

BYT HOLDINGS LTD. AND ITS SUBSIDIARIES
(Incorporation Number: BC1223423)

**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(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 INCOME (LOSS) AND
COMPREHENSIVE INCOME (LOSS)
FOR THE THREE MONTHS ENDED MARCH 31, 2023
Expressed in Singapore Dollars**

	<u>Note</u>	<u>THREE MONTHS ENDED MARCH 31,</u>	
		<u>2023</u>	<u>2022</u>
		S\$	S\$
Revenue	3	1,008,009	1,421,770
Cost of sales		(640,035)	(908,899)
Gross profit		367,974	512,871
Other income	4	9,450	23,433
Administrative expenses		(560,107)	(627,745)
Other operating expenses		(9,654)	(30,296)
Finance costs	5	(22,564)	(20,783)
Other losses		(27,793)	-
Share of results of an associate		1,255	(63,795)
(Loss)/Profit before income tax		(241,439)	(206,315)
Income tax expense		-	-
(Loss)/Profit for the period		(241,439)	(206,315)
Other comprehensive income / (expenses):			
Items that are or may be reclassified subsequently to			
Profit or loss			
Foreign currency translation		(90,119)	(11,714)
Total comprehensive profit for the period		(331,558)	(218,029)
(Loss)/Profit for the period attributable to:			
Owners of the Company		(241,237)	(205,909)
Non-controlling interests		(201)	(406)
		(241,439)	(206,315)
Total comprehensive (loss)/profit for the period			
attributable to:			
Owners of the Company		(441,538)	(211,155)
Non-controlling interests		109,981	(6,874)
		(331,558)	(218,029)
Basic and diluted earnings per share		(0.002)	(0.002)
Weighted average number of outstanding common shares		104,107,638	104,107,638

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2023 AND DECEMBER 31, 2022
Expressed in Singapore Dollars**

	<u>Note</u>	<u>UNAUDITED</u> <u>MARCH 31,</u> <u>2023</u> <u>S\$</u>	<u>AUDITED</u> <u>DECEMBER 31,</u> <u>2022</u> <u>S\$</u>
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,581,901	1,589,445
Right-of-use assets	7	-	17,453
Investment in an associate	8	587,591	586,335
Other assets	9	127,650	127,650
Financial assets, at fair value through other comprehensive income	10	451,017	451,017
Total non-current assets		<u>2,748,159</u>	<u>2,771,900</u>
Current assets			
Other assets	9	2,644	2,644
Contract assets	11	169,898	261,924
Trade and other receivables	12	1,313,683	757,607
Cash and cash equivalents	13	2,981,021	3,490,751
Total current assets		<u>4,467,246</u>	<u>4,512,926</u>
Total assets		<u>7,215,405</u>	<u>7,284,826</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14	8,208,763	8,208,763
Accumulated other comprehensive income (loss)		(485,943)	(488,575)
Other reserves		(3,673)	(3,673)
Accumulated losses		(3,200,453)	(2,959,217)
Total equity attributable to owners of the Parent		4,518,694	4,757,298
Non-controlling interest		(1,150,369)	(1,153,444)
Total Equity		<u>3,368,325</u>	<u>3,603,854</u>
Non-current liability			
Other payables	15	400,000	400,000
Total non-current liability		<u>400,000</u>	<u>400,000</u>
Current liabilities			
Trade and other payables	15	1,337,361	1,043,904
Lease liability	16	-	18,224
Interest-bearing loans and borrowings	17	2,077,019	2,186,144
Provisions	18	32,700	32,700
Income tax payable		-	-
Total current liabilities		<u>3,447,080</u>	<u>3,280,972</u>
Total liabilities		<u>3,847,080</u>	<u>3,680,972</u>
Total equity and liabilities		<u>7,215,405</u>	<u>7,284,826</u>

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022 & PERIOD ENDED MARCH 31, 2023
Expressed in Singapore Dollars

	<u>Share capital</u>	<u>Accumulated Other Comprehensive income/(loss)</u>	<u>Other reserves</u>	<u>Accumulated losses</u>	<u>Total</u>	<u>Non- controlling interests</u>	<u>Total</u>
	S\$	S\$	S\$	S\$		S\$	S\$
Balance at January 1, 2022	8,208,763	(240,470)	-	(1,361,590)	6,606,703	(1,260,350)	5,346,353
Loss for the period	-	-	-	(1,597,627)	(1,597,627)	(3,864)	(1,601,491)
Foreign currency translation	-	(248,105)	-	-	(248,105)	110,770	(137,335)
Other reserves	-	-	(3,673)	-	(3,673)	-	(3,673)
Balance at December 31, 2022	8,208,763	(488,575)	(3,673)	(2,959,217)	4,757,298	(1,153,444)	3,603,854
Loss for the period	-	-	-	(241,237)	(241,237)	(201)	(241,439)
Foreign currency translation	-	2,631	-	-	2,631	3,277	5,908
Balance at March 31, 2023	8,208,763	(485,943)	(3,673)	(3,200,453)	4,518,694	(1,150,369)	3,368,325

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2023 & MARCH 31, 2022
Expressed in Singapore Dollars**

	Note	THREE MONTHS ENDED	
		MARCH 31,	
		2023	2022
		S\$	S\$
Operating activities			
Loss before income tax		(241,439)	(206,315)
Adjustments for:			
Depreciation of property, plant and equipment	6	8,377	7,246
Amortisation of right-of-use assets		17,453	26,646
Interest expenses		22,564	20,783
Interest income		(769)	(10)
Unrealised exchange gain		27,793	(2,670)
Share of results of an associate	8	(1,255)	190,194
Operating cash flows before movements in working capital		(167,277)	35,874
Changes in working capital:			
Contract assets		91,973	83,546
Trade and other receivables		(390,476)	(66,435)
Trade and other payables		309,143	24,606
Cash generated from operations		(156,637)	77,591
Interest received		769	10
Income tax paid		-	(32,837)
Net cash (used in)/generated from operating activities		(155,868)	44,764
Investing activities			
Purchase of property, plant and equipment	6	(833)	(1,505)
Net cash (used in)/generated from investing activities		(833)	(1,505)
Financing activities			
Repayment of finance lease payables		(18,225)	(26,623)
Drawdown / (repayment) of Interest-bearing loans and borrowings		(109,125)	(108,045)
Interest paid		(22,564)	(20,783)
Net cash used in financing activities		(149,914)	(155,451)
Net increase/(decrease) in cash and cash equivalents		(306,615)	(112,192)
Effect of foreign exchange fluctuation		(203,115)	40,402
Cash and cash equivalents at beginning of financial year		3,486,454	3,808,008
Cash and cash equivalents at end of financial period	13	2,976,724	3,736,218

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

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

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 31 March 2023 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
IFRS 12	Amendments to IFRS 12 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</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>	<u>Effective equity held by the Company</u>	
			<u>2023</u> %	<u>2022</u> %
<u>Held directly by the Company</u>				
BYT Engineering Pte. Ltd. ("BYTE")	Singapore	Engineering activities	100	100
BYT Singapore Pte Ltd ("BYT SG")	Singapore	Investment holdings	100	100
<u>Held by BYTE</u>				
Shanghai Xin Da Process Engineering Co., Ltd.	Shanghai, China	Dormant	100	100
Springleaf-Biomax (Shanghai) Pte. Ltd.	Shanghai, China	Dormant	60	60
<u>Held by BYT SG</u>				
BYT Malaysia Sdn Bhd	Malaysia	Engineering services	100	100

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.

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

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 March 31,	
	<u>2023</u>	<u>2022</u>
	S\$	S\$
Revenue from contracts with customers (over time)	761,875	796,124
Service and maintenance income (point in time)	243,284	620,966
Trading income (point in time)	2,850	4,680
	<u>1,008,009</u>	<u>1,421,770</u>

4. Other income

	Three Months Ended March 31,	
	<u>2023</u>	<u>2022</u>
	S\$	S\$
Interest income	769	10
Foreign exchange gain, net	-	2,795
Incentive rebate	8,681	20,586
Others	-	42
	<u>9,450</u>	<u>23,433</u>

4a. Administrative expenses

	Three Months Ended March 31,	
	<u>2023</u>	<u>2022</u>
	S\$	S\$
Employee benefits	390,892	425,098
Manpower expenses	9,600	288
Professional charges	43,359	90,691
Audit fees	34,840	35,240
Rent	18,750	17,055
Motor vehicle rental	8,700	8,700
Depreciation of right-of-use assets	17,453	26,646
Depreciation of property, plant and equipment	8,377	7,246
Others	28,136	16,781
	<u>560,107</u>	<u>627,745</u>

5. Finance costs

	Three Months Ended March 31,	
	<u>2023</u>	<u>2022</u>
	S\$	S\$
Interest expenses on:		
Interest-bearing loans	22,488	19,498
Lease interest	76	1,277
Bank interest charges	-	8
	<u>22,564</u>	<u>52,827</u>

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>Furniture & fittings</u> S\$	<u>Motor vehicles</u> S\$	<u>Freehold property</u> S\$	<u>Total</u> S\$
Cost					
At January 1, 2022	211,436	255,682	86,525	1,638,360	2,192,003
Additions	12,772	-	-	-	12,772
Disposal	(821)	-	(53,025)	-	(53,846)
Exchange differences	(27)	-	-	-	(27)
At December 31, 2022	223,360	255,682	33,500	1,638,360	2,150,902
Additions	833	-	-	-	833
Written off	(47,042)	-	-	-	(47,042)
At March 31, 2023	177,151	255,682	33,500	1,638,360	2,104,693
Accumulated depreciation					
At January 1, 2022	196,176	234,307	86,525	66,000	583,008
Depreciation	11,205	9,500	-	11,000	31,705
Disposal	(228)	-	(53,025)	-	(53,253)
Exchange differences	(3)	-	-	-	(3)
At December 31, 2022	207,150	243,807	33,500	77,000	561,457
Depreciation	3,252	2,375	-	2,750	8,377
Written off	(47,042)	-	-	-	(47,042)
At March 31, 2023	163,360	246,182	33,500	79,750	522,792
Carrying amount					
At March 31, 2023	13,791	9,500	-	1,558,610	1,581,901
At December 31, 2022	16,210	11,875	-	1,561,360	1,589,445

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\$1,558,610 (2022: S\$1,561,360) is mortgaged to obtain interest-bearing loans.

Subsequent to December 31, 2022, an option was extended to an outside party to buy this freehold property with a carrying value of S\$1,561,360 at December 31, 2022 at a consideration of S\$2,250,000. This purchase option has been exercised on March 20, 2023 and the completion of this sale of freehold property is targeted to be by June 30, 2023.

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

7. Right-of-use assets

	<u>March</u> <u>31, 2023</u> S\$	<u>December</u> <u>31, 2022</u> S\$
At beginning	17,453	117,908
Additions	-	-
Amortisation for the year	<u>(17,453)</u>	<u>(100,455)</u>
At end	<u>-</u>	<u>17,453</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>March</u> <u>31, 2023</u> S\$	<u>December</u> <u>31, 2022</u> S\$
Equity	<u>1,678,831</u>	<u>1,675,243</u>
Share of post-acquisition reserves – 35%	587,591	586,335
Goodwill	-	-
	<u>587,591</u>	<u>586,335</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>2023</u> %	<u>2022</u> %
Held directly by BYT SG				
Xi'an Triumph Electronic Technology Co., Ltd	Xi'an, China	provision of industrial big data analytics solutions	35	35

9. Other assets

	<u>March</u> <u>31, 2023</u> S\$	<u>December</u> <u>31, 2022</u> S\$
Prepaid Keyman Insurance premium	<u>130,294</u>	<u>130,294</u>
Presented as:		
Other assets, current	2,644	2,644
Other assets, non-current	<u>127,650</u>	<u>127,650</u>
	<u>130,294</u>	<u>130,294</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>March</u> <u>31, 2023</u> S\$	<u>December</u> <u>31, 2022</u> S\$
<u>Fair value:</u>		
Prepaid Keyman Insurance premium	451,017	451,017

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>March</u> <u>31, 2023</u> S\$	<u>December</u> <u>31, 2022</u> S\$
Contract assets		
Unbilled revenue	169,898	261,924

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>March</u> <u>31, 2023</u> S\$	<u>December</u> <u>31, 2022</u> S\$
Trade receivables	1,729,943	1,212,081
Less: Expected credit loss (Note 24)	(630,908)	(630,908)
	<u>1,099,035</u>	<u>581,173</u>
Other receivables	137,998	86,212
Deposits	76,650	90,100
Prepayments	-	122
Total	<u>1,313,683</u>	<u>757,607</u>

Trade receivables are non-interest bearing and the average credit period is 30~90 (2022: 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.

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

	<u>Trade</u> <u>receivables</u> S\$
Balance at December 31, 2022	630,908
Recognized during the year	-
Balance at March 31, 2023	<u>630,908</u>

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

13. Cash and cash equivalents

	<u>March</u> <u>31, 2023</u> S\$	<u>December</u> <u>31, 2022</u> S\$
Cash and bank balances	2,981,021	3,490,751
Less: Bank balances restricted in use	<u>(4,297)</u>	<u>(4,297)</u>
Cash and cash equivalents	<u>2,976,724</u>	<u>3,486,454</u>

14. Share capital

a) Authorised

Unlimited number of common shares with no par value.

b) Issued and fully paid

	<u>Number of</u> <u>shares</u>	<u>S\$</u>
Balance, January 1, 2022	104,107,638	8,208,763
Shares issued	<u>-</u>	<u>-</u>
Balance, December 31, 2022	104,107,638	8,208,763
Shares issued	<u>-</u>	<u>-</u>
At March 31, 2023	<u>104,107,638</u>	<u>8,208,763</u>

15. Trade and other payables

	<u>March</u> <u>31, 2023</u> S\$	<u>December</u> <u>31, 2022</u> S\$
Non-current liability:		
Dividends payable	<u>400,000</u>	<u>400,000</u>
Current liabilities:		
Trade payables	219,464	386,783
Accruals	962,601	602,144
GST payables	89,036	-
Deposit received	11,197	11,197
Other payables	<u>55,063</u>	<u>43,780</u>
Total	<u>1,337,361</u>	<u>1,043,904</u>

Trade payables are non-interest bearing and the average credit period on purchases of goods ranges from 30 to 60 days (2022: 30 to 60) according to the terms agreed with the suppliers.

The deposit received for operations of a foreign joint venture with an outside party. However, the intention to set up this joint venture was suspended.

Dividend payable which a Subsidiary does not expect to make payment within the next 12 months and has been classified as non-current liabilities.

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

16. Lease Liabilities

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>March</u> <u>31, 2023</u> S\$	<u>December</u> <u>31, 2022</u> S\$
At beginning	18,224	120,298
Accretion of interest	76	3,127
Lease payment		
- Principal portion	(18,224)	(102,074)
- Interest portion	(76)	(3,127)
	<u> </u>	<u> </u>
At end	<u> </u> -	<u> </u> 18,224

17. Interest bearing loans and borrowings

	<u>March</u> <u>31, 2023</u> S\$	<u>December</u> <u>31, 2022</u> S\$
Interest bearing loans and borrowings	2,077,019	2,186,144
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(2,077,019)</u>	<u>(2,186,144)</u>
Amount due for settlement after 12 months	<u> </u> -	<u> </u> -

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

- (i) Personal guarantees by on of the directors of a subsidiary company and a former director of the Company.
- (ii) Mortgage over property located at 421 Tagore Industrial Avenue #01-28 Tagore 8 Singapore 787805. The book value of the property at March 31, 2023 is S\$1,558,610.

18. Provisions

The provisions comprise of utilised annual leave entitlements of S\$32,700 (2022: S\$32,700).

19. Dividends declared

No dividend was declared during the year.

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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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:

	Three Months Ended March 31,	
	<u>2023</u>	<u>2022</u>
	S\$	S\$
Remuneration		
-Directors' remuneration	139,500	135,152
-Central Provident Fund contributions for the Directors	12,570	12,570
-Directors' fees	6,000	6,000
	<u>158,070</u>	<u>153,722</u>
Total	<u>158,070</u>	<u>153,722</u>

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 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 consist 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, 2022.

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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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.

	Three Months Ended March 31,	
	<u>2023</u>	<u>2022</u>
	S\$	S\$
Revenue		
Singapore	1,008,009	1,408,932
Malaysia	-	12,838
	<u>1,008,009</u>	<u>1,421,770</u>
Loss for the period		
Singapore	(198,556)	(2,556)
China	752	(64,809)
Malaysia	(2,628)	(37,321)
Canada	(41,007)	(101,629)
	<u>(241,439)</u>	<u>(206,315)</u>
	March 31,	December 31,
	2023	2022
Non-current Assets		
Singapore	<u>2,748,159</u>	<u>2,771,900</u>