



SEVENS ATELIER LIMITED

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

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	GROUP					
		6 months ended 31		%	12 months ended 31		%
		December			December		
2023	2022	Incr/ (Decr)	2023	2022	Incr/ (Decr)		
		S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	5	8,045	6,574	22	14,569	6,792	>100
Cost of sales		(6,838)	(5,231)	31	(12,117)	(5,440)	>100
Gross profit		1,207	1,343	(10)	2,452	1,352	81
Other gains		31	47	(34)	94	101	(7)
Marketing and distribution costs		(80)	(92)	(13)	(178)	(112)	59
Administrative expenses		(1,932)	(1,986)	(3)	(4,125)	(2,576)	60
Finance costs		(19)	(22)	(14)	(38)	(23)	65
Other losses		(1,494)	-	NM	(1,527)	(30)	>100
Loss before tax from continued operations	6	(2,287)	(710)	>100	(3,322)	(1,288)	>100
Income tax income	7	83	100	(17)	183	100	83
Loss from continuing operations for the year		(2,204)	(610)	>100	(3,139)	(1,188)	>100
Loss from discontinued operations, net of tax	4B	-	-	NM	-	(2,941)	NM
Loss net of tax		(2,204)	(610)	>100	(3,139)	(4,129)	(24)
<u>Other comprehensive income</u>							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation							
- Gains		-	-	NM	-	-	NM
Reclassification to profit or loss arising from disposal of subsidiaries, assets and liabilities		-	-	NM	-	-	NM
Other comprehensive income for the year, net of tax		-	-	NM	-	-	NM
Total comprehensive loss		(2,204)	(610)	>100	(3,139)	(4,129)	(24)
Loss attributable to owners of the parent, net of tax		(2,204)	(610)	>100	(3,139)	(4,129)	(24)
Profit attributable to non-controlling interests, net of tax		-	-	NM	-	-	NM
Loss net of tax		(2,204)	(610)	>100	(3,139)	(4,129)	(24)
Total comprehensive loss attributable to owners of the parent		(2,204)	(610)	>100	(3,139)	(4,129)	(24)
Total comprehensive loss attributable to non-controlling interests		-	-	NM	-	-	NM
Total comprehensive loss		(2,204)	(610)	>100	(3,139)	(4,129)	(24)
Loss per share							
Basic and diluted		(1.03)	(0.28)		(1.47)	(1.92)	

NM - Not Meaningful

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2023**

		<u>Group</u>		<u>Company</u>	
	<u>Note</u>	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
<u>ASSETS</u>					
<u>Non-current assets</u>					
Property, plant and equipment	8	714	791	2	-
Right-of-use assets	9	515	882	-	-
Intangible assets	10	-	910	-	-
Goodwill	11	9,675	10,983	-	-
Investments in subsidiaries		-	-	10,905	12,000
Total non-current assets		10,904	13,566	10,907	12,000
<u>Current assets</u>					
Asset held for sale		-	-	-	-
Inventories		-	10	-	-
Trade and other receivables, current	12	1,587	1,755	-	123
Contract assets, current	13	374	240	-	-
Other assets, current		75	153	-	3
Cash and cash equivalents	14	1,692	2,402	27	122
Total current assets		3,728	4,560	27	248
Total assets		14,632	18,126	10,934	12,248
<u>EQUITY AND LIABILITIES</u>					
<u>Equity attributable to owner of the parent</u>					
Share capital	15	15,300	15,300	15,300	15,300
Accumulated losses		(7,614)	(4,475)	(5,283)	(3,727)
Equity, attributable to owners of the parent		7,686	10,825	10,017	11,573
Non-controlling interests		-	-	-	-
Total equity		7,686	10,825	10,017	11,573
<u>Non-current liabilities</u>					
Deferred tax liabilities		16	202	-	-
Other financial liabilities, non-current		61	117	-	-
Lease liabilities, non-current	16,18	320	447	-	-
Total non-current liabilities		397	766	-	-
<u>Current liabilities</u>					
Provision		147	97	-	-
Other financial liabilities, current	18	52	50	-	-
Lease liabilities, current	16,18	131	189	-	-
Contract liabilities, current	13	3,534	3,416	-	-
Trade and other payables, current	17	2,685	2,783	917	675
Total current liabilities		6,549	6,535	917	675
Total liabilities		6,946	7,301	917	675
Total equity and liabilities		14,632	18,126	10,934	12,248
Net Asset value per ordinary share based on issued share capital		3.59 Singapore Cents	5.05 Singapore Cents	4.68 Singapore Cents	5.40 Singapore Cents

**CONSOLIDATED STATEMENT OF CASH FLOW
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	<u>Note</u>	<u>Group</u> 2023 S\$'000	2022 S\$'000
Cash flows from operating activities			
Loss before tax from continuing operations		(3,322)	(1,288)
Loss before tax from discontinued operations		-	(2,941)
Adjustments for:			
Impairment loss of goodwill		1,308	-
Allowance for impairment		93	-
Amortisation of intangible assets		910	455
Depreciation of property, plant and equipment	6	194	409
Depreciation of right-of-use assets	6	370	341
Provision for onerous contracts		46	-
Interest income		-	(11)
Finance cost		35	-
Interest expense		3	93
Bad debt written off		33	-
Loss on disposal of property, plant and equipment		110	-
Loss on disposal of discontinued operations	4B	-	3,481
Impairment loss on other receivables		-	30
Share of loss from equity-accounted associate		-	24
Share of loss from equity-accounted joint ventures		-	52
Operating cash flow before changes in working capital		(220)	645
Trade and other receivables		42	(3,850)
Contract assets		(134)	120
Other assets		78	3,014
Inventories		10	(362)
Trade and other payables		(94)	3,074
Contract liabilities		118	36
Net cash flows generated from / (used in) operations		(200)	2,677
Income taxes paid		(3)	(230)
Net cash flows (used in) / generated from operating activities		(203)	2,447
Cash flows from investing activities			
Disposal of subsidiaries (net of cash disposed)		-	7,586
Acquisition of subsidiaries		-	(9,885)
Interest received		-	11
Disposal of property, plant and equipment		125	-
Purchase of property, plant and equipment		(355)	(23)
Net cash flows used in investing activities		(230)	(2,311)
Cash flows from financing activities			
Interest paid		(3)	(91)
Loans and borrowings paid		(54)	(934)
Lease liability - principal & interest portion paid		(220)	(405)
Net cash flows used in financing activities		(277)	(1,430)
Net decrease in cash and cash equivalents		(710)	(1,294)
Cash and cash equivalents, statement of cash flows, beginning balance		2,402	3,696
Cash and cash equivalents, statement of cash flows, ending balance		1,692	2,402

**STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Share Capital S\$'000	Other Reserves S\$'000	Accumulated losses S\$'000	Total Equity S\$'000
GROUP:				
Current Year, 2023				
Balance as at 1 January 2023	15,300	-	(4,475)	10,825
Movements in equity:				
Total comprehensive loss for the year	-	-	(3,139)	(3,139)
Balance as at 31 December 2023	15,300	-	(7,614)	7,686
Previous year, 2022				
Balance as at 1 January 2022	15,300	(61)	(346)	14,893
Movements in equity:				
Total comprehensive income / (loss) for the year	-	61	(4,129)	(4,068)
Balance as at 31 December 2022	15,300	-	(4,475)	10,825
COMPANY:				
Current Year, 2023				
Balance as at 1 January 2023	15,300	-	(3,727)	11,573
Movements in equity:				
Total comprehensive loss for the year	-	-	(1,556)	(1,556)
Balance as at 31 December 2023	15,300	-	(5,283)	10,017
Previous year, 2022				
Balance as at 1 January 2022	15,300	-	(3,620)	11,680
Movements in equity:				
Total comprehensive loss for the year	-	-	(107)	(107)
Balance as at 31 December 2022	15,300	-	(3,727)	11,573

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 2022. 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 2022 and public announcement made by the Company during the interim reporting period, 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.

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 2022.

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.

3. Seasonality of operations

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

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. 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.

4B. Discontinued operations

The Group had on 28 April 2022 entered into a conditional sale and purchase agreement with a purchaser in relation to the proposed disposal of all of the Company's then existing businesses of general trading and supply of piping systems and related accessories; valves manufacturing, sales and distribution; engineering solutions for use in water and wastewater infrastructure development and food and beverage.

On 14 June 2022, the Group completed the disposal of 100% equity interest in the following entities for a consideration of S\$12 million:-

- i. Duvalco Valves & Fittings Pte. Ltd.;
- ii. Pan Asian Flow Technology Pte. Ltd.;
- iii. Pan Asian Water Solutions (HK) Limited;
- iv. Wuhu Duvalco Valves & Fittings Co., Ltd.;
- v. PA Water Solutions (Shanghai) Limited;
- vi. Sacha Inchi Pte. Ltd.;
- vii. PA Flow Technology (HK) Limited; and
- viii. PT. Pan Asian Water Solutions

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

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

4B. Discontinued operations (cont'd)

Along with the above, the Company also sold its existing assets and liabilities including properties, equipment, contracts receivables and payables in relation to the disposal group businesses. On the same date, control of above-mentioned disposal group was passed to the acquirer.

Upon completion of the above-mentioned disposal, the Group no longer operates in all business operations relating to piping, valves and engineering solutions. Accordingly, the disposed group and business operating results have been presented as discontinued operations in the previous financial year.

The results for the previous reporting year from the discontinued operations for the period from the beginning of the reporting year to 14 June 2022, which have been included in the consolidated financial statements, were as follows:

	Group Fair value 2022 (S\$'000)
Intangible assets - order backlog	1,365
Property, plant and equipment	886
Right-of-use assets	1,072
Inventories	10
Trade and other receivables	981
Other assets	290
Contract assets	252
Cash and cash equivalents	2,115
Total assets	<u>6,971</u>
Other financial liabilities	186
Lease liabilities	707
Income tax payable	107
Deferred tax liabilities	291
Provision	94
Contract liabilities	3,105
Trade and other payables	1,464
Total liabilities	<u>5,954</u>
Net assets disposed	1,017
Total consideration	<u>(12,000)</u>
Goodwill	<u>(10,983)</u>

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

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

4B. Discontinued operations (cont'd)

Analysis of the result of discontinued operations and the results recognised on the re-measurement of disposal group is as follows:

	Group Period ended 14/6/2022 (S\$'000)
Revenue	5,462
Cost of sales	(3,490)
Gross profit	<u>1,972</u>
Interest income	11
Other gains	797
Marketing and distribution costs	(506)
Administrative expenses	(1,588)
Finance costs	(70)
Other losses	-
Share of loss from equity-accounted associate	(24)
Share of loss from equity-accounted joint ventures	<u>(52)</u>
Profit / (Loss) before tax	540
Income tax expense	<u>-</u>
Profit / (loss) before tax before disposal loss for the period	540
Loss on disposal	<u>(3,481)</u>
Total loss on discontinued operations	<u><u>(2,941)</u></u>

4C. Acquisition

On 14 June 2022, the Group completed the acquisition of 100% equity interest in Sevens Creation Pte Ltd. Upon the acquisition, Sevens Creation Pte. Ltd. and its wholly-owned subsidiaries (“**Sevens Creation Group**”), namely Sevens Build Pte. Ltd. and Sevens Design Pte. Ltd., became direct or indirect wholly-owned subsidiaries of the Company. The purchase consideration was S\$12 million.

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

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

4C. Acquisition (cont'd)

	Provisional fair value Group 2022 (S\$'000)
Effect of acquisition on financial position of the Group:	
	<u>Provisional fair value</u>
Intangible assets - order backlog	1,365
Property, plant and equipment	886
Right-of-use assets	1,072
Inventories	10
Trade and other receivables	981
Other assets	290
Contract assets	252
Cash and cash equivalents	2,115
Total assets	<u>6,971</u>
Loans and borrowings	(186)
Lease liabilities	(707)
Income tax payable	(107)
Deffered tax liabilities	(291)
Contract liabilities	(3,105)
Trade and other payables	(1,464)
Provision	(94)
Total liabilities	<u>(5,954)</u>
Net assets acquired	1,017
Total consideration	12,000
fair value of identifiable net assets acquired	<u>(1,017)</u>
Goodwill	<u><u>10,983</u></u>

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

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

4D. Profit or loss from continuing operations and reconciliations

<u>Continuing Operations</u> <u>6 months ended to 31 December</u>	<u>Building construction & design</u>		<u>Renovation and interior design</u>		<u>Others</u>		<u>Unallocated</u>		<u>Consolidated</u>	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
<u>Revenue by segment</u>										
External sales	6,512	4,985	1,533	1,589	-	-	-	-	8,045	6,574
Result :-										
Segment result	900	930	307	413	-	-	-	-	1,207	1,343
Finance costs	(19)	(18)	-	-	-	-	-	(4)	(19)	(22)
Amortisation of intangible assets	(455)	(455)	-	-	-	-	-	-	(455)	(455)
Depreciation of property, plant and equipment	(93)	(104)	-	-	-	-	-	(6)	(93)	(110)
Depreciation of right-of-use assets	(185)	(156)	-	-	-	-	-	(9)	(185)	(165)
Employee benefits expenses	(555)	(330)	(186)	(222)	(455)	-	-	(3)	(1,196)	(555)
Other losses	-	-	-	-	(1,312)	-	(182)	-	(1,494)	-
Other unallocated expenses	-	-	-	-	(83)	-	-	(793)	(83)	(793)
Other gains	-	-	-	-	-	-	31	47	31	47
Loss before income tax from continuing operations									(2,287)	(710)
Income tax income	-	-	-	-	-	-	83	100	83	100
									(2,204)	(610)
Loss from discontinued operations, net of tax									-	-
Net loss after tax									(2,204)	(610)

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

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

4D. Profit or loss from continuing operations and reconciliations (cont'd)

<u>Continuing Operations</u> <u>12 months from 1 January to 31 December</u>	<u>Building construction</u> <u>& design</u>		<u>Renovation and</u> <u>interior design</u>		<u>Others</u>		<u>Unallocated</u>		<u>Consolidated</u>	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue by segment										
External sales	10,836	5,197	3,733	1,595	-	-	-	-	14,569	6,792
Result :-										
Segment result	1,728	943	724	409	-	-	-	-	2,452	1,352
Finance costs	(32)	(18)	(3)	(2)	(3)	(3)	-	-	(38)	(23)
Amortisation of intangible assets	(910)	(455)	-	-	-	-	-	-	(910)	(455)
Depreciation of property, plant and equipment	(194)	(104)	-	-	-	-	-	-	(194)	(104)
Depreciation of right-of-use assets	(116)	(156)	-	-	(254)	(34)	-	-	(370)	(190)
Employee benefits expenses	(325)	(330)	(412)	(220)	(819)	(308)	-	-	(1,556)	(858)
Other losses	-	-	-	-	(1,527)	-	-	-	(1,527)	-
Other unallocated expenses	-	-	-	-	-	-	(1,273)	(1,081)	(1,273)	(1,081)
Other gains	-	-	-	-	-	-	94	71	94	71
Loss before income tax from continuing operations									(3,322)	(1,288)
Income tax income	-	-	-	-	-	-	183	100	183	100
									(3,139)	(1,188)
Loss from discontinued operations, net of tax									-	(2,941)
Net loss after tax									(3,139)	(4,129)

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

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

4E. Assets, liabilities and reconciliations

<u>Continuing Operations Business Segments</u> 12 months from 1 January to 31 December	<u>Building construction &</u>		<u>Renovation and interior design</u>		<u>Others</u>		<u>Unallocated</u>		<u>Consolidated</u>	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
<u>Segment assets</u>										
Property, plant and equipment	714	791	-	-	-	-	-	-	714	791
Right-of-use assets	505	804	-	-	10	78	-	-	515	882
Intangible assets	-	910	-	-	-	-	-	-	-	910
Provisional goodwill	-	-	-	-	-	-	9,675	10,983	9,675	10,983
Inventories	-	10	-	-	-	-	-	-	-	10
Trade and other receivables	1,292	1,541	295	90	-	125	-	-	1,587	1,755
Contract assets	374	227	-	13	-	-	-	-	374	240
Other assets	63	111	3	33	9	9	-	-	75	153
Cash and cash equivalents	1,142	1,567	134	702	416	133	-	-	1,692	2,402
Total assets									14,632	18,126
<u>Segment liabilities</u>										
Deferred tax liabilities	16	202	-	-	-	-	-	-	16	202
Other financial liabilities	-	-	113	167	-	-	-	-	113	167
Lease liabilities	439	556	-	-	12	80	-	-	451	636
Provisions	147	97	-	-	-	-	-	-	147	97
Contract liabilities	3,360	3,149	174	313	-	-	-	(46)	3,534	3,416
Trade and other payables	1,889	1,657	362	477	434	649	-	-	2,685	2,783
Total liabilities									6,946	7,301

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

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

4F. Geographical information

On 14 June 2022, the Group disposed of the Disposal Assets (as defined below) that deal in the following types of products and services:

- (1) General trading (“**GT**”) – Trading of water piping materials and related accessories;
- (2) Engineering solutions (“**ES**”) – Provision of specialised products to water infrastructure products;
- (3) Valves (“**VA**”) – Valves for municipal and industrial applications; and
- (4) Others – Supply of parts and accessories in Oil & Gas industry and other non-water related products.

With the disposal, the Group fully exit the above businesses.

On the same day, the Group acquired Sevens Creation Pte Ltd and its wholly-owned subsidiaries (“**Sevens Creation Group**”), namely Sevens Build Pte Ltd and Sevens Design Pte Ltd, and thereby diversified into construction, renovation and design businesses (the “**New Business**”).

The New Business operates in Singapore and, accordingly, an analysis of non-current assets and revenue of the Group by geographical distribution has not been presented as it is not meaningful.

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:

	Group			
	6 Months Ended 31 December 2023		12 Months Ended 31 December 2022	
	S\$'000	S\$'000	S\$'000	S\$'000
Timing of transfer of goods				
- Over time	8,045	6,574	14,569	6,792
Type of goods and services				
- Building Construction, and Design	6,512	4,985	10,836	5,197
- Renovation and Interior Design	1,533	1,589	3,733	1,595
	8,045	6,574	14,569	6,792

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

5. Revenue (cont'd)

Revenue classified by duration of contract:

	Group			
	6 Months Ended		12 Months Ended	
	31 December		31 December	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Long Term contracts – Over 12 months	6,512	4,985	10,836	5,197
Short Term contracts – less than 12 months	1,533	1,589	3,733	1,595
	8,045	6,574	14,569	6,792

6. Loss before taxation

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

	Group			
	6 Months Ended		12 Months Ended	
	31 December		31 December	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amortisation of Intangible Assets</u>				
Continuing operations	455	228	910	455
Discontinued operations	-	-	-	-
<u>Depreciation – Property, Plant and Equipment</u>				
Continuing operations	93	110	194	104
Discontinued operations	-	-	-	305
<u>Depreciation – Right-of-Use Asset</u>				
Continuing operations	185	165	370	190
Discontinued operations	-	-	-	151
<u>Employee Benefits Expenses</u>				
Continuing operations	1,196	555	1,590	858
Discontinued operations	-	-	-	-
<u>Interest Expenses</u>				
Continuing operations	19	22	38	23
Discontinued operations	-	-	-	70
<u>Interest Income</u>				
Continuing operations	-	-	-	-
Discontinued operations	-	-	-	11

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

7. Income tax

	Group			
	6 Months Ended		12 Months Ended	
	31 December		31 December	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax expenses	-	-	-	1
Deferred tax income	(83)	(100)	(183)	(101)
	(83)	(100)	(183)	(100)

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 S\$0.18 million in relation to recognition of customer contracts arose from acquisition of Sevens Creation Group.

8. Property, plant and equipment

During the financial year ended 31 December 2023, the Group acquired assets amounting to S\$0.35 million (31 December 2022: S\$0.23 million).

During the financial year ended 31 December 2023, the Group disposed of assets amounting to approximately S\$0.36 million (31 December 2022: S\$9.77 million) mainly due to refurbishment of office building.

9. Right-of-use assets

	Office space S\$'000	Office equipment S\$'000	Total S\$'000
Group			
Cost:			
At 1 January 2022	742	11	753
Arising from acquisition of subsidiaries	503	-	503
At 31 December 2022	1,245	11	1,256
Write-off/ adjustments	(41)	-	(41)
At 31 December 2023	1,204	11	1,215
Accumulated depreciation:			
At 1 January 2022	90	1	91
Depreciation for the year	280	3	283
Write-off	-	-	-
At 31 December 2022	370	4	374
Depreciation for the year	366	4	370
Write-off/ adjustments	(44)	-	(44)
At 31 December 2023	692	8	700
Carrying value:			
At 31 December 2022	875	7	882
At 31 December 2023	512	3	515

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

10. Intangible assets

Group

	Order backlog S\$'000
<i>Cost:</i>	
At 1 January 2022	-
Arising from acquisition of subsidiaries	1,365
At 31 December 2022 and 31 December 2023	<u>1,365</u>
<i>Accumulated amortisation:</i>	
At 1 January 2022	-
Amortisation for the year	455
At 31 December 2022	455
Amortisation for the year	910
At 31 December 2023	<u>1,365</u>
<i>Carrying value:</i>	
At 31 December 2022	<u>910</u>
At 31 December 2023	<u>-</u>

11. Goodwill

	<u>Group</u>	
	31 December 2023 S\$'000	31 December 2022 S\$'000
<i>Cost:</i>		
At beginning of the year	10,983	-
Arising from acquisition of subsidiaries	-	10,983
Impairment	(1,308)	-
At end of the year	<u>9,675</u>	<u>10,983</u>

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).

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

12. Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	<u>31 December</u>		<u>31 December</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>Trade receivables:</u>				
Outside parties	1,568	1,342	-	-
Less allowance for expected credit losses	(104)	-	-	-
Shareholders		268		
Trade receivables – subtotal	<u>1,464</u>	<u>1,610</u>	<u>-</u>	<u>-</u>
<u>Other receivables:</u>				
Outside parties	323	475	-	153
Less allowance for expected credit losses	(200)	(330)	-	(30)
Other receivables – subtotal	<u>123</u>	<u>145</u>	<u>-</u>	<u>123</u>
Total trade and other receivables	<u>1,587</u>	<u>1,755</u>	<u>-</u>	<u>123</u>

The average credit period generally granted to trade receivable customers is about 7 to 30 days (2022: 7 to 30 days), but some customers take a longer period to settle the amounts.

13. Contract assets and contract liabilities

	<u>Group</u>	
	<u>31 December</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Contract assets	374	240
Contract liabilities	(3,534)	(3,416)
At end of the year	<u>(3,160)</u>	<u>(3,176)</u>

The contract assets are : entity's rights to consideration for work completed but not billed at the reporting date on the contracts; costs incurred to obtain or fulfil a contract with a customer; costs to obtain contracts with customers; pre-contract costs and setup costs; and the amount of amortisation and any impairment losses recognised in the reporting year. 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.

14. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Not restricted in use	<u>1,692</u>	<u>2,402</u>	<u>27</u>	<u>122</u>

The interest earning balances are not significant.

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

15. Share capital

	<u>Group and Company</u>	
	Number	Share
	of shares	capital
	<u>issued</u>	<u>S\$'000</u>
Ordinary shares of no par value:		
Balance at 31 December 2022 and 31 December 2023	<u>214,202,036</u>	<u>15,300</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.

16. Lease liabilities

	Group		Company	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Current	131	189	-	-
Non-current	320	447	-	-
	<u>451</u>	<u>636</u>	<u>-</u>	<u>-</u>

17. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	2,685	2,783	354	422
Subsidiaries	-	-	-	16
Trade payables – subtotal	<u>2,685</u>	<u>2,783</u>	<u>354</u>	<u>438</u>
<u>Other payables:</u>				
Subsidiaries	-	-	563	237
Other payables – subtotal	<u>-</u>	<u>-</u>	<u>563</u>	<u>237</u>
Total trade and other payables	<u>2,685</u>	<u>2,783</u>	<u>917</u>	<u>675</u>

The average credit period generally granted by trade payables suppliers is about 30 to 90 days (2022: 30 to 90 days).

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

18. Aggregate amount of the group's borrowings and debt securities

	As at 31 December 2023		As at 31 December 2022	
	Secured	Unsecured	Secured	unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable within one year				
Other financial liabilities – bank loan	-	52	-	50
Lease liabilities	-	131	-	189
	-	183	-	239
Amount repayable after one year				
Other financial liabilities – bank loan	-	61	-	117
Lease liabilities	-	320	-	447
	-	381	-	564

The bank loan of S\$0.11 million as at 31 December 2023 (31 December 2022: S\$ 0.17 million) is covered by personal guarantee (unlimited) by an ex-shareholder of a subsidiary who is currently an employee of the subsidiary.

19. Financial instruments: information on financial risks

19A. 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 year:

	<u>Group</u>		<u>Company</u>	
	30	31	31	31
	December	December	December	December
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	3,279	4,157	27	245
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	3,249	3,586	917	675

19B. 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.

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

20. Loss per share

	<u>Group</u>	
	31 December 2023 S\$'000	31 December 2022 S\$'000
A. Numerator:		
Loss attributable to equity:		
Continuing operations	(3,139)	(1,188)
Discontinued operation:	-	(2,941)
Losses attributable to equity holders for basic losses	(3,139)	(4,129)
B. Denominator: weighted average number of equity shares		
	Number of shares	
	'000	'000
Weighted average number of equity shares	214,202	214,202
Loss per share:		
Continuing operations	(1.47)	(0.55)
Discontinue operations	-	(1.37)
Basic and diluted losses per share (in cents)	(1.47)	(1.92)

21. Net asset value per share

Net asset value per ordinary share as at 31 December 2023 and 31 December 2022 are calculated based on the number of ordinary shares in issue:

	<u>Group</u>		<u>Company</u>	
	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000
Net asset value attributable to equity holders of the Company	7,686	10,825	10,017	11,573
Net asset value per share (in cents)	3.59	5.05	4.68	5.40

22. 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.

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 consolidated statement of financial position of Sevens Atelier Limited and its subsidiaries as at 31 December 2023 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 and the full financial year then ended and certain explanatory notes have not been audited or reviewed. There is no auditors' report issued (including any modifications or emphasis of matter).

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 a qualified opinion for its latest audited consolidated financial statements for the financial year ended 31 December 2022 in relation to the discontinued operations for the period from 1 January 2022 to 14 June 2022 as they have not been provided access to the related accounting records and documents. Furthermore, the Independent Auditor has included a "material uncertainty relating to going concern".

The qualified opinion was related to the discontinued operations in the 1H2022. The financial statements ending 31 December 2023 may also be qualified due to the effect of this matter on the comparability of the corresponding figures.

The Board is of the opinion that Company's auditors will be provided with unrestricted access to all its accounting records and documents in the future.

The negative working capital position of the Group has widened from S\$1.98 million as at 31 Dec 2022 to S\$2.82 million as at 31 December 2023. 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\$1.69 million as at 31 December 2023 and the Group's secured order book as at 31 December 2023 amounted to S\$14.50 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 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 2022.

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 2023.

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

Other information required by Appendix 7C of the Catalist Rules (cont'd)

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.

On 14 June 2022, the Group disposed of all of its business and subsidiaries (the “**Disposal Assets**”) dealing in the following types of products and services:

- (1) General trading (“**GT**”) – Trading of water piping materials and related accessories;
- (2) Engineering solutions (“**ES**”) – Provision of specialised products to water infrastructure products;
- (3) Valves (“**VA**”) – Valves for municipal and industrial applications; and
- (4) Others – Supply of parts and accessories in Oil & Gas industry and other non–water related products.

With the disposal, the Group fully exit the above businesses (the “**Discontinued Operations**”)

On the same day, the Group acquired Sevens Creation Pte Ltd and its wholly-owned subsidiaries, namely Sevens Build Pte Ltd and Sevens Design Pte. Ltd., thereby diversified into construction, renovation and design businesses (the “**New Business**”). The revenue and expenses recognised in the income statement for the period ended 31 December 2022 was for the period from 15 June 2022 to 31 December 2022.

(a) Review of Group Performance

Revenue

Revenue for the full year ended 31 December 2023 (“**FY2023**”) was S\$14.57 million which increased by S\$7.78 million from S\$6.79 million (**FY2022**). It is mainly due to increase in revenue contribution from projects in building construction and design for which the performance obligations had been substantially satisfied in FY2023.

Cost of sales

Cost of sales for FY2023 recorded at S\$12.12 million. The increased was in line with the increased in revenue.

Gross profit

The Group recorded a gross profit of S\$2.45 million in FY2023. The increased in gross profit was mainly due to increase in project percentage of completion where the Group managed to deliver the construction projects as per agreed timeline.

Marketing and distribution costs

Marketing and distribution cost increased by 59% to S\$0.18 million due to increase in marketing events in FY2023.

Other information required by Appendix 7C of the Catalist Rules (cont'd)

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. (cont'd)

(a) Review of Group Performance (cont'd)

Administrative expenses

Increase of administrative expenses by S\$1.55 million were mainly due to the following:

- (a) Depreciation expenses increased by S\$0.30 million in FY2023 mainly due to recording full year (12 months) depreciation charge for FY2023 compare to prior financial year (6 months).
- (b) Amortisation expenses from order backlog increased by S\$0.50 million in FY2023 mainly due to recording full year (12 months) depreciation charge for FY2023 compare to prior financial year (6 months).
- (c) Employee benefits expenses increased by S\$0.70 million in FY2023 mainly due to increase in staff movement in line with business expansion and operation.

Other losses

Increase of other losses by S\$1.51 million were mainly due to the following:

- (a) Impairment of goodwill incurred S\$1.31 million for FY2023
- (b) Loss on disposal of fixed asset of S\$0.13 million
- (c) Bad debts written-off for trade receivable of S\$0.03 million.

Finance costs

The increase in finance costs for FY2023 was mainly attributable to higher interest expenses on lease liabilities.

Loss before income tax

Overall, the Group recorded a loss of S\$3.14 million in FY2023 as compared to a loss of S\$1.19 million in FY2022 for the reasons stated above.

Review of Statement of Financial Position

The Group's current assets decreased by S\$0.83 million mainly due to decrease in cash and cash equivalent of S\$0.71 million, and trade and other receivable of S\$0.17 million which were partially offset by increase in contract asset of S\$0.13 million.

The Group's non-current assets decreased by S\$2.67 million mainly due to the following:

- (a) Decrease in intangible assets by S\$0.91 million and right-of-use assets by S\$0.36 million. The reductions in intangible assets and right-of-use assets are due to amortisation and depreciation respectively.
- (b) Goodwill reduced to S\$9.68 million as a result of the S\$1.31 million impairment.

The Group's non-current liabilities decreased by S\$0.37 million mainly due to decrease in lease liabilities and deferred tax liabilities from unwinding of the deferred tax liability of order backlog.

Other information required by Appendix 7C of the Catalist Rules (cont'd)

- 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. (cont'd)**

(a) Review of Group Performance (cont'd)

Review of change in cash flow

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

The net cash used in operating activities was primarily due to longer receivable overdue.

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.

- 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.

Other information required by Appendix 7C of the Catalist Rules (cont'd)

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.

Sevens Atelier Limited, formerly known as Pan Asian Holdings Limited, underwent a rebranding on June 14, 2022, marking a significant transition as we embark on our next phase of growth.

As of December 31, 2023, the Group's Design & Build business boasted an aggregate order book of \$14.50 million. Continuously striving for expansion, our management remains actively engaged in securing additional contracts, leveraging resources, technologies, and tailored marketing strategies to target diverse markets.

According to the Building and Construction Authority (“BCA”), the construction sector is poised for steady demand in 2024, with projected construction demand ranging between S\$32 billion and S\$38 billion. BCA anticipates that the public sector will be the primary driver of total construction demand, expected to reach between S\$18 billion and S\$21 billion, while private sector demand is forecasted to range from S\$14 billion to S\$17 billion. ⁽ⁱ⁾

With prevailing challenges such as cost inflation and increased competition, we anticipate the Design and Build industry to remain competitive. While the demand for Design and Build services is anticipated to remain robust, particularly in the acquisition of landed properties in 2024 compared to 2023, overall growth in landed properties demand is expected to remain stable and progressively increase in 2024.

Various factors contribute to the demand for landed properties, including the anticipated strengthening of the Singaporean economy, lower inflation, and interest rates. Experts predict accelerated economic growth in 2024, ranging between 1 and 3 per cent, a notable increase from the previous year. ⁽ⁱⁱ⁾

With expectations of the US Federal Reserve cutting interest rates in 2024 and Singapore banks anticipating a decrease in the 3-month compounded Singapore Overnight Rate Average (Sora) rate, there is an increased demand in the market for redevelopment and renovation.

Market trends indicate heightened activity, including an 11-year high in state land tender activity in 2023 and successful collective sales. ⁽ⁱⁱⁱ⁾ However, challenges persist, such as the moderation in the rate of increase in resale prices of HDB flats. ^(iv)

Despite these challenges, the Group remains cautiously optimistic about growth in 2024. We are implementing new marketing strategies, including showroom refurbishments, with an official opening of the showroom planned for the first half of 2024. Our focus on digital adaptation and technology adoption, such as virtual design and construction solutions, ensures efficient project visualization, reducing miscommunications and delays.

With a strong track record, technical expertise, and streamlined processes, the Group is committed to delivering quality projects on time, ensuring sustainable growth. Additionally, we maintain sufficient cash reserves to support current working capital and operational needs.

Note:

(i) <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024#:~:text=BCA%20expects%20a%20steady%20improvement,year%20from%202025%20to%202028>.

(ii) Today online, (<https://www.todayonline.com/singapore/lookahead-2024-economy-inflation-interest-2334946>)

(iii) The Straits Times (<https://www.straitstimes.com/business/state-land-sales-deals-hit-11-year-high-of-77-billion-in-2023>)

(iv) CNA (<https://www.channelnewsasia.com/singapore/hdb-resale-flat-prices-2023-increase-bto-supply-4020341>)

Other information required by Appendix 7C of the Catalist Rules (cont'd)

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.

There is no change in the Company’s share capital. The Company’s share capital as at 31 December 2023 and 31 December 2022 remained at S\$15,300,000 and comprised 214,202,036 shares.

There were no convertible securities, treasury shares or subsidiary holdings outstanding as at the financial year end of 31 December 2023 and 31 December 2022.

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)
As at 31 December 2022	214,202,036
As at 31 December 2023	214,202,036

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.

Other information required by Appendix 7C of the Catalist Rules (cont'd)

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.

(d) 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 2022.

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 2023.

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 page 2 of this Condensed Interim Financial Statements.

Other information required by Appendix 7C of the Catalist Rules (cont'd)

17. Dividend

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

No dividend has been recommended or declared for FY2023.

(b) Interim or Final dividend per share

Not applicable.

(e) 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 the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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 and financial year ended 31 December 2023 and 31 December 2022 respectively as the Group deems it appropriate to retain cash for its operations.

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.

There are no interested person transactions of S\$100,000 and above entered into in FY2023.

The Group has not obtained a general mandate from shareholders for interested person transactions.

20. 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.

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

There are no acquisitions and disposal of subsidiaries during FY2023.

Other information required by Appendix 7C of the Catalist Rules (cont'd)

22. Additional Information Required for Full Year Announcement

22A. Segmented revenue and results for business or geographical segments (of the Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the Company's most recently audited financial statements, with comparative information for the immediately preceding year.

Please refer to Note 4D.

22B. In the review of the performance, the factors leading to any material changes in the contributions to the turnover and earning by the business or geographical segments.

Please refer to Note 3.

22C. A breakdown of sales:

	FY2023	FY2022	Inr/(Decr) (%)
	S\$'000	S\$'000	S\$'000
	Group	Group	
Sales reported 1st half of year	6,524	218	>100%
Operating loss after tax before deducting non-controlling interests from continuing operations for 1st half year	(935)	(578)	62%
Loss from discontinued operations, net of tax	-	(2,941)	N.M.
Sales reported 2nd half of year	8,045	6,574	22%
Operating loss after tax before deducting non-controlling interests from continuing operations for 2nd half year	(2,204)	(610)	>100%
Loss from discontinued operations, net of tax	-	-	-
N.M. – not meaningful			

22D. A breakdown of the total annual dividend for the Company's latest full year and its previous full year

No dividend was paid during the financial year ended 31 December 2023 and 31 December 2022.

22E. Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10) in the format below. If there are no such persons, the Company must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Listing Manual, the Company hereby confirms that as at the date of this announcement, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries, is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Jeffrey Hong Eng Leong
Executive Director and Chief Executive Officer

29 February 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 document, including the correctness of any of the statements or opinions made or reports contained in this document.

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