



**HUATIONG GLOBAL LIMITED
AND ITS SUBSIDIARIES
(UEN 201422395Z)
(Incorporated in Singapore)**

**Unaudited Condensed Interim Financial Statements
For the Second Half and Full Year ended
31 December 2023 (“FY2023”)**

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HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2023

	Note	Group				(+/-) %
		Second Half Ended 31 December		Financial Year Ended 31 December		
		2023 Unaudited S\$'000	2022 Unaudited S\$'000	2023 Unaudited S\$'000	2022 Audited S\$'000	
Revenue	3	104,751	82,996	174,591	151,703	15.1
Cost of sales and services		(72,446)	(54,965)	(128,879)	(115,785)	11.3
Gross profit		32,305	28,031	45,712	35,918	27.3
Other income		3,372	2,847	5,160	7,189	(28.2)
Administrative expenses		(18,624)	(15,066)	(24,707)	(21,605)	14.4
Other expenses		(682)	(422)	(913)	(705)	29.5
Loss allowance on trade receivables and contract assets		(3,464)	(5,759)	(4,264)	(5,759)	(26.0)
Finance costs		(1,673)	(1,541)	(3,418)	(2,857)	19.6
Share of results of a joint venture		-	117	(1)*	(151)	(99.3)
Profit before income tax	4	11,234	8,207	17,569	12,030	46.0
Income tax expense	5	(2,137)	(1,322)	(3,337)	(1,879)	77.6
Profit for the financial period/year		9,097	6,885	14,232	10,151	40.2
Other comprehensive income/(loss): <i>Items that may be reclassified subsequently to profit or loss:</i>						
Fair value changes on financial assets at FVOCI		14	4	5	(14)	(135.7)
<i>Items that will not be classified subsequently to profit:</i>						
Gain on revaluation of property, plant and equipment		363	775	363	775	(53.2)
Other comprehensive income, net of tax		377	779	368	761	(51.6)
Total comprehensive income for the financial period/year		9,474	7,664	14,600	10,912	33.8
Profit attributable to:						
Owners of the parent		9,051	6,883	14,274	10,219	39.7
Non-controlling interests		46	2	(42)	(68)	(38.2)
		9,097	6,885	14,232	10,151	40.2
Total comprehensive income attributable to:						
Owners of the parent		9,428	7,662	14,642	10,980	33.4
Non-controlling interests		46	2	(42)	(68)	(38.2)
		9,474	7,664	14,600	10,912	33.8
Earnings per share attributable to owners of the parent:						
- Basic and diluted (in cents)		5.10	3.89	8.05	5.78	

Note:

- (1) FVOCI: fair value through other comprehensive income
- (2) n.m. denotes not meaningful
- (3) * Less than one thousand Singapore dollars

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Group		Company	
	31.12.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000	31.12.2023 Unaudited S\$'000	31.12.2022 Audited S\$'000
Assets				
Non-current assets				
Property, plant and equipment	6 49,200	21,404	-	-
Right-of-use assets	7 37,930	42,955	-	-
Financial assets at FVTPL ¹	10 2,867	2,825	-	-
Amounts owing from subsidiaries	-	-	12,710	12,710
Investments in subsidiaries	-	-	41,735	41,735
Investment in a joint venture	-	271	-	-
Intangible assets	9 47	63	6	8
	90,044	67,518	54,451	54,453
Current assets				
Contract assets	64,872	65,606	-	-
Financial assets at FVTPL ¹	10 3,083	3,037	-	-
Financial assets at FVOCI	11 802	806	-	-
Inventories	2,240	1,571	-	-
Trade and other receivables	45,998	32,424	4,000	1,000
Prepayments	4,342	2,178	5	1
Cash and cash equivalents	70,691	23,065	78	217
	192,028	128,687	4,083	1,218
Disposal group assets classified as held-for-sale	12 -	21,370	-	-
	192,028	150,057	4,083	1,218
Total assets	282,072	217,575	58,534	55,671
Liabilities				
Current liabilities				
Contract liabilities	41,812	2,699	-	-
Trade and other payables	69,801	42,087	2,401	798
Lease liabilities	8 9,602	11,350	-	-
Bank borrowings	8 30,669	35,088	-	-
Current income tax payable	3,529	2,848	-	-
	155,413	94,072	2,401	798
Liabilities directly associated with asset classified as held-for-sale	12 -	4,720	-	-
	155,413	98,792	2,401	798
Non-current liabilities				
Other payables	1,000	8,508	-	-
Amounts owing to subsidiaries	-	-	10,432	10,432
Lease liabilities	8 18,438	13,266	-	-
Bank borrowings	8 8,640	12,570	-	-
Deferred tax liabilities	2,818	1,858	-	-
	30,896	36,202	10,432	10,432
Total liabilities	186,309	134,994	12,833	11,230
Net assets	95,763	82,581	45,701	44,441
Equity				
Share capital	13 41,157	41,157	41,157	41,157
Accumulated profits	70,762	57,906	4,544	3,284
Other reserves	(15,100)	(26,119)	-	-
Reserve of disposal group classified as held-for-sale	-	10,651	-	-
Equity attributable to owners of the parent	96,819	83,595	45,701	44,441
Non-controlling interests	(1,056)	(1,014)	-	-
Total equity	95,763	82,581	45,701	44,441

Note:

1) FVTPL: fair value through profit or loss

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Group (Unaudited)	Note	Share capital \$'000	Accumulated profits \$'000	Other reserves \$'000	Reserve of disposal group classified as held-for-sale \$'000	Total equity attributable to owners of the parent \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance as at 1.1.2023		41,157	57,906	(26,119)	10,651	83,595	(1,014)	82,581
Profit/(loss) for the financial year		–	14,274	–	–	14,274	(42)	14,232
Other comprehensive income:								
- Gain on revaluation of property, plant and equipment		–	–	363	–	363	–	363
- Fair value gain on financial assets at FVOCI	11	–	–	5	–	5	–	5
		–	–	368	–	368	–	368
Total comprehensive income/(loss) for the financial year		–	14,274	368	–	14,642	(42)	14,600
Reserve attributable to disposal group classified as held-for-sale		–	–	10,651	(10,651)	–	–	–
Dividend		–	(1,418)	–	–	(1,418)	–	(1,418)
Balance as at 31.12.2023		41,157	70,762	(15,100)	–	96,819	(1,056)	95,763

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

For the financial year ended 31 December 2023

Group (Audited)	Share capital \$'000	Accumulated profits \$'000	Other reserves \$'000	Reserve of disposal group classified as held-for-sale \$'000	Total equity attributable to owners of the parent \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance as at 1.1.2022	41,081	48,219	(16,229)	–	73,071	(946)	72,125
Profit/(loss) for the financial year	–	10,219	–	–	10,219	(68)	10,151
Other comprehensive income/(loss):							
- Gain on revaluation of property, plant and equipment	–	–	775	–	775	–	775
- Fair value gain on financial assets at FVOCI	–	–	(14)	–	(14)	–	(14)
	–	–	761	–	761	–	761
Total comprehensive income/(loss) for the financial year	–	10,219	761	–	10,980	(68)	10,912
Reserve attributable to disposal group classified as held-for-sale	–	–	(10,651)	10,651	–	–	–
Issuance of ordinary shares	76	–	–	–	76	–	76
Interim dividend paid	–	(532)	–	–	(532)	–	(532)
Balance as at 31.12.2022	41,157	57,906	(26,119)	10,651	83,595	(1,014)	82,581

The accompanying notes form an integral part of these financial statements.

HUATIONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2023

	Share capital	Accumulated	Total equity
	\$'000	profits	\$'000
	\$'000	\$'000	\$'000
Company (Unaudited)			
Balance as at 1.1.2023	41,157	3,284	44,441
Profit and total comprehensive profit for the financial year	–	2,678	2,678
Interim dividend paid	–	(1,418)	(1,418)
Balance as at 31.12.2023	41,157	4,544	45,701
Company (Audited)			
Balance as at 1.1.2022	41,081	4,170	45,251
Loss and total comprehensive loss for the financial year	–	(354)	(354)
Issuance of ordinary shares	76	–	76
Interim dividend paid	–	(532)	(532)
Balance as at 31.12.2022	41,157	3,284	44,441

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2023

	Group	
	Financial Year Ended 31 December	
	2023	2022
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	17,569	12,030
Adjustments for:		
Reversal of allowance for impairment of financial assets at FVOCI upon redemption	(11)	(11)
Loss allowance on trade receivables and contract assets	4,264	5,759
Amortisation of intangible assets	16	16
Depreciation of property, plant and equipment	9,327	9,277
Depreciation of right-of-use assets	6,557	7,717
Property, plant and equipment written off	36	58
Gain on disposal of property, plant and equipment	(76)	(74)
Gain on lease modification	-	(601)
Amortisation of gain on sale and leaseback transactions	-	(272)
		-
Interest expenses	3,265	2,681
Interest income	(1,238)	(83)
Share of results of a joint venture	1*	151
Loss on liquidation of joint venture	10	-
Fair value gain of financial assets at FVTPL	(205)	(205)
Performance Share Expenses	-	76
Unrealised exchange differences, net	65	9
Operating cash flows before working capital changes	39,580	36,528
Working capital changes:		
Trade and other receivables	(14,376)	(993)
Prepayments	(2,164)	502
Contract assets and liabilities, net	35,962	2,942
Inventories	(669)	(171)
Trade and other payables	16,643	3,768
Cash generated from operations	74,976	42,576
Interest received	1,185	29
Income tax paid	(2,797)	(530)
Net cash from operating activities	73,364	42,075
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,500)	(3,255)
Interest received	53	54
Return of Capital from Joint Venture	170	-
Dividend received from a joint venture	90	1,300
Proceeds from disposal of property, plant and equipment	405	217
Proceeds from redemption of financial assets at FVOCI	20	20
Net cash used in investing activities	(3,762)	(1,664)
Cash flows from financing activities		
Proceeds from trust receipts/letters of credit	52,492	66,829
Repayments of trust receipts	(53,330)	(73,020)
Proceeds from bank loans	6,814	2,500
Repayments of bank loans	(8,905)	(6,273)
Interest paid	(3,265)	(2,681)
Repayments of lease liabilities	(14,364)	(14,515)
Dividend paid	(1,418)	(532)
Net cash used in financing activities	(21,976)	(27,692)
Net changes in cash and cash equivalents	47,626	12,719
Cash and cash equivalents at beginning of the financial year	23,065	10,346
Cash and cash equivalents at end of the financial year	70,691	23,065

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS For the financial year ended 31 December 2023

1. General corporate information

Huatong Global Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The Company’s registered office address and principal place of business is at 9 Benoi Crescent, Singapore 629972. The Company’s registration number is 201422395Z.

The Company’s immediate and ultimate holding company is Dandelion Capital Pte. Ltd., a company incorporated in Singapore, which is controlled by Ng Hai Liong, Ng Kian Ann Patrick and Ng Kian Yeow, Vincent.

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

2. Material accounting policies

(a) Basis of preparation

The condensed interim financial statements for the full year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting 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 last annual financial statements for the year ended 31 December 2022.

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

The condensed interim financial statements are presented in Singapore Dollar (SGD or S\$), which is the Company’s functional currency, and all values in the tables are rounded to the nearest thousand (S\$’000), except when otherwise indicated.

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I)s and Interpretations of SFRS(I)s (“INT SFRS(I)”) that are relevant to its operations and effective for the current financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and INT SFRS(I).

The adoption of these new and revised SFRS(I)s and INT SFRS(I) did not have any material effect on the financial results or position of the Group and the Company.

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies

The amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Making Materiality Judgments* provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies and provide guidance on how entities apply the concepts of materiality in making decisions about accounting policy disclosures. The Group has adopted the amendments to SFRS(I) 1-1 on disclosures on accounting policies. The amendments have no impact on the measurement, recognition and presentation of any items in the Group’s and the Company’s financial statements.

2. Material accounting policies (cont'd)

Basis of preparation (cont'd)

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ending 31 December 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

(b) Use of estimates and judgements

The preparation of condensed interim financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are 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.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the financial year are disclosed in Note 3 in our financial year ended 31 December 2022 Annual Report.

The carrying amounts of cash and cash equivalents, trade and other receivables and payables and current bank borrowings approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

3. Revenue

The Group is organised into business units based on its services, and has four reportable operating segments as follows:

(a) Disaggregation of revenue

	Group	
	For the full year ended	31.12.2022
	31.12.2023	31.12.2022
	(Unaudited)	(Audited)
	\$'000	\$'000
By nature:		
Revenue from civil engineering contract works	104,170	100,642
Inland logistics support service income	17,973	23,379
Sales of construction materials	6,458	2,982
Dormitory operation	45,990	24,700
	174,591	151,703

(b) Segmentation information

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.

Due to the nature of the Group's operations, no segment assets and liabilities are presented to the chief operating decision maker. Chief operating decision maker manages the assets, liabilities, finance costs and income taxes on a Group basis.

3 Revenue (cont'd)

(b) Segment information (cont'd)

Operating segments	Civil engineering contract works \$'000	Inland logistics support \$'000	Sale of construction materials \$'000	Dormitory operation \$'000	Unallocated \$'000	Elimination \$'000	Consolidated \$'000
For the full year ended 31.12.2023 (Unaudited)							
<i>Revenue</i>							
External revenue	104,170	17,973	6,458	45,990	–	–	174,591
Inter-segment revenue	7,353	8,530	1,251	–	–	(17,134)	–
	111,523	26,503	7,709	45,990	–	(17,134)	174,591
<i>Results</i>							
Segment results	9,267	2,010	570	8,070	(320)	–	19,597
Share of results of a joint venture	(1)	–	–	–	–	–	(1)
Interest income							1,238
Interest expenses							(3,265)
Profit before income tax							17,569
Income tax expenses							(3,337)
Profit for the financial year							14,232
<i>Non-cash items</i>							
Amortisation of gain on sale and leaseback transactions	–	–	–	–	–	–	–
Gain on disposal of property, plant and equipment and right-of-use assets	–	–	–	–	76	–	76
Depreciation of property, plant and equipment	(7,879)	(590)	(482)	–	(376)	–	(9,327)
Depreciation of right-of-use assets	(6,209)	(41)	(104)	–	(203)	–	(6,557)
Amortisation of intangible assets	–	–	–	–	(16)	–	(16)
Property, plant and equipment written off	–	–	–	–	(36)	–	(36)
(Loss)/Reversal of allowance on trade receivables and contract assets	(4,226)	96	11	(145)	–	–	(4,264)
Reversal of allowance for impairment of financial assets at FVOCI upon redemption	–	–	–	–	11	–	11
Fair value gain of financial assets at FVTPL	–	–	–	–	205	–	205

3 Revenue (cont'd)

(b) Segment information (cont'd)

Operating segments	Civil engineering contract works \$'000	Inland logistics support \$'000	Sale of construction materials \$'000	Dormitory operation \$'000	Unallocated \$'000	Elimination \$'000	Consolidated \$'000
For the full year ended 31.12.2022 (Audited)							
<i>Revenue</i>							
External revenue	100,642	23,379	2,982	24,700	-	-	151,703
Inter-segment revenue	18,965	5,239	929	-	-	(25,133)	-
	<u>119,607</u>	<u>28,618</u>	<u>3,911</u>	<u>24,700</u>	<u>-</u>	<u>(25,133)</u>	<u>151,703</u>
<i>Results</i>							
Segment results	3,225	5,676	310	20,948	(15,380)	-	14,779
Share of results of a joint venture	(151)	-	-	-	-	-	(151)
Interest income							83
Interest expenses							<u>(2,681)</u>
Profit before income tax							12,030
Income tax expenses							<u>(1,879)</u>
Profit for the financial period							<u>10,151</u>
<i>Non-cash items</i>							
Amortisation of gain on sale and leaseback transactions	272	-	-	-	-	-	272
Gain on disposal of property, plant and equipment	-	-	-	-	74	-	74
Depreciation of property, plant and equipment	(7,559)	(1,053)	(265)	-	(474)	74	(9,277)
Depreciation of right-of-use assets	(7,273)	(183)	(64)	-	(197)	-	(7,717)
Amortisation of intangible assets	-	-	-	-	(16)	-	(16)
Property, plant and equipment written off	(22)	(34)	-	-	(2)	-	(58)
Fair value gain of financial assets at FVTPL	-	-	-	-	205	-	205
Reversal of allowance for impairment of financial assets at FVOCI upon redemption	-	-	-	-	11	-	11
Loss allowance on trade receivables and contract assets	(5,583)	(130)	(15)	(31)	-	-	(5,759)

4. Profit before income tax

In addition to those disclosed elsewhere in the condensed interim financial statements, profit/ before income tax is arrived at after charging/(crediting) the following:

	Group	
	For the full year ended	
	31.12.2023	31.12.2022
	(Unaudited)	(Audited)
	\$'000	\$'000
<i>Cost of sales and services</i>		
Employee benefits expense		
- salaries, wages and other benefits	19,189	20,030
- contribution to Central Provident Fund	188	245
Depreciation of property, plant and equipment	8,950	8,876
Depreciation of right-of-use assets	6,354	7,520
Diesel/fuel costs	18,798	22,616
Material costs	18,536	13,316
Short-term lease expense		
- trucks and equipment	2,353	2,712
- rental of premises	-	37
Repair and maintenance	12,068	9,898
Subcontract costs	20,113	18,688
Management Fee	5,031	1,852
	<hr/>	<hr/>
<i>Administrative expenses</i>		
Employee benefits expense		
- salaries, wages and other benefits	16,566	15,297
- contribution to Central Provident Fund	876	756
- Performance share expenses	-	76
Directors' fees	125	121
Directors' remuneration		
- salaries, wages and other benefits	4,342	2,507
- contribution to Central Provident Fund	71	64
Depreciation of property, plant and equipment	377	401
Depreciation of right-of-use assets	203	197
Property, plant and equipment written off	36	2
Amortisation of intangible assets	16	16
Short-term lease expense		
- construction site and other operating facilities	300	467
	<hr/>	<hr/>
<i>Other expenses</i>		
Penalty and fine	18	59
	<hr/>	<hr/>
<i>Reversal of/loss allowance on trade receivables and contract assets</i>		
Loss/ (Reversal of) allowance on trade receivables	379	(37)
Loss allowance on contract assets	3,885	5,796
	<hr/>	<hr/>

5. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	Group	
	For the full year ended	31.12.2022
	31.12.2023	31.12.2022
	(Unaudited)	(Audited)
	S\$'000	S\$'000
<i>Income tax:</i>		
– current financial year	3,477	2,803
– under/(over) provision in respect of prior years	1	(94)
	<u>3,478</u>	<u>2,709</u>
 <i>Deferred tax:</i>		
– current financial year	(425)	(875)
– under provision in prior financial year	284	45
	<u>(141)</u>	<u>(830)</u>
	<u><u>3,337</u></u>	<u><u>1,879</u></u>

6. Property, plant and equipment

	As at 31.12.2023 (Unaudited) \$'000
Group	
Cost or valuation	
Balance as at 1.1.2023	119,404
Additions	12,853
Reclassified to right-of-use assets upon obtaining financing through leases (Note 7)	(4,367)
Reclassified from right-of-use assets upon full payment (Note 7)	21,853
Disposals	(2,613)
Written-off	(332)
Reclassified from disposal group held-for-sale	17,833
Revaluation	(550)
Balance as at 31.12.2023	<u>164,081</u>
Accumulated depreciation	
Balance as at 1.1.2023	97,850
Depreciation	9,327
Reclassified to right-of-use assets upon obtaining financing through leases (Note 7)	(87)
Reclassified from right-of-use assets upon full payment (Note 7)	11,206
Disposals	(2,284)
Written-off	(296)
Reclassified from disposal group held-for-sale	1
Elimination of depreciation on revaluation	(986)
Balance as at 31.12.2023	<u>114,731</u>
Accumulated impairment losses	
Balance as at 1.1.2023 and 31.12.2023	<u>150</u>
Net carrying amount	
Balance as at 31.12.2023	<u><u>49,200</u></u>

7. Right-of-use assets

The Group has lease contracts for land-use-rights for leasehold properties and construction sites, machineries, trucks and vehicles and worksite equipment. The Group's obligation under these leases are secured by the lessor's title to the leased assets. There are no externally imposed restrictions on these lease arrangements for right-of-use assets. Except for the land-use-rights for leasehold properties and construction sites, the Group is not restricted from assigning and subleasing the leased assets.

	As at 31.12.2023 (Unaudited) \$'000
Group	
Cost	
Balance as at 1.1.2023	64,500
Additions	4,242
Reclassified from property, plant and equipment upon obtaining financing through leases (Note 6)	4,367
Modification to lease terms	119
Reclassified to property, plant and equipment upon full payment (Note 6)	(21,853)
Reclassified from disposal group held-for-sale	4,046
Balance as at 31.12.2023	<u>55,421</u>
Accumulated depreciation	
Balance as at 1.1.2023	21,545
Depreciation	6,557
Reclassified from property, plant and equipment upon obtaining financing through leases (Note 6)	87
Reclassified from disposal group held-for-sale	508
Reclassified to property, plant and equipment upon full payment (Note 6)	(11,206)
Balance as at 31.12.2023	<u>17,491</u>
Net carrying amount	
Balance as at 31.12.2023	<u><u>37,930</u></u>

8. Loans and borrowings

Group	As at	
	31.12.2023 (Unaudited) S\$'000	31.12.2022 (Audited) S\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	26,565	31,663
Unsecured	13,706	14,775
	40,271	46,438
<u>Amount repayable after one year</u>		
Secured	26,704	24,711
Unsecured	374	1,125
	27,078	25,836
Total loans and borrowings	67,349	72,274

Loans and Borrowings

Bank borrowings

As at 31 December 2023, the Group's bank borrowings amounted to S\$39.3 million (31 December 2022: S\$47.7 million), of which S\$25.2 million (31 December 2022: S\$31.8 million) was secured by mortgages over a leasehold property and beneficial interest arising from certain insurance policies undertaken by the Group.

Lease liabilities

As at 31 December 2023, the Group's lease liabilities amounted to S\$28.0 million (31 December 2022: S\$24.6 million), of which S\$28.0 million (31 December 2022: S\$24.6 million) was secured by the Group's leased plant and equipment with net carrying amount of S\$37.9 million as at 31 December 2023 (31 December 2022: S\$43.0 million).

All the bank borrowings and the secured lease liabilities were supported by corporate guarantees given by the Company.

9. Intangible assets

	As at 31.12.2023 (Unaudited) \$'000
Group	
Cost	
Balance as at 1.1.2023	<u>195</u>
Accumulated amortisation	
Balance as at 1.1.2023	(89)
Amortisation for the financial year	<u>(16)</u>
Balance as at 31.12.2023	<u>(105)</u>
Accumulated impairment losses	
Balance as at 1.1.2023 and 31.12.2023	<u>(43)</u>
Net carrying amount	
Balance as at 31.12.2023	<u>47</u>
	As at 31.12.2023 (Unaudited) \$'000
Company	
Cost	
Balance as at 1.1.2023	<u>26</u>
Accumulated amortisation	
Balance as at 1.1.2023	(18)
Amortisation for the financial year	<u>(2)</u>
Balance as at 31.12.2023	<u>(20)</u>
Net carrying amount	
Balance as at 31.12.2023	<u>6</u>

10. Financial assets at FVTPL

	As at	
	31.12.2023 (Unaudited) \$'000	31.12.2022 (Audited) \$'000
Investments in life insurances, at fair value		
Current		
- Life Insurance Policy II	3,083	3,037
Non-current		
- Life Insurance Policy I	2,867	2,825
	5,950	5,862

Movements of investments in life insurances are as follows:

	As at	
	31.12.2023 (Unaudited) \$'000	31.12.2022 (Audited) \$'000
Balance as at the beginning of the financial year	5,862	5,693
Unrealised foreign exchange loss	(117)	(36)
Fair value gain of financial assets at FVTPL	205	205
Balance as at the end of the financial year	5,950	5,862

The investments in life insurances are denominated in United States dollar.

11. Financial assets at FVOCI

	Group As at	
	31.12.2023 (Unaudited) \$'000	31.12.2022 (Audited) \$'000
<i>Financial assets measured at FVOCI</i>		
Quoted debt securities, at fair value		
- Instrument I	779	788
- Instrument II	23	18
	802	806

Movements of investments in quoted debt securities are as follows:

	Group As at	
	31.12.2023 (Unaudited) \$'000	31.12.2022 (Audited) \$'000
Balance as at the beginning of the financial year	806	829
Redemption during the financial year	(9)	(9)
Interest earned	53	54
Interest received	(53)	(54)
Fair value loss recognised in other comprehensive income, net	5	(14)
Balance as at the end of the financial year	802	806

The investments in quoted debt securities are denominated in Singapore dollar.

12. Asset held-for-sale

	Group	
	As at	
	31.12.2023	31.12.2022
	(Unaudited)	(Audited)
	\$'000	\$'000
Leasehold property, at fair value	–	17,832
Lease adjustment – Right-of-use asset	–	3,538
	<u>–</u>	<u>21,370</u>
Liabilities directly associated with asset classified as held-for-sale	–	3,692
Deferred tax liabilities on revaluation of leasehold property	–	1,028
	<u>–</u>	<u>4,720</u>
Asset revaluation reserve	–	<u>10,651</u>

13. Share capital

	Group and Company			
	As at		As at	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Number of ordinary shares		\$'000	\$'000
<u>Issued and fully-paid</u>				
Balance as at the beginning and end of financial year	<u>177,239,600</u>	177,239,600	<u>41,157</u>	41,157

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

14. Significant related party transactions

During the financial year, in addition to the information disclosed elsewhere in this condensed interim financial statements, the Group entered into the following transactions with related parties at rates and terms agreed between the parties:

	Group	
	For the full year ended	
	31.12.2023	31.12.2022
	(Unaudited)	(Audited)
	\$'000	\$'000
<i>With related parties*</i>		
Rental of equipment and trucks from related parties	<u>1,315</u>	<u>1,416</u>
<i>With a joint venture</i>		
Omission of subcontract services to a joint venture	<u>–</u>	<u>3,787</u>

* The related parties refer to entities controlled by or associated with the Executive Directors of the Company which are not within the Group.

15. Financial instruments

Financial instruments at their carrying amounts at the end of the reporting year are as follows:

	Group		Company	
	As at	As at	As at	As at
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
Financial assets at amortised cost	114,902	53,669	13,788	13,927
Financial assets at FVTPL	5,950	5,862	–	–
Financial assets at FVOCI	802	806	–	–
<hr/>				
<i>Financial liabilities</i>				
Financial liabilities at amortised cost	135,004	119,481	12,833	11,230
<hr/>				

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

1. **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 of the issuer and subsidiary holdings, as at the end of the current financial year 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 year reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company’s share capital from 31 December 2022 to 31 December 2023.

There were no outstanding options, convertibles, treasury shares or subsidiary holdings as at 31 December 2023.

- 1(a) **To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year**

	31.12.2023	31.12.2022
Total number of issued shares excluding treasury shares	177,239,600	177,239,600

- 1(b) **A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial year 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.

- 1(c) **A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial year reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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

The figures have neither been audited nor reviewed by the Company’s 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. (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable.

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 and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 December 2022.

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 the new/revised Singapore Financial standards (International) (“SFRS(I)s”) that are effective for annual periods beginning on or after 1 January 2023. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s.

The adoption of the new SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group for the current financial reporting period.

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

Group

<u>Earnings per ordinary share</u>	Second Half Ended 31 December		Financial Year Ended 31 December	
	2023 Unaudited	2022 Unaudited	2023 Unaudited	2022 Audited
Earnings per ordinary share:				
Profit attributable to owners of the Company (\$’000)	9,051	6,883	14,274	10,219
Weighted average number of ordinary shares	177,239,600	177,025,850	177,239,600	176,707,860
Basic and diluted EPS (Singapore cents)	5.10	3.89	8.05	5.78

(a) Basic earnings per share (“EPS”) is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial years.

(b) The basic and diluted EPS are the same as there were no potential dilutive ordinary shares in issue as at 31 December 2023 and 31 December 2022.

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.

	Group		Company	
	31.12.2023 Unaudited	31.12.2022 Audited	31.12.2023 Unaudited	31.12.2022 Audited
Net asset value per ordinary share (Singapore cents)	54.03	46.6	25.78	25.1
Number of ordinary shares in issue	177,239,600	177,239,600	177,239,600	177,239,600

8. **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:-**
- (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.

Consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2023 (“FY2023”) vs the financial year ended 31 December 2022 (“FY2022”)

The Group’s revenue increased by approximately S\$22.9 million or 15.1% from S\$151.7 million in FY2022 to S\$174.6 million in FY2023 mainly due to a higher occupancy in the dormitory operations segment and work done for existing and new projects in civil engineering service business segment. Cost of sales and services increased by approximately S\$13.1 million or 11.3% from S\$115.8 million in FY2022 to S\$128.9 million in FY2023, in line with the increased business activities and revenue. The Group recorded a gross profit of S\$45.7 million in FY2023 as compared to a gross profit of S\$35.9 million in FY2022.

Depreciation expenses decreased by approximately S\$1.1 million or 6.5% from S\$17.0 million in FY2022 to S\$15.9 million in FY2023. The decrease was mainly due to a net effect from disposal of plant and equipment and certain of the plant and equipment has been fully depreciated in FY2023.

Other income decreased by approximately S\$2.0 million or 28.2% from S\$7.2 million in FY2022 to S\$5.2 million in FY2023. The decrease was mainly due to a decrease in Government related grants in FY2023.

Administrative expenses increased by approximately S\$3.1 million or 14.4% from S\$21.6 million in FY2022 to S\$24.7million in FY2023. The increase was mainly due to higher salaries due to increased business activities in FY2023.

Other expenses increased by approximately S\$0.2 million or 29.5% from S\$0.7 million in FY2022 to S\$0.9 million in FY2023. The increase was in line with an increase in revenue in FY2023.

Loss on allowance on trade receivables and contract assets decreased by approximately S\$1.5 million or 26.0% from S\$5.8 million in FY2022 to S\$4.3 million in FY2023 due to progressive billings made and lower provisions required.

Finance costs increased by approximately S\$0.5 million or 19.6% from S\$2.9 million in FY2022 to S\$3.4 million in FY2023 primarily due to an increase in global interest rate from bank borrowings.

The Group recorded a loss of approximately S\$1,000 from the share of result of a joint venture company in FY2023 as compared to a loss of approximately S\$0.2 million in FY2022 due to winding up of the joint venture company in FY2023.

Overall, the Group recorded a profit before income tax and net profit attributable to owners of the parent in FY2023 of approximately S\$17.6 million and S\$14.2 million respectively.

Consolidated statement of financial position of the Group as at 31 December 2023

Non-current Assets

As at 31 December 2023, the Group recorded a total of S\$49.2 million in Property, plant and equipment (“PPE”) as compared to S\$21.4 million as at 31 December 2022. The increase in PPE of approximately S\$27.8 million or 129.9% was mainly due to the additions of PPE of S\$12.9 million as well as a net reclassification of S\$10.6 million from Right-of-use assets (“ROU”) to PPE due to full settlement of hire purchase and a reclassification from disposal group held for sale of S\$17.8 million in FY2023. It was partially offset by the depreciation charge of S\$9.3 million and a net reclassification of S\$4.3 million from PPE to ROU assets upon obtaining financing through leases as well as the net effect on disposal and elimination of depreciation of PPE under revaluation of S\$0.1 million.

As at 31 December 2023, the Group recorded a total S\$37.9 million ROU assets as compared to S\$43.0 million as at 31 December 2022. The decrease in ROU of approximately S\$5.1 million or 11.7% was mainly due to the depreciation charge of approximately S\$6.5 million, a net reclassification of S\$10.6 million from ROU to PPE due to full settlement of hire purchase, a modification to lease term which lead to a deduction of carrying amount of ROU assets of approximately S\$0.1 million, partially offset by a net effect of a reclassification from PPE upon obtaining financing through leases of S\$4.3 million, addition of ROU amounting to S\$4.2 million and reclassification from disposal group held -for-sale amounting to \$3.6 million.

As at 31 December 2023, the Group’s investment in a joint venture decreased to nil. The decrease was mainly due to the joint venture company being struck-off and the capital invested was returned.

Current assets

Contract assets decreased by approximately S\$0.7 million or 1.1% from S\$65.6 million as at 31 December 2022 to S\$64.9 million as at 31 December 2023 mainly due to continued business activity FY2023.

As at 31 December 2023, the Group’s financial assets at FVTPL amounted to S\$3.1 million as compared to S\$3.0 million as at 31 December 2022. The increase of approximately S\$0.1 million or 1.5% was mainly due to the net effects of unrealised foreign exchange gains and fair value changes.

Financial assets at FVOCI decreased by S\$4,000 or 0.5% from S\$806,000 as at 31 December 2022 to S\$802,000 as at 31 December 2023 mainly due to a partial redemption of S\$20,000 during the financial year.

Inventory increased by approximately S\$0.6 million or 37.5% from S\$1.6 million as at 31 December 2022 to S\$2.2 million as at 31 December 2023. The increase was mainly due to the purchase of construction materials, hardware parts and consumables for our projects’ usage.

Trade and other receivables increased by approximately S\$13.6 million or 41.9% from S\$32.4 million as at 31 December 2022 to S\$46.0 million as at 31 December 2023. The increase was due to higher revenue in FY2023.

Prepayments increased by approximately S\$2.1 million or 95.4% from S\$2.2 million as at 31 December 2022 to S\$4.3 million as at 31 December 2023 due to the higher advance payments to overseas suppliers during the financial year.

During the financial year, there was a reclassification of an asset held for sale, a leasehold property amounting to S\$21.4 million, has been re-classified as non-current assets in FY2023.

Cash and cash equivalents increased by approximately S\$47.6 million or 206.5% from S\$23.1 million as at 31 December 2022 to S\$70.7 million as at 31 December 2023. The increase was mainly due to the cash generated from operating activities of S\$77.3 million and partially offset by the net cash used in investing activities of S\$3.7 million and net cash used in financing activities, which includes net repayments of bank borrowings of approximately S\$2.1 million.

Current liabilities

Contract liabilities increased by approximately S\$39.1 million or 1,448.1% from S\$2.7 million as at 31 December 2022 to S\$41.8 million as at 31 December 2023, mainly due to higher advance billing for delivery of project materials in FY2023.

Trade and other payables increased by approximately S\$27.8 million or 66% from S\$42.1 million as at 31 December 2022 to S\$69.9 million as at 31 December 2023. This was mainly due to the additional refundable deposits collected for dormitory rental and higher cost of sales in FY2023.

Lease liabilities payable within one year decreased by S\$1.7 million or 15.0% from S\$11.3 million as at 31 December 2022 to S\$9.6 million as at 31 December 2023. This was mainly due to full settlement on certain leased vehicles with financial institutions in FY2023.

Short-term bank borrowings decreased by approximately S\$4.4 million or 12.6% from S\$35.1 million as at 31 December 2022 to S\$30.7 million as at 31 December 2023. The decrease was mainly due to a net effect of loan repayment and scale down of bank facilities with short-term maturity.

Liabilities directly associated with asset classified as held-for-sale amounted to nil as at 31 December 2023 as compared to S\$4.7 million as at 31 December 2022. This is due to the reclassification of the asset held-for-sale to property, plant and equipment and right-of-use assets.

Non-current liabilities

Total non-current liabilities decreased by S\$5.3 million or 14.6% from S\$36.2 million as at 31 December 2022 to S\$30.9 million as at 31 December 2023. The increase was mainly due to higher lease liabilities and partially offset by lower borrowings due to loan repayment and scale down of bank facilities with maturity of certain term loans during the financial year.

Net current assets

The Group posted a positive net current assets of approximately S\$36.6 million as at 31 December 2023 as compared to a positive net current assets of S\$51.3 million as at 31 December 2022.

Statement of Cash flows of the Group for FY2023

As at 31 December 2023, the Group recorded cash and cash equivalents of S\$70.7 million as compared to S\$23.1 million as at 31 December 2022.

Net cash flows generated from operating activities in FY2023, after meeting working capital requirements and net of tax paid, were approximately S\$73.3 million. In which, the net working capital inflow of S\$35.3 million was the net effect of increase in trade and other payables of S\$16.6 million, and an increase in contract assets of S\$35.9 million, which was partially offset by an increase in inventory of S\$0.7 million, an increase in prepayment of S\$2.1 million and an increase in trade and other receivables of S\$14.4 million.

Net cash used in investing activities in FY2023, amounted to S\$3.7 million mainly due to addition of plant and equipment of S\$4.5 million in FY2023 and partially offset by a dividend received and return of capital from a joint venture amounting to S\$0.3 million, the proceeds from disposal of plant and equipment, interest received and redemption of financial assets at FVOCI of S\$0.5 million.

Net cash used in financing activities in FY2023 amounted to S\$21 million, which was mainly due to the net effect of net repayment of trust receipts of S\$0.1 million, repayment of lease liabilities of S\$14 million, interest payment of S\$3.3 million, net repayment of bank loans of S\$2.1 million and dividends of S\$1.5 million declared and paid during the financial year.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

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 reporting period and the next 12 months.

The Building and Construction Authority (BCA) projects the total construction demand in 2024 (i.e. the value of construction contracts to be awarded) to range between S\$32 billion and S\$38 billion in Singapore.¹

The public sector is expected to contribute about 55% of the total construction demand, between S\$18 billion and S\$21 billion. This is supported by a continued strong pipeline of public housing projects amid Housing Development Board's (HDB) ramping up of Build-To-Order (BTO) flats supply. Industrial and institutional building construction is expected to contribute strongly to public sector demand, with more projects for the infrastructure works for the future Changi Airport Terminal 5 (T5) and Tuas Port developments. Civil engineering construction demand is anticipated to stay firm with continued demand from Cross Island MRT Line contracts (Phase 2) construction and other major road enhancement and drainage improvement works.

Private sector construction demand is projected to be between S\$14 billion and S\$17 billion in 2024, potentially higher than the \$14.3 billion in 2023. This is anticipated due to Government Land Sales, expansion of the two Integrated Resorts, redevelopment of commercial premises, as well as development of mixed-used properties and industrial facilities.¹

The Group will continue to actively explore business opportunities in Singapore.

Currently the Group's order book for ongoing projects is approximately \$506.5 million as at 31 December 2023, which is expected to be completed in the next 4 years.

¹ BCA media release "Steady Demand for the Construction Sector Projected for 2024", 15 January 2024 ([steady-demand-for-the-construction-sector-projected-for-2024.pdf](https://www.bca.gov.sg/~/media/BCA/News/2024/01/20240115-Steady-Demand-for-the-Construction-Sector-Projected-for-2024.pdf) (bca.gov.sg))

11. If a decision regarding dividend has been made: -

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

The Board of Directors proposes a final dividend of S\$0.005 per ordinary share, subject to shareholders' approval. Together with the interim dividend of S\$0.003 per ordinary share paid in September 2023, this brings the Group's total declared dividend for FY2023 to S\$0.008 per ordinary share.

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

0.5 Singapore cents.

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

The total dividend declared for FY2022 was S\$0.008 per ordinary share, consisting of an interim dividend of S\$0.003 per ordinary share paid in September 2022 and a final dividend of S\$0.005 per ordinary share paid in May 2023.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Tax exempt one-tier final dividend.

(d) The date the dividend is payable.

To be announced at a later date.

(e) Book closure date

To be announced at a later date.

12. If no dividend has been declared/recommended, a statement to that effect and reason(s) for the decision

Not applicable.

13. 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.

No changes to IPTs as disclosed in page 63 of the Company’s annual report for the financial year ended 31 December 2022. The Group does not have a general mandate from shareholders for recurrent interested person transactions.

Other than the IPTs disclosed in paragraph (c)(i) of page 156 of the offer document dated 1 December 2014, the update announcement in relation to the IPTs released on 8 November 2019 and IPTs as set out in the below table, there were no additional IPTs of aggregately S\$100,000 and above during the financial year under review.

Name of Interested Person (“IP”)	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
NHL Holding Pte Ltd (“NHL”) – Lease of construction equipment and vehicles from NHL	#	S\$000 1,100	S\$000 Not applicable
NB Auto Pte Ltd (“NB Auto”)	#	391	Not applicable

Under Chapter 9 of the Catalist Rules on interested person transactions, NHL and NB Auto are regarded as associates of the Company’s controlling shareholders, as Mr Ng Hai Liong and Mr Ng Kian Ann, Patrick, are directors and controlling shareholders of NHL and NB Auto and Mr Ng Kian Yeow, Vincent, is also a controlling shareholder of NHL and NB Auto.

The Group does not have a general mandate from shareholders for recurrent interested person transactions.

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.

Please refer to Note 3 under Segmentation information on Page 8 - 10.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to Paragraph 8 above for details.

16. Breakdown of Group's revenue and profit/ (loss) after tax for first half year and second half year

	FY2023 (Unaudited)	FY2022 Audited	Increase/ (Decrease)
	\$'000	\$'000	%
(a) Sales reported for first half year	69,840	68,707	1.6
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	5,135	3,266	57.2
(c) Sales reported for second half year	104,751	82,996	
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	9,465	6,885	

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY2023 S\$	FY2022 S\$
Ordinary share (Tax exempt one-tier interim dividend)		
- Interim dividend paid	531,719	531,719
- Final dividend proposed / paid	886,198 ¹	886,198
Total for the year	1,417,917	1,417,917

Note:- (1) The proposed final tax exempt dividends are subject to shareholders' approval at the forthcoming annual general meeting of the Company.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10)

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ng Kian Haw Douglas	33	Son of Mr Ng Hai Liong	Business Manager (2019)	No Change
Ng Swee Seng	52	Nephew of Mr Ng Hai Liong	Site Manager (2017)	No Change
Ng Say Beng Charlie	57	Nephew of Mr Ng Hai Liong	Site Manager (2011)	No Change

19. Use of Placement proceeds

The Company refers to the utilization of net proceeds amounting to S\$2.4 million raised from the placement of 25.0 million ordinary shares on the Catalist Board of the SGX-ST in November 2021. As at the date of this announcement, the status on the use of the net proceeds from the Placement is as follows:

Use of Proceeds	Amount Allocated (S\$'000)	Amount Utilised (S\$'000)	Amount Unutilised (S\$'000)
To explore opportunities in mergers and acquisitions, joint ventures and strategic alliances	1,000	(1,000)	-
General working capital purposes	1,280	(1,280)	-
Total	2,280	(2,280)	-

A breakdown of the amount utilised for the working capital for the Group is as follows:

	Working Capital (S\$'000)
Repayment of trade related trust receipts	<u>1,280</u>

Note:-

The above utilisations are in accordance with the intended use of the net proceeds and percentage allocated from the Placement, as stated in the Placement Exercise document dated 2 November 2021.

20. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules

During FY2023, the Company did not acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary except for the below.

The Group has voluntarily wound up and struck-off an indirect joint venture, Golden Empire-Huatong Pte. Ltd. on 29 December 2023, as it has ceased business.

21. 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 it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Ng Kian Ann Patrick
Executive Director and CEO
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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