

**Amended and Restated**

**BYT HOLDINGS LTD. AND ITS SUBSIDIARIES**

(Incorporation Number: BC1223423)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022  
(EXPRESSED IN SINGAPORE DOLLARS)**

**Notice to Reader**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management of BYT Holdings Ltd.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT JUNE 30, 2022 AND DECEMBER 31, 2021  
Expressed in Singapore Dollars**

	Note	Three Months Ended June 30, 2022 S\$	2021 S\$	Six Months Ended June 30, 2022 S\$	2021 S\$
Revenue	3	992,985	1,277,146	2,414,755	2,343,859
Cost of sales		(530,548)	(633,473)	(1,439,447)	(1,148,143)
<b>Gross profit</b>		<b>462,437</b>	643,673	<b>975,308</b>	1,195,716
Other income	4	84,304	88,313	107,737	90,485
Administrative expenses	4a	(625,275)	(703,776)	(1,271,409)	(1,213,940)
Other operating expenses		(11,874)	(15,229)	(23,781)	(31,094)
Finance costs		(19,947)	(17,661)	(40,730)	(70,488)
Share of results of an associate	5	(58,009)	51,684	(121,804)	113,132
<b>Profit before income tax</b>		<b>(168,364)</b>	47,004	<b>(374,679)</b>	83,811
Income tax		270	(21,108)	270	(40,760)
<b>Profit for the period</b>		<b>(168,094)</b>	25,896	<b>(374,409)</b>	43,051
Foreign currency translation differences		(5,825)	(356,442)	(17,539)	(275,245)
<b>Total comprehensive income</b>		<b>(173,919)</b>	(330,546)	<b>(391,948)</b>	(232,194)
<b>Profit attributable to:</b>					
Owner of the Company		(167,888)	26,774	(373,797)	38,959
Minority interest		(206)	(878)	(612)	4,092
<b>Profit for the period</b>		<b>(168,094)</b>	25,896	<b>(374,409)</b>	43,051
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		(204,886)	(318,843)	(416,041)	(223,229)
Minority interest		30,967	(11,703)	24,093	(8,965)
<b>Total comprehensive income for the period</b>		<b>(173,919)</b>	(330,546)	<b>(391,948)</b>	(232,194)
<b>Net profit per share (S\$)</b>					
- Basic / Diluted		(0.002)	(0.003)	(0.004)	(0.002)
Number of ordinary shares		104,107,638	104,107,638	104,107,638	104,107,638

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022 AND DECEMBER 31, 2021**  
**Expressed in Singapore Dollars**

	<u>Note</u>	<u>UNAUDITED</u> <u>JUNE 30,</u> <u>2022</u> S\$	<u>AUDITED</u> <u>DECEMBER 31,</u> <u>2021</u> S\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	1,601,802	1,608,995
Right-of-use assets	7	64,616	117,908
Investment in an associate	8	1,579,917	1,828,120
Other assets		132,884	132,884
Financial assets, at fair value through other comprehensive income	9 10	458,352	458,352
<b>Total non-current assets</b>		<u>3,837,571</u>	<u>4,146,259</u>
<b>Current assets</b>			
Contract assets	11	189,793	170,665
Trade and other receivables	12	1,179,805	1,400,588
Fixed deposit	13	507,273	507,273
Cash and cash equivalents	14	3,499,576	3,808,008
<b>Total current assets</b>		<u>5,376,446</u>	<u>5,886,534</u>
<b>Total assets</b>		<u>9,214,017</u>	<u>10,032,793</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	8,208,763	8,208,763
Accumulated other comprehensive income (loss)		(286,307)	(240,470)
Retained earnings		(1,735,387)	(1,361,590)
Total equity attributable to owners of the Parent		6,187,069	6,606,703
Non-controlling interest		(1,223,117)	(1,260,350)
<b>Total Equity</b>		<u>4,963,952</u>	<u>5,346,353</u>
<b>Non-current liability</b>			
Lease liability	16	-	18,224
Other payables	18	400,000	400,000
<b>Total non-current liability</b>		<u>400,000</u>	<u>418,224</u>
<b>Current liabilities</b>			
Trade and other payables	18	1,236,890	1,329,029
Lease liability	16	66,718	102,074
Interest-bearing loans and borrowings	17	2,401,719	2,618,413
Provisions	18	106,688	106,688
Income tax payable		38,050	112,012
<b>Total current liabilities</b>		<u>3,850,065</u>	<u>4,268,216</u>
<b>Total liabilities</b>		<u>4,250,065</u>	<u>4,686,440</u>
<b>Total equity and liabilities</b>		<u>9,214,017</u>	<u>10,032,793</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED DECEMBER 31, 2021 & PERIOD ENDED JUNE 30, 2022  
 Expressed in Singapore Dollars

	<u>Share capital</u>	<u>Accumulated Other Comprehensive income/(loss)</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non- controlling interests</u>	<u>Total</u>
	S\$	S\$	S\$		S\$	S\$
<b>Balance at January 1, 2021</b>	5,785,047	(62,465)	(59,188)	5,663,394	(1,200,664)	4,462,730
Shares issued on private placement	2,340,900	-	-	2,340,900	-	2,340,900
Profit/(loss) for the year	-	-	(1,302,402)	(1,302,402)	10,794	(1,291,608)
Foreign currency translation	82,816	(178,005)	-	(95,189)	(70,480)	(165,669)
<b>Balance at December 31, 2021</b>	8,208,763	(240,470)	(1,361,590)	6,606,703	(1,260,350)	5,346,353
Profit/(loss) for the period	-	-	(373,797)	(373,797)	(612)	(374,409)
Foreign currency translation	-	(45,837)	-	(45,837)	37,845	(7,992)
<b>Balance at June 30, 2022</b>	<u>8,208,763</u>	<u>(286,307)</u>	<u>(1,735,387)</u>	<u>6,187,069</u>	<u>(1,223,117)</u>	<u>4,963,952</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED JUNE 30, 2022 & JUNE 30, 2021  
Expressed in Singapore Dollars**

	<u>Note</u>	<u>THREE MONTHS ENDED</u>	
		<u>JUNE 30,</u>	
		<u>2022</u>	<u>2021</u>
		<u>S\$</u>	<u>S\$</u>
<b>Operating activities</b>			
(Loss)/Profit before income tax		(374,679)	83,811
Adjustments for:			
Depreciation	6	15,256	33,726
Amortisation of right-of-use assets	7	53,292	-
Interest expenses		40,730	70,488
Interest income		(341)	-
Unrealised exchange gain		(61,609)	-
Gain on disposal of property, plant and equipment		-	(62,875)
Share of results of an associate		248,203	(113,132)
Operating cash flows before movements in working capital		(79,148)	12,018
Changes in working capital:			
Contract assets		(19,326)	(118,642)
Trade and other receivables		213,599	138,482
Contract liabilities		-	1,534
Trade and other payables		(79,983)	(657,431)
Cash used in operations		35,142	(624,039)
Interest received		341	-
Income tax paid		(73,544)	(205,716)
<b>Net cash used in operating activities</b>		<b>(38,061)</b>	<b>(829,755)</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	6	(8,079)	(68,944)
Proceeds from disposal of property, plant and equipment		-	80,000
Investment in an associate		-	(250,000)
<b>Net cash used in investing activities</b>		<b>(8,079)</b>	<b>(238,944)</b>
<b>Financing activities</b>			
Proceeds from issuance of shares		-	2,340,900
Repayment of lease liabilities		(53,580)	-
Drawdown / (repayment) of Interest-bearing loans and borrowings		(216,694)	(824,846)
Interest paid		(40,730)	(70,488)
<b>Net cash generated from financing activities</b>		<b>(311,004)</b>	<b>1,445,566</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(357,144)</b>	<b>376,867</b>
Effect of foreign exchange fluctuation		48,711	(96,559)
Cash and cash equivalents at beginning of financial year		3,808,008	4,594,226
<b>Cash and cash equivalents at end of financial period</b>	14	<b>3,499,576</b>	<b>4,874,534</b>

**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**Expressed in Singapore Dollars**

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These notes form an integral part of and should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements.

**1. General**

BYT Holdings Ltd. (the "Company") (Incorporation Number: BC1223423) is incorporated under the laws of the Province of British Columbia, Canada by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia). The Company's registered and records office is 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7 Canada.

The Company's subsidiaries currently operate in Singapore and Malaysia.

The principal activities of the subsidiaries are disclosed in Note 2.2 to the unaudited condensed interim consolidated financial statements.

These unaudited condensed interim consolidated financial statements for the period ended 30 June 2022 were authorised for issue by the Board of Directors on June 3, 2024.

**2. Summary of significant accounting policies****2.1 Basis of preparation**

The unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the Interpretations to IFRS ("IFRICs") issued by the International Financial Reporting Interpretations Committee ("IFRIC") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The unaudited condensed interim consolidated financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The consolidated financial statements of the Company are presented in Singapore dollar (the "SGD" or "S\$"). The functional currency of the parent company is the Canadian Dollar "C\$", the functional currency of BYT Engineering Pte. Ltd. and BYT Singapore Pte Ltd is the S\$, the functional currency of BYT Malaysia Sdn. Bhd. is the Malaysian ringgit ("MYR") and the functional currency of Shanghai Xin Da Process Engineering Co., Ltd. and Springleaf-Biomax (Shanghai) Pte. Ltd. is the Chinese Renminbi ("RMB").

In the current financial year, the Company has adopted all the new and revised IFRSs and IFRICs that are relevant to its operations and effective for the current financial year. The adoption of these new and revised IFRSs and IFRICs did not result in changes to the Company and its subsidiaries' (the "Group's") accounting policies and has no material effect on the amounts reported for the current or prior years.

**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**Expressed in Singapore Dollars**
**2. Summary of significant accounting policies (Continued)**
**2.1 Basis of preparation (Continued)**

*IASs, IFRSs and IFRICs issued but not yet effective*

At the date of authorisation of these consolidated financial statements, the following IASs, IFRSs and IFRICs were issued but not yet effective:

IAS, IFRS	Title	Effective date (annual periods beginning on or after)
IAS 1	Amendments to IAS 1 and IFRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
IAS 1	Amendments to IAS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
IAS 8	Amendments to IAS 8: <i>Definition of Accounting Estimates</i>	1 January 2023
IFRS 17	Amendments to IFRS 17 <i>Insurance Contracts</i>	1 January 2023

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Company does not intend to early adopt any of the above new or revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned new or revised standards will not have a material impact on the consolidated financial statements of the Company in the period of their initial adoption.

**2.2 Basis of consolidation**

The unaudited condensed interim consolidated financial statements of the Group comprise the interim consolidated financial statements of the Company and its subsidiaries.

The details of the subsidiaries are as follows:

<u>Name of subsidiaries</u>	<u>Country of incorporation and principal place of business</u>	<u>Principal activities</u>	Effective equity held by the Company	
			<u>2022</u> %	<u>2021</u> %
<b><u>Held directly by the Company</u></b>				
BYT Engineering Pte. Ltd. ("BYTE")	Singapore	Engineering activities	100	100
BYT Singapore Pte Ltd ("BYT SG")	Singapore	Investment holdings	100	100
<b><u>Held by BYTE</u></b>				
Shanghai Xin Da Process Engineering Co., Ltd.	Shanghai, China	Dormant	100	100
Springleaf-Biomax (Shanghai) Pte. Ltd.	Shanghai, China	Dormant	60	60
<b><u>Held by BYT SG</u></b>				
BYT Malaysia Sdn Bhd	Malaysia	Engineering services	100	100



**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**Expressed in Singapore Dollars**

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**2. Summary of significant accounting policies (Continued)****2.2 Basis of consolidation (Continued)**

On 20 November 2020, BYT Singapore Pte. Ltd. (formerly, SLE Technologies Pte. Ltd.) a 100% owned subsidiary of the Company, was incorporated in Singapore.

On 27 April 2021, BYT Malaysia Sdn. Bhd. a 100% owned subsidiary of the subsidiary, BYT Singapore Pte. Ltd. (formerly, SLE Technologies Pte. Ltd.), was incorporated in Malaysia.

Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Company reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**Expressed in Singapore Dollars**
**3. Revenue**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Contracts with customers	470,165	491,527	1,266,289	763,716
Service and maintenance	518,530	689,762	1,139,496	1,479,606
Trading income	4,290	95,857	8,970	100,537
	<b>992,985</b>	<b>1,277,146</b>	<b>2,414,755</b>	<b>2,343,859</b>

**4. Other income**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Interest Income	331	-	341	-
Incentive rebate	25,193	21,838	45,779	21,838
Rental income	-	900	-	1,800
Foreign exchange gain, net	58,814	-	61,609	-
Gain on disposal of property, plant and equipment	-	62,875	-	62,875
Government grants	-	2,700	-	3,219
Others	(34)	-	8	753
	<b>84,304</b>	<b>88,313</b>	<b>107,737</b>	<b>90,485</b>

**4a. Administrative expenses**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Employee benefits	434,319	390,191	859,619	695,625
Manpower expenses	9,300	-	9,588	1,730
Professional charges	67,465	105,244	158,155	243,399
Audit fees	35,345	64,888	70,585	71,888
Rent	6,605	14,900	23,660	37,500
Motor vehicle rental	8,700	16,200	17,400	21,600
Depreciation of right-of-use assets	26,646	-	53,292	-
Depreciation of property, plant and equipment	8,009	17,312	15,255	30,551
Travel & accommodation	3,718	17,042	5,310	25,133
Business development expenses	-	30,000	-	30,000
Printing and stationery	1,959	10,683	3,911	10,683
Others	23,209	37,316	54,634	45,831
	<b>625,275</b>	<b>703,776</b>	<b>1,271,409</b>	<b>1,213,940</b>

**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**Expressed in Singapore Dollars**

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**5. Finance costs**

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Interest expenses on:				
Interest-bearing loans	<b>18,894</b>	17,543	<b>38,392</b>	70,229
Lease interest	<b>942</b>	-	<b>2,219</b>	-
Bank interest charges	<b>111</b>	118	<b>119</b>	259
	<b>19,947</b>	17,661	<b>40,730</b>	70,488

**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
Expressed in Singapore Dollars

**6. Property, plant and equipment**

<u>Group</u>	<u>Office equipment</u> S\$	<u>Plant &amp; Machinery</u> S\$	<u>Furniture &amp; fittings</u> S\$	<u>Motor vehicles</u> S\$	<u>Freehold property</u> S\$	<u>Total</u> S\$
<b>Cost</b>						
At January 1, 2021	195,923	102,750	227,182	86,525	1,638,360	2,250,740
Additions	19,267	-	28,500	-	-	47,767
Disposal	(3,752)	(102,750)	-	-	-	(106,502)
Exchange differences	(2)	-	-	-	-	(2)
At December 31, 2021	211,436	-	255,682	86,525	1,638,360	2,192,003
Additions	8,079	-	-	-	-	8,079
Disposal	-	-	-	-	-	-
Exchange differences	(20)	-	-	-	-	(20)
At June 30, 2022	219,495	-	255,682	86,525	1,638,360	2,200,062
<b>Accumulated depreciation</b>						
At January 1, 2021	188,712	68,500	227,004	86,525	55,000	625,741
Depreciation	11,216	17,124	7,303	-	11,000	46,643
Disposal	(3,752)	(85,625)	-	-	-	(89,377)
Exchange differences	-	1	-	-	-	1
At December 31, 2021	196,176	-	234,307	86,525	66,000	583,008
Depreciation	5,006	-	4,750	-	5,500	15,256
Disposal	-	-	-	-	-	-
Exchange differences	(4)	-	-	-	-	(4)
At June 30, 2022	201,178	-	239,057	86,525	71,500	598,260
<b>Carrying amount</b>						
At June 30, 2022	18,317	-	16,625	-	1,566,860	1,601,802
At December 31, 2021	15,260	-	21,375	-	1,572,360	1,608,995

Included in freehold property is an office building with an estimated cost of S\$550,000 which is depreciated over 50 years. The freehold property with net book value of S\$1,566,860 (2021: S\$1,572,360) is mortgaged to obtain interest-bearing loans.

**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**Expressed in Singapore Dollars**

**7. Right-of-use assets**

	<u>June</u> <u>30, 2022</u> S\$	<u>December</u> <u>31, 2021</u> S\$
At 1 January	117,908	-
Additions	-	207,038
Amortisation for the year	<u>(53,292)</u>	<u>(89,130)</u>
At 31 December	<u>64,616</u>	<u>117,908</u>

The Group leases office. The leases typically run for a period of 2 years, with an option to renew the lease after that date for a further period of 1-2 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

**8. Investment in an associate**

	<u>June</u> <u>30, 2022</u> S\$	<u>December</u> <u>31, 2021</u> S\$
Unquoted shares at cost	1,750,000	1,750,000
Share of post-acquisition reserves	<u>(170,083)</u>	<u>78,120</u>
	<u>1,579,917</u>	<u>1,828,120</u>

The detail of the associate is as follows:

<u>Name of associate</u>	<u>Country of incorporation and principal place of business</u>	<u>Principal activities</u>	<u>Effective equity held by the Company</u>	
			<u>2022</u> %	<u>2021</u> %
<b><u>Held directly by BYT SG</u></b>				
Xi'an Triumph Electronic Technology Co., Ltd	Xi'an, China	provision of industrial big data analytics solutions	35	35

**9. Other assets**

	<u>June</u> <u>30, 2022</u> S\$	<u>December</u> <u>31, 2021</u> S\$
Prepaid Keyman Insurance premium	<u>132,884</u>	<u>132,884</u>

Prepaid keyman insurance premium arose as a Subsidiary company had made a lump sum payment for the insurance policies covering an estimated life of 52 years (see note 10).

**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**Expressed in Singapore Dollars**

**10. Financial assets, at fair value through other comprehensive income**

	<u>June</u> <u>30, 2022</u> S\$	<u>December</u> <u>31, 2021</u> S\$
<u>Fair value:</u>		
Prepaid Keyman Insurance premium	458,352	458,352

These comprises two keyman insurance policies underwritten by a reputable insurance company on 27 June 2018 and 26 May 2019 insuring a former director of a Subsidiary company and the Subsidiary company is the beneficiary.

The fair value at the relevant financial period ends represents the amount that can be realised by the Subsidiary company if these policies are to be terminated and is based on the latest statement of the account issued by the relevant insurance company.

**11. Contract assets and liabilities from contracts with customers**

	<u>June</u> <u>30, 2022</u> S\$	<u>December</u> <u>31, 2021</u> S\$
<b>Contract assets</b>		
Unbilled revenue	189,794	170,665

The unbilled revenue relates to the revenue recognised to date but has not been invoiced to the customer as at the financial period end and is transferred to trade receivables at the point when it is invoiced to the customers.

**12. Trade and other receivables**

	<u>June</u> <u>30, 2022</u> S\$	<u>December</u> <u>31, 2021</u> S\$
Trade receivables	1,410,409	1,653,653
Less: Expected credit loss	(630,908)	(630,908)
	779,501	1,022,745
Other receivables	331,829	294,802
Deposits	64,731	71,825
Prepayments	3,744	11,216
Total	1,179,805	1,400,588

Trade receivables are non-interest bearing and the average credit period is 30~60 (2021: 30~60) days according to the terms agreed with the customers. These are recognised at their original invoice amounts which represent their fair values on initial recognition. Included in trade receivables is an overdue trade receivable amounting to S\$630,908 which was fully provided.

**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**Expressed in Singapore Dollars**

**12. Trade and other receivables (Continue)**

The movement in the loss allowance during the financial year as follows:

	<u>Trade receivables</u> S\$
<b>Balance at January 1, 2021</b>	694,740
Expected credit loss recognized	-
Recovery of expected credit loss	(63,832)
	<hr/>
<b>Balance at December 31, 2021</b>	630,908
Expected credit loss recognized	-
Recovery of expected credit loss	-
	<hr/>
<b>Balance at June 30, 2022</b>	<u>630,908</u>

**13. Fixed deposit**

The fixed deposit is pledged to bank as security for banking facilities extended to the Company. It has a maturity period of 365 days (2021: 365 days) and bears an interest of 1.4% (2021: 1.4%) per annum. The pledge has been released on 20 June 2022 as the Group cancelled the banking facility.

**14. Cash and cash equivalents**

	<u>June 30, 2022</u> S\$	<u>December 31, 2021</u> S\$
Cash on hand	1,469	1,614
Bank balances	3,498,107	3,806,394
	<hr/>	<hr/>
	<u>3,499,576</u>	<u>3,808,008</u>

**15. Share capital**

## a) Authorised

Unlimited number of common shares with no par value.

## b) Issued and fully paid

	<u>Number of shares</u>	<u>S\$</u>
<b>Balance, January 1, 2021</b>	78,097,638	5,785,047
Shares issued on private placement	26,010,000	2,340,900
Foreign currency translation	-	82,816
	<hr/>	<hr/>
<b>Balance, December 31, 2022</b>	104,107,638	8,208,763
Foreign currency translation	-	-
	<hr/>	<hr/>
<b>At June 30, 2022</b>	<u>104,107,638</u>	<u>8,208,763</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**16. Lease Liability**

The Company leases office. The leases typically run for a period of 2 years, with an option to renew the lease after that date for a further period of 1-2 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The lease contracts that include extension options are further discussed below.

	<u>June</u> <u>30, 2022</u> S\$	<u>December</u> <u>31, 2021</u> S\$
At beginning	120,298	-
Additions	-	207,038
Accretion of interest	2,219	6,560
Lease payment		
- Principal portion	(53,580)	(86,740)
- Interest portion	(2,219)	(6,560)
	<u>66,718</u>	<u>120,298</u>

	<u>June</u> <u>30, 2022</u> S\$	<u>December</u> <u>31, 2021</u> S\$
Current	66,718	102,074
Non-Current	-	18,224
	<u>66,718</u>	<u>120,298</u>

**17. Interest bearing loans and borrowings**

	<u>June</u> <u>30, 2022</u> S\$	<u>December</u> <u>31, 2021</u> S\$
Interest bearing loans and borrowings	2,401,719	2,618,413
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(2,401,719)</u>	<u>(2,618,413)</u>
Amount due for settlement after 12 months	<u>-</u>	<u>-</u>

The interest-bearing loans and borrowings are secured by the following:

- (i) Joint and several personal guarantees by a director and a former director of a subsidiary.
- (ii) Mortgage over property located at 421 Tagore Industrial Avenue #01-28 Tagore 8 Singapore 787805. The book value of the property at June 30, 2022 is S\$1,566,860 (Note 6).



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**Expressed in Singapore Dollars**

**18. Trade and other payables**

	<u>June</u> <u>30, 2022</u> S\$	<u>December</u> <u>31, 2021</u> S\$
Trade payables	346,946	435,902
Dividends payable	400,000	400,000
Accruals	777,626	788,070
GST payables	60,804	51,550
Deposit received	11,197	11,197
Other payables	40,317	42,310
Provisions	106,688	106,688
<b>Total</b>	<b>1,743,578</b>	<b>1,835,717</b>
 <u>Presented as:</u>		
Trade and other payables, current liabilities	1,236,890	1,329,029
Provisions, current liabilities	106,688	106,688
Trade and other payables, non-current liabilities	400,000	400,000
<b>Total</b>	<b>1,743,578</b>	<b>1,835,717</b>

Trade payables are non-interest bearing and the average credit period on purchases of goods ranges from 30 to 60 days (2021: 30 to 60) according to the terms agreed with the suppliers.

**19. Dividends declared**

No dividend was declared during the year.

**20. Significant related party transactions**

The effect of the Company's transactions and arrangements with related parties is reflected in these consolidated financial statements.

Key management personnel:

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>S\$</b>	S\$	<b>S\$</b>	S\$
Remuneration:				
Directors' remuneration	<b>113,848</b>	130,152	<b>219,000</b>	227,052
Directors' allowance	<b>7,500</b>	-	<b>15,000</b>	-
Central Provident Fund	<b>14,580</b>	16,482	<b>23,040</b>	25,722
Directors' fees	<b>6,000</b>	10,000	<b>12,000</b>	22,000
	<b>141,928</b>	156,634	<b>269,040</b>	274,774

Related party transactions involve remuneration paid to the directors (Tee Ween Tan, Li Cunkou, Patrick Sapphire, Zhang Yiwen, Ricky Ng). The business purpose of the transactions is for the directors to provide services as executives and independent director to the Company. Central provident fund payments relate to the Company's share of contribution mandated under

**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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Singapore's social security scheme. The recorded amounts align with agreed-upon amounts paid to the directors and mandated under Singapore's laws.

**21. Capital management policies and objectives**

The Group manages its capital to ensure that the Company is able to continue as a going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Group consists of equity attributable to owners of the Group, comprising issued share capital and unappropriated profit as disclosed in the statements of changes in equity.

The Group's management reviews the capital structure on a regularly basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends to shareholders and return capital to shareholders or issue new shares. The Group's overall strategy remains unchanged from December 31, 2021.

**22. Segmented information**

Operating segments

The Group has one reporting segment engaged in engineering related activities. As the operations comprise a single reporting segment, amounts disclosed in the financial statements represent those of the single reporting unit. In addition, the Group's equipment is all located in Asia (Singapore).

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>S\$</b>	S\$	<b>S\$</b>	S\$
<b>Revenue</b>				
Singapore	<b>992,985</b>	1,265,510	<b>2,339,276</b>	2,290,197
China	-	11,636	<b>75,479</b>	53,662
	<b>992,985</b>	1,277,146	<b>2,414,755</b>	2,343,859
<b>Profit / (Loss) for the period</b>				
Singapore	<b>(30,960)</b>	142,257	<b>(33,516)</b>	90,297
China	<b>(58,525)</b>	49,662	<b>(123,334)</b>	122,642
Malaysia	<b>3,157</b>	(809)	<b>(34,164)</b>	(809)
Canada	<b>(81,766)</b>	(165,214)	<b>(183,395)</b>	(169,079)
	<b>(168,094)</b>	25,896	<b>(374,409)</b>	43,051
			<b>June 30,</b>	<b>December</b>
			<b>2022</b>	<b>31,2021</b>
<b>Non-current assets</b>				
Singapore			<b>3,837,571</b>	4,145,482
Malaysia			-	777
			<b>3,837,571</b>	4,146,259

**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**Expressed in Singapore Dollars**

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**23. OTHER INFORMATION**

During the current financial period, The Group has petitioned and obtained a winding-up order of a Subsidiary's debtor. The customer owed a balance debt of S\$630,908 (Note 12), and the allowance for impairment has been included in the financial statements of fiscal year ended December 2020.

**24. COVID-19 PANDEMIC**

The situation resulting from COVID-19 and subsequent variants of the virus is uncertain and continues to evolve. The safety of employees and customers continues to be a key priority. At this time, it is difficult to predict the impact the pandemic will continue to have on the Company. The effective response to the changing situation with the COVID-19 pandemic continues to be a focus in the business. Recent disruption to the supply chain have been experienced and are being managed. In addition, hiring and retaining talent continues to be a challenge. We are actively managing our human capital resources across all business segments. The degree of covid-19 related impacts in 2022 are expected to vary by geography, driven in part by regional vaccination rates, spread of new variants, provincial government restrictions and health system capacities.