



YONGNAM HOLDINGS LIMITED

(Company Registration No. 199407612N)
(Incorporated in the Republic of Singapore on 19 October 1994)

CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

A CONDENSED CONSOLIDATED INCOME STATEMENT

	Group		
	FY2022	FY2021	Fav /(Unfav)
	\$'000	\$'000	%
Revenue	141,200	121,912	15.8
Cost of sales	(149,675)	(126,001)	(18.8)
Gross (Losses) /Gains	(8,475)	(4,089)	(107.3)
Other income	2,163	3,456	(37.4)
General and administrative expenses	(8,551)	(5,557)	(53.9)
Interest income	3	1	nm
Finance costs	(12,231)	(10,206)	(19.8)
Share of results of an associated company, net of tax	11	546	(98.0)
Loss before exceptional items and tax	(27,080)	(15,849)	(70.9)
Exceptional items (Note 1)	(8,518)	(11,297)	24.6
Loss before tax	(35,598)	(27,146)	(31.1)
Taxation	(125)	61	nm
Loss after tax	(35,723)	(27,085)	(31.9)

Attributable to:

Owners of the Company	(43,885)	(27,239)	(61.1)
Non-controlling interests	8,162	154	5,200.0
	(35,723)	(27,085)	(31.9)

Note 1 : Exceptional item

Loss on disposal of property, plant & equipment (Note 1(a))	763	9,304	91.8
Loss on de-recognition of convertible bonds	-	1,263	nm
Impairment on Freehold Land	6,515	-	nm
One-off site preparation for yards	1,240	730	(69.9)
	8,518	11,297	24.6

nm - not meaningful

Note 1 (a)

The Group has identified steel beams and columns of low utilisation that have no immediate use for upcoming projects. These are surplus to the current and upcoming project requirement, and are scrapped to better managed the Group's cash flow.

The accompanying explanatory notes in Section F form an integral part of the unaudited condensed consolidated financial statements

B CONDENSED BALANCE SHEET

	Note	Group		Company	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	1	184,585	215,026	-	-
Right-of-use assets	1	33,738	41,317	-	-
Investment in subsidiaries		-	-	62,769	120,120
Investment securities		1,003	1,184	-	-
Deferred tax asset		1	11	-	-
Restricted bank balances		2,505	2,505	-	-
Investment in associated company		641	630	-	-
		222,473	260,673	62,769	120,120
Current assets					
Inventories	2	14,030	17,606	-	-
Contract assets	3	42,693	45,043	-	-
Trade debtors	4	18,417	16,857	-	-
Other receivables and deposits		8,132	6,592	-	4
Prepayments		2,383	1,189	34	-
Cash and bank balances		2,090	2,914	14	19
		87,745	90,201	48	23
Current liabilities					
Contract liabilities	5	23,050	29,316	-	-
Trade creditors		60,793	52,927	-	-
Other creditors and accruals		22,828	15,002	2,149	1,342
Borrowings	6	96,427	37,240	-	-
Lease liabilities		7,720	11,290	-	-
Bond payable	6	336	900	336	900
Convertible bonds (liability)	6	5,415	7,363	5,415	7,363
Convertible bonds (derivative)	6	-	905	-	737
Income tax payable		36	65	-	-
		216,605	155,008	7,900	10,342
Net current liabilities	7	(128,860)	(64,807)	(7,852)	(10,319)
Non-current liabilities					
Borrowings	6	-	63,115	-	-
Lease liabilities		34,412	39,627	-	-
		34,412	102,742	-	-
Net assets		59,201	93,124	54,917	109,801
Equity					
Share capital		152,369	149,384	152,369	149,384
Reserves		(92,564)	(47,494)	(97,452)	(39,583)
		59,805	101,890	54,917	109,801
Non-controlling interest		(604)	(8,766)	-	-
		59,201	93,124	54,917	109,801

The accompanying explanatory notes in Section F form an integral part of the unaudited condensed consolidated financial statements

Note 1: Property, plant and equipment and Right-of-use assets

Property, plant and equipment decreased mainly due to disposal of strutting assets and depreciation charges during the year, as well as the impairment on freehold land. Right-of-use assets decreased due to depreciation charges during the year.

Note 2: Inventories

Inventories decreased due to consumption of inventories by projects.

Note 3: Contract assets

Contract assets decreased due to more billing of work done for on-going projects, in line with increased business activities.

Note 4: Trade debtors

Trade debtor increased due to higher billings in line with increased business activities.

Note 5: Contract liabilities

Contract liabilities relate to advance payment from main contractors for work that has not been performed. Contract liabilities decreased due to subsequent work done against such advance payments.

Note 6: Net Borrowings and convertible bonds

Net borrowing decreased marginally due to payment of bank borrowings during the period. The Group is currently in negotiations to restructure its current facilities with its lenders.

Convertible bonds decreased due to the conversion of bonds into equity shares by certain bondholders. As announced on 27 October 2022, the Company has entered into a second supplemental agreement with each of convertible bond holders to extend the maturity date of the bonds by six months to 27 April 2023.

Note 7: Net Current Liabilities

As announced on 19 January 2023, the Group has entered into definitive agreements with UEM Assets Pte Ltd to invest \$20 million in new shares of the Company and another \$10 million in unlisted and non-transferrable share options with each option carrying the right to subscribe for one (1) new ordinary share in the Company. The Company had also on 20 January 2023 announced that the Company and its subsidiary, Yongnam Engineering & Construction (Private) Limited ("YEC") intend to each propose a scheme of arrangement ("Scheme") with their respective creditors. The Company and YEC have accordingly applied to and have been granted by the High Court a moratorium until 15 May 2023, during which the Company and YEC would work out the details of the Scheme.

The above proposed transactions are intended to place the Group in a position to carry out the proposed Scheme and to negotiate settlement arrangements in relation to existing facilities with the Group's lenders. Therefore, the proposed transaction, when completed, will provide certainty of funding for the Group to continue as a going concern and to secure new projects in the near future.

C CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	FY2022	FY2021
	\$'000	\$'000
Operating activities		
Loss before tax	(35,598)	(27,146)
Add/(less):		
Depreciation	25,507	27,439
Consumption allowance for steel beams and columns	1,982	2,989
Interest income	(3)	(1)
Finance costs	12,231	10,206
Provision for doubtful debts	92	-
Write back on contract assets	-	(2,257)
Impairment on Freehold land	6,515	-
Write back on provision for unutilised leave	(378)	-
Net gain on fair value of derivative instruments held at FVTPL	(837)	(298)
Loss on de-recognition of convertible bonds	-	1,263
Loss on disposal of property, plant & equipment	1,631	7,527
Share of results of an associated company	(11)	(546)
Effects of changes in foreign exchange	(105)	128
Operating cash flows before changes in working capital	11,026	19,304
Decrease in inventories	5,228	2,161
Decrease/(Increase) in trade, other receivables and contract assets	2,782	(1,461)
Increase/(Decrease) in trade, other creditors and contract liabilities	11,945	(3,956)
Cash flows generated from operations	30,981	16,048
Income tax paid	(138)	(251)
Interest received	3	1
Interest paid	(10,963)	(9,246)
Net cash flows from operating activities	19,883	6,552
Investing activities		
Increase in cash in joint operation	-	4,677
Purchase of property, plant & equipment	(13,289)	(20,765)
Proceeds from disposal of property, plant & equipment	9,187	22,149
Net cash flows from/(used in) investing activities	(4,102)	6,061
Financing activities		
Proceeds from issuance of shares	-	5,407
Repayment of convertible bonds	(862)	(2,100)
Proceeds from borrowings	-	1,437
Repayment of borrowings	(4,420)	(8,425)
Decrease/(Increase) in restricted bank balances	-	762
Lease payments	(11,265)	(12,316)
Net cash flows used in financing activities	(16,547)	(15,235)
Net decrease in cash and cash equivalents	(766)	(2,622)
Effect of exchange rate changes on cash and cash equivalents	(58)	36
Cash and bank balances at beginning of year	2,914	5,500
Cash and bank balances at end of year	2,090	2,914

The accompanying explanatory notes in Section F form an integral part of the unaudited condensed consolidated financial statements

D CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	FY2022	FY2021	Fav/(Unfav)
	\$'000	\$'000	%
Loss after tax	(35,723)	(27,085)	(31.9)
Foreign currency translation	(1,004)	(188)	(434.0)
Net fair value loss on equity instruments at fair value through other than comprehensive income	(181)	(106)	(70.8)
Total comprehensive loss	(36,908)	(27,379)	(34.8)
Attributable to:			
Owners of the Company	(45,070)	(27,533)	(63.7)
Non-controlling interests	8,162	154	5,200.0
	(36,908)	(27,379)	(34.8)

E CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital	Capital reserves	Share option reserves	Foreign currency translation reserves	Fair value reserves	Retained earnings	Non-controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP								
Balance at 1 January 2022	149,384	6,837	12,800	(6,741)	(409)	(59,981)	(8,766)	93,124
Conversion of convertible bond	2,985	-	-	-	-	-	-	2,985
Total comprehensive income/ (loss) for the year	-	-	-	(1,004)	(181)	(43,885)	8,162	(36,908)
Balance at 31 December 2022	152,369	6,837	12,800	(7,745)	(590)	(103,866)	(604)	59,201
Balance at 1 January 2021	141,445	6,837	12,800	(6,553)	(303)	(32,742)	(8,920)	112,564
Issue of shares	5,407	-	-	-	-	-	-	5,407
Issue of shares to bond holders	1,263	-	-	-	-	-	-	1,263
Conversion of convertible bond	1,269	-	-	-	-	-	-	1,269
Total comprehensive loss for the year	-	-	-	(188)	(106)	(27,239)	154	(27,379)
Balance at 31 December 2021	149,384	6,837	12,800	(6,741)	(409)	(59,981)	(8,766)	93,124
COMPANY								
Balance at 1 January 2022	149,384	-	12,800	-	-	(52,383)	-	109,801
Conversion of convertible bond	2,985	-	-	-	-	-	-	2,985
Total comprehensive income/ (loss) for the year	-	-	-	-	-	(57,869)	-	(57,869)
Balance at 31 December 2022	152,369	-	12,800	-	-	(110,252)	-	54,917
Balance at 1 January 2021	141,445	-	12,800	-	-	(51,632)	-	102,613
Issue of shares	5,407	-	-	-	-	-	-	5,407
Issue of shares to bond holders	1,263	-	-	-	-	-	-	1,263
Conversion of convertible bond	1,269	-	-	-	-	-	-	1,269
Total comprehensive loss for the year	-	-	-	-	-	(751)	-	(751)
Balance at 31 December 2021	149,384	-	12,800	-	-	(52,383)	-	109,801

F NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation

The condensed financial statements for the full year ended 31 December 2022 have been prepared in accordance with the SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed 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 interim financial statements for the period ended 30 September 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 1.1

The condensed financial statements are presented in Singapore dollar which is the Group's functional currency.

1.1 New and amended standards adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The adoption of these amendments did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current financial year.

1.2 Use of judgements and estimates

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. 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 that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical accounting estimates in applying the Group's accounting policies in the financial statements for the year ended 31 December 2022:

1.2 (a) Revenue recognition on construction contracts

For construction contracts where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the construction contracts to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the construction contracts. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the construction contracts.

Significant assumptions are required to estimate the total construction and other related costs and the recoverable variation works that affect the progress of construction contracts. In making these estimates, management has relied on past experience and knowledge of the project directors and managers. Management takes into consideration the historical trends of the amounts incurred in its other construction contracts of similar nature.

Contract revenue and contract costs recognised for the financial year ended 31 December 2022 are disclosed in the condensed consolidated income statement.

1.2 (b) Impairment assessment on non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is determined based on value in use calculations. The value-in-use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used to present value the expected future cash flows. The Group also performed sensitivity analysis on the key assumptions, including discount rate, expected future cash inflows and projected revenue growth rate, to determine that reasonably possible change to the assumptions would not result in a material difference to the outcome of the impairment test.

Steel beams and columns

For the purpose of this condensed financial statements for the year ended 31 December 2022, management has reviewed and considered the cash flows projections for the CGU. No impairment loss was recorded as results of the assessment by management.

2 Loss before tax

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

	FY2022	FY2021
	\$'000	\$'000
Loss on disposal of property, plant & equipment	1,631	7,527
Depreciation	25,507	27,439
Allowance on strut consumption	1,982	2,989
Impairment on freehold Land	6,515	-

3 Segment and revenue information

The primary format, by geographical segments, is based on the Group's management and internal reporting structure. Inter-segment pricing, if any, is determined on an arm's length basis.

The Group mainly operates in two geographical areas, namely Singapore and Rest of Asia Pacific. The Singapore geographical segment operates in all four of the Group's business segments, whilst the Rest of Asia Pacific geographical segment operates in the specialist civil engineering, structural steelworks and design and build business segments. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	Singapore \$'000	Rest of Asia Pacific \$'000	Eliminations \$'000	Group \$'000
Year ended 31 December 2022				
Revenue				
External customers	104,370	36,830	-	141,200
Inter-segment revenue	248	12,800	(13,048)	-
Total revenue	104,618	49,630	(13,048)	141,200
Depreciation	18,735	6,772	-	25,507
Result				
Segment result	(13,432)	(10,641)	692	(23,381)
Share of results of associated companies				11
Finance income				3
Finance cost				(12,231)
Loss before tax				(35,598)
Tax				(125)
Loss after tax				(35,723)
Non-current assets	136,877	85,596	-	222,473

	Singapore \$'000	Rest of Asia Pacific \$'000	Eliminations \$'000	Group \$'000
Year ended 31 December 2021				
Revenue				
External customers	100,420	21,492	-	121,912
Inter-segment revenue	3,202	10,311	(13,513)	-
Total revenue	103,622	31,803	(13,513)	121,912
Depreciation	21,073	6,366	-	27,439
Result				
Segment result	(13,416)	(6,908)	2,837	(17,487)
Share of results of associated companies				546
Finance income				1
Finance cost				(10,206)
Loss before tax				(27,146)
Tax				61
Loss after tax				(27,085)
Non-current assets	163,211	97,462	-	260,673

Revenue by Business Segments

	FY2022 \$'000	FY2021 \$'000
Structural steelworks	49,777	46,075
Specialist civil engineering	91,333	71,414
Mechanical engineering	51	2
Design and Build	39	-
Others	-	4,421
	141,200	121,912

4 Earning per share

Earnings per share for the year based on net profit attributable to shareholders:-

- (i) Based on weighted average number of shares in issue (cents)
(ii) On a fully diluted basis (cents) #

- (i) Weighted average number of shares in issue
(ii) Weighted average number of shares for diluted earnings

Group	
FY2022	FY2021
(6.40)	(4.63)
(6.40)	(4.63)
685,487,972	588,730,651
685,487,972	588,730,651

- Based on the weighted average number of units during the period, adjusted for effects of potential dilutive units arising from the assumed conversion of the outstanding convertible bonds to ordinary shares.

5 **Net asset value per share**

	Group (cents)		Company (cents)	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Net asset value per share	8.50	15.86	7.80	17.09

6 **Property, plant and equipments**

Group	Freehold	Leasehold	Plant	Motor	Office	Steel beams	Cranes	Total
	land	property	and	vehicles	equipment	and		
	\$'000	\$'000	machinery	\$'000	and furniture	columns	\$'000	\$'000

As at 31 December 2021

Cost	29,667	56,476	34,724	5,144	7,460	263,486	36,147	433,104
Accumulated amortisation and impairment	-	(37,671)	(28,947)	(4,684)	(7,169)	(107,516)	(32,091)	(218,078)
Net Book value	29,667	18,805	5,777	460	291	155,970	4,056	215,026

Year ended 31 December 2022

Opening net book value	29,667	18,805	5,777	460	291	155,970	4,056	215,026
Addition	-	5	253	94	138	15,893	1,592	17,975
Disposal/Write off	(6,515)	-	-	-	(2)	(25,402)	-	(31,919)
Depreciation	-	(2,963)	(1,336)	(236)	(165)	(11,409)	(990)	(17,099)
Strut consumption allowance	-	-	-	-	-	2,693	-	2,693
Exchange differences	(1,777)	(10)	(26)	1	(4)	(258)	(17)	(2,091)
Closing net book value	21,375	15,837	4,668	319	258	137,487	4,641	184,585

As at 31 December 2022

Cost	27,890	56,396	34,397	4,615	7,477	240,857	37,459	409,091
Accumulated amortisation and impairment	(6,515)	(40,559)	(29,729)	(4,296)	(7,219)	(103,370)	(32,818)	(224,506)
Net Book value	21,375	15,837	4,668	319	258	137,487	4,641	184,585

7 **Borrowings**

	As at 31/12/2022		As at 31/12/2021	
	\$'000		\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	95,148	7,030	42,741	3,667
Amount repayable after one year	-	-	59,613	3,502

G Other Information Required by Listing Rule Appendix 7

1 REVIEW

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2022 and the related condensed consolidated income statement and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed.

2 SHARE CAPITAL

There was a total of 61,400,000 new shares issued during the period from 1 January 2022 to 31 December 2022 arising from conversion of convertible bond.

As at 31 December 2022, there is 103,400,000 unissued ordinary shares (31 December 2021: 164,800,000) which may be issued on conversion of convertible bonds of the Company.

As at 31 December 2022, the total number of issued shares was 703,942,767 (31 December 2021: 642,542,767).

3 AUDIT

These figures have not been audited or reviewed by the auditors.

4 REVIEW OF THE PERFORMANCE OF THE GROUP

The Group's revenue for FY2022 increased by 15.8% to \$141.2 million compared to \$121.9 million for FY2021.

On a segmental basis, revenue contribution from Structural Steelwork increased by 8.0%, from \$46.1 million in FY2021 to \$49.8 million in FY2022. Key contributors include projects for Punggol Sport Hub Complex, Singapore General Hospital and ICA Building.

Revenue from Specialist Civil Engineering projects increased by 27.9%, from \$71.4 million in FY2021 to \$91.3 million in FY2022, mainly due to higher level of activities from projects in Singapore and Hong Kong. The contributions for the review period came mainly from Changi Terminal 5 and North-South Corridor N103 projects, as well as infrastructural projects in Hong Kong.

On a geographical basis, Singapore continued to be the core contributor, accounting for 73.9% of total revenue, compared to 82.4 % in FY2021. The remaining revenue were from the rest of the Asia-Pacific markets.

The Group's gross loss increased from \$4.1 million in FY2021 to \$8.5 million in FY2022. This was despite a reduction in our overheads as the construction costs continued to be high and eroded the margins for the Group's projects.

Other income decreased from \$3.5 million in FY2021 to \$2.2 million in FY2022 mainly due to lower Government job support grant and foreign work levies rebate received in FY2022. General and administrative expenses increased by 53.9% from \$5.6 million in FY2021 to \$8.6 million in FY2022, mainly due to increase in professional fee from \$1.6 million in FY2021 to \$3.0 million in FY2022, off-set by lower staff costs in FY2022, as well as loss on disposal of certain fixed assets of \$0.9 million in FY2022, compared to a gain of \$2.1 million in FY2021. The Group's finance costs also increased by 19.8% from \$10.2 million in FY2021 to \$12.2 million in FY2022 due to increase borrowing costs.

Exceptional expenses decreased by 24.6% to \$8.5 million in FY2022, compared to \$11.3 million in FY2021. This was due to the disposal of low-usage strutting materials and the loss on de-recognition of convertible bonds in FY2021. The Group has also written down its Malaysia freehold land value by \$6.5 million to its market value in FY2022.

Consequently, the Group reported a loss before tax of \$35.6 million in FY2022, compared to the loss before tax of \$27.1 million in FY2021. Net asset value per share decreased from 15.86 Singapore cents as at 31 December 2021 to 8.50 Singapore cents as at 31 December 2022.

The Group's net gearing is higher at 1.65 times as at 31 December 2022, compared to 1.12 times as at 31 December 2021.

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

Not applicable. The Group has not previously disclosed any forecast or prospect statements to its shareholders.

6 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or event that may effect the group in the next reporting period and the next 12 months

The Company has on 19 January 2023 announced that it has entered into the following agreements with UEM Assets Pte Ltd ("UEM"):

- a) a loan agreement for a term loan of \$3 million; and
- b) a conditional subscription agreement for the subscription by UEM of \$20 million in new ordinary shares in the Company and \$10 million of unlisted and non-transferable share options with each option carrying the right to subscribe for one new ordinary share in the Company.

The Company had also on 20 January 2023 announced that the Company and its subsidiary, Yongnam Engineering & Construction (Private) Limited ("YEC") intend to each propose a scheme of arrangement ("Scheme") with their respective creditors. The Company and YEC have accordingly applied to and have been granted by the High Court a moratorium until 15 May 2023, during which the Company and YEC would work out the details of the Scheme.

The above proposed transactions are intended to place the Group in a position to carry out the proposed Scheme and to negotiate settlement arrangements in relation to existing facilities with the Group's lenders. Therefore, the proposed transaction, when completed, will provide certainty of funding for the Group to continue as a going concern and to secure new projects in the near future.

The operating environment of the construction industry continues to be highly competitive where energy costs and construction material prices have remained high, and the labour supply remains tight. Margins of projects secured prior to the COVID pandemic are adversely impacted.

As at 31 December 2022, the group had secured an order book of \$396.5 million. The Group is currently in pursuit of potential projects amounting to about \$780 million. Included in this pipeline are mega commercial developments such as the Marina Bay Sands Integrated Resort expansion as well as public infrastructure projects including the MRT Jurong Regional Line and the Cross Island Line.

Resumption of the construction of Changi Airport Terminal 5, as well as developments in the Jurong Lake District, Paya Lebar and Tengah areas over the next few years will bring new project opportunities to the local construction industry. Regionally, governments are expected to prime infrastructural developments to invigorate their economies stifled by the COVID pandemic.

Against a highly competitive backdrop, the Group will exercise caution when it actively seeks new projects and business opportunities in Singapore as well as in the region.

7 Breakdown of sales and (loss)/profit after tax

	Group		
	FY2022 \$'000	FY2021 \$'000	Fav/(Unfav) %
(a) Sales reported for first half year	74,696	58,568	27.5
(b) Loss after tax for first half year	(9,384)	(14,298)	34.4
(c) Sales reported for second half year	66,504	63,344	5.0
(d) Loss after tax for second half year	(26,339)	(12,787)	(106.0)

8 DIVIDEND

(a) Current financial period reported on

None

(b) Corresponding period of the immediately preceding financial year

None

(c) If no dividend has been declared / recommended, a statement to the effect and the reason

No dividend is recommended for year ended 31 December 2022 as the Board of Directors deems it appropriate to conserve funds for the Group's business activities and working capital requirement.

9 Interested Person Transactions

The Group has not obtained a general mandate from shareholders for Interested Party Transactions pursuant to Rule 920(1)(a)ii.

10 Negative assurance

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the financial results for the year ended 31 December 2022 to be false or misleading, in any material aspect.

11 Confirmation that the issuer has procured undertakings from all its directors and executive officers

The Company confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual of Singapore Exchange Securities Trading Limited.

12 Reports of person occupying managerial position who are related to a director, chief executive officer or substantial shareholder

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Seow Soon Hock	65	Brother of Seow Soon Yong and Siau Sun King	Production Director; Responsible for all fabrication, logistic, planning, manufacturing and delivery of all manufactured products of the Group 2002	Nil
Seow Khng Chai	63	Brother of Seow Soon Yong and Siau Sun King	General Manager - Malaysia Operation; Responsible for the day-to-day functions of the fabrication facility in Malaysia, including co-ordination of production planning, scheduling, manufacturing and logistics activities 2002	Nil

SEOW SOON YONG
Chief Executive Officer

CHIA SIN CHENG
Finance & Executive Director

Date: 28 February 2023