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

Unaudited Financial Statements and Dividend Announcement
For the Six Months and Full Year ended 30 June 2023

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.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01- 01, Singapore 229957, telephone (65) 6590 6881.

Table of Contents

		Page
A	Condensed consolidated statements of profit or loss and other comprehensive income	2
B	Condensed consolidated statements of financial position	3
C	Condensed consolidated statements of changes in equity	4
D	Condensed consolidated statement of cash flows	5
E	Notes to the condensed consolidated financial statements	6 to 19
F	Other information required by Catalist Listing Rule Appendix 7C	20 to 26

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

Condensed Interim Consolidated Statement of Comprehensive Income for the six-months ended 30 June 2023 ("2H FY2023"), six-months ended 30 June 2022 ("2H FY2022"), twelve-months financial year ended 30 June 2023 ("Full Year FY2023"), and twelve-months financial year ended 30 June 2022 ("Full Year FY2022").

	Note	2H FY2023 $'000 Unaudited	2H FY2022 $'000 Unaudited	Full Year FY2023 $'000 Unaudited	Full Year FY2022 $'000 Audited	Change Full Year FY2023/2022 %
Revenue	12	13,672	10,882	26,451	20,452	29.3
Cost of sales		(12,324)	(10,277)	(24,315)	(18,581)	30.9
Gross profit		1,348	605	2,136	1,871	14.2
Other income		218	749	491	1,681	(70.8)
Administrative expenses		(1,971)	(2,280)	(4,085)	(4,513)	(9.5)
Other expenses		(448)	(241)	(1,091)	(510)	113.9
Results from operating activities		(853)	(1,167)	(2,549)	(1,471)	73.3
Finance income		1	3	3	11	(72.7)
Finance costs		(75)	(64)	(155)	(139)	11.5
Net finance costs		(74)	(61)	(152)	(128)	18.8
Loss before tax	13	(927)	(1,228)	(2,701)	(1,599)	68.9
Tax credit	14	455	162	455	160	184.4
Loss and total comprehensive loss for the year		(472)	(1,066)	(2,246)	(1,439)	56.1
Basic and diluted loss per share (cents)	15	(0.45)	(1.01)	(2.12)	(1.36)	

B. CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30 June 2023 $'000 Unaudited	30 June 2022 $'000 Audited	30 June 2023 $'000 Unaudited	30 June 2022 $'000 Audited
Assets					
Property, plant & equipment	5	6,658	9,402	-	-
Intangible asset		8	11	-	-
Investment in subsidiaries		-	-	7,653	10,680
Non current assets		**6,666**	**9,413**	**7,653**	**10,680**
Inventories		643	472	-	-
Trade and other receivables	6	6,831	4,593	2,289	2,297
Contract assets		1,510	2,217	-	-
Cash and cash equivalent	7	3,479	5,580	248	513
Current assets		**12,463**	**12,862**	**2,537**	**2,810**
Total assets		**19,129**	**22,275**	**10,190**	**13,490**
Equity					
Share capital	8	14,590	14,590	14,590	14,590
Reserves	9	(2,691)	(445)	(4,558)	(1,233)
Total equity		**11,899**	**14,145**	**10,032**	**13,357**
Liabilities					
Loans and borrowings	10	806	862	-	-
Lease liabilities		249	62	-	-
Deferred tax liabilities		26	504	-	-
Non current liabilities		**1,081**	**1,428**	**-**	**-**
Loans and borrowings	10	2,835	3,654	-	-
Lease liabilities		338	500	-	-
Trade and other payables	11	2,953	2,548	158	133
Current tax liabilities		23	-	-	-
Current liabilities		**6,149**	**6,702**	**158**	**133**
Total liabilities		**7,230**	**8,130**	**158**	**133**
Total equity & liabilities		**19,129**	**22,275**	**10,190**	**13,490**

C. CONDENSED 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 2021	14,590	200	(8,701)	10,555	16,644
Total comprehensive loss for the year	-	-	-	(1,439)	(1,439)
Dividends paid	-	-	-	(1,060)	(1,060)
As at 30 June 2022	**14,590**	**200**	**(8,701)**	**8,056**	**14,145**
As at 1 July 2022	14,590	200	(8,701)	8,056	14,145
Total comprehensive loss for the year	-	-	-	(2,246)	(2,246)
As at 30 June 2023	**14,590**	**200**	**(8,701)**	**5,810**	**11,899**

Company	Share capital $'000	Retained earnings $'000	Total equity $'000
As at 1 July 2021	14,590	1,098	15,688
Total comprehensive income for the year	-	(1,271)	(1,271)
Dividends paid	-	(1,060)	(1,060)
As at 30 June 2022	**14,590**	**(1,233)**	**13,357**
As at 1 July 2022	14,590	(1,233)	13,357
Total comprehensive loss for the year	-	(3,325)	(3,325)
As at 30 June 2023	**14,590**	**(4,558)**	**10,032**

D. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Full Year FY2023 Unaudited $'000	Full Year FY2022 Audited $'000
Cash flows from operating activities		
Loss before tax	**(2,701)**	**(1,599)**
Adjustments for:		
Depreciation of plant and equipment	2,103	2,388
Amortisation of intangible assets	3	4
Reversal of provision	-	(29)
Impairment losses on trade and other receivables	42	23
Finance income	(3)	(11)
Finance cost	155	139
Loss on disposal of plant and equipment	614	99
	213	1,014
Changes in:		
Inventories	(140)	(211)
Contract assets	707	(1,925)
Trade and other receivables	(2,280)	497
Trade and other payables	405	(122)
Cash utilised for operations	(1,095)	(747)
Net tax (paid)/refund	-	(42)
Net cash used in operating activities	**(1,095)**	**(789)**
Cash flows from investing activities		
Acquisition of plant and equipment	(1,176)	(878)
Interest received	3	11
Proceeds from disposal of plant and equipment	1,858	64
Net cash from/(used in) investing activities	**685**	**(803)**
Cash flows from financing activities		
Decrease in deposits pledged to financial institution	-	146
Payment of lease liabilities	(661)	(982)
Dividends paid	-	(1,060)
Proceeds from loans and borrowings	500	1,000
Repayment of loans and borrowings	(1,375)	(990)
Interest paid	(155)	(104)
Net cash used in financing activities	**(1,691)**	**(1,990)**
Net decrease in cash and cash equivalents	(2,101)	(3,582)
Cash and cash equivalents at beginning of the year	5,580	9,162
Cash and cash equivalents at end of the year	**3,479**	**5,580**

E. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These notes form an integral part of the condensed 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 half year and year ended 30 June 2023 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, transport services, cleaning services, security and manpower services.

2. Basis of preparation

2.1 Statement of compliance

The condensed interim consolidated financial statements for the six-months ended and twelve-months ended 30 June 2023 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 condensed interim consolidated financial statements for the six-months 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), except for the adoption of new and amended standards as set out in Note 4.

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

These condensed 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 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 2022.

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 twelve-months ended 30 June 2023, the Group acquired assets amounting to approximately $1,862,000 (30 June 2022: $938,000) and disposed of assets with a net book value amounting to approximately $2,503,000 (30 June 2022: $163,000).

6. Trade and other receivables

	Group		Company	
	30 June 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000
Trade receivables:				
- third parties	5,355	3,696	–	–
Impairment losses	(48)	(14)	–	–
	5,307	3,682	–	–
Other receivables (non-trade):				
- dividend from subsidiaries	–	–	2,250	2,250
- grant receivables	–	364	–	–
Deposits	1,152	207	–	–
	6,459	4,253	2,250	2,250
Prepayments	372	340	39	47
	6,831	4,593	2,289	2,297

7. Fixed deposits and cash and cash equivalents

	Group		Company	
	30 June 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000
Cash on hand	30	35	*	*
Cash at bank	3,449	5,545	248	513
Cash and cash equivalents	3,479	5,580	248	513
Presented on the statements of financial position as:				
Cash and cash equivalents (current)	3,479	5,580	248	513
	3,479	5,580	248	513
Cash and cash equivalents in the statement of cash flows	3,479	5,580	248	513

* Less than S$1,000

8. Share capital

	Group and Company Number of shares
Issued and fully-paid ordinary shares with no par value:	
As at 30 June 2023	106,000,000
As at 30 June 2022	106,000,000

Issue of ordinary shares

There was no change in the Company's share capital since 31 December 2022.

The Company did not have any convertible securities, treasury shares and subsidiary holdings as at 30 June 2023 and 30 June 2022.

9. Reserves

The reserves of the Group comprise the following balances:

	Group		Company	
	30 June 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000
Capital reserve	200	200	–	–
Merger reserve	(8,701)	(8,701)	–	–
Retained earnings	5,810	8,056	(4,558)	(1,233)
Totals	(2,691)	(445)	(4,558)	(1,233)

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 did not declare dividends during the period from 1 July 2022 to 30 June 2023.

10. Loans and borrowings

	Group	
	30 June 2023 $'000	30 June 2022 $'000
Non-current		
Term loan (secured)	806	862
Current		
Term loan (secured)	2,835	3,654
	3,641	4,516

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 2022 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 $1,541,000 (2022: $2,283,000) has been classified as current liabilities.

As at 30 June 2023, an outstanding loan amount of $627,000 of one of the Group's subsidiaries has been classified as current liabilities, as one of the continuing loan conditions has not been met.

11. Trade and other payables

	Group		Company	
	30 June 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000
Trade payables:				
- third parties	683	521	–	–
- GST payable	427	223	–	–
Other payables (non-trade)	61	61	1	1
Customer deposits	45	82	–	–
Deferred income	–	17	–	–
Accrued operating expenses	599	469	157	132
Accrued salaries and wages	1,138	1,175	–	–
	2,953	2,548	158	133

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-month period ended 30 June		For the twelve-month period ended 30 June	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Revenue from contracts with customers:				
- Engineering services	5,769	2,703	9,856	6,194
- Transport services	1,836	2,045	3,699	4,484
- Security and manpower services	6,067	6,134	12,896	9,774
	13,672	10,882	26,451	20,452

13. Loss before tax

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

	For the six-month period ended 30 June		For the twelve-month period ended 30 June	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Other income				
Government grants	210	749	481	1,672
Sundry income	8	–	10	9
	218	749	491	1,681
Finance income				
Interest income from:				
- fixed deposit	–	–	–	4
- current account	1	3	3	7
	1	3	3	11
Finance expense				
Interest expense on:				
Lease liabilities	(13)	(14)	(20)	(35)
Loans and borrowings	(62)	(50)	(135)	(104)
	(75)	(64)	(155)	(139)
Other significant items:				
Depreciation of property, plant and equipment	(1,022)	(1,210)	(2,103)	(2,388)
Loss on disposal of property, plant and equipment	(169)	(17)	(614)	(99)
Amortisation of intangible assets	(1)	(2)	(3)	(4)
Impairment loss on trade and other receivables	(49)	(28)	(42)	(23)

14. Tax credit

	For the six-month period ended 30 June		For the twelve-month period ended 30 June	
	2022 $'000	2022 $'000	2023 $'000	2022 $'000
Current tax expense				
Current period	23	2	23	2
Over provision in respect of prior years	–	(51)	–	(49)
	23	(49)	23	(47)
Deferred tax expense				
Origination and reversal of temporary differences	(478)	(203)	(478)	(203)
Under provision in respect of prior years	–	90	–	90
	(478)	(113)	(478)	(113)
Total tax credit	(455)	(162)	(455)	(160)

15. Loss per share

	For the six-month period ended 30 June		For the twelve-month period ended 30 June	
	2023	2022	2023	2022
Basic and diluted loss per share (cents)	(0.45)	(1.01)	(2.12)	(1.36)

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.

	30 June 2023 '000	30 June 2022 '000
Weighted-average number of ordinary shares	106,000	106,000

Diluted loss per share

As at 30 June 2023 and 30 June 2022, 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.

- Transport 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	Transport services $'000	Security and manpower services $'000	Total for reportable segments $'000	Others $'000	Inter-segment eliminations $'000	Total $'000
For the six-months period ended 30 June 2023							
External revenues	5,769	1,836	6,067	13,672	–	–	13,672
Inter-segment revenue	742	16	–	758	–	(758)	–
External cost of sales	(4,546)	(2,184)	(5,594)	(12,324)	–	–	(12,324)
Inter-segment cost of sales	(891)	–	–	(891)	–	891	–
Finance income	–	–	1	1	–	–	1
Finance costs	(41)	(13)	(21)	(75)	–	–	(75)
Depreciation of property, plant and equipment and amortization of intangible assets	(435)	(572)	(15)	(1,022)	(1)	–	(1,023)
Reportable segment profit/(loss) before tax	276	(596)	234	(86)	(3,814)	2,973	(927)
Other material non-cash items:							
- Loss on disposal/write-off of property, plant and equipment	(33)	(140)	(10)	(183)	–	14	(169)
- Impairment loss on receivables	(49)	–	–	(49)	–	–	(49)
Capital expenditure	(1,711)	–	–	(1,711)	–	–	(1,711)
As at 30 June 2023							
Reportable segment assets	11,001	6,710	6,109	23,820	10,358	(15,049)	19,129
Reportable segment liabilities	7,486	1,886	4,776	14,148	316	(7,234)	7,230

	Engineering services $'000	Transport services $'000	Security and manpower services $'000	Total for reportable segments $'000	Others $'000	Inter-segment eliminations $'000	Total $'000
For the six-months period ended 30 June 2022							
External revenues	2,703	2,045	6,134	10,882	–	–	10,882
Inter-segment revenue	102	4	–	106	–	(106)	–
External cost of sales	(2,113)	(2,578)	(5,586)	(10,277)	–	–	(10,277)
Inter-segment cost of sales	(52)	–	(4)	(56)	–	56	–
Finance income	–	–	3	3	–	–	3
Finance costs	(10)	(23)	(31)	(64)	–	–	(64)
Depreciation of property, plant and equipment and amortization of intangible assets	(396)	(795)	(21)	(1,212)	–	–	(1,212)
Reportable segment profit/(loss) before tax	(233)	(798)	819	(212)	(1,958)	942	(1,228)
Other material non-cash items:							
- Gain/(Loss) on disposal/write-off of property, plant and equipment	(16)	–	(1)	(17)	–	–	(17)
- Impairment loss on receivables	(23)	(5)	–	(28)	–	–	(28)
Capital expenditure	412	(1)	69	480	–	–	480
As at 30 June 2022							
Reportable segment assets	7,437	10,491	6,540	24,468	13,658	(15,851)	22,275
Reportable segment liabilities	4,919	2,122	5,781	12,822	321	(5,013)	8,130

	Engineering services $'000	Transport services $'000	Security and manpower services $'000	Total for reportable segments $'000	Others $'000	Inter-segment eliminations $'000	Total $'000
For the twelve-months period ended 30 June 2023							
External revenues	9,856	3,699	12,896	26,451	–	–	26,451
Inter-segment revenue	867	18	–	885	–	(885)	–
External cost of sales	(7,880)	(4,716)	(11,719)	(24,315)	–	–	(24,315)
Inter-segment cost of sales	(1,068)	–	–	(1,068)	–	1,068	–
Finance income	–	–	3	3	–	–	3
Finance costs	(78)	(30)	(47)	(155)	–	–	(155)
Depreciation of property, plant and equipment and amortisation of intangible assets	(830)	(1,238)	(35)	(2,103)	(3)	–	(2,106)
Reportable segment profit/(loss) before tax	177	(2,015)	816	(1,022)	(4,642)	2,963	(2,701)
Other material non-cash items:							
- Loss on disposal of property, plant and equipment	53	(648)	(19)	(614)	–	–	(614)
- impairment loss on trade receivables	(42)	–	–	(42)	–	–	(42)
Capital expenditure	(1,862)	–	–	(1,862)	–	–	(1,862)
As at 30 June 2023							
Reportable segment assets	11,001	6,710	6,109	23,820	10,358	(15,049)	19,129
Reportable segment liabilities	7,486	1,886	4,776	14,148	316	(7,234)	7,230

	Engineering services $'000	Transport services $'000	Security and manpower services $'000	Total for reportable segments $'000	Others $'000	Inter-segment eliminations $'000	Total $'000
For the twelve-months period ended 30 June 2022							
External revenues	6,194	4,484	9,774	20,452	–	–	20,452
Inter-segment revenue	202	21	–	223	–	(223)	–
External cost of sales	(4,523)	(5,101)	(8,957)	(18,581)	–	–	(18,581)
Inter-segment cost of sales	(145)	–	(7)	(152)	–	152	–
Finance income	–	4	7	11	–	–	11
Finance costs	(21)	(52)	(66)	(139)	–	–	(139)
Depreciation of property, plant and equipment and amortisation of intangible assets	(763)	(1,590)	(39)	(2,392)	–	–	(2,392)
Reportable segment profit/(loss) before tax	117	(809)	932	240	(1,767)	72	(1,599)
Other material non-cash items:							
- Gain/(Loss) on disposal of property, plant and equipment	(86)	–	(13)	(99)	–	–	(99)
- Impairment loss on trade receivables	(18)	(5)	–	(23)	–	–	(23)
Capital expenditure	845	21	72	938	–	–	938
As at 30 June 2022							
Reportable segment assets	7,437	10,491	6,540	24,468	13,658	(15,851)	22,275
Reportable segment liabilities	4,919	2,122	5,781	12,822	321	(5,013)	8,130

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

	For the six-month period ended 30 June		For the twelve-month period ended 30 June	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Revenues				
Total revenue for reportable segments	14,430	10,988	27,336	20,675
Elimination of inter-segment revenue	(758)	(106)	(885)	(223)
Consolidated revenue	13,672	10,882	26,451	20,452
Cost of sales				
Total cost of sales for reportable segments	13,215	10,333	25,383	18,733
Elimination of inter-segment cost of sales	(891)	(56)	(1,068)	(152)
Consolidated cost of sales	12,324	10,277	24,315	18,581
Profit or loss before tax				
Total profit/(loss) before tax for reportable segments	(86)	(212)	(1,022)	240
Elimination of inter-segment profit/(loss)	2,973	942	2,963	72
Unallocated amounts	(3,814)	(1,958)	(4,642)	(1,767)
Consolidated loss before tax from continuing operations	(927)	(1,228)	(2,701)	(1,599)

	30 June 2023 $'000	30 June 2022 $'000
Assets		
Total assets for reportable segments	23,820	24,468
Elimination of inter-segment assets	(15,049)	(15,851)
Other unallocated amounts	10,358	13,658
Consolidated total assets	19,129	22,275
Liabilities		
Total liabilities for reportable segments	14,148	12,822
Elimination of inter-segment liabilities	(7,234)	(5,013)
Other unallocated amounts	316	321
Consolidated total liabilities	7,230	8,130

Geographical information

The engineering services, transport 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 30 June 2023 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-month period and full year financial year ended 30 June 2023 ("FY2023") 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**	
	30 June 2023	**30 June 2022**	**30 June 2023**	**30 June 2022**
Net asset value ($'000)	11,899	14,145	10,032	13,357
Number of ordinary shares in issue ('000)	106,000	106,000	106,000	106,000
Net asset value per ordinary share (cents)	11.2	13.3	9.5	12.6

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 (Full Year FY2023 vs Full Year FY2022)

(1) Revenue:

Total revenue increased by $6 million or 29.3% from $20.45 million in FY2022 to $26.45 million in FY2023. 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 transport services.

Increase in engineering services revenue was due to more contracts being completed in FY2023. Increase in security and manpower services revenue was due to a marked increase in the number of technicians outsourced to the aviation industry as compared to FY2022. Revenue from transport services continued to be affected by the shortage of qualified drivers, which is an issue plaguing the industry. This resulted in a lower utilization of buses despite demand for buses being robust.

(2) Cost of Sales:

Cost of sales increased by $5.73 million or 30.9% from $18.58 million in FY2022 to $24.31 million in FY2023. The increase was due to corresponding increases in revenue from engineering services as well as security and manpower services.

(3) Gross Profit:

Due to the increase in revenue, gross profit increased by $0.27 million or 14.2% from $1.87 million in FY2022 to $2.14 million in FY2023. Overall, gross profit margins decreased from 9.1% in FY2022 to 8.1% in FY2023, due to a larger gross loss from transport services for FY2023 compared with FY2022. The increase in gross loss from transport services is due to the disposal of buses as a result of asset rationalization, as well as the increase in fuel cost.

(4) Other Income:

Other Income decreased from $1.68 million in FY2022 to $0.49 million in FY2023. There were lower government grants received mainly due to the end of the Job Support Scheme in FY2022, as well as the ending of Job Growth Incentive in FY2023.

(5) Administrative Expenses:

Administrative expenses decreased by $0.43 million from $4.51 million in FY2022 to $4.09 million in FY2023 mainly due to the reduction in salaries of management and staff in FY2023 which was a result of lower head-count. This was offset slightly by increased in rent for FY2023.

(6) Other Expenses:
Other expenses increased by $0.58 million from $0.51 million in FY2022 to $1.09 million in FY2023, largely attributable to the losses on disposal of transportation assets.

(7) Finance Costs:

Increase in finance costs was mainly due to increase interest costs for lease liabilities, which was due to higher lease liability amounts.

(8) Tax:

There was a tax credit of $455,000 in FY2023 mainly due to reversal of temporary differences.

(9) Net Loss after tax:

Net Loss after tax increased from $1.44 million in FY2022 to $2.25 million in FY2023. This was due to lower gross profit margin, lower government grants received, and higher other expenses. This was offset by lower administrative expenses.

B. Consolidated Statement of Financial Position as at 30 June 2023

(1) Non-Current Assets:

Non-current assets decreased to $6.67 million as at 30 June 2023 from $9.41 million as at 30 June 2022, mainly due to depreciation of property, plant and equipment, as well as disposal of buses.

(2) Current Assets:

Current assets decreased slightly to $12.46 million as at 30 June 2023 from $12.86 million as at 30 June 2022. This was mainly due to decrease in cash and cash equivalent, and decrease in contract assets, offset by increase in trade receivables.

Decrease in cash and equivalent was mainly due to repayment of bank loans and operating expenses. Increase in trade receivables was due to higher outstanding receivables as a result of higher revenue.

Decrease in contract assets was mainly due to the higher conversion of unbilled amounts for work done into receivables.

(3) Non-Current Liabilities:

Non-current liabilities decreased to $1.08 million as at 30 June 2023 from $1.43 million as at 30 June 2022. This was mainly due to decrease in non-current loans and borrowings, as well as deferred tax liabilities, offset by increase in lease liabilities.

The decrease in non-current loans and borrowing was due to instalment repayments. The deferred tax liabilities which was offset against deferred tax assets arising from temporary difference, contributed to the decrease in tax liabilities. Increase in lease liabilities is due to the renewal of lease for right-of-use assets.

(4) Current Liabilities:

Current liabilities decreased to $6.15 million at 30 June 2023 from $6.70 million as at 30 June 2022, mainly due to decrease in lease liabilities, and loans and borrowings, offset by increase in trade and other payables.

Decrease in lease liabilities was due to instalment repayments. Decrease in loans and borrowings was due to the payment of loans. Increase in trade and other payables is due to higher outstanding trade payables, operating expenses payable due to higher cost of sales, and GST payable due to higher revenue.

C. Consolidated Statement of Cash Flows (Full Year FY2023)

(1) Net cash used in operating activities in FY2023 amounted to $1.1 million. Operating cash flow before working capital changes was $0.21 million. However, this was offset by net working capital changes which amounted to deficit of $1.31 million. Net working capital changes was mainly due to an increase in trade and other receivables of $2.28 million.

(2) Net cash from investing activities in FY2023 amounted to $0.69 million. This was mainly due to the proceeds from the disposal of property, plant and equipment.

(3) Net cash used in financing activities in FY2023 amounted to $1.69 million. This was mainly due to payment of lease liabilities and repayment of loans and borrowings, offset by drawdown of a bank loan.

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

No specific forecasts or prospect statements were made previously.

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.

For our Engineering business, construction sector grew by 8.5 per cent year-on-year, which was supported by both the public and private sector demand, however in absolute terms, the value-add of the construction sector remained 19.3 per cent below its pre-pandemic (i.e. fourth quarter of 2019) level. The Group remains focused on executing existing projects in a timely and cost efficient manner, as well as actively tendering for higher value projects with the multi-national clients in Singapore.

Relevant to our transportation business, manpower shortage for qualified bus drivers continues to be the bottleneck for growth across the industry. [1] In this regard, the Group expects demand for its transport services to improve, but continued to be challenged with manpower shortages as well as high fuel costs. The Group has undertaken an asset rationalising exercise that resulted in the disposal of the Group's older and less efficient buses.

For our security and manpower business, the Group foresees increase cost attributable to the progressive wage model implemented by Ministry by Manpower effective from 1 September 2022. Going forward, the Group will be strategic in the securing of new projects to ensure that the margins are improved.

Overall, operating within this current challenging and uncertain environment, the Group remains focused on its efforts to improve on its performance.

7. Dividend Information

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

No interim nor final ordinary dividend has been declared nor recommended.

(b) (i) Amount per share: Nil
(ii) Previous corresponding period: Nil

(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.

[1] Straits Times, Bus companies in Singapore facing shortage of drivers, 8 Apr 2023.

(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 has been declared nor recommended, as the Group has recorded loss for the full year FY2023.

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 disclosable interested person transactions 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. 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) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director 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
Tan Siew Lan	69	Spouse of Chief Executive Officer, who is also a director, and substantial shareholder	Human Resources and Administration Director; 2010	No change

Tan Ah Hwa	67	Sister of Tan Siew Lan	Senior Manager (Manpower Outsourcing); 2023	Previously was Operations Director (Transport)

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

The Company did not acquire or dispose shares in any companies during 2H FY2023.

13. Breakdown of sales

	FY2023 $'000	FY2022 $'000	Increase / (Decrease) %
(a) Sales reported for first half year	12,779	9,570	33.5
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(1,774)	(373)	375.6
(c) Sales reported for second half year	13,672	10,882	25.6
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(472)	(1,066)	(55.7)

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

	FY2023	FY2022
(a) Ordinary	Nil	Nil
(b) Preference	Not applicable	Not applicable
(c) Total	Nil	Nil

BY ORDER OF THE BOARD

Poh Soon Keng
Executive Chairman and Chief Executive Officer
24 August 2023