

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material uncertainty related to going concern

The Group incurred a net loss of \$4,053,000 for the year ended 31 December 2023. As at the end of the financial year, the Group's and Company's current liabilities exceeded their current assets by \$3,255,000 and \$918,000 respectively. These factors indicate material uncertainty about the Group's and Company's abilities to continue as going concerns. Management is however of the opinion that the use of going concern basis in the preparation of these financial statements is appropriate based on the following considerations:

- The Group has cash and cash equivalents amounting to \$1,692,000 as at the reporting year ended 31 December 2023; and
- The Group expects contracts secured to-date and potential new contracts to be secured will generate sufficient cashflows to support its operating expenses in the next 12 months from the date of approval of these financial statements, taking into account the improvement of the construction industry in Singapore.

If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group or the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are now recorded in the statements of financial position. In addition, the reporting entities may have to provide for further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

## 3. Material accounting policies

### (a) Basis of Preparation

The financial statements have been drawn up in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars (\$), which is the Company's functional currency. All financial information have been rounded to the nearest thousand (\$'000), except when otherwise indicated.

The financial statements of the Company have been prepared on the basis that it will continue to operate as a going concern.

### Application of new and revised SFRS(I)s and SFRS(I) INTs

On 1 January 2023, the Group and the Company adopted all the new or amended SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INTs") that are mandatory for application for the financial year. Changes to the Group's and Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INTs. The adoption of these new or amended SFRS(I) and SFRS(I) INTs did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.