AEDGE GROUP LIMITED
Registration No: 201933214E
Incorporated in the Republic of Singapore

Unaudited Financial Statements Announcement
For the Six Months ended 31 December 2021

This announcement has been prepared by Aedge Group Limited (the "**Company**") and its contents have been reviewed by UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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A – CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Condensed Interim Consolidated Statement of Comprehensive Income for the six months ended 31 December 2021 ("1H FY2022") and six months ended 31 December 2020 ("1H FY2021"):

	Note	1H FY2022 S$'000 Unaudited	1H FY2021 S$'000 Unaudited	Change FY2021/FY2020 %
Revenue	12	9,570	8,413	13.8
Cost of sales		(8,304)	(7,314)	13.5
Gross profit		1,266	1,099	15.2
Other income		932	1,892	(50.7)
Administrative expenses *		(2,233)	(2,921)	(23.6)
Other expenses		(269)	(144)	86.8
Results from operating activities		(304)	(74)	310.8
Finance income		8	8	0.0
Finance costs		(75)	(97)	(22.7)
Net finance costs		(67)	(89)	(24.7)
Loss before tax	13	(371)	(163)	127.6
Tax expense	14	(2)	-	nm
Loss and total comprehensive loss for the period		(373)	(163)	128.8
Basic and diluted loss per share (cents)	15	(0.35)	(0.18)	

nm=not meaningful

** For 1H FY2021, distribution costs previously shown separately is now reclassified to adminstrative expenses*

B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		31 December 2021 $'000 Unaudited	30 June 2021 $'000 Audited	31 December 2021 $'000 Unaudited	30 June 2021 $'000 Audited
Assets					
Property, plant & equipment	5	10,147	11,015	-	-
Intangible asset		13	15	-	-
Investment in subsidiaries		-	-	11,661	11,661
Fixed deposit	6	150	146	-	-
Non current assets		**10,310**	**11,176**	**11,661**	**11,661**
Inventories		349	261	-	-
Trade and other receivables	7	3,916	5,113	2,266	2,495
Contract assets		561	292	-	-
Cash and cash equivalent	6	7,550	9,162	640	1,660
Current assets		**12,376**	**14,828**	**2,906**	**4,155**
Total assets		**22,686**	**26,004**	**14,567**	**15,816**
Equity					
Share capital	8	14,590	14,590	14,590	14,590
Reserves	9	621	2,054	(109)	1,098
Total equity		**15,211**	**16,644**	**14,481**	**15,688**
Liabilities					
Loans and borrowings	10	1,230	1,230	-	-
Lease liabilities		113	507	-	-
Deferred tax liabilities		617	617	-	-
Provision		29	29	-	-
Non current liabilities		**1,989**	**2,383**	**-**	**-**
Loans and borrowings	10	2,827	3,276	-	-
Lease liabilities		793	942	-	-
Trade and other payables	11	1,838	2,670	86	128
Current tax liabilities		28	89	-	-
Current liabilities		**5,486**	**6,977**	**86**	**128**
Total liabilities		**7,475**	**9,360**	**86**	**128**
Total equity & liabilities		**22,686**	**26,004**	**14,567**	**15,816**

C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Group	Share capital $'000	Capital reserve $'000	Merger reserve $'000	Retained earnings $'000	Total equity $'000
As at 1 July 2020	11,701	200	(8,701)	11,546	14,746
Issue of new shares	3,200	-	-	-	3,200
Share issue expenses	(311)	-	-	-	(311)
Total comprehensive loss for the period	-	-	-	(163)	(163)
As at 31 December 2020	**14,590**	**200**	**(8,701)**	**11,383**	**17,472**
As at 1 July 2021	14,590	200	(8,701)	10,555	16,644
Total comprehensive loss for the period	-	-	-	(373)	(373)
Dividends declared	-	-	-	(1,060)	(1,060)
As at 31 December 2021	**14,590**	**200**	**(8,701)**	**9,122**	**15,211**

Company	Share capital $'000	Retained earnings $'000	Total equity $'000
As at 1 July 2020	11,701	93	11,794
Issuance of shares on IPO	3,200	-	3,200
Share issue expenses	(311)	-	(311)
Total comprehensive loss for the period	-	(1,231)	(1,231)
As at 31 December 2020	**14,590**	**(1,138)**	**13,452**
	$'000	$'000	$'000
As at 1 July 2021	14,590	1,098	15,688
Total comprehensive loss for the period	-	(147)	(147)
Dividends declared		(1,060)	(1,060)
As at 31 December 2021	**14,590**	**(109)**	**14,481**

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	1H FY2022 Unaudited $'000	1H FY2021 Unaudited $'000
Cash flows from operating activities		
Loss before tax	**(371)**	**(163)**
Adjustments for:		
Depreciation of plant and equipment	1,178	1,076
Amortisation of intangible assets	2	2
Writeback on impairment losses on trade and other receivables	(5)	-
Finance income	(8)	(8)
Finance cost	75	97
Loss/(profit) on disposal of plant and equipment	82	(10)
	953	994
Changes in:		
Inventories	(88)	214
Contract assets	(269)	(64)
Trade and other receivables	1,202	3,165
Trade and other payables	(832)	(1,098)
Cash generated from operations	966	3,211
Net tax (paid)/refund	(63)	67
Net cash generated from operating activities	**903**	**3,278**
Cash flows from investing activities		
Acquisition of plant and equipment	(458)	(168)
Interest received	8	8
Proceeds from disposal of plant and equipment	66	64
Net cash used in investing activities	**(384)**	**(96)**
Cash flows from financing activities		
(Increase)/decrease in deposits pledged to financial institution	(4)	112
Payment of lease liabilities	(543)	(794)
Payment in amount due to directors	-	(2)
Dividends paid	(1,060)	(2,000)
Proceeds from loans and borrowings	-	1,500
Repayment of loans and borrowings	(470)	(349)
Interest paid	(54)	(97)
Net proceeds from initial public offering	-	2,889
Net cash (used in)/from financing activities	**(2,131)**	**1,259**
Net (decrease)/increase in cash and cash equivalents	(1,612)	4,441
Cash and cash equivalents at beginning of the period	9,162	5,516
Cash and cash equivalents at end of the period	**7,550**	**9,957**

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These notes form an integral part of the condensed interim consolidated financial statements.

1. Domicile and activities

Aedge Group Limited (the "Company") is a company incorporated in the Republic of Singapore on 3 October 2019 under the name Aedge Group Pte Ltd. The Company was converted to a public limited company on 24 March 2020 and the name of the Company was changed to Aedge Group Limited in connection therewith. The address of the Company's registered office is Block 4009 Ang Mo Kio Avenue 10, Tech Place I #04-33, Singapore 569738.

The financial statements of the Group as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The immediate and ultimate holding company is PTCC Holdings Pte. Ltd., a company incorporated in the Republic of Singapore.

The principal activities of the Company are those of investment holding. The principal activities of the Group consist of provision of engineering services, transportation services, cleaning services, security and manpower services.

2. Basis of preparation

2.1 Statement of compliance

The condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 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 of the Group since the last consolidated financial statements for the year ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except for the adoption of new and amended standards as set out in Note 4.

These condensed interim consolidated financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

These condensed interim consolidated financial statements are presented in Singapore dollars, which is the Company's functional currency. The financial information has been rounded to the nearest thousand, unless otherwise stated.

2.2 Use of estimates and judgements

The preparation of the condensed interim consolidated financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 applied to the consolidated financial statements as at and for the year ended 30 June 2021.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3. Seasonal operations

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

4. New and amended standards adopted by the Group

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

5. Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to approximately $458,000 (31 December 2020: $168,000) and disposed of assets with a net book value amounting to approximately $148,000 (31 December 2020: $54,000).

6. Fixed deposits and cash and cash equivalents

	Group		Company	
	31 December 2021 $'000	30 June 2021 $'000	31 December 2021 $'000	30 June 2021 $'000
Cash on hand	33	24	–	–
Fixed deposits	150	146	–	–
Cash at bank	7,517	9,138	640	1,660
Cash and cash equivalents	7,700	9,308	640	1,660
Presented on the statements of financial position as:				
Fixed deposits (non-current)	150	146	–	–
Cash and cash equivalents (current)	7,550	9,162	640	1,660
	7,700	9,308	640	1,660
Deposits pledged	(150)	(146)	–	–
Cash and cash equivalents in the statement of cash flows	7,550	9,162	640	1,660

Fixed deposits amounting to $150,000 and $146,000 as at 31 December 2021 and 30 June 2021 respectively were pledged to financial institutions for banker's guarantee facilities.

7. Trade and other receivables

	Group		Company	
	31 December 2021 $'000	30 June 2021 $'000	31 December 2021 $'000	30 June 2021 $'000
Trade receivables:				
- third parties	3,699	4,362	–	–
Impairment losses	(282)	(282)	–	–
	3,417	4,080	–	–
Other receivables (non-trade):				
- dividend receivables from subsidiaries	–	–	2,250	2,250
- subsidiaries	–	–	–	8
- grant receivables	37	237	–	200
- others	2	28	–	–
Deposits	301	312	–	–
	3,757	4,657	2,250	2,458
Prepayments	159	456	16	37
	3,916	5,113	2,266	2,495

8. Share capital

	Group and Company No. of shares
Issued and fully-paid ordinary shares with no par value:	
As at 30 June 2021	106,000,000
As at 31 December 2021	106,000,000

There was no change in the Company's share capital since 30 June 2021.

The Company did not have any convertible securities, treasury shares and subsidiary holdings as at 31 December 2021, 30 June 2021 and 31 December 2020.

9. Reserves

The reserves of the Group comprise the following balances

	Group		Company	
	31 December 2021 $'000	30 June 2021 $'000	31 December 2021 $'000	30 June 2021 $'000
Capital reserve	200	200	–	–
Merger reserve	(8,701)	(8,701)	–	–
Retained earnings	9,122	10,555	(109)	1,098
Totals	621	2,054	(109)	1,098

Capital reserve

The capital reserve relates to deemed contribution from the Company's shareholders for the acquisition of a subsidiary.

Merger reserve

The merger reserve relates to the difference between the consideration paid and the paid-in capital of entities under common control which were acquired by the Group.

Dividends

The Company declare dividends amounting to $1,060,000 during the period from 1 July 2021 to 31 December 2021.

10. Loans and borrowings

	Group	
	31 December 2021 $'000	30 June 2021 $'000
Non-current		
Term loan (secured)	1,230	1,230
Current		
Term loan (secured)	2,827	3,276
	4,057	4,506

The Group's term loans are secured by corporate guarantees by the Company.

One of the Group's term loans is repayable in monthly instalments between 1 July 2021 to 30 June 2025. Nonetheless, the loan contains a callable clause stating that the bank may at their absolute discretion cancel or withdraw the term loan facility. Accordingly, the term loan with a carrying amount of $2,647,000 (2021: $3,006,000) has been classified as current liabilities.

11. Trade and other payables

	Group		Company	
	31 December 2021 $'000	30 June 2021 $'000	31 December 2021 $'000	30 June 2021 $'000
Trade payables:				
- third parties	263	680	–	–
- GST payable	261	246	–	–
- accrued expenses	218	253	–	–
Other payables (non-trade):				
- others	43	97	17	47
Customer deposits	59	62	–	–
Deferred income	–	19	–	–
Accrued operating expenses	163	161	69	81
Accrued salaries and wages	831	826	–	–
Deferred grant income	–	326	–	–
	1,838	2,670	86	128

The deferred grant income relates to monies received under the Jobs Support Scheme implemented by the Singapore government. The deferred grant income is recognised to the statement of comprehensive income on a systematic basis over the estimated period of economic uncertainty in which the Group recognises the related salary cost.

12 Revenue

	For the six months ended December	
	2021 $'000	2020 $'000
Revenue from contracts with customers:		
- Engineering services	3,491	2,581
- Transportation services	2,439	2,537
- Security and manpower services	3,640	3,295
	9,570	8,413

13. Loss before tax

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

	For the six months ended 31 December	
	2021 $'000	2020 $'000
Other income		
Government grants	923	1,892
Sundry income	9	–
	932	1,892
Finance income		
Interest income from:		
- fixed deposit	8	8
Finance expense		
Interest expense on:		
Lease liabilities	(21)	(35)
Loans and borrowings	(54)	(62)
	(75)	(97)
Other significant items:		
Depreciation of property, plant and equipment	(1,178)	(1,076)
(Loss)/gain on disposal of property, plant and equipment	(82)	10
Amortisation of intangible assets	(2)	(2)
Writeback on impairment of trade and other receivables	5	–

14. Tax expense

	For the six months ended 31 December	
	2021 $'000	2020 $'000
Current tax expense		
Current period	–	–
Over provision in respect of prior years	(2)	–
Total tax expense	(2)	–

15. Loss per share

	For the six months ended 31 December	
	2021	2020
Basic and diluted loss per share (cents)	(0.35)	(0.18)

The calculation of basic loss per share has been based on the loss attributable to ordinary shareholders and the following weighted-average number of ordinary shares outstanding.

	31 December 2021 No. of shares '000	31 December 2020 No. of shares '000
Weighted-average number of ordinary shares	106,000	91,913

Diluted earnings per share

As at 31 December 2021 and 31 December 2020, there were no outstanding dilutive potential ordinary shares.

16. Operating segments

The Group has the following three strategic divisions, which are its reportable segments. These divisions offer different services, and are managed separately. The Group's Chief Executive Officer (the chief operating decision maker) reviews internal management reports of each division at least quarterly. The following summary describes the operations in each of the Group's reportable segments:

- Engineering services

  Sales and installation of scaffolding equipment, insulation and passive fire protection systems. Provision of workers on contract or ad-hoc basis for engineering services.

- Transportation services

  Provision of bus services for public premium service routes, schools, corporates and ad hoc charters.

- Security and manpower services

  Provision of security services, cleaning services, manpower staffing for aviation technicians.

- Others

  Others relate to unallocated amounts that includes provision of management, treasury and administrative services.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (loss) before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit (loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

	Engineering services $'000	Transportation services $'000	Security and manpower services $'000	Total for reportable segments $'000	Others $'000	Inter-segment eliminations $'000	Total $'000
For the six months ended 31 December 2021							
External revenues	3,491	2,439	3,640	9,570	–	–	9,570
Inter-segment revenue	100	17	–	117	–	(117)	–
External cost of sales	(2,410)	(2,523)	(3,371)	(8,304)	–	–	(8,304)
Inter-segment cost of sales	(93)	–	(3)	(96)	–	96	–
Finance income	–	4	4	8	–	–	8
Finance costs	(11)	(29)	(35)	(75)	–	–	(75)
Depreciation of property, plant and equipment and amortization of intangible assets	(365)	(795)	(18)	(1,178)	–	–	(1,178)
Reportable segment profit/(loss) before tax	350	(11)	113	452	(790)	(33)	(371)
Other material non-cash items:							
- Loss on disposal of property, plant and equipment	(70)	–	(12)	(82)	–	–	(82)
- Writeback on impairment loss on receivables	5	–	–	5	–	–	5
Capital expenditure	(433)	(22)	(3)	(458)	–	–	(458)
As at 31 December 2021							
Reportable segment assets	7,232	11,757	6,155	25,144	14,736	(17,194)	22,686
Reportable segment liabilities	(5,363)	(2,708)	(4,546)	(12,617)	(233)	5,375	(7,475)

	Engineering services $'000	Transportation services $'000	Security and manpower services $'000	Total for reportable segments $'000	Others $'000	Inter-segment eliminations $'000	Total $'000
For the six months ended 31 December 2020							
External revenues	2,581	2,537	3,295	8,413	–	–	8,413
Inter-segment revenue	117	8	–	125	–	(125)	–
External cost of sales	(1,774)	(2,500)	(3,040)	(7,314)	–	–	(7,314)
Inter-segment cost of sales	(119)	–	–	(119)	–	119	–
Finance income	–	4	4	8	–	–	8
Finance costs	(9)	(35)	(53)	(97)	–	–	(97)
Depreciation of property, plant and equipment and amortization of intangible assets	(276)	(788)	(12)	(1,076)	–	–	(1,076)
Reportable segment profit/(loss) before tax	466	317	655	1,438	(1,599)	(2)	(163)
Other material non-cash items:							
- Gain/(Loss) on disposal of property, plant and equipment	22	–	(12)	10	–	–	10
Capital expenditure	(127)	(23)	(18)	(168)	–	–	(168)
As at 31 December 2020							
Reportable segment assets	6,409	12,732	6,894	26,035	15,037	(14,677)	26,395
Reportable segment liabilities	(3,201)	(4,647)	(3,770)	(11,618)	(1,420)	4,115	(8,923)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items to SFRS(I) measures

	For the six months ended 31 December	
	2021	2020
Revenues	**$'000**	**$'000**
Total revenue for reportable segments	9,687	8,538
Elimination of inter-segment revenue	(117)	(125)
Consolidated revenue	9,570	8,413
Cost of sales		
Total cost of sales for reportable segments	(8,400)	(7,433)
Elimination of inter-segment cost of sales	96	119
Consolidated cost of sales	(8,304)	(7,314)
Profit or loss before tax		
Total profit or loss before tax for reportable segments	452	1,438
Elimination of inter-segment profits	(33)	(2)
Unallocated amounts	(790)	(1,599)
Consolidated profit/(loss) before tax from continuing operations	(371)	(163)

	As at 31 December	
	2021	2020
Assets	**$'000**	**$'000**
Total assets for reportable segments	25,144	26,035
Elimination of inter-segment assets	(17,194)	(14,677)
Other unallocated amounts	14,736	15,037
Consolidated total assets	22,686	26,395
Liabilities		
Total liabilities for reportable segments	(12,617)	(11,618)
Elimination of inter-segment liabilities	5,375	4,115
Other unallocated amounts	(233)	(1,420)
Consolidated total liabilities	(7,475)	(8,923)

Geographical information

The engineering services, transportation services, and security and manpower services are managed in Singapore.

17. Related parties

There were no significant transactions carried out by the Group with its related parties.

18. Subsequent events

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

F. OTHER INFORMATION REQUIRED BY CATALIST LISTING RULE APPENDIX 7C

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

The condensed consolidated statement of financial position of Aedge Group Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months ended 31 December 2021 and certain explanatory notes have not been audited nor reviewed.

2. 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.

Not applicable.

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

Not applicable.

3. 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 December 2021	**30 June 2021**	**31 December 2021**	**30 June 2021**
Net asset value ($'000)	15,211	16,644	14,481	15,688
Number of ordinary shares in issue('000)	106,000	106,000	106,000	106,000
Net asset value per ordinary share (cents)	14.4	15.7	13.7	14.8

4. 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 on 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.

A. Consolidated Statement of Comprehensive Income (1H FY2022 vs 1 H FY2021)

(1) Revenue:
Total revenue increased by $1.16 million or 13.8% from $8.41 million in 1H FY2021 to $9.57 million in 1H FY2022. The increase was mainly due to higher revenue from engineering services, and security and manpower services. This was offset by a decrease in revenue from transportation services.

Increase in engineering services revenue was due to more contracts being completed in 1H FY2022. Increase in security and manpower services revenue was due to more contracts secured in security services. Transportation services continued to be affected by the COVID-19 situation with a low utilisation rate of buses.

(2) Cost of Sales:
Cost of sales increased by $0.99 million or 13.5% from $7.31 million in 1H FY2021 to $8.30 million in 1H FY2022. The increase was due to corresponding increase in revenue from engineering services, security and manpower services.

(3) Gross Profit:
Due to the increase in revenue, gross profit increased correspondingly by $0.17 million or 15.2% from $1.10 million in 1H FY2021 to $1.27 million in 1H FY2022. Overall gross profit margins remained largely unchanged.

(4) Other Income:
Other Income decreased from $1.89 million in 1H FY2021 to $0.93 million in 1H FY2022. There were lower government grants received mainly due to the ending of the Job Support Scheme.

(5) Administrative Expenses:
Decrease in administrative expenses was mainly due to IPO expenses of $1.22 million which was recognized in 1H FY2021. This was offset by increased staff costs and continuous listing expenses in 1H FY2022.

(6) Other Expenses:
Increase in other expenses was mainly due to higher losses on disposal of scaffolding assets, as well as depreciation charges for new purchases of plant and equipment.

(7) Finance Costs:
Decrease in finance costs was mainly due to lower interest costs for lease liabilities, which was due to lower outstanding principal amounts.

B. Consolidated Statement of Financial Position as at 31 December 2021

(1) Non-Current Assets:
Non-current assets decreased to $10.31 million as at 31 December 2021 from $11.18 million as at 30 June 2021, mainly due to depreciation of property, plant and equipment, offset by new purchases.

(2) Current Assets:
Current assets decreased to $12.38 million as at 31 December 2021 from $14.83 million as at 30 June 2021. This was mainly due to decrease in cash and cash equivalent, and decrease in trade receivables. Decrease in cash and equivalent was mainly due to payment of dividends, and repayment of bank loans.

(3) Non-Current Liabilities:
Non-current liabilities decreased to $1.99 million as at 31 December 2021 from $2.38 million as at 30 June 2021. This was mainly due to decrease in non-current lease liabilities.

(4) Current Liabilities:
Current liabilities decreased to $5.49 million at 31 December 2021 from $6.98 million as at 30 June 2021, mainly due to decrease in loans and borrowings, lease liabilities, and trade and other payables.

Decreases in loans and borrowings, and lease liabilities were due to instalment repayments. Decrease in other payables was mainly due to deferred income at 30 June 2021 being recognised in 1H FY2022.

C. Consolidated Statement of Cash Flows (1H FY2022)

(1) Net cash generated from operating activities in 1H FY2022 amounted to $0.9 million. This was mainly due to a positive operating cash flow before working capital changes of $0.95 million. Net working capital changes amounted to approximately $13,000 mainly due to offsetting decreases in both trade receivables and trade payables.

(2) Net cash used in investing activities in 1H FY2022 amounted to $0.38 million. This was mainly due to acquisition of property, plant and equipment.

(3) Net cash used in financing activities in 1H FY2022 amounted to $2.13 million. This was mainly due to payment of lease liabilities, repayment of loans and borrowings, and payment of dividends.

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

In the full year FY2021 results announced on 27 August 2021, it was stated that "the Group results will continue to be affected by the impact caused by the prolonged COVID-19 situation" and that "the overall economic condition is not expected to recover fully, and the Group expects that all its business segments shall continue to be adversely affected."

The results for the six months ended 31 December 2021 are in line with the above statements.

6. 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 know factors or events that may affect the group in the next reporting period and the next 12 months.

The overall economic condition continues to be affected by the COVID-19 situation. Just as the situation seems to be improving, the new variant, Omicron, has impeded economic recovery. The Singapore government's plans to move towards treating COVID-19 as an endemic disease, lifting various restrictions in phases, and gradually opening the economy, will help to improve the economic situation in the coming months.

Against this background, the Group expects its business performance to improve gradually. Our engineering services segment, and our security and manpower service segments are expected to see slight improved results. However, contribution from the transportation services segment is not expected to be favorable, due to the prevalent low utilization rate of buses.

Grants from the Singapore government is also tapering off, with schemes such as the Jobs Support Scheme, ending. Thus, we expect our other income to be reduced significantly.

Operating within this current challenging and uncertain environment, the Group remains focused on its efforts to ride on any improvements in the economic situation, and to improve on its results.

7. Dividend Information

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

No dividend has been recommended.

(b) (i) Amount per share: Not applicable
(ii) Previous corresponding period: not applicable, Company was listed on 14 December 2020

(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.

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

No dividend was declared or recommended for the current reporting period as the Group intends to preserve its cash.

9. 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) of the Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for IPTs pursuant to Rule 920(1)(a)(ii) of the Catalist Rules. There were no interested person transactions for $100,000 or more for the current financial period under review.

10. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

11. Negative confirmation pursuant to Rule 705(5) on Half Year Financial Results

Mr Poh Soon Keng and Mr Hoon Tai Meng, being two directors of the Company, do hereby confirm on behalf of the Board of Directors that, to the best of their knowledge, nothing has come to their attention which may render the half year financial statements ended 31 December 2021 to be false or misleading in any material aspect.

12. Disclosure on acquisition (including incorporations) and realization pursuant to Rule 706A

The Company did not acquire or dispose shares in any companies during the reporting period.

BY ORDER OF THE BOARD

Poh Soon Keng
Executive Chairman and Chief Executive Officer
10 February 2022