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

Unaudited Financial Statements Announcement
For the Six Months ended 31 December 2023

This announcement has been reviewed by UOB Kay Hian Private Limited (the "**Sponsor**").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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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 2023 ("1H FY2024") and six months ended 31 December 2022 ("1H FY2023"):

	Note	1H FY2024 S$'000 Unaudited	1H FY2023 S$'000 Unaudited	Change FY2024/ FY2023 %
Revenue	13	11,330	12,779	(11.3)
Cost of sales		(10,378)	(11,991)	(13.5)
Gross profit		952	788	20.8
Other income		406	273	48.7
Administrative expenses		(1,878)	(2,114)	(11.2)
Other expenses		(482)	(643)	(25.0)
Results from operating activities		(1,002)	(1,696)	(40.9)
Finance income		-	2	(100.0)
Finance costs		(141)	(80)	76.3
Net finance costs		(141)	(78)	80.8
Loss before tax	14	(1,143)	(1,774)	(35.6)
Tax expense		-	-	nm
Loss and total comprehensive loss for the period		(1,143)	(1,774)	(35.6)
Basic and diluted loss per share (cents)	15	(1.08)	(1.67)	

nm=not meaningful

B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		31 December 2023 $'000 Unaudited	30 June 2023 $'000 Audited	31 December 2023 $'000 Unaudited	30 June 2023 $'000 Audited
Assets					
Property, plant & equipment	5	6,118	6,658	-	-
Intangible asset		6	8	-	-
Investment in subsidiaries		-	-	7,653	7,653
Investment Property	6	9,223	-	-	-
Non current assets		**15,347**	**6,666**	**7,653**	**7,653**
Inventories		552	643	-	-
Trade and other receivables	7	5,219	6,831	3,125	2,289
Contract assets		1,130	1,510	-	-
Cash and cash equivalent	8	2,454	3,479	70	248
Current assets		**9,355**	**12,463**	**3,195**	**2,537**
Total assets		**24,702**	**19,129**	**10,848**	**10,190**
Equity					
Share capital	9	14,590	14,590	14,590	14,590
Reserves	10	(3,834)	(2,691)	(4,478)	(4,558)
Total equity		**10,756**	**11,899**	**10,112**	**10,032**
Liabilities					
Loans and borrowings	11	6,949	806	-	-
Lease liabilities		289	249	-	-
Deferred tax liabilities		26	26	-	-
Non current liabilities		**7,264**	**1,081**	**-**	**-**
Loans and borrowings	11	3,357	2,835	-	-
Lease liabilities		355	338	-	-
Trade and other payables	12	2,947	2,953	736	158
Current tax liabilities		23	23	-	-
Current liabilities		**6,682**	**6,149**	**736**	**158**
Total liabilities		**13,946**	**7,230**	**736**	**158**
Total equity & liabilities		**24,702**	**19,129**	**10,848**	**10,190**

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 2022	14,590	200	(8,701)	8,056	14,145
Total comprehensive loss for the period	-	-	-	(1,774)	(1,774)
As at 31 December 2022	**14,590**	**200**	**(8,701)**	**6,282**	**12,371**
As at 1 July 2023	14,590	200	(8,701)	5,810	11,899
Total comprehensive loss for the period	-	-	-	(1,143)	(1,143)
As at 31 December 2023	**14,590**	**200**	**(8,701)**	**4,667**	**10,756**

Company	Share capital $'000	Retained earnings $'000	Total equity $'000
As at 1 July 2022	14,590	(1,233)	13,357
Total comprehensive loss for the period	-	(169)	(169)
As at 31 December 2022	**14,590**	**(1,402)**	**13,188**
As at 1 July 2023	14,590	(4,558)	10,032
Total comprehensive profit for the period	-	80	80
As at 31 December 2023	**14,590**	**(4,478)**	**10,112**

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	1H FY2024 Unaudited $'000	1H FY2023 Unaudited $'000
Cash flows from operating activities		
Loss before tax	**(1,143)**	**(1,774)**
Adjustments for:		
Depreciation of property, plant and equipment	894	1,081
Depreciation of investment property	197	-
Amortisation of intangible assets	2	2
Writeback on impairment losses on trade and other receivables	-	(7)
Finance income	-	(2)
Finance cost	141	80
(Gain)/loss on disposal of property, plant and equipment	(29)	445
	62	(175)
Changes in:		
Inventories	91	(71)
Contract assets	380	792
Trade and other receivables	1,599	(2,112)
Trade and other payables	(6)	496
Cash generated from operations	2,126	(1,070)
Net tax (paid)/refund	-	-
Net cash generated from /(used in) operating activities	**2,126**	**(1,070)**
Cash flows from investing activities		
Acquisition of plant and equipment	(201)	(151)
Acquisition of investment property	(2,220)	-
Interest received	-	2
Proceeds from disposal of plant and equipment	144	553
Net cash (used in)/generated from investing activities	**(2,277)**	**404**
Cash flows from financing activities		
Payment of lease liabilities	(216)	(294)
Proceeds from loans and borrowings	300	500
Repayment of loans and borrowings	(860)	(677)
Interest paid	(98)	(80)
Net cash used in financing activities	**(874)**	**(551)**
Net decrease in cash and cash equivalents	(1,025)	(1,217)
Cash and cash equivalents at beginning of the period	3,479	5,580
Cash and cash equivalents at end of the period	**2,454**	**4,363**

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 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, 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 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 consolidated financial statements for the year ended 30 June 2023.

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 2023.

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 Executive 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 2023, the Group acquired assets amounting to approximately $456,000 (31 December 2022: $155,000) of which $255,000 (31 December 2022: NIL) were acquired under lease arrangements and disposed of assets with a net book value amounting to approximately $115,000 (31 December 2022: $998,000).

6. Investment Property

	Group		Company	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Cost	**$'000**	**$'000**	**$'000**	**$'000**
Beginning of financial period	–	–	–	–
Addition	9,420	–	–	–
As at 31 December	9,420	–	–	–
Accumulated depreciation				
Beginning of financial period	–	–	–	–
Depreciation for the period	197	–	–	–
As at 31 December	197	–	–	–
Net book value				
As at 31 December	9,223	–	–	–

During the six months ended 31 December 2023, the Group acquired investment property amounting to approximately $9,420,000 (31 December 2022: NIL), comprises of cost $9,000,000 and stamp duty $420,000 respectively, of which $7,200,000 (31 December 2022: NIL) was under loan arrangement.

Investment property initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

As at 31 December 2023, the fair value of the Group's investment property is approximately $9,000,000 based on an external valuation report dated 4 October 2023. This valuation report was prepared by the independent professional valuer, Century 99 Pte Ltd, using direct comparison method. A comparison is made with transactions of similar properties or comparable localities. The management also conducted an internal assessment of the valuation of the investment property as at 31 December 2023, taking into consideration any significant changes in operating performance of the property during the period and assessed whether movement in market data such as discount rates, and capitalisation rates have any significant impact to the valuation of the investment property. Based on this assessment, management is of the view that the fair value of the investment property has not materially changed from 4 October 2023.

7. Trade and other receivables

	Group		Company	
	31 December 2023 $'000	30 June 2023 $'000	31 December 2023 $'000	30 June 2023 $'000
Trade receivables:				
- third parties	4,068	5,355	–	–
Impairment losses	(49)	(49)	–	–
Input tax	648	–	–	–
	4,667	5,306	–	–
Other receivables (non-trade):				
- dividend receivables from subsidiaries	–	–	3,051	2,250
Deposits	337	1,152	–	–
	5,004	6,458	3,051	2,250
Prepayments	215	373	74	39
	5,219	6,831	3,125	2,289

8. Cash and cash equivalents

	Group		Company	
	31 December 2023 $'000	30 June 2023 $'000	31 December 2023 $'000	30 June 2023 $'000
Cash on hand	27	30	*	*
Cash at bank	2,427	3,449	70	248
Cash and cash equivalents	2,454	3,479	70	248
Presented on the statements of financial position as:				
Cash and cash equivalents (current)	2,454	3,479	70	248
	2,454	3,479	70	248
Cash and cash equivalents in the statement of cash flows	2,454	3,479	70	248

*Less than S$1,000

9. Share capital

	Group and Company No. of shares
Issued and fully-paid ordinary shares with no par value:	
As at 30 June 2023	106,000,000
As at 31 December 2023	106,000,000

There was no change in the Company's share capital since 30 June 2023.

The Company did not have any convertible securities, treasury shares and subsidiary holdings as at 31 December 2023, 30 June 2023 and 31 December 2022.

10. Reserves

The reserves of the Group comprise the following balances

	Group		Company	
	31 December 2023 $'000	30 June 2023 $'000	31 December 2023 $'000	30 June 2023 $'000
Capital reserve	200	200	–	–
Merger reserve	(8,701)	(8,701)	–	–
Retained earnings	4,667	5,810	(4,478)	(4,558)
Totals	(3,834)	(2,691)	(4,478)	(4,558)

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 2023 to 31 December 2023.

11. Loans and borrowings

	Group	
	31 December 2023 $'000	30 June 2023 $'000
Non-current		
Term loan (secured)	6,949	806
Current		
Term loan (secured)	3,357	2,835
	10,306	3,641

The Group's term loans are secured by corporate guarantees by the Company and first legal mortgage on the leasehold property.

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 $1,163,000 (2023: $1,541,000) has been classified as current liabilities.

As at 31 December 2023, an outstanding loan amount of S$528,000 (2023: $817,547) of one of the Group's subsidiaries has been classified as current liabilities, as one of the continuing loan conditions has not been met.

12. Trade and other payables

	Group		Company	
	31 December 2023 $'000	30 June 2023 $'000	31 December 2023 $'000	30 June 2023 $'000
Trade payables:				
- third parties	445	683	–	–
- GST payable	339	427	–	–
Other payables (non-trade):				
- immediate and ultimate holding company	650	–	650	–
- others	55	61	23	1
Customer deposits	132	45	–	–
Accrued operating expenses	363	599	63	157
Accrued salaries and wages	963	1,138	–	–
	2,947	2,953	736	158

13. Revenue

	For the six months ended December	
	2023 $'000	2022 $'000
Revenue from contracts with customers:		
- Engineering services	3,667	4,087
- Transportation services	2,373	1,863

- Security and manpower services	5,290	6,829
	11,330	12,779

14. Loss before tax

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

	For the six months ended 31 December	
	2023	**2022**
	$'000	**$'000**
Other income		
Government grants	239	271
Sundry income	23	2
Rental Income	144	–
	406	273
Finance income		
Interest income from:		
- fixed deposit	–	2
Finance expense		
Interest expense on:		
Lease liabilities	(18)	(7)
Loans and borrowings	(123)	(73)
	(141)	(80)
Other significant items:		
Depreciation of property, plant and equipment	(894)	(1,081)
Depreciation of investment property	(197)	–
Amortisation of intangible assets	(2)	(2)
Gain/(loss) on disposal of property, plant and equipment	29	(445)
Writeback on impairment of losses on trade and other receivables	–	7

15. Loss per share

	For the six months ended 31 December	
	2023	**2022**
Basic and diluted loss per share (cents)	(1.08)	(1.67)

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 2023 No. of shares '000	31 December 2022 No. of shares '000
Weighted-average number of ordinary shares	106,000	106,000

Diluted earnings per share

As at 31 December 2023 and 31 December 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 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 2023							
External revenues	3,667	2,373	5,290	11,330	–	–	11,330
Inter-segment revenue	764	4	–	768	–	(768)	–
External cost of sales	(3,325)	(2,295)	(4,758)	(10,378)	–	–	(10,378)
Inter-segment cost of sales	(946)	–	–	(946)	–	946	–
Finance income	–	–	–	–	–	–	–
Finance costs	(114)	(10)	(17)	(141)	–	–	(141)
Depreciation of property, plant and equipment, investment property and amortization of intangible assets	(625)	(459)	(7)	(1,091)	(2)	–	(1,093)
Reportable segment profit/(loss) before tax	(770)	(166)	415	(521)	(623)	1	(1,143)
Other material non-cash items:							
- Gain on disposal of property, plant and equipment	36	–	–	36	–	(7)	29
Capital expenditure	(2,379)	(41)	–	(2,420)	–	–	(2,420)
As at 31 December 2023							
Reportable segment assets	18,097	5,937	5,772	29,806	11,017	(16,121)	24,702
Reportable segment liabilities	(15,778)	(1,467)	(4,125)	(21,370)	(880)	8,304	(13,946)

	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 2022							
External revenues	4,087	1,863	6,829	12,779	–	–	12,779
Inter-segment revenue	125	2	–	127	–	(127)	–
External cost of sales	(3,334)	(2,532)	(6,125)	(11,991)	–	–	(11,991)
Inter-segment cost of sales	(177)	–	–	(177)	–	177	–
Finance income	–	–	2	2	–	–	2
Finance costs	(37)	(17)	(26)	(80)	–	–	(80)
Depreciation of property, plant and equipment and amortization of intangible assets	(395)	(666)	(20)	(1,081)	(2)	–	(1,083)
Reportable segment profit/(loss) before tax	(99)	(1,419)	582	(936)	(828)	(10)	(1,774)
Other material non-cash items:							
- Loss on disposal of property, plant and equipment	86	(508)	(9)	(431)	–	(14)	(445)
- Writeback on impairment losses on trade and other receivables	7	–	–	7	–	–	7
Capital expenditure	(151)	–	–	(151)	–	–	(151)
As at 31 December 2022							
Reportable segment assets	9,101	8,071	6,493	23,665	13,436	(16,625)	20,476
Reportable segment liabilities	(6,235)	(2,154)	(5,305)	(13,694)	(195)	5,784	(8,105)

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	
	2023	2022
Revenues	**$'000**	**$'000**
Total revenue for reportable segments	12,098	12,906
Elimination of inter-segment revenue	(768)	(127)
Consolidated revenue	11,330	12,779
Cost of sales		
Total cost of sales for reportable segments	(11,324)	(12,168)
Elimination of inter-segment cost of sales	946	177
Consolidated cost of sales	(10,378)	(11,991)
Loss before tax		
Total loss before tax for reportable segments	(521)	(936)
Elimination of inter-segment profits	1	(10)
Unallocated amounts	(623)	(828)
Consolidated loss before tax from continuing operations	(1,143)	(1,774)

	As at 31 December	
	2023	2022
Assets	**$'000**	**$'000**
Total assets for reportable segments	29,806	23,665
Elimination of inter-segment assets	(16,121)	(16,625)
Other unallocated amounts	11,017	13,436
Consolidated total assets	24,702	20,476
Liabilities		
Total liabilities for reportable segments	(21,370)	(13,694)
Elimination of inter-segment liabilities	8,304	5,784
Other unallocated amounts	(880)	(195)
Consolidated total liabilities	(13,946)	(8,105)

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 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 months ended 31 December 2023 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 2023	**30 June 2023**	**31 December 2023**	**30 June 2023**
Net asset value ($'000)	10,756	11,899	10,112	10,032
Number of ordinary shares in issue('000)	106,000	106,000	106,000	106,000
Net asset value per ordinary share (cents)	10.1	11.2	9.5	9.5

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 FY2024 vs 1H FY2023)

(1) Revenue:
Total revenue decreased by $1.45 million or 11.3% from $12.78 million in 1H FY2023 to $11.33 million in 1H FY2024. The decrease was mainly due to lower revenue from engineering services, and security and manpower services. This was partially offset by higher revenue from transportation services.

Decrease in engineering services revenue was due to more contracts ending and being completed in 2H FY2023. Decrease in security and manpower services revenue was due mainly to decrease in revenue from manpower outsourcing. Increase in revenue from transportation services was due to more contracts being executed in 1HFY2024.

(2) Cost of Sales:
Cost of sales decreased by $1.61 million or 13.5% from $11.99 million in 1H FY2023 to $10.38 million in 1H FY2024. The decrease was in line with the decrease in revenue from security and manpower services.

(3) Gross Profit:
Gross profit increased by $0.16 million or 20.8% from $0.79 million in 1H FY2023 to $0.95 million in 1H FY2024. Correspondingly, the gross profit margins improved from 6.2% in 1H FY2023 to 8.4% in 1H FY2024. The increase in gross profit margins was due to a higher utilisation of our bus assets as a result of the rationalisation exercise conducted in FY2023.

(4) Other Income:
Other income increased from $0.27 million in 1H FY2023 to $0.41 million in 1H FY2024. This was largely attributable to rental from investment property.

(5) Administrative Expenses:
Administrative expenses decreased from $2.11 million in 1H FY2023 to $1.88 million in 1H FY2024. This was largely attributable to productivity initiatives to enhance efficiency in FY2023 which resulted in a corresponding decrease in headcount for managerial and administrative staff.

(6) Other Expenses:
Other expenses decreased from $0.64 million in 1H FY2023 to $0.48 million in 1H FY2024. This was largely attributable to the losses incurred resulting from bus disposal in 1H FY2023 that was absent for 1H FY2024.

(7) Finance Costs:
Finance costs increased from $80,000 in 1H FY2023 to $141,000 in 1H FY2024. This was due to the increase in loan borrowings.

B. Consolidated Statement of Financial Position as at 31 December 2023

(1) Non-Current Assets:
Non-current assets increased to $15.35 million as at 31 December 2023 from $6.67 million as at 30 June 2023, mainly due to acquisition of investment property.

(2) Current Assets:
Current assets decreased to $9.36 million as at 31 December 2023 from $12.46 million as at 30 June 2023. This was mainly due to improved collection from trade receivables and contract assets, as well as increased in sales of inventories, offset by decrease in cash due to investment in investment property.

(3) Non-Current Liabilities:
Non-current liabilities increased to $7.26 million as at 31 December 2023 from $1.08 million as at 30 June 2023. This was mainly due to increase in non-current loans and borrowings.

(4) Current Liabilities:
Current liabilities increased to $6.68 million at 31 December 2023 from $6.15 million as at 30 June 2023, mainly due to increase in loans and borrowings.

Increase in loans and borrowings were due to acquisition of investment property.

C. Consolidated Statement of Cash Flows (1H FY2024)

(1) Net cash generated from operating activities in 1H FY2024 amounted to $2.13 million. This was mainly due to decreases in trade and other receivables, contract assets and inventories.

(2) Net cash used in investing activities in 1H FY2024 amounted to $2.28 million. This was mainly due to acquisition of investment property.

(3) Net cash used in financing activities in 1H FY2024 amounted to $0.87 million. This was mainly due to payment of lease liabilities as well as repayment of loans and borrowings.

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 the Engineering business, Building and Construction Authority ("BCA") anticipates demand for construction across Singapore for 2024 to range between S$32 billion and S$38 billion, with public sector projects expected to contribute about 55% of total demand.[1] Given that we have an existing track record in the Engineering business, we will strive to capture infrastructure projects with good margins.

For our transportation business, the Group expects demand for its transport services to improve, but will be at the same time challenged with manpower shortages. The Group will look to selectively take on new contracts with good margins, including the hiring of new drivers where possible.

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

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, no dividend was declared in 1H FY2023.

(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.

[1] BCA, 32b to $38b in construction contracts expected to be awarded in 2024, 15 January 2024.

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 for the growth of the Company.

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

Mr Poh Soon Keng and Mr Lim Tai Toon, 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 2023 to be false or misleading in any material aspect.

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

The Company incorporated a wholly-owned subsidiary, Gems Dormitory Pte. Ltd. ("Gems Dormitory"), in Singapore. Gems Dormitory has been incorporated for the purpose of carrying out dormitory management. Its issued and paid-up capital is S$100,000 comprising of 100,000 ordinary shares. The paid-up capital was funded through internal resources.

None of the Directors or controlling shareholder of the Company have any interest, direct or indirect (other than through their shareholdings in the Company), in the incorporation of Gems Dormitory.

Save as disclosed above, 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
8 February 2024