

ANNICA HOLDINGS LIMITED

Condensed Interim Consolidated Financial Statements For The First Quarter Financial Period Ended 31 March 2024

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

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For the purposes of this announcement, "1Q2024" refers to the three-month financial period ended 31 March 2024, whereas "1Q2023" refers to the corresponding three-month financial period ended 31 March 2023. "FY2023" refers to the full financial year ended 31 December 2023.

The quarterly reporting of financial statements is mandatory for Annica Holdings Limited (the "Company") pursuant to Rule 705(2) of the SGX-ST Listing Manual Section B: Rules of Catalyst (the "Catalist Rules"). The foregoing statement is made pursuant to Rule 705(2C) of the Catalyst Rules.

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER FINANCIAL PERIOD ENDED 31 MARCH 2024

	Note	Group		Increase/ (Decrease) %
		1Q2024 S\$'000	1Q2023 S\$'000	
Revenue	4	1,797	5,137	(65)
Cost of sales		(872)	(4,511)	(81)
Gross profit		925	626	48
Other income		115	81	42
Interest income		51	50	2
Selling and distribution expenses		(42)	(44)	(5)
Administrative and general expenses		(1,200)	(1,151)	4
Other expenses		(68)	(1)	NM
Impairment losses on trade and other receivables		-	-	NM
Finance costs		(73)	(20)	NM
Loss before tax from continuing operations	6	(292)	(459)	(36)
Tax expense	7	-	(49)	NM
Loss from continuing operations		(292)	(508)	(43)
Profit from discontinued operations		-	1	NM
Loss for the financial period		(292)	(507)	(42)
Other comprehensive loss				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising on consolidation		(22)	(16)	38
Other comprehensive loss for the financial period		(22)	(16)	38
Total comprehensive loss for the financial period		(314)	(523)	(40)

NM: Not Meaningful

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 march 2024 (cont'd)

		Group	
	1Q2024	1Q2023	Increase/ (Decrease)
Note	S\$'000	S\$'000	%
(Loss)/profit attributable to:			
- Equity holders of the Company	(420)	(468)	(10)
- Non-controlling interests	128	(39)	NM
Loss for the financial period	(292)	(507)	(42)
Profit/(loss) attributable to:			
Equity holders of the Company			
- Loss from continuing operations	(420)	(469)	(10)
- Profit from discontinued operations	-	1	NM
	(420)	(468)	(10)
Total comprehensive (loss)/income attributable to:			
- Equity holders of the Company	(442)	(484)	(9)
- Non-controlling interests	128	(39)	NM
Total comprehensive loss for the financial period	(314)	(523)	(40)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company			
- Loss from continuing operations	(442)	(485)	(9)
- Profit from discontinued operations	-	1	NM
	(442)	(484)	(9)
Loss per share for loss attributable to the equity holders of the Company (cents per share)			
Basic and diluted			
From continuing and discontinued operations	(0.0025)	(0.0028)	(11)
From continuing operations	(0.0025)	(0.0028)	(11)
From discontinued operations	-	-*	NM

*Amount less than S\$0.0001

(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	Note	Group		Company	
		As at 1Q2024 S\$'000	As at FY2023 S\$'000	As at 1Q2024 S\$'000	As at FY2023 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment ("PPE")	12	303	226	2	1
Right-of-use ("ROU") assets		790	804	232	263
Intangible assets	11	36	36	-	-
Investments in subsidiaries		-	-	1,890	1,890
Trade and other receivables		-	-	194	229
Deferred tax assets		25	25	-	-
		<u>1,154</u>	<u>1,091</u>	<u>2,318</u>	<u>2,383</u>
Current assets					
Cash and cash equivalents		2,497	3,013	123	66
Fixed deposits		431	434	-	-
Trade and other receivables		5,201	7,175	3,770	3,363
Inventories		1,820	383	-	-
Financial assets at fair value through profit or loss	10	_*	_*	_*	_*
		<u>9,949</u>	<u>11,005</u>	<u>3,893</u>	<u>3,429</u>
Total assets		11,103	12,096	6,211	5,812
LIABILITIES					
Non-current liabilities					
Borrowings	14	516	647	307	373
Provision for employee benefits		108	108	-	-
		<u>624</u>	<u>755</u>	<u>307</u>	<u>373</u>
Current liabilities					
Trade and other payables		7,665	7,640	7,866	6,372
Contract liabilities		2,079	2,008	-	-
Borrowings	14	1,405	2,054	1,062	1,709
Tax payable		136	131	-	-
		<u>11,285</u>	<u>11,833</u>	<u>8,928</u>	<u>8,081</u>
Total liabilities		11,909	12,588	9,235	8,454
Net assets/(liabilities)		(806)	(492)	(3,024)	(2,642)
EQUITY					
Share capital	15	68,101	68,101	68,101	68,101
Other reserves		(794)	(772)	89	89
Accumulated losses		(68,495)	(68,075)	(71,214)	(70,832)
Capital deficiency attributable to equity holders of the Company		(1,188)	(746)	(3,024)	(2,642)
Non-controlling interests		382	254	-	-
Total capital deficiency		(806)	(492)	(3,024)	(2,642)

*Amount less than S\$1,000

(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER FINANCIAL PERIOD ENDED 31 MARCH 2024**

	Note	Group	
		1Q2024 S\$'000	1Q2023 S\$'000
Cash flows from operating activities			
Loss before tax from continuing operations		(292)	(459)
Profit before tax from discontinued operations		-	1
		<u>(292)</u>	<u>(458)</u>
Adjustments for:			
Depreciation of property, plant and equipment	6	30	48
Depreciation of right-of-use assets	6	75	54
Interest expense	6	73	20
Interest income	6	(51)	(50)
Bad debt written off	6	-	1
Bad debt recovered	6	-	(11)
Currency translation adjustment		(28)	-
Operating cash flows before working capital changes		(193)	(396)
Changes in working capital:			
Inventories		(1,437)	(1,512)
Trade and other payables and contract liabilities		104	(3,821)
Trade and other receivables		2,005	5,689
Currency translation adjustment		-	(24)
Cash generated from/(used in) operations		479	(64)
Income tax paid		(21)	(29)
Net cash generated from/(used in) operating activities		458	(93)
Cash flows from investing activities			
Interest received		2	2
Purchase of property, plant and equipment		(108)	(20)
Net cash used in investing activities		(106)	(18)
Cash flows from financing activities			
Interest paid for bank loans		(66)	(6)
Interest paid for lease liabilities		(7)	(1)
Interest paid for third party loan		(62)	(194)
Release of fixed deposit pledged		-	21
Placement of deposit in cash margin account		(262)	-
Proceeds of borrowings		-	500
Repayment of principal portion of borrowings		(672)	(299)
Repayment of principal portion of lease liabilities		(66)	(56)
Net cash used in financing activities		(1,135)	(35)
Net decrease in cash and cash equivalents		(783)	(146)
Cash and cash equivalents at beginning of the financial period		3,013	1,430
Effects of foreign currency translation on cash and cash equivalents		5	1
Cash and cash equivalents at end of the financial period		2,235	1,285
Cash and cash equivalents at end of the financial period were made up of:			
Cash and cash equivalents		2,235	1,285
Deposit placed in cash margin account		262	-
Cash and cash equivalents in consolidated statement of cash flows		2,497	1,285

(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER FINANCIAL PERIOD ENDED 31 MARCH 2024**

	Note	Share capital S\$'000	Other reserves S\$'000	Accumulated losses S\$'000	Equity attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Group							
Balance as at 1 January 2024		68,101	(772)	(68,075)	(746)	254	(492)
Loss for the financial period		-	-	(420)	(420)	128	(292)
Other comprehensive loss:							
Currency translation differences arising from consolidation		-	(22)	-	(22)	-	(22)
Total comprehensive (loss)/income for the financial period		-	(22)	(420)	(442)	128	(314)
Balance as at 31 March 2024		68,101	(794)	(68,495)	(1,188)	382	(806)
Balance as at 1 January 2023		68,101	(2,041)	(65,425)	635	(53)	582
Transfer to capital reserve		-	3	-	3	-	3
Loss for the financial period		-	-	(468)	(468)	(39)	(507)
Other comprehensive loss:							
Currency translation differences arising from consolidation		-	(16)	-	(16)	-	(16)
Total comprehensive loss for the financial period		-	(16)	(468)	(484)	(39)	(523)
Balance as at 31 March 2023		68,101	(2,054)	(65,893)	154	(92)	62

(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER FINANCIAL PERIOD ENDED 31 MARCH 2024 (cont'd)**

	Note	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total equity S\$'000
Company					
Balance as at 1 January 2024		68,101	(70,832)	89	(2,642)
Loss and total comprehensive loss for the financial period		-	(382)	-	(382)
Balance as at 31 March 2024		68,101	(71,214)	89	(3,024)
Balance as at 1 January 2023		68,101	(68,231)	89	(41)
Loss and total comprehensive loss for the financial period		-	(375)	-	(375)
Balance as at 31 March 2023		68,101	(68,606)	89	(416)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Annica Holdings Limited (the “**Company**”) is incorporated and domiciled in Singapore and its shares are publicly traded on the Catalyst board of the SGX-ST. These condensed interim consolidated financial statements as at 31 March 2024 comprise the Company and its subsidiaries (collectively, the “**Group**”). The primary activity of the Company is that of investment holdings.

The principal activities of the Group are:

- (a) trading in oilfield equipment and related products;
- (b) designing of industrial plant engineering services systems and general wholesaler and trader;
- (c) designing, engineering, procurement, construction and commissioning of solar photovoltaic system and related products;
- (d) manufacturing of electricity distribution and control apparatus, operation of generation facilities that produce electric energy, and wholesale of industrial machinery, equipment and supplies; and
- (e) investment holding.

2. Basis of preparation

The condensed interim consolidated financial statements for 1Q2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated 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 since the last audited consolidated financial statements for FY2023.

The accounting policies adopted for the condensed interim consolidated financial statements for 1Q2024 are consistent with those of the previous financial year, FY2023, which were prepared in accordance with SFRS(I)s.

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

2.1 New and amended standards adopted by the Group

On 1 January 2024, the Group adopted all the new and revised SFRS(I)s pronouncements that are mandatorily effective and are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements did not result in substantial changes to the Group’s and the Company’s accounting policies and had no material effect on the disclosures or on the amounts reported for the current or prior financial years.

2.2 Use of judgements and estimates

In preparing the condensed interim consolidated 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 applied to the audited consolidated financial statements of the Group for FY2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to an accounting estimate is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 10.1 – Fair value measurement

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

- Note 11 – Intangible assets
- Note 13 – Trade and other receivables

3. Seasonal operations

The Group’s businesses were not affected significantly by seasonal or cyclical factors during 1Q2024.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Oil and Gas Equipment;
- Engineering Services;
- Renewable Energy; and
- Investments and Others

These operating segments are reported in a manner consistent with internal reporting provided to the Company’s Executive Director and Chief Executive Officer, Sandra Liz Hon Ai Ling and the Board of Directors who are responsible for allocating resources and assessing the performance of the operating segments.

4.1 Reportable segments

The reportable segments are engineering services (“ES”), oil and gas equipment (“O&G”), renewable energy (“RE”), and investments and others (“I&O”).

	ES	O&G	RE	I&O	Elimination	Continuing operation	Discontinued operation	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1Q2024								
Revenue								
External sales	49	1,748	-	-	-	1,797	-	1,797
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	49	1,748	-	-	-	1,797	-	1,797
Interest income	1	1	-	53	(4)	51	-	51
Other income	1	92	-	46	(24)	115	-	115
Total other income	2	93	-	99	(28)	166	-	166
Total revenue and other income	51	1,841	-	99	(28)	1,963	-	1,963
Depreciation of PPE	-	(29)	-	(1)	-	(30)	-	(30)
Depreciation of ROU assets	(9)	(35)	-	(31)	-	(75)	-	(75)
Interest expense	(2)	(6)	-	(69)	4	(73)	-	(73)
Segment profit	40	1,771	-	(2)	(24)	1,785	-	1,785
Unallocated expenses	(129)	(1,558)	(42)	(380)	32	(2,077)	-	(2,077)
Profit/(loss) before tax	(89)	213	(42)	(382)	8	(292)	-	(292)
Tax expense	-	-	-	-	-	-	-	-
(Loss)/Profit for the interim period	(89)	213	(42)	(382)	8	(292)	-	(292)
Assets								
Non-current assets	84	775	336	234	(300)	1,129	-	1,129
Other segment assets	751	9,508	323	5,979	(6,587)	9,974	-	9,974
Consolidated total assets	835	10,283	659	6,213	(6,887)	11,103	-	11,103
Expenditures for segment non-current assets								
Additions to PPE	-	106	-	2	-	108	-	108
Additions to ROU assets	-	62	-	-	-	62	-	62
	-	168	-	2	-	170	-	170
Liabilities								
Segment liabilities	1,454	4,221	713	7,868	(4,404)	9,852	-	9,852
Borrowings	200	685	-	1,368	(332)	1,921	-	1,921
Deferred tax liabilities	-	-	-	-	-	-	-	-
Tax payable	-	136	-	-	-	136	-	136
Consolidated total liabilities	1,654	5,042	713	9,236	(4,736)	11,909	-	11,909

4.1 Reportable segments (cont'd)

	ES	O&G	RE*	I&O	Elimination	Continuing operation	Discontinued operation	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1Q2023								
Revenue								
External sales	14	5,123	-	-	-	5,137	-	5,137
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	14	5,123	-	-	-	5,137	-	5,137
Interest income	-	2	-	48	-	50	-	50
Other income	14	74	(6)	45	(46)	81	-	81
Total other income	14	76	(6)	93	(46)	131	-	131
Total revenue and other income	28	5,199	(6)	93	(46)	5,268	-	5,268
Depreciation of PPE	-	(35)	-	(13)	-	(48)	-	(48)
Depreciation of ROU assets	-	(29)	-	(25)	-	(54)	-	(54)
Interest expense	(1)	(11)	-	(8)	-	(20)	-	(20)
Segment profit/(loss)	27	5,124	(6)	47	(46)	5,146	-	5,146
Unallocated expenses	(99)	(5,089)	(27)	(422)	32	(5,605)	1	(5,604)
Profit/(loss) before tax	(72)	35	(33)	(375)	(14)	(459)	1	(458)
Tax expense	-	(49)	-	-	-	(49)	-	(49)
(Loss)/Profit for the interim period	(72)	(14)	(33)	(375)	(14)	(508)	1	(507)
FY2023								
Assets								
Non-current assets	93	673	337	263	(300)	1,066	-	1,066
Other segment assets	628	10,661	322	5,550	(6,131)	11,030	-	11,030
Consolidated total assets	721	11,334	659	5,813	(6,431)	12,096	-	12,096
Expenditures for segment non-current assets								
Additions to PPE	-	70	-	-	-	70	-	70
Additions to ROU assets	108	313	-	326	-	747	-	747
	108	383		326	-	817	-	817
Liabilities								
Segment liabilities	1,224	5,390	674	6,375	(3,907)	9,756	-	9,756
Borrowings	228	757	-	2,082	(366)	2,701	-	2,701
Deferred tax liabilities	-	-	-	-	-	-	-	-
Tax payable	-	131	-	-	-	131	-	131
Consolidated total liabilities	1,452	6,278	674	8,457	(4,273)	12,588	-	12,588

* The financial performance of the RE segment was previously subsumed under the I&O segment for the purposes of the condensed interim consolidated financial statements for 1Q2023 as announced on 11 May 2023.

4.2 Disaggregation of Revenue

	Group 1Q2024		
	Engineering services S\$'000	Oil and gas equipment S\$'000	Total S\$'000
Types of goods or services:			
Sale of goods	49	1,647	1,696
Services rendered	-	101	101
	<u>49</u>	<u>1,748</u>	<u>1,797</u>
Timing of revenue recognition:			
At a point in time	49	1,748	1,797
Over time	-	-	-
	<u>49</u>	<u>1,748</u>	<u>1,797</u>
Geographical information:			
Singapore	-	71	71
Malaysia	49	337	386
Indonesia	-	71	71
Thailand	-	205	205
Vietnam	-	-	-
Brunei & Myanmar	-	1,061	1,061
Others	-	3	3
	<u>49</u>	<u>1,748</u>	<u>1,797</u>

	1Q2023		
	Engineering services S\$'000	Oil and gas equipment S\$'000	Total S\$'000
Types of goods or services:			
Sale of goods	14	5,123	5,137
Services rendered	-	-	-
	<u>14</u>	<u>5,123</u>	<u>5,137</u>
Timing of revenue recognition:			
At a point in time	14	5,123	5,137
Over time	-	-	-
	<u>14</u>	<u>5,123</u>	<u>5,137</u>
Geographical information:			
Singapore	-	174	174
Malaysia	14	4,460	4,474
Indonesia	-	114	114
Thailand	-	82	82
Vietnam	-	-	-
Brunei & Myanmar	-	289	289
Others	-	4	4
	<u>14</u>	<u>5,123</u>	<u>5,137</u>

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 March 2024 and 31 December 2023:

	Note	Group		Company	
		1Q2024 S\$'000	FY2023 S\$'000	1Q2024 S\$'000	FY2023 S\$'000
Financial Assets					
Financial assets at fair value through profit or loss	10	-*	-*	-*	-*
Financial assets at amortised costs		6,630	8,694	4,027	3,636
		6,630	8,694	4,027	3,636
Financial Liabilities, at amortised costs					
Trade and other payables		7,082	7,087	7,680	6,229
Provision for employee benefits		108	108	-	-
Borrowings		1,921	2,701	1,369	2,082
		9,111	9,896	9,049	8,311

*Amount less than S\$1,000

6. Loss before taxation from continuing operations

6.1 Significant items

	Group	
	1Q2024 S\$'000	1Q2023 S\$'000
Income		
Interest income from bank and deposits	2	2
Interest income from a third party	49	48
Miscellaneous income	5	3
Government grant received	1	-
Extension fees on amount due from Ms Chong Shin Mun	15	15
Bad debt recovered	-	11
Foreign currency exchange gain	94	48
Expenses		
Interest expenses on borrowings	66	19
Interest expenses on lease liabilities	7	1
Bad debt written off	-	1
Depreciation of property, plant and equipment	30	48
Depreciation of right of use assets	75	54
Foreign currency exchange loss	62	-

6.2 Related party transactions

There were no material related party transactions during 1Q2024.

7. Taxation

	Group	
	1Q2023 S\$'000	1Q2023 S\$'000
Current income tax expense	-	49
Deferred income tax expense	-	-
	-	49

8. Dividends

No dividend was declared during FY2023 and 1Q2024.

9. Net Asset Value

	Group		Company	
	1Q2024	FY2023	1Q2024	FY2023
Net capital deficiency per ordinary share of the Company ("Share") based on the issued Shares at the end of the financial period/year reported on (in cents)	(0.0070)	(0.0044)	(0.0178)	(0.0156)

Net capital deficiency per ordinary share of the Group as at 1Q2024 was calculated by dividing the Group's net capital deficiency attributable to equity holders as at 1Q2024 of S\$1,188,000 (FY2023: S\$746,000) by the number of issued ordinary shares of the Company as at 1Q2024 of 16,974,767,048 (FY2023: 16,974,767,048).

Net capital deficiency per ordinary share of the Company as at 1Q2024 was calculated by dividing the Company's net capital deficiency attributable to equity holders as at 1Q2024 of S\$3,024,000 (FY2023: S\$2,642,000) by the number of issued ordinary shares of the Company as at 1Q2024 of 16,974,767,048 (FY2023: 16,974,767,048).

10. Financial assets at fair value through profit or loss

Financial assets at fair value through profit and loss ("FVTPL") comprise the following:

	Group	
	1Q2024 S\$'000	FY2023 S\$'000
Unquoted securities	-*	-*

10.1 Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The following table presents the financial assets measured at fair value:

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group – 31 March 2024				
Financial assets				
Financial assets at fair value through profit or loss	-	-	-*	-*
Group – 31 December 2023				
Financial assets				
Financial assets at fair value through profit or loss	-	-	-*	-*

*Amount less than S\$1,000

11. Intangible assets

Goodwill arising on consolidation

At 31 December 2023 and 31 March 2024

Group
S\$'000
36

12. Property, plant and equipment

During 1Q2024, the Group acquired plant and equipment amounting to S\$108,000 (FY2023: S\$70,000). The Group did not dispose of any plant and equipment in 1Q2024 (FY2023: disposed of plant and equipment amounting to S\$1,000).

13. Trade and other receivables

Trade and other receivables comprise the following:

	1Q2024 S\$'000	FY2023 S\$'000
Trade and other receivables		
Trade receivables	885	2,468
Other receivables:		
Loan to a former subsidiary (GPE Power Systems (M) Sdn. Bhd. ("GPE"))	3,094	3,058
Other receivables from GPE	300	300
Consideration due from disposal of GPE from Ms Chong Shin Mun	1,294	1,267
Less: Allowance for impairment	(2,044)	(2,044)
Advance billings from suppliers	1,125	1,709
Others	547	417
	<u>4,316</u>	<u>4,707</u>
	<u>5,201</u>	<u>7,175</u>

13.1 Ageing profile of trade and other receivables

	1Q2024				
	Total Due S\$'000	0-30 days S\$'000	30-60 days S\$'000	60-90 days S\$'000	90+ days S\$'000
Segments					
Trade receivables					
Engineering services	51	-	51	-	-
Oil and gas equipment	834	223	163	78	370
Investments and others	-	-	-	-	-
	<u>885</u>	<u>223</u>	<u>214</u>	<u>78</u>	<u>370</u>
Other receivables					
Engineering services	562	562	-	-	-
Oil and gas equipment	844	844	-	-	-
Investments and others	2,910	157	21	22	2,710
	<u>4,316</u>	<u>1,563</u>	<u>21</u>	<u>22</u>	<u>2,710</u>
	<u>5,201</u>	<u>1,786</u>	<u>235</u>	<u>100</u>	<u>3,080</u>

	FY2023				
	Total Due S\$'000	0-30 days S\$'000	30-60 days S\$'000	60-90 days S\$'000	90+ days S\$'000
Segments					
Trade receivables					
Engineering services	59	59	-	-	-
Oil and gas equipment	2,409	1,415	355	113	526
Investments and others	-	-	-	-	-
	<u>2,468</u>	<u>1,474</u>	<u>355</u>	<u>113</u>	<u>526</u>
Other receivables					
Engineering services	462	462	-	-	-
Oil and gas equipment	1,468	1,468	-	-	-
Investments and others	2,777	88	21	23	2,645
	<u>4,707</u>	<u>2,018</u>	<u>21</u>	<u>23</u>	<u>2,645</u>
	<u>7,175</u>	<u>3,492</u>	<u>376</u>	<u>136</u>	<u>3,171</u>

14. Borrowings

	1Q2024			FY2023		
	Secured Borrowings	Unsecured Borrowings	Lease Liabilities	Secured Borrowings	Unsecured Borrowings	Lease Liabilities
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	341	800	264	344	1,450	260
Amount repayable after one year	190	-	326	271	-	376

During 1Q2024 and FY2023, the secured bank borrowings and credit facilities of the Group are secured over the Group's leasehold properties, fixed deposits, the corporate guarantee given by the Company, and personal guarantees given by certain directors of the Company's subsidiaries.

15. Share Capital

	The Group and the Company			
	1Q2024		FY2023	
	Number of shares '000	Amount S\$'000	Number of shares '000	Amount S\$'000
Beginning of financial period	16,974,767	68,101	16,974,767	68,101
Issuance of new ordinary shares	-	-	-	-
End of financial period	<u>16,974,767</u>	<u>68,101</u>	<u>16,974,767</u>	<u>68,101</u>

16. Subsequent events

There are no known subsequent events (after 31 March 2024) which have led to adjustments to this set of interim financial statements.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

1. (d)(ii) 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 were no changes in the Company's share capital for 1Q2024 since the end of FY2023.

There are no shares of the Company that may be issued on conversion of any outstanding convertibles as at the end of the current financial period except as follows:

- Grant of Options pursuant to the Annica Employee Share Option Scheme:

Pursuant to the Annica Employee Share Option Scheme ("ESOS"), the Company had on 27 December 2018 granted employee share options ("ESOS Options") consisting of 42,500,000 Shares, the details of which are as follows:

(a) Date of grant of ESOS Options	27 December 2018
(b) Exercise Price of ESOS Options granted	S\$0.001 per Share
(c) Number of Shares comprised in the ESOS Options granted	42,500,000
(d) Number of Shares comprised in the ESOS Options which have lapsed; and are null and void	12,500,000
(e) Number of Shares comprised in the remaining ESOS Options	30,000,000
(f) Number of Shares comprised in the ESOS Options granted to each Director and controlling shareholders (and each of their associates)	None
(g) Market Price of the Shares on the Date of Grant	S\$0.001
(h) Validity period of the ESOS Options	28 December 2019 – 27 December 2028 (both dates inclusive) ESOS Options shall only be exercisable after the 1 st anniversary from the Date of Grant and shall be exercised before the 10 th anniversary of the Date of Grant.

As at the date of this announcement, no ESOS Options have been exercised by the respective ESOS Option holders.

As at 31 March 2024, the number of shares that may be issued on conversion of all the outstanding convertible securities is 30,000,000 (31 December 2023: 30,000,000) which represents approximately 0.18% (31 December 2023: 0.18%) of the total issued shares of the Company (excluding treasury shares and subsidiary holdings).

There were no treasury shares or subsidiary holdings as at 31 March 2024 and 31 March 2023.

(d)(iii) 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.

	As at 31 March 2024	As at 31 December 2023
Total number of issued shares excluding treasury shares ('000)	16,974,767	16,974,767

(d)(iv) 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 hold any treasury shares as at 31 March 2024 and 31 December 2023.

(d)(v) 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. The Company's subsidiaries did not hold any shares in the Company as at 31 March 2024 and 31 December 2023.

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**
The figures have not been audited or reviewed by the auditors.
3. **Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**
Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

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

The Company refers to the two bases for qualified opinion (the "Qualified Opinion") (i) as set out in the independent auditor's report dated 11 April 2024 which is contained in the Company's annual report for FY2023 and (ii) reproduced in the Company's announcement on 11 April 2024 titled "Financial Statements and Related Announcement::Auditor's Comments of Accounts".

For the purposes of this section, unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed to them in the Company's announcements on 1 March 2021, 9 March 2021, 14 April 2021, 20 April 2021, 20 October 2021, 25 February 2022, 13 May 2022, 24 June 2022, 21 April 2023, and 24 April 2024.

In respect of the first basis for the Qualified Opinion, as disclosed in the Company's past announcements (including but not limited to the Company's announcement dated 13 April 2023 in relation to the qualified opinion of the Independent Auditor for the previous financial year ended 31 December 2022), the Company has continued to engage with the Purchaser to recover the Demanded Amounts and has stayed legal action against the Purchaser, given that such action may actually adversely impact any potential sale of the Purchaser's assets and the Purchaser's ability to satisfy the Demanded Amounts. Moreover, as of 24 June 2022, the Purchaser has since completed the transfer of, and successfully monetised, all the Controlled Shares under the 27 June 2019 Share Charge and all the Further Controlled Shares under the 12 December 2019 Share Charge and the 9 March 2020 Share Charge. The proceeds from such transfers, amounting to an aggregate of S\$810,000, have been applied towards part payment of the outstanding Fourth Tranche Consideration owed by the Purchaser.

The total amount outstanding from the Purchaser as at the date of this announcement is S\$1,304,807 (of which S\$933,000 has been impaired as disclosed in the audited consolidated financial statements in the Company's annual reports for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022, and an additional S\$334,000 has been impaired for the most recent financial year ended 31 December 2023).

In respect of the second basis for the Qualified Opinion, the outstanding payments due from GPE as at the date of this announcement amount to S\$3,411,460 (of which S\$773,000 has been impaired for FY2023). The Company is in the process of negotiating and finalising a settlement agreement, which is expected to be executed soon, in relation to the outstanding amounts due from GPE and the Purchaser. This full and final settlement of the amounts due from GPE and the Purchaser (pursuant to the aforementioned settlement agreement) is likely to be satisfied by way of the transfer of certain assets owned by Tan Yock Chew to the Company and/or one of its subsidiaries. The Company will provide an update to shareholders as and when there are material developments in this regard and seek shareholders' approval if required under applicable laws. The Board wishes to assure shareholders that the above matters are continuously monitored and reviewed. Moreover, the Company believes that its approach of constructive engagement with the Purchaser and GPE continues to be the most appropriate way forward.

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

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed to date.

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

Except as disclosed in paragraph 5 below, the Group adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to the most recently audited consolidated financial statements for the financial year ended 31 December 2023.

5. 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 adopted all the new and revised SFRS(I)s pronouncements that are mandatorily effective and are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements did not result in substantial changes to the Group's and the Company's accounting policies and had no material effect on the disclosures or on the amounts reported for the current or prior financial years.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

(a) Based on the weighted average number of ordinary shares on issue; and

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	1Q2024	1Q2023
Earnings/(Loss) per share based on the weighted average number of shares in issue (in cents):		
Basic and diluted earnings/(loss) per share		
From continuing and discontinued operations	(0.0025)	(0.0028)
From continuing operations (Note (a))	(0.0025)	(0.0028)
From discontinued operations (Note (b))	-	-*

*Amount is less than S\$0.0001

(a) Basic and diluted loss per share from continuing operations for 1Q2024 was calculated by dividing the loss attributable to equity holders of the Company from continuing operations of S\$420,000 (1Q2023: S\$469,000) by the weighted average number of shares for 1Q2024 of 16,974,767,048 (1Q2023: 16,974,767,048).

(b) Basic and diluted earnings per share from discontinued operations for 1Q2023 was calculated by dividing the profit attributable to equity holders of the Company from discontinued operations of S\$1,000 by the weighted average number of shares of 16,974,767,048 for 1Q2023.

7. **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 financial period reported on; and
(b) immediately preceding financial year.

Please refer to Note 9 to the Condensed Interim Consolidated Financial Statements for 1Q2024 for further information.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Please refer to Appendix A for the review of the performance of the Group during 1Q2024.

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

No forecast or prospect statement was previously disclosed to shareholders.

10. **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 operating period and the next 12 months.**

The Group operates in Southeast Asia, a region that is heavily reliant on the major global economies and is highly susceptible to external economic shocks. The economic and inflationary outlook of these major economies is still highly uncertain, and any associated adverse developments may affect the overall business environment of the Group in the near term.

Other factors which may impact the Group include possible supply chain disruptions or shocks resulting from the worsening of geopolitical conflicts (such as the ongoing Russo-Ukrainian war, and the Israel-Hamas war that is threatening to spiral into a wider conflict with other countries in the Middle East and beyond), extreme weather conditions, and higher costs due to rising interest rates and volatile foreign currency exchange rates. These factors may adversely impact the Group's operations and performance by driving up financing and operational costs generally. In particular, the Group's oil and gas equipment segment is highly vulnerable to geopolitical risks and continues to be adversely affected by price increases from our principals (which has been exacerbated by short quotation validity). Meanwhile, Malaysia, a key market for the Group, has seen a sharp depreciation in the Malaysia Ringgit vis-à-vis the US dollar. This may have an adverse impact on the profitability of our operations in Malaysia as a major component of our costs are denominated in US dollars. Meanwhile, although the Malaysian government has been pursuing policies aimed at strengthening the economy especially in the renewable-related sector, there is naturally a time lag for the implementation of such policies, and this may affect the Group's ability to scale its projects according to its desired pace.

Given these challenges, the Directors are adopting a cautious approach by closely monitoring developments and implementing measures to mitigate potential negative impacts. The Group's diversification into the green technology and renewable energy sector since 2016 has strategically positioned the Group as an energy transition company and is expected to play a critical role in balancing the energy trilemma of security, affordability, and environmental sustainability. With the current concerted efforts and collaboration worldwide to combat climate change and the increasing emphasis on environmental, social, and corporate governance ("ESG") issues, the Group is optimistic that it is the opportune moment to strengthen its position as a niche player in carbon reduction related projects both domestically and internationally.

Further to the Group's resetting strategy, the Group is also streamlining its current operations by consolidating its business units and/or business segments to, *inter alia*, improve cost-efficiency and attain wider brand awareness. In particular, the Group is focusing on localisation instead of geographical expansion, targeting sectors with stronger market outlooks, investing in vertical integration, and strengthening supply chain resiliency. For example, our oil and gas equipment segment has been focusing on localisation through the establishment of authorised service centres in Indonesia and Brunei to service existing clients in those jurisdictions. Such service centres help to mitigate potential supply chain disruption risks for our clients as some of our products can now be refurbished, serviced, and maintained locally at such authorised service centres. Previously, such works had to be performed overseas by our principal in the USA, and this has the effect of exposing our clients to potential time lags, additional costs, and supply chain risks. In addition, the Board is actively and continuously evaluating various strategies, including fundraising, acquisitions of suitable businesses, and restructuring of existing businesses and assets, while also focusing on realistic approaches to cashflows and expense management.

11. **If a decision regarding dividend has been made:-**
- (a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**
No dividend has been declared.
 - (b)(i) **Amount per share**
Not applicable.
 - (b)(ii) **Previous corresponding period**
Not applicable. No dividend was declared for 1Q2023.
 - (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) **The 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.
12. **If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**
No dividend has been recommended or declared for the financial period under review as the Group was not profit-making for 1Q2024.
13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**
The Group has not obtained a general mandate from shareholders of the Company for interested person transactions pursuant to Rule 920 of the Catalist Rules.
- There was no interested person transaction, as defined in Chapter 9 of the Catalist Rules, entered into by the Company or any of its subsidiaries during 1Q2024.
14. **Please disclose the use of the IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the offer document or the announcement of the issuer. Where the proceeds are used for general working capital purposes, the issuer must announce a breakdown with specific details on the use of proceeds for working capital. Where there is any material deviation from the stated use of proceeds, the issuer must also announce the reasons for such deviation.**
There were no outstanding IPO proceeds or other proceeds arising from any offerings pursuant to Chapter 8 of the Catalist Rules during 1Q2024.
15. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**
The Company confirms that the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from its Directors and Executive Officers in the format set out in Appendix 7H of the Catalist Rules.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim consolidated financial statements for the financial period ended 31 March 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin
Independent and Non-Executive Chairman

Singapore
13 May 2024

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

The Group reported revenue of S\$1,797,000 in 1Q2024, which was a 65% decrease of S\$3,340,000 from S\$5,137,000 in 1Q2023. The Group reported lower revenue in 1Q2024 as compared to 1Q2023 mainly due to the lower revenue generated from the oil and gas equipment segment in 1Q2024. This was because the oil and gas equipment segment recognised a one-off higher revenue project in 1Q2023.

Cost of sales

The Group reported cost of sales of S\$872,000 in 1Q2024, which was an 81% decrease of S\$3,639,000 from S\$4,511,000 in 1Q2023. The Group reported lower cost of sales in 1Q2024 as compared to 1Q2023 as the oil and gas equipment segment recognised a one-off higher cost of sales project in 1Q2023.

Gross Profit

The Group reported a gross profit of S\$925,000 in 1Q2024, which was a 48% increase of S\$299,000 from S\$626,000 in 1Q2023. The gross profit margin in 1Q2024 was 51%, which was an increase of 39% from 12% in 1Q2023. This was mainly due to a one-off project in the oil and gas equipment segment in 1Q2023 which had a low gross profit margin.

Other income

The Group reported other income of S\$115,000 in 1Q2024, which was a 42% increase of S\$34,000 from S\$81,000 in 1Q2023. In 1Q2024, other income was mainly derived from foreign currency exchange gains. By comparison, in 1Q2023, other income was mainly derived from foreign currency exchange gains and bad debt recovered.

Interest income

The Group received interest income of S\$51,000 in 1Q2024, which was a 2% increase of S\$1,000 from S\$50,000 in 1Q2023. This represents a marginal variance.

Selling and distribution expenses

The Group incurred selling and distribution expenses of S\$42,000 in 1Q2024, which was a 5% decrease of S\$2,000 from S\$44,000 in 1Q2023. This was mainly due to lower travelling expenses incurred during 1Q2024.

Administrative and general expenses

The Group incurred administrative and general expenses of S\$1,200,000 in 1Q2024, which was a 4% increase of S\$49,000 from S\$1,151,000 in 1Q2023. This increase was mainly due to higher employment expenses and a short-term rental of office cum warehouse by a subsidiary, Panah Jaya Makmur Sdn Bhd ("PJM"), in 1Q2024. The depreciation charged on property, plant and equipment ("PPE") in 1Q2024 was lower as compared to 1Q2023 as some PPE had been fully depreciated in 1Q2024. The depreciation charged on right-of-use ("ROU") assets in 1Q2024 was higher as compared to 1Q2023 mainly due to the addition of ROU assets in FY2023.

Other expenses

The Group incurred other expenses of S\$68,000 in 1Q2024, which was an increase of S\$67,000 from S\$1,000 in 1Q2023. This was mainly due to foreign currency exchange loss. By comparison, in 1Q2023, other expenses were mainly due to bad debt written off upon the disposal of Cahya Suria Services Sdn. Bhd. ("CSS"), a former indirectly wholly owned subsidiary of the Company, and loss on a disposal of office equipment.

Impairment losses on trade and other receivables

The Group did not incur any impairment losses on trade and other receivables in both 1Q2024 and 1Q2023.

Finance costs

The Group incurred finance costs of S\$73,000 in 1Q2024, which was an increase of S\$53,000 from S\$20,000 in 1Q2023. The increase in the Group's finance costs in 1Q2024 was mainly due to higher loan interest paid to third parties.

Tax expense

The Group recognised tax expenses of S\$49,000 in 1Q2023 due to the profit generated by the oil and gas equipment segment in 1Q2023. No tax expense has been recognised in 1Q2024.

Profit from discontinued operations

The Group's discontinued operations in 1Q2023 pertained to CSS, which is a former indirectly wholly owned subsidiary of the Company as abovementioned. The Company had decreased its effective shareholding interest in CSS from 100% to 10% following a disposal by Cahya Suria Energy Sdn. Bhd. of 9,000 ordinary shares representing 90% of the shareholdings of CSS to a third-party purchaser during 1Q2023. As at the date of disposal on 1 February 2023, the profit after tax from discontinued operations was S\$1,000.

Loss for the financial period

The Group reported a loss for the financial period of S\$292,000 in 1Q2024, which was a 42% decrease of S\$215,000 from S\$507,000 in 1Q2023. The lower loss incurred by the Group in 1Q2024 was mainly due to the higher gross profit as compared to 1Q2023 as explained above.

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

- (b) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (c) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (cont'd)

STATEMENTS OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets increased by S\$63,000 from S\$1,091,000 as at FY2023 to S\$1,154,000 as at 1Q2024. The increase was mainly due to the addition of PPE.

Current assets

The Group's current assets decreased by S\$1,056,000 from S\$11,005,000 as at FY2023 to S\$9,949,000 as at 1Q2024. The decrease was primarily due to a decrease in cash and cash equivalents, fixed deposits, and trade and other receivables, offset against an increase in inventories.

Non-current liabilities

The Group's non-current liabilities decreased by S\$131,000 from S\$755,000 as at FY2023 to S\$624,000 as at 1Q2024. The decrease was mainly due to the reclassification of long-term borrowings to short-term borrowings.

Current liabilities

The Group reported current liabilities of S\$11,285,000 as at 1Q2024, which is a decrease of S\$548,000 from S\$11,833,000 as at FY2023. This decrease was mainly due to the repayment of short-term borrowings offset against an increase in trade and other payables and contract liabilities.

Negative Working Capital

The Group reported negative working capital of S\$1,336,000 as at 1Q2024, which is an increase of S\$508,000 from S\$828,000 as at FY2023. This increase is mainly due to the increase in contract liabilities in current liabilities, which is expected to be recognised as revenue within the next 12 months.

Shareholders' equity

The Group's capital and reserves attributable to equity holders of the Company was a net capital deficiency of S\$806,000 as at 1Q2024. This represents an increase in net capital deficiency of S\$314,000 from a net capital deficiency of S\$492,000 as at FY2023. The net capital deficiency position for 1Q2024 was mainly due to the losses attributable to equity holders of the Company in 1Q2024.

STATEMENT OF CASH FLOWS

1Q2024

The Group recorded a net cash generated from operating activities of S\$458,000 in 1Q2024 (1Q2023: net cash used in operating activities of S\$93,000). The net cash generated from operating activities in 1Q2024 was mainly due to the higher operating cash flows generated after changes in working capital in 1Q2024 as compared to 1Q2023.

The Group recorded a net cash used in investing activities of S\$106,000 in 1Q2024 (1Q2023: S\$18,000). The net cash used in investing activities in 1Q2024 was mainly for the capitalisation of renovation costs for the office cum warehouse rented by PJM.

The Group posted a net cash used in financing activities of S\$1,135,000 in 1Q2024 (1Q2023: S\$35,000). The net cash used in financing activities in 1Q2024 mainly comprised interest paid on borrowings of S\$135,000, placement of deposit in cash margin account of S\$262,000, and repayment of borrowings and lease liabilities of S\$738,000.