.

13. Share Capital

	<u>30-Jun-24 (Unaudited)</u>		<u>31-Dec-23 (Audited)</u>	
	No. of shares		No. of shares	
	'000	S\$'000	'000	S\$'000
Group				
Issued and fully paid ordinary shares	196,124	4,477	196,124	4,477
Less: Treasury shares	(6,300)	(630)	(6,300)	(630)
	189,824	3,847	189,824	3,847
Company				
Issued and fully paid ordinary shares	196,124	40,072	196,124	40,072
Less: Treasury shares	(6,300)	(630)	(6,300)	(630)
	189,824	39,442	189,824	39,442

The Company holds 6,300,000 treasury shares as at 30 June 2024, 31 December 2023 and 30 June 2023. There were no subsidiary holdings as at 30 June 2024, 31 December 2023 and 30 June 2023.

E. Notes to the unaudited condensed interim consolidated financial statements (cont'd)

14. Financial assets at fair value through profit or loss

	Group and Company	
	30-Jun-24 (Unaudited) S\$ '000	31-Dec-23 (Audited) S\$ '000
Investment securities – quoted (Level 1) at 1 Jan 2024 and 1 Jan 2023	665	665
Less: disposal of financial assets, at FVPL	<u>(665)</u>	<u>-</u>
	<u>-</u>	<u>665</u>

The investment securities represented the fair value as at 31 December 2024. The company elected to measure these quoted equity securities at fair values through profit or loss as it was classified under the investment holding business segment. During the financial period, the Company disposed of the quoted equity securities.

15. Subsequent events

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

F. Other Information Required by Appendix 7C of the Catalyst Rules

1. Review

The unaudited condensed interim consolidated statements of financial position of Koyo International Limited and its subsidiaries as at 30 June 2024 and the related unaudited condensed interim consolidated profit or loss and other comprehensive income, unaudited condensed interim consolidated statements of changes in equity and unaudited condensed interim consolidated statement of cash flows for the six-month period ended 30 June 2024 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of the performance of the Group

i) Revenue

	GROUP					
	Six Months Ended 30 June					
	2024		2023		Increase/(decrease)	
	S\$'000	%	S\$'000	%	S\$'000	%
Mechanical Engineering	23,749	87.5	19,434	86.3	4,315	22.2
Electrical Engineering	-	-	728	3.2	(728)	-
Facilities Management	2,684	9.9	2,308	10.2	376	16.3
Investment Holding	713	2.6	61	0.3	652	1,068.9
Total	27,146	100.0	22,531	100.0	4,615	20.5

ii) Gross Profit/(Loss)

	GROUP					
	Six Months Ended 30 June					
	2024		2023		Increase/ (decrease)	
	S\$'000	%	S\$'000	%	S\$'000	%
Mechanical Engineering	3,869	74.3	3,389	117.6	480	14.2
Electrical Engineering	73	1.4	(1,465)	(50.8)	1,538	(105.0)
Facilities Management	1,221	23.4	896	31.1	325	36.3
Investment Holding	48	0.9	61	2.1	(13)	(21.3)
Total	5,211	100.0	2,881	100.0	2,330	80.9

iii) Gross Profit/(Loss) Margin

	30 June	30 June	Increase/ (Decrease) ppt
	2024	2023	
	%	%	
Mechanical Engineering	16.3	17.4	(1.1)
Electrical Engineering	-	(201.2)	N.M.
Facilities Management	45.5	38.8	6.7
Investment Holding	6.7	-	N.M.
Total	19.2	12.8	6.4

N.M.: not meaningful

2. Review of the performance of the Group (cont'd)

The increase in total revenue in HY2024 is mainly attributable to the increase in revenue from the mechanical engineering segment. Revenue from the mechanical engineering segment increased mainly due to progression of ongoing projects. The revenue from the facilities management segment increased as more ad hoc works were carried out during the financial period. There was no revenue recorded from the electrical engineering segment as the Group has completed all its electrical engineering projects in the previous financial year and there are no new projects for the current financial period under review.

Gross profit increase is mainly attributable to the gross profit contributed from mechanical engineering segment and facilities management segments as well as profit from disposal of financial assets, at FVPL.

Gross profit margin increased from 12.8% in HY2023 to 19.2% in HY2024 mainly due to an increase in the gross profit margin from facilities management segment and sale of investment securities of approximately 6.7%. The gross profit margin for facilities management increased due to better profit margin for variation works carried out during the period. The gross profit margin for mechanical engineering segment decreased slightly due to cost inflation.

iii) Other Income

Other income increased mainly due to an increase in rental income and interest income in HY2024.

iv) Selling and distribution expenses

Selling and distribution expenses increased mainly due to the increase in freight and handling charges in HY2024.

v) Administrative expenses

Administrative expenses decreased mainly due to decrease in rental of worker quarters, recruitment expenses, rental of office premise in HY2024 offset by an increase in insurance.

vi) Other operating expenses

Other operating expenses decreased mainly due to the absence of allowance for impairment of trade receivables of \$453,000, decrease in outsourced support services and repair & maintenance expenses.

vii) Finance expenses

Finance expenses increased mainly due to incurred interest from loan borrowings and trade financing.

3. Review of condensed interim statements of financial position

Total assets as at 30 June 2024 have decreased as compared to 31 December 2023, and are mainly attributable to the following :-

- a) **Property, plant and equipment (“PPE”)** decreased by 2.0%, mainly due to depreciation expenses on PPE and offset by addition of PPE and right-of-use asset for the relocation of office.
- b) **Investment securities at fair value through profit or loss** decreased due to sale of investment securities during the period.
- c) **Trade and other receivables** decreased by 52.1% due to the prompt collection after year end of 2023 and partially offset by the increase in rental deposit for dormitories. Trade receivables turnover days increased slightly from 26 days to 32 days as at the end of HY2024.
- d) **Contract assets** increased by 20.2% due to work completed but not yet billed as at 30 June 2024.
- e) **Cash and bank balances** decreased due to reasons as described in the cash flows analysis below.

Total liabilities as at 30 June 2024 have decreased as compared to 31 December 2023, and are mainly attributable to the following :-

- a) **Trade and other payables** decreased by 14.2% due to repayment to suppliers/subcontractors.
- b) **Contract liabilities** decreased as a result of reclassification of service performed to revenue.
- c) **Lease liabilities (for current and non-current) increased** due to the repayment of leases offset by new leases due to the relocation of the Singapore office.
- d) **Bank borrowing (for current and non-current)** remains relatively stable.

The Group’s total equity stood at S\$17.2 million as at 30 June 2024.

4. Review of condensed interim consolidated statement of cash flows

The Group had a positive operating cash flow before changes in working capital of S\$0.6 million. The decrease in trade and other receivables and contract assets of S\$72,000, and disposal of financial assets, at fair value through profit and loss of \$0.7 million, offset by a decrease in trade and other payables and contract liabilities of S\$3.4 million, resulted in net cash used in operating activities of S\$2.1 million.

The net cash generated from investing activities amounting to S\$13,000 was mainly due to interest received offset by the additions of property, plant and equipment.

The net cash used in financing activities amounting to S\$0.9 million was mainly due to net changes in trust receipts, interest paid and the repayment of lease liabilities. .

As at 30 June 2024, the Group had cash and cash equivalents of S\$5.3 million after excluding fixed deposits of S\$1.1 million pledged to banks for banking facilities.

5(a) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary Shares

There was no change in the Company's share capital from 31 December 2023 to 30 June 2024.

	<u>Number of shares</u>	<u>Share capital</u>
Ordinary shares (excluding treasury shares) as at 30 June 2024 and 31 December 2023	189,823,497	S\$ 39,442,252

Outstanding Convertibles

There were no outstanding convertibles or share options as at 30 June 2024, 31 December 2023 and 30 June 2023.

Treasury Shares

The Company has 6,300,000 treasury shares as at 30 June 2024, 31 December 2023 and 30 June 2023, which represented 3.3% of the Company's ordinary shares (excluding treasury shares) of 189,823,497 as at 30 June 2024, 31 December 2023 and 30 June 2023, respectively.

Subsidiary Holdings

There were no subsidiary holdings as at 30 June 2024, 31 December 2023 and 30 June 2023.

5(b). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of immediately preceding year.

	Company	
	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
Total number of issued shares (excluding treasury shares)	<u>189,823,497</u>	<u>189,823,497</u>

The Company held 6,300,000 treasury shares as at 30 June 2024 and 31 December 2023.

5(c). A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no sales, transfers, cancellations and/or use of treasury shares during and as at the end of the financial period reported on.

5(d). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as the end of the current financial period reported on.

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

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

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

Not applicable.

8. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern):—

(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.

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

Please refer to Section 2 Basis of preparation.

10. If there were 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 Section 2 Basis of preparation.

11. 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 had been previously disclosed to shareholders for the current reporting period.

12. 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.

As at the date of this announcement, the Group has approximately S\$191 million worth of contracts on hand, with completion dates ranging from financial years 2024 to 2026. The Group expects the construction industry to remain challenging in the next 12 months.

The Group continues to face uncertainties and challenges resulting from uncertain operating environment impact by continued supply chain disruptions and inflationary pressures.

Notwithstanding the above, the Group will cautiously monitor and take necessary steps to mitigate the impact of an uncertain operating environment on the Group's operations.

13. If a decision regarding dividend has been made:

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

No dividends have been declared or recommended for the current reporting period.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

No dividends had been declared or recommended for HY2023.

(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 the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) Book closure date

Not applicable.

14. Dividends

No dividend has been declared or recommended for HY2024 for conserve the cash for future projects.

15. If the Group has obtained a general mandate from shareholders for 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.

Saved for the announcement made on 12 July 2024, there were no other Interested Party Transactions of S\$100,000 and above during the current financial period reported on. The Group does not have a general mandate from shareholders for IPT.

16. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the required format.

17. Additional Information required per Catalist Rule 706A

Not applicable. The Company did not acquire and/or dispose shares in any companies during HY2024.

18. Negative Assurance Confirmation On Interim Financial Results Pursuant To Rule 705(5)

On behalf of the Board of the Company, we, the undersigned, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of the Company which would render the unaudited condensed interim financial results for the six months ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board

Foo Suay Wei
Managing Director and Chief Executive Officer

Wong Loke Tan
Chairman

BY ORDER OF THE BOARD

12 August 2024

This announcement has been reviewed by the Company's sponsor.

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

The contact person for the Sponsor is Ms Charmian Lim (Tel: (65) 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.