



SEVENS ATELIER LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197902790N)

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	GROUP			
	Six months Ended		Incr/ (Decr)	
	30-Jun-24 (Unaudited)	30-Jun-23 (Unaudited)		
Note	S\$'000	S\$'000	%	
Revenue	5	4,127	6,524	-37%
Cost of sales		(3,369)	(5,279)	-36%
Gross profit		758	1,245	-39%
Other gains		294	63	>100%
Marketing and distribution costs		(90)	(98)	-8%
Administrative expenses		(1,153)	(2,193)	-47%
Finance costs		(15)	(20)	-25%
Other losses		-	(33)	NM
Loss before tax from continued operations	6	(206)	(1,036)	-80%
Income tax income	7	16	101	-84%
Loss from continuing operations for the period		(190)	(935)	-80%
Loss from discontinued operations, net of tax		-	-	NM
Loss net of tax		(190)	(935)	-80%
<u>Other comprehensive income</u>				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation				
- Gains		-	-	NM
Reclassification to profit or loss arising from disposal of subsidiaries, assets and liabilities		-	-	NM
Other comprehensive income for the period, net of tax		-	-	NM
Total comprehensive loss		(190)	(935)	(24)
Loss attributable to owners of the parent, net of tax		(190)	(935)	(24)
Profit attributable to non-controlling interests, net of tax		-	-	NM
Loss net of tax		(190)	(935)	(24)
Total comprehensive loss attributable to owners of the parent		(190)	(935)	(24)
Total comprehensive loss attributable to non-controlling interests		-	-	NM
Total comprehensive loss		(190)	(935)	(24)
Loss per share				
Basic and diluted		(0.09)	(0.44)	

NM - Not Meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		As at 30-Jun-24 S\$'000	As at 31-Dec-23 S\$'000	As at 30-Jun-24 S\$'000	As at 31-Dec-23 S\$'000
<u>ASSETS</u>					
<u>Non-current assets</u>					
Property, plant and equipment	8	736	716	2	2
Right-of-use assets	9	361	515	-	-
Goodwill	10	9,193	9,193	-	-
Investments in subsidiaries		-	-	10,905	10,905
Total non-current assets		10,290	10,424	10,907	10,907
<u>Current assets</u>					
Other assets		74	74	-	-
Contract assets	12	131	163	-	-
Trade and other receivables	11	1,285	1,336	512	472
Cash and cash equivalents	13	637	1,692	105	27
Total current assets		2,127	3,265	617	499
Total assets		12,417	13,689	11,524	11,406
<u>EQUITY AND LIABILITIES</u>					
<u>Equity attributable to owner of the parent</u>					
Share capital	14	15,390	15,300	15,390	15,300
Accumulated losses		(8,718)	(8,528)	(5,669)	(5,311)
Equity, attributable to owners of the parent		6,672	6,772	9,721	9,989
Non-controlling interests		-	-	-	-
Total equity		6,672	6,772	9,721	9,989
<u>Non-current liabilities</u>					
Deferred tax liabilities		-	16	-	-
Other financial liabilities	17	39	61	-	-
Lease liabilities, non-current	15,17	276	320	-	-
Total non-current liabilities		315	397	-	-
<u>Current liabilities</u>					
Provision		152	148	-	-
Other financial liabilities,	17	47	51	-	-
Lease liabilities	15,17	112	131	-	-
Contract liabilities	12	2,673	3,521	-	-
Trade and other payables	16	2,446	2,669	1,803	1,417
Total current liabilities		5,430	6,520	1,803	1,417
Total liabilities		5,745	6,917	1,803	1,417
Total equity and liabilities		12,417	13,689	11,524	11,406
Net Asset value per ordinary share based on issued share capital		3.10 Singapore Cents	3.16 Singapore Cents	4.52 Singapore Cents	4.66 Singapore Cents

C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital S\$'000	Other Reserves S\$'000	Accumulated losses S\$'000	Total Equity S\$'000
GROUP:				
Balance as at 1 January 2024	15,300	-	(8,528)	6,772
Movements in equity:				
Issuance of shares	100	-	-	100
Shares issuance expense	(10)	-	-	(10)
Total comprehensive loss for the period	-	-	(190)	(190)
Balance as at 30 June 2024	15,390	-	(8,718)	6,672
Balance as at 1 January 2023	15,300	-	(4,475)	10,825
Movements in equity:				
Total comprehensive loss for the period	-	-	(935)	(935)
Balance as at 30 June 2023	15,300	-	(5,410)	9,890
COMPANY:				
Balance as at 1 January 2024	15,300	-	(5,311)	9,989
Movements in equity:				
Issuance of shares	100	-	-	100
Shares issuance expense	(10)	-	-	(10)
Total comprehensive loss for the period	-	-	(358)	(358)
Balance as at 30 June 2024	15,390	-	(5,669)	9,721
Balance as at 1 January 2023	15,300	-	(3,727)	11,573
Movements in equity:				
Total comprehensive loss for the period	-	-	(446)	(446)
Balance as at 30 June 2023	15,300	-	(4,173)	11,127

D. CONSOLIDATED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

		<u>Group</u>	
	<u>Note</u>	30-Jun-24 S\$'000	30-Jun-23 S\$'000
Cash flows from operating activities			
Loss before tax from continuing operations		(206)	(1,036)
Adjustments for:			
Amortisation of intangible assets		-	455
Depreciation of property, plant and equipment	6	80	78
Depreciation of right-of-use assets	6	154	178
Provision for onerous contracts		46	-
Interest expense	6	15	19
Bad debt written off		-	33
Operating cash flow before changes in working capital		43	(273)
Trade and other receivables		51	182
Contract assets		-	(10)
Contact liabilities		(816)	936
Other assets		-	(326)
Trade and other payables		(223)	(497)
Other liabilities		-	194
Net cash flows generated from / (used in) operations		(945)	206
Income taxes paid		-	-
Net cash flows (used in) / generated from operating activities		(945)	206
Cash flows from investing activities			
Purchase of property, plant and equipment		(100)	(3)
Net cash flows used in investing activities		(100)	(3)
Cash flows from financing activities			
Proceeds from issuance of shares		100	-
Share issuance expenses		(10)	-
Interest paid		(12)	(18)
Loans and borrowings paid		(25)	(30)
Lease liability - principal & interest portion paid		(63)	(91)
Net cash flows used in financing activities		(10)	(139)
Net decrease in cash and cash equivalents		(1,055)	64
Cash and cash equivalents, statement of cash flows, beginning balance		1,692	2,402
Cash and cash equivalents, statement of cash flows, ending balance		637	2,466

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. General

Sevens Atelier Limited (the “**Company**”) is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the Company, which is also the ultimate holding company, and its subsidiaries (the “**Group**”).

All financial information has been rounded to the nearest thousand (S\$’000), except when otherwise indicated.

The principal activity of the Company is that of an investment holding company.

The principal activities of the Group comprise:

- investment holding;
- building construction; and
- renovation and interior design.

The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited.

The registered office is 31 Joo Chiat Place, Singapore 427755. The Company is situated in Singapore.

2. Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS (I) s**”) 1-34 Interim Financial Reporting (“**Standards**”) issued by the Accounting Standards Council 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 Group’s last annual report for the financial year ended 31 December 2023. They are also in compliance with the International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) and the requirements of the Catalist Rules.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, and methods of computation applied in these condensed consolidated interim financial statements are consistent with those of the latest audited annual financial statements for the financial year ended 31 December 2023, except for the adoption of new and amended standards as set out in Note 2.1.

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

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

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

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

2.2 Use of judgements and estimates (cont'd)

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

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 year ended 31 December 2023.

3. Seasonality of operations

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

4. Financial information by operating segments

4A. Information about reportable segments profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard in relation to operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes, the Group's reporting operating segments are as follows:

- a. Sevens Build – building construction and design
- b. Sevens Design – renovation and interior design

The segments are managed separately as each business requires different strategies. Performance is measured based on segment profit after tax, which is reviewed by the Group's Chief Executive Officer or the equivalent personnel. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The Group operates in Singapore.

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

4. Financial information by operating segments (cont'd)

4B. Profit or loss from continuing operations and reconciliations

	<u>Building construction & design</u>		<u>Renovation and interior design</u>		<u>Others</u>		<u>Unallocated</u>		<u>Consolidated</u>	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Continuing Operations										
6 months from 1 January to 30 June										
Revenue by segment										
External sales	3,705	5,394	422	1,130	-	-	-	-	4,127	6,524
Segment results:-										
Gross profit	651	927	107	318	-	-	-	-	758	1,245
Finance costs	(13)	(16)	(1)	(2)	(1)	(2)	-	-	(15)	(20)
Amortisation of intangible assets	-	(455)	-	-	-	-	-	-	-	(455)
Depreciation of property, plant and equipment	(80)	(78)	-	-	-	-	-	-	(80)	(78)
Depreciation of right-of-use assets	(61)	(52)	-	-	(93)	(126)	-	-	(154)	(178)
Employee benefits expenses	(149)	(434)	(107)	(254)	(359)	(752)	-	-	(615)	(1,440)
Other losses	-	-	-	-	-	(33)	-	-	-	(33)
Unallocated expenses	-	-	-	-	-	-	(394)	(140)	(394)	(140)
Other income and gains	-	-	-	-	-	-	294	63	294	63
Profit/(Loss) before income tax from continuing operations	348	(108)	(1)	62	(453)	(913)	(100)	(77)	(206)	(1,036)
Income tax expenses	-	-	-	-	-	-	16	101	16	101
Profit/(Loss) for the year from continuing operations, net of tax	348	(108)	(1)	62	(453)	(913)	(84)	24	(190)	(935)
Discontinued operations										
Loss after tax from discontinued operations									-	-
Loss for the year, net of tax									(190)	(935)

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

4. Financial Information by operating segments (cont'd)

4C. Assets, liabilities and reconciliations

	<u>Building construction & design</u>		<u>Renovation and interior design</u>		<u>Others</u>		<u>Unallocated</u>		<u>Consolidated</u>	
	30/6/2024 S\$'000	30/6/2023 S\$'000	30/6/2024 S\$'000	30/6/2023 S\$'000	30/6/2024 S\$'000	30/6/2023 S\$'000	30/6/2024 S\$'000	30/6/2023 S\$'000	30/6/2024 S\$'000	30/6/2023 S\$'000
Continuing Operations										
Business Segments										
<u>Segment assets</u>										
Property, plant and equipment	736	713	-	-	-	2	-	-	736	715
Right-of-use assets	361	659	-	-	-	45	-	-	361	704
Intangible assets	-	455	-	-	-	-	-	-	-	455
Goodwill	-	-	-	-	-	-	9,193	10,983	9,193	10,983
Inventories	-	10	-	-	-	-	-	-	-	10
Trade and other receivables	1,236	1,267	49	273	-	-	-	-	1,285	1,540
Contract assets	50	250	81	-	-	-	-	-	131	250
Other assets	68	67	3	5	3	407	-	-	74	479
Cash and cash equivalents	308	2,102	196	292	133	72	-	-	637	2,466
Total assets									<u>12,417</u>	<u>17,602</u>
<u>Segment liabilities</u>										
Deferred tax liabilities	-	101	-	-	-	-	-	-	-	101
Other financial liabilities	-	-	87	137	-	-	-	-	87	137
Lease liabilities	388	500	-	-	-	45	-	-	388	545
Provisions	151	99	-	-	-	-	-	-	151	99
Contract liabilities	2,433	4,243	240	108	-	-	-	-	2,673	4,351
Trade and other payables	1,849	1,691	188	286	409	501	-	-	2,446	2,478
Income tax payable	-	-	-	-	-	-	-	-	-	-
Total liabilities									<u>5,745</u>	<u>7,711</u>

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

5. Revenue

The Group has disaggregated revenue in the following table which is intended to enable users to understand the revenue segments information provided to the financial statements:

Revenue from contract with customers:

	Six months ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
Timing of transfer of goods		
- Over time	4,127	6,524
Type of goods and services		
- Building Construction, and Design	3,560	5,394
- Renovation and Interior Design	567	1,130
	4,127	6,524

6. Loss before taxation

The following items have been included in arriving at loss before taxation:

	Group	
	Six months ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
Amortisation of Intangible Assets	-	455
Depreciation – Property, Plant and Equipment	80	78
Depreciation – Right-of-Use Asset	154	178
Employee Benefits Expenses	615	1,440
Interest Expenses	15	20

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

7. Income tax expense

	6 Months Ended	
	30-Jun-24	30- Jun-23
	S\$'000	S\$'000
Current tax expenses	(15)	-
Deferred tax income	-	(101)
	<u>(15)</u>	<u>(101)</u>

Deferred tax income recognised in profit or loss relates to amortisation of intangible assets – order backlog and fair value adjustment arising from acquisition of subsidiaries.

The income tax credit is mainly due to recognition of deferred tax amounting to S\$0.02 million in relation to recognition of customer contracts arose from acquisition of Sevens Creation Group.

8. Property, plant and equipment

During the financial period ended 30 June 2024, the Group acquired assets amounting to S\$100,000 million (30 June 2023: S\$3,000).

9. Right-of-use assets

	Office space S\$'000	Office equipment S\$'000	Total S\$'000
Group			
Cost:			
At 1 January 2023	1,245	11	1,256
Write-off	(42)	-	(42)
At 31 December 2023	<u>1,203</u>	<u>11</u>	<u>1,214</u>
Write-off/ adjustments	-	-	-
At 30 June 2024	<u>1,203</u>	<u>11</u>	<u>1,214</u>
Accumulated depreciation:			
At 1 January 2023	369	5	374
Depreciation for the year	364	3	367
Write-off	(42)	-	(42)
At 31 December 2023	<u>691</u>	<u>8</u>	<u>699</u>
Depreciation for the year	152	2	154
Write-off/ adjustments	-	-	-
At 30 June 2024	<u>843</u>	<u>10</u>	<u>853</u>
Carrying value:			
At 31 December 2023	<u>512</u>	<u>3</u>	<u>515</u>
At 30 June 2024	<u>360</u>	<u>1</u>	<u>361</u>

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

10. Goodwill

	<u>Group</u>	
	30-Jun-24	31-Dec-23
	S\$'000	S\$'000
Cost:		
At beginning of the year	9,193	10,983
Impairment	-	(1,790)
At end of the reporting period	9,193	9,193

The goodwill was tested for impairment at the end of the reporting year. Impairment allowance was required because the carrying amounts of the cash-generating unit (“CGU”) was lower than their estimated recoverable amounts. The recoverable amounts of CGU have been measured based on the Fair Value Less Cost of Disposal method. The value in use was measured by management. The value in use is a recurring fair value measurement (Level 3).

11. Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Trade receivables:</u>				
Outside parties	897	1,497	-	-
Less allowance for expected credit losses	-	(165)	-	-
Shareholders		-		
Trade receivables – subtotal	<u>897</u>	<u>1,332</u>	<u>-</u>	<u>-</u>
<u>Other receivables:</u>				
Subsidiaries	-	-	512	472
Outside parties	388	322	-	-
Less allowance for expected credit losses	-	(318)	-	-
Other receivables – subtotal	<u>388</u>	<u>4</u>	<u>512</u>	<u>472</u>
Total trade and other receivables	<u>1,285</u>	<u>1,336</u>	<u>512</u>	<u>472</u>

The average credit period generally granted to trade receivable customers for this reporting period is about 7 to 30 days (31 December 2023: 7 to 30 days), but some customers take a longer period to settle the amounts.

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

12. Contract assets and contract liabilities

	<u>Group</u>	
	30-Jun-24	31-Dec-23
	S\$'000	S\$'000
Contract assets	131	163
Contract liabilities	(2,673)	(3,521)
At end of the reporting period	(2,542)	(3,358)

The contract assets are entity's rights to consideration for work completed but not billed at the reporting date on the contracts. The contract assets are transferred to the receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers. The entity recognises revenue for each respective performance obligation when control of the product or service transfers to the customer.

13. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
Not restricted in use	637	1,692	105	27

The interest earning balances are not significant.

14. Share capital

	<u>Group and Company</u>	
	<u>Number of shares issued</u>	<u>Amount S\$'000</u>
<u>Issued and fully paid ordinary shares</u>		
Issued and paid-up share capital as at 31 December 2023	214,202,036	15,300
Issuance of shares pursuant to a supplemental subscription agreement on 9 May 2024	714,285	90
Issued and paid-up share capital as at 30 June 2024	<u>214,916,321</u>	<u>15,390</u>

The ordinary shares of no par value which are fully paid carry no right to fixed income. The Company is not subject to any externally imposed capital requirements.

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

15. Lease liabilities

	Group		Company	
	30-Jun-24 S\$'000	31-Dec-23 S\$'000	30-Jun-24 S\$'000	31-Dec-23 S\$'000
Current	112	131	-	-
Non-current	276	320	-	-
	388	451	-	-

16. Trade and other payables

	Group		Company	
	30-Jun-24 S\$'000	31-Dec-23 S\$'000	30-Jun-24 S\$'000	31-Dec-23 S\$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	2,446	2,669	348	409
Subsidiaries	-	-	-	-
Trade payables – subtotal	<u>2,446</u>	<u>2,669</u>	<u>348</u>	<u>409</u>
<u>Other payables:</u>				
Subsidiaries	-	-	1,455	1,008
Other payables – subtotal	<u>-</u>	<u>-</u>	<u>1,455</u>	<u>1,008</u>
Total trade and other payables	<u>2,446</u>	<u>2,669</u>	<u>1,803</u>	<u>1,417</u>

The average credit period generally granted by trade payables suppliers for the reporting period is about 30 to 90 days (31 December 2023: 30 to 90 days).

17. Aggregate amount of the Group's borrowings and debt securities

	As at 30-Jun-24		As at 31-Dec-23	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	unsecured S\$'000
Amount repayable within one year				
Other financial liabilities – bank loan	-	47	-	51
Lease liabilities	-	112	-	131
	<u>-</u>	<u>159</u>	<u>-</u>	<u>182</u>
Amount repayable after one year				
Other financial liabilities – bank loan	-	39	-	61
Lease liabilities	-	276	-	320
	<u>-</u>	<u>315</u>	<u>-</u>	<u>381</u>

The bank loan of S\$0.09 million as at 30 June 2024 (31 December 2023: S\$ 0.11 million) is covered by personal guarantee (unlimited) by an ex-shareholder of a subsidiary who is currently an employee of the subsidiary.

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

18. Financial instruments: information on financial risks

18A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting period:

	<u>Group</u>		<u>Company</u>	
	<u>30-Jun-24</u>	<u>31-Dec-23</u>	<u>30-Jun-24</u>	<u>31-Dec-23</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>Financial assets:</u>				
Financial assets at amortised cost	<u>1,923</u>	<u>3,082</u>	<u>617</u>	<u>499</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	<u>2,921</u>	<u>3,232</u>	<u>1,802</u>	<u>1,417</u>

18B. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

19. Loss per share

	<u>Group</u>	
	<u>30-Jun-24</u>	<u>30-Jun-23</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Losses attributable to equity holders for basic losses period	(190)	(935)
Weighted average number of ordinary shares ('000)	<u>214,410</u>	<u>214,202</u>
Basic on the weighted average number of ordinary shares per share		
- Basic & Diluted (in cents)	<u>(0.09)</u>	<u>(0.44)</u>

E. SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

20. Net asset value per share

Net asset value per ordinary share as at 30 June 2024 and 31 December 2023 are calculated based on the number of ordinary shares in issue:

	<u>Group</u>		<u>Company</u>	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
Net asset value attributable to equity holders of the Company	6,672	6,772	9,721	9,989
Net asset value per share (in cents)	3.11	3.16	4.53	4.66

21. Events after the end of the reporting period

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

F. Other information required by Appendix 7C of the Catalyst Rules

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 Sevens Atelier Limited and its subsidiaries as at 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, 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 figures are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue; and

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

The Company received an unmodified opinion with material uncertainty related to going concern and emphasis of matter for the Group 's latest audited consolidated financial statements for the financial year ended 31 December 2023.

The negative working capital position of the Group has widened from S\$3.26 million as at 31 Dec 2023 to S\$3.30 million as at 30 June 2024. Nevertheless, the Board of Directors is of the opinion that the use of going concern basis in the preparation of these combined financial statements is appropriate as the Group has cash and cash equivalents amounting to S\$0.64 million as at 30 June 2024 and the Group's secured order book as at 30 June 2024 amounted to S\$12.02 million, nature of these job generally generates higher profit margins than those in the previous financial year. These secured contracts will generate sufficient cash flows to support its operating activities. The Board is therefore of the view that the Group is able to pay off its short-term liabilities as and when they are due and that its operations for the next 12 months will not be affected.

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

The Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year as compared to the audited financial statements for the financial year ended 31 December 2023.

4. 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

The Group has adopted the new Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Amendments and interpretations of SFRS(I)s that are relevant to its operations and effective from 1 January 2024.

The adoption of these pronouncements did not have any significant impact on the financial performance or position of the Group.

5. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flows, working capital, assets or liabilities of the Group during the current financial period reported on.**

(a) Review of Group Performance

Revenue

Revenue for the financial period ended 30 June 2024 ("HY2024") was S\$4.13 million which decreased by S\$2.39 million from S\$6.52 million for the financial period ended 30 June 2023 ("HY2023"). It is mainly due to decrease in revenue contribution from on-going projects in building construction and design for which majority performance obligations had been delivered and were towards end stages in HY2024.

Cost of sales

Cost of sales for HY2024 recorded at S\$3.37 million, a decrease of S\$1.91 million from S\$5.28 million recorded for HY2023. The decrease was in line with the decrease in revenue.

Gross profit

The Group recorded a gross profit of S\$0.76 million in HY2024, as compared to a gross profit of S\$1.25 million in HY2023. The decreased in gross profit was mainly due to decrease in revenue recognition.

Other gains

Increase in other gains of S\$0.23 million from S\$0.06 million in HY2023 to S\$0.29 million in HY2024 was mainly due to a \$0.27 million reimbursement from one sub-contractor of an on-going project to fulfil a contract obligation in relation to a change of sub-contractor.

Administrative expenses

Administrative expenses decreased by 47% from \$2.19 million in HY2023 to S\$1.15 million in HY2024 mainly due to the following:

- (a) Employee benefits expense decreased by S\$0.83 million in HY2024, mainly due to cost savings efforts from internal restructuring to streamline business operations.
- (b) No amortisation expenses in HY2024 (HY2023: S\$0.46 million) mainly due to the fact that intangible asset was fully amortized.
- (c) Decrease of administrative expenses was partially offset by increase of professional fee of S\$0.14 million in HY2024 in connection with the placement.

Loss before income tax

Overall, the Group recorded a loss of S\$0.19 million in HY2024 as compared to a loss of S\$0.94 million in HY2023 for the reasons stated above.

(b) Review of Statement of Financial Position

The Group's current assets decreased by S\$1.14 million mainly due to decrease in cash and cash equivalent of S\$1.05 million due to payment to sub-contractors and trade and other receivable of S\$0.05 million as a result of collection.

The Group's non-current assets decreased by S\$0.13 million mainly due to the following:

- (a) Decrease in right-of-use assets by S\$0.16 million. The reductions in right-of-use assets is due to depreciation.
- (b) Decreased of non-current assets was partially offset by S\$0.02 million as a net result of additional of fixed assets and depreciation expense in HY2024.

The Group's current liabilities decreased by S\$1.09 million mainly due to decrease in contract liabilities of S\$0.85 million due to delivery of contract obligation, and decrease in trade and other payables of S\$0.22 million due to payments made to subcontractors.

The Group's non-current liabilities decreased by S\$0.08 million mainly due to decrease in lease liabilities by lease payment and decrease in deferred tax liabilities from unwinding of the deferred tax liability of order backlog.

The Group 's equity decreased by S\$0.10 million as a result of loss of S\$0.19 million and partially offset by proceeds from the placement exercise amounting to S\$0.09 million.

(c) Review of change in cash flow

The Group reported a net decrease in cash and bank balances mainly due to net cash used in operating activities, investing activities and net cash spent from financing activities.

The net cash used in operating activities was primarily due to payment to sub-contractors on the progress claims for build and design projects.

The net cash used in investing activities was primarily due to show room development in Joo Chiat place.

The net cash used in financing activities was primarily due to repayment of bank borrowings and lease liabilities that was partially offset by the proceeds from the placement exercise.

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

No forecast, or a prospect statement, has been previously disclosed.

7. 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 operating environment for the first half of 2024 has become increasingly challenging due to softening demand amidst a slowdown in both global and Singaporean macroeconomic conditions. High interest rates and rising inflationary pressures have further exacerbated these challenges, leading to weakened consumer spending in the Design & Build industry. ⁽ⁱ⁾

In Singapore, economic growth has decelerated, impacting consumer confidence and expenditure. Globally, many economies are facing similar slowdowns and high inflation rates. These conditions have caused homeowners to take longer in deciding on the reconstruction of their existing homes, while new purchasers are shifting their focus to Addition & Alteration (A&A) projects instead. Despite this, our Interior Design (ID) division has received encouraging inquiries and signed contracts. ⁽ⁱⁱ⁾

While contracts in the reconstruction division may take longer to materialize and we might face delays in customer decisions, we remain committed to delivering high-quality advice, service, and support, which we believe are well-received by our customers.

We continue to maintain strong partnerships with our suppliers, vendors, and customers. Our focus remains on delivering timely, high-quality projects and forging strong relationships with our customers.

We are dedicated to providing excellent omnichannel customer experiences, driving sustainable growth, and improving operational and capital efficiency.

As of 30 June 2024, our order book stands at \$12.02 million.

Note:

(i) Global economic : <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

(ii) Singapore economic : <https://www.businesstimes.com.sg/singapore/singapore-s-growth-should-strengthen-around-potential-rate-output-gap-close-end-2024- mas>

8. 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.

Changes in share capital of the Company during the financial period

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 the immediately preceding year.

	Total Number of issued shares (excluding treasury shares)	Share capital (S\$'000)
As at 31 December 2023	214,202,036	15,300
As at 30 June 2024	214,916,321	15,390

On 9 May 2024, the Company entered into a supplemental share subscription agreement with Huang Gang. Huang Gang has agreed to subscribe for an aggregate of 714,285 new ordinary shares in the share capital of the Company (the “Subscription Shares”) at an issue price of S\$0.140 for each Subscription Share amounting to an aggregate cash consideration of \$100,000 (the “Proposed Subscription”). Pursuant to the completion of the Proposed Subscription, 714,285 new ordinary shares were allotted and issued on 20 May 2024.

There were no convertible securities, treasury shares or subsidiary holdings outstanding as at the financial period end of 30 June 2024 and 31 December 2023.

The Company did not have any treasury shares during and as at the end the current financial period reported on.

9. 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. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

10. 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 at the end of the current financial year reported on.

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

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

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

Not applicable.

13. 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.

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

Please refer to Section 2 above.

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

The Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year as compared to the audited financial statements for the financial year ended 31 December 2023.

15. 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.

The Group has adopted the new SFRS(I) and amendments and interpretations of SFRS(I)s that are relevant to its operations and effective from 1 January 2024.

The adoption of these pronouncements did not have any significant impact on the financial performance or position of the Group.

16. 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: -

- (a) current period reported on; and**
- (b) immediately preceding financial year**

Please refer to the condensed interim statements of financial position on Section B of this announcement.

17. Dividend

(a) Any dividend recommended/declared for the current financial period reported on?

No dividend has been recommended or declared for the six months ended 30 June 2024.

(b) Any dividend recommended/declared for the corresponding period of the immediately preceding financial year?

Not applicable.

(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) Date payable

Not applicable.

(e) Record date

Not applicable.

18. 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 period under review in view of the negative earnings.

19. If the Group has obtained a general mandate from shareholders for interested person transactions (“IPT”), 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 has not obtained a general mandate from shareholders for interested person transactions.

There are no interested person transactions of S\$100,000 and above entered during the six months ended 30 June 2024.

20. Use of proceeds

The following table summarises the utilisation of Net Proceeds raised from Placement exercise as at the date of this announcement.

Intended use of Net Proceeds	Allocation of the Net Proceeds (S\$'000)	Amount utilized as at 10 July 2024 (S\$'000)	Balance as at the date of this announcement (S\$'000)
Marketing expenses	75	(1)	74
Working capital	15	(5)	10
Total	90	(6)	84

21. Confirmation of directors and executive officers' undertakings pursuant to the Rule 720(1) (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 format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

22. Disclosures on Acquisition and Realisation of Shares pursuant to Rule 706A (if any)

There are no acquisitions and disposal of subsidiaries for the financial period ended 30 June 2024.

23. Statement pursuant to Rule 705(5) of the Catalist Rules

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention, which may render the condensed interim financial statements for the six months ended 30 June 2024 to be false or misleading in any material aspects.

BY ORDER OF THE BOARD

Lawrence Chen Tse Chau
Independent Director and Non-Executive Chairman

14 August 2024

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance 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 Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.