Raffles Interior

Raffles Interior Limited

(Incorporated in the Cayman Islands with limited liability)
Stock code: 1376

Interim Report 2024

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ding Hing Hui
Ms. Xiang Ying

Non-Executive Director

Ms. Peng Shangfeng

Independent Non-Executive Directors

Mr. Gay Soon Watt
Mr. Tan Chong Huat
Mr. Wong Heung Ming Henry
(Non-executive chairman)

AUDIT COMMITTEE

Mr. Wong Heung Ming Henry *(Chairman)*
Mr. Gay Soon Watt
Mr. Tan Chong Huat

REMUNERATION COMMITTEE

Mr. Gay Soon Watt *(Chairman)*
Mr. Tan Chong Huat
Mr. Wong Heung Ming Henry

NOMINATION COMMITTEE

Mr. Tan Chong Huat *(Chairman)*
Mr. Gay Soon Watt
Mr. Wong Heung Ming Henry

COMPANY SECRETARY

Mr. Chu Pui Ki Dickson

AUTHORISED REPRESENTATIVES

Mr. Ding Hing Hui
Mr. Chu Pui Ki Dickson

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

21/F, Low Block, Grand Millennium Plaza
No. 181 Queen's Road Central
Sheung Wan, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

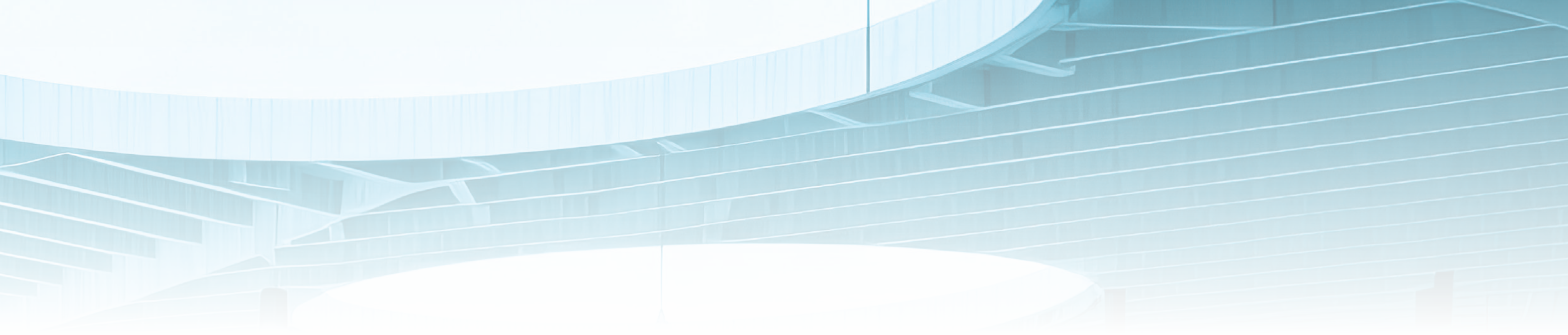
Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Financial Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

United Overseas Bank Limited
Oversea-Chinese Banking Corporation Limited



AUDITOR

Moore CPA Limited
Certified Public Accountants and
Registered Public Interest Entity Auditors
801–806 Silvercord, Tower 1
30 Canton Road
Tsimshatsui
Kowloon, Hong Kong

COMPLIANCE ADVISER

Kingsway Capital Limited
7th Floor, Tower 1
Lippo Centre
89 Queensway
Hong Kong

COMPANY WEBSITE

www.rafflesinterior.com

STOCK CODE

1376

The board (the "**Board**") of directors (the "**Directors**") of Raffles Interior Limited (the "**Company**") is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") for the six months ended 30 June 2024 together with comparative figures for the corresponding period in 2023 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		Six months ended 30 June	
	Notes	**2024 (Unaudited) S$'000**	2023 (Unaudited) S$'000
Revenue	4	**24,278**	52,918
Cost of sales		**(18,757)**	(46,941)
Gross profit		**5,521**	5,977
Other income	6	**33**	63
Other gains and losses	7	**(377)**	(5)
Selling and distribution expenses		**(405)**	—
Administrative expenses		**(4,314)**	(3,713)
Operating profit		**458**	2,322
Finance income		**82**	14
Finance costs		**(293)**	(126)
Finance costs, net	8	**(211)**	(112)
Profit before income tax		**247**	2,210
Income tax expense	9	**(160)**	(6)
Profit for the period	10	**87**	2,204
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(1)**	(13)
Other comprehensive expense for the period		**(1)**	(13)
Total comprehensive income for the period		**86**	2,191

	Notes	Six months ended 30 June **2024** **(Unaudited)** **S$'000**	 2023 (Unaudited) S$'000
Profit/(loss) for the period attributable to:			
Owners of the Company		**392**	2,204
Non-controlling interests		**(305)**	—
		87	2,204
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		**391**	2,191
Non-controlling interests		**(305)**	—
		86	2,191
Earnings per share for profit attributable to the equity holders of the Company (expressed in Singapore cents per share)			
Basic earnings per share	12	**0.04**	0.22
Diluted earnings per share	12	**0.03**	0.22

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Notes	As at 30 June 2024 (Unaudited) S$'000	As at 31 December 2023 (Audited) S$'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	**610**	875
Right-of-use assets		**376**	375
Intangible assets	19	**2,050**	—
Goodwill	19	**3,863**	—
		6,899	1,250
Current assets			
Inventories		**184**	—
Current income tax recoverable		**12**	9
Contract assets	14	**13,126**	18,824
Trade and other receivables, deposits and prepayments	15	**8,038**	5,180
Financial asset at fair value through profit or loss ("**FVTPL**")	20	**331**	—
Pledged fixed deposits		**1,980**	1,980
Cash and cash equivalents		**13,431**	16,980
		37,102	42,973
Total assets		**44,001**	44,223
EQUITY			
Share capital	16	**1,829**	1,829
Reserves		**10,923**	10,532
Equity attributable to owners of the Company		**12,752**	12,361
Non-controlling interests		**550**	—
Total equity		**13,302**	12,361
LIABILITIES			
Non-current liabilities			
Borrowings	17	**83**	583
Lease liabilities		**223**	204
Deferred income tax liabilities		**515**	3
		821	790
Current liabilities			
Trade and other payables and accruals	18	**21,865**	29,679
Contract liabilities	14	**19**	183
Borrowings	17	**1,935**	1,000
Lease liabilities		**182**	210
Current income tax payable		**233**	—
Convertible bonds	21	**5,644**	—
		29,878	31,072
Total liabilities		**30,699**	31,862
Total equity and liabilities		**44,001**	44,223

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to owners of the Company							
	Share capital S$'000	**Share premium** S$'000	**Other reserve (note)** S$'000	**Translation reserve** S$'000	**Accumulated losses** S$'000	**Subtotal** S$'000	**Non-controlling interests** S$'000	**Total equity** S$'000
At 1 January 2024 (audited)	**1,829**	**29,730**	**(13,047)**	**(33)**	**(6,118)**	**12,361**	**—**	**12,361**
Profit/(loss) for the period	**—**	**—**	**—**	**—**	**392**	**392**	**(305)**	**87**
Other comprehensive expense for the period	**—**	**—**	**—**	**(1)**	**—**	**(1)**	**—**	**(1)**
Total comprehensive (expense)/income for the period	**—**	**—**	**—**	**(1)**	**392**	**391**	**(305)**	**86**
Acquisition of a business	**—**	**—**	**—**	**—**	**—**	**—**	**855**	**855**
At 30 June 2024 (unaudited)	**1,829**	**29,730**	**(13,047)**	**(34)**	**(5,726)**	**12,752**	**550**	**13,302**
At 1 January 2023 (audited)	1,829	29,730	(13,047)	(18)	(7,521)	10,973	—	10,973
Profit for the period	—	—	—	—	2,204	2,204	—	2,204
Other comprehensive expense for the period	—	—	—	(13)	—	(13)	—	(13)
Total comprehensive (expense)/income for the period	—	—	—	(13)	2,204	2,191	—	2,191
At 30 June 2023 (unaudited)	1,829	29,730	(13,047)	(31)	(5,317)	13,164	—	13,164

Note: The other reserve represents the difference between the share capital of the Company, Ngai Chin Construction Pte. Ltd. ("**Ngai Chin**") and the shares of Flourishing Honour Limited ("**Flourishing Honour**") issued, pursuant to a group reorganisation in preparation for the listing of the Company's shares.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	For six months ended 30 June 2024 (Unaudited) S$'000	2023 (Unaudited) S$'000
Cash flows from operating activities			
Net cash (used in)/from operating activities		**(2,841)**	7,303
Cash flows from investing activities			
Purchase of property, plant and equipment		**(18)**	(25)
Net cash inflow on acquisition of a business	19	**17**	—
Proceeds from disposal of property, plant and equipment		**—**	1
Net cash used in investing activities		**(1)**	(24)
Cash flows from financing activities			
Repayments of borrowings		**(500)**	(6,476)
Payments for lease liabilities		**(111)**	(106)
Finance costs paid		**(99)**	(126)
Proceeds from borrowings		**—**	1,605
Net cash used in financing activities		**(710)**	(5,103)
Net (decrease)/increase in cash and cash equivalents		**(3,552)**	2,176
Cash and cash equivalents at the beginning of the period		**16,980**	4,047
Effect of foreign exchange rate changes		**3**	(6)
Cash and cash equivalents at the end of the period		**13,431**	6,217

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 7 January 2019 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the Company's principal place of business is 59 Sungei Kadut Loop, Singapore 729490.

The Company is a subsidiary of Ultimate Global Enterprises Limited ("**Ultimate Global**"), incorporated in the British Virgin Islands (the "**BVI**"), which is also the Company's ultimate holding company. Ultimate Global is owned by Mr. Lo Lek Chew, Mr. Chua Boon Par, Mr. Ding Hing Hui, Mr. Leong Wai Kit, Mr. Low Lek Huat, Mr. Low Lek Hee and Mr. Ng Foo Wah (collectively the "**Ultimate Shareholders**").

The Company is an investment holding company and the principal activities of its operating subsidiary are the provision of interior fitting-out services in the Republic of Singapore ("**Singapore**"), and sale and distribution of soft drink products in the People's Republic of China (the "**PRC**").

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 7 May 2020 (the "**Listing**").

The interim condensed consolidated financial statements are presented in Singapore Dollars ("**S$**" and "**SGD**"), which is also the functional currency of the Company, and all values are rounded to the nearest thousand ("**S$'000**"), unless otherwise stated.

2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "**IASB**") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Directors have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional/change in accounting policies resulting from application of amendments to International Financial Reporting Standards ("**IFRSs**"), and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023.

Accounting policies which became relevant to the Group in the current interim period

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "**Conceptual Framework**") except for transactions and events within the scope of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" or IFRIC-Int 21 "Levies", in which the Group applies IAS 37 or IFRIC-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

3 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Accounting policies which became relevant to the Group in the current interim period (Continued)

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date;

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Accounting policies which became relevant to the Group in the current interim period (Continued)

Business combinations (Continued)

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

Non-controlling interests

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

3 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Accounting policies which became relevant to the Group in the current interim period (Continued)

Revenue recognition of sale and distribution of soft drink products

The Group sells and distributes soft drink products to the wholesale market and directly to customers.

For sales of soft drink products to the wholesale market, revenue is recognised when control of the goods has been transferred, being when the goods have been shipped to the wholesaler's specific location (delivery). Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Following the delivery, the wholesaler has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 60 days upon delivery.

For sales of soft drink products to retail customers, revenue is recognised when control of the goods has been transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

Under the Group's standard contract terms, customers have a right to exchange for dissimilar products within 30 days. The Group uses its accumulated historical experience to estimate the number of exchange on a portfolio level using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur.

A contract liability is recognised for sales in which revenue has yet been recognised. The Group's right to recover the product when customers exercise their right is recognised as a right to returned goods asset and a corresponding adjustment to cost of sales.

Foreign currencies

For the purposes of presenting the condensed consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. S$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Accounting policies which became relevant to the Group in the current interim period (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Convertible bonds

Convertible bonds contain debt and derivative components

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible loan notes is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative component are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible loan notes using the effective interest method.

3 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4 REVENUE

An analysis of the Group's revenue for the six months ended 30 June 2024 and 2023 is as follows:

	For the six months ended 30 June	
	2024 (Unaudited) S$'000	2023 (Unaudited) S$'000
Sale and distribution of soft drink products	**855**	—
Contract revenue	**23,423**	52,918
Total revenue	**24,278**	52,918
Timing of revenue recognition		
At a point in time	**855**	—
Over time	**23,423**	52,918
	24,278	52,918

4 REVENUE (Continued)

Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as at 30 June 2024 and 31 December 2023:

	As at 30 June 2024 (Unaudited) S$'000	As at 31 December 2023 (Audited) S$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied		
— Construction contracts		
— To be recognised within 1 year	**13,022**	10,756

Management of the Group expects that all the transaction price allocated to the unsatisfied performance obligation as of 30 June 2024 and 31 December 2023 may be recognised as revenue during the abovementioned reporting period. The amounts disclosed above do not include variable consideration which is highly probable that a significant reversal will occur.

5 SEGMENT INFORMATION

The Group focuses primary on the provision of interior fitting-out services and sale and distribution of soft drink products during the period. Revenue recognised during the period is analysed by the executive Directors being the chief operating decision makers ("**CODMs**") of the Group. For the purposes of resources allocation and performance assessment, the CODMs review the overall results and financial position of the Group as a whole.

During the period ended 30 June 2024, the Group has expanded its business to engage in sale and distribution of soft drink products in the PRC, and hence it represents a new reporting segment of the Group from the view of the CODMs.

5 SEGMENT INFORMATION (Continued)

(a) Segment results

For the six months ended 30 June 2024 (unaudited)

	Provision of interior fitting-out services S$'000	Sale and distribution of soft drink products S$'000	Consolidated S$'000
Revenue from external customers	23,423	855	24,278
Segment results	1,809	(622)	1,187
Unallocated administrative expenses			(1,100)
Profit before income tax			87

For the six months ended 30 June 2023 (unaudited)

	Provision of interior fitting-out services S$'000
Revenue from external customers	52,918
Segment results	2,752
Unallocated administrative expenses	(548)
Profit before income tax	2,204

5 SEGMENT INFORMATION (Continued)

(b) Geographical information

The Group's operations are located in Singapore (country of domicile), Malaysia and the PRC.

Information about the Group's revenue from external customers is presented based in Singapore and the PRC. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets (note)	
	For the six months ended 30 June 2024 (Unaudited) S$'000	For the six months ended 30 June 2023 (Unaudited) S$'000	**As at 30 June 2024 (Unaudited) S$'000**	As at 31 December 2023 (Audited) S$'000
Singapore (country of domicile)	**23,423**	52,918	**703**	1,041
The PRC	**855**	—	**5,920**	—
Malaysia	**—**	—	**276**	209
	24,278	52,918	**6,899**	1,250

Note: Non-current assets represented property, plant and equipment, right-of-use assets, intangible assets and goodwill.

5 SEGMENT INFORMATION (Continued)

(c) Information about major customers

For the six months ended 30 June 2024, revenue generated from major customers which individually contributing over 10% of the total revenue of the Group accounted for approximately 44.0% (six months ended 30 June 2023: 71.9%) of the total revenue of the Group. Other individual customers accounted for less than 10% of the revenue.

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	S$'000	S$'000
Customer A (note ii)	**6,799**	N/A (note i)
Customer B (note ii)	**3,879**	7,593
Customer C (note ii)	**N/A (note i)**	17,310
Customer D (note ii)	**N/A (note i)**	7,096
Customer E (note ii)	**N/A (note i)**	6,060
	10,678	38,059

Notes:

i. The corresponding revenue from customer is less than 10% of the total revenue of the Group for the respective financial period.

ii. Revenue from the provision of interior fitting-out services segment.

6 OTHER INCOME

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	S$'000	S$'000
Government grants (note)	**6**	38
Others	**27**	25
	33	63

Note: Government grants mainly include (i) the Wage Credit Scheme and (ii) Special Employment Credit Scheme. All of them are compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

7 OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	S$'000	S$'000
Foreign exchange loss, net	**119**	5
Fair value loss on derivative component in relation to the Convertible Bonds (note 21)	**258**	—
	377	5

8 FINANCE COSTS, NET

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	S$'000	S$'000
Finance costs:		
Bank charges	**(6)**	(7)
Performance bond guarantee	**(31)**	(24)
Imputed interest on convertible bond (note 21)	**(194)**	—
Interest on:		
— Lease liabilities	**(10)**	(10)
— Borrowings	**(52)**	(26)
— Trade financing	**—**	(59)
	(293)	(126)
Finance income:		
Bank deposits	**82**	14
Finance costs, net	**(211)**	(112)

9 INCOME TAX EXPENSE

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	S$'000	S$'000
The tax charge comprises:		
Income tax expenses	**232**	—
Deferred income tax (credit)/expense	**(72)**	6
	160	6

Corporate income tax in Singapore is calculated at 17% of the estimated assessable profit for both periods.

Corporate income tax in Malaysia is calculated at 24% of the estimated assessable profit for both periods.

Under the Law of the PRC on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods, except for certain of the subsidiaries are qualified as small and micro enterprises and entitled to tax rate of 5% on taxable income for the first Renminbi ("**RMB**") 3,000,000 for both periods.

10 PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	For the six months ended 30 June	
	2024 (Unaudited) S$'000	2023 (Unaudited) S$'000
Inventory written off	**5**	—
Depreciation of property, plant and equipment	**287**	290
Depreciation of right-of-use assets	**99**	102
Depreciation of intangible assets	**287**	—
Directors' remuneration	**405**	263
Other staff costs:		
— Salaries and other benefits	**6,530**	5,808
— Retirement benefit scheme contributions	**295**	228
Total staff costs	**7,230**	6,299
Legal and professional fees	**405**	570
Cost of inventories recognised as cost of sale	**603**	—
Cost of materials used recognised as cost of services	**4,086**	8,276
Subcontractor charges recognised as cost of services	**8,564**	33,539

11 DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

12 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2024 and 2023.

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Earnings		
Profit for the period attributable to the equity holders of the Company (S$'000)	**392**	2,204
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000)	**1,000,000**	1,000,000
Effect of dilutive potential ordinary shares:		
— Convertible bond ('000)	**182,349**	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,182,349**	1,000,000

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for convertible bond that took place on 5 January 2024.

13 MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group disposed of certain motor vehicles with an aggregate carrying amount of S$2,000 (six months ended 30 June 2024: nil) for cash proceeds of S$1,000 (six months ended 30 June 2024: nil), resulting in a loss on disposal of S$1,000 (six months ended 30 June 2024: nil).

During the six months ended 30 June 2024, the Group acquired certain plant and equipment with an amount of S$17,000 (six months ended 30 June 2023: certain plant and equipment with an amount of S$25,000).

As at 30 June 2024, building with total carrying amount of S$297,000 (31 December 2023: S$520,000) is pledged to a bank in respect of performance bank guarantee.

14 CONTRACT ASSETS AND CONTRACT LIABILITIES

The following table sets out the contract assets and liabilities as at the respective reporting dates as indicated below:

	As at 30 June 2024 (Unaudited) S$'000	As at 31 December 2023 (Audited) S$'000
Contract assets	**14,484**	20,182
Less: provision for expected credit losses ("**ECL**")	**(1,358)**	(1,358)
	13,126	18,824
Contract liabilities	**(19)**	(183)
	13,107	18,641

Contract assets represent the Group's right to consideration from customers for the provision of interior fitting-out services to customers that is not yet due for billing, as the rights are conditioned on the Group's future performance in satisfying the respective performance obligations at each reporting date. The contract assets arise when: (i) the Group completed the relevant services under such contracts and pending certification by the customers; and (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 12 months (i.e. defect liability period) after completion of the relevant works. Any amount previously recognised as a contract asset is reclassified as trade receivables at the point when it becomes due for billing and is invoiced to the customer. After the Group's customers and/or the professional consultants of the projects certified the Group's progress claims and after the Group issued the billings, contract assets would be reclassified as trade receivables.

As at 30 June 2024, included in contract assets, there were retention receivables amounting to S$4,958,000 (31 December 2023: S$5,327,000), representing certain percentage of the total contract sum held by the Group's customers. Depending on the contract terms, the Group's customers may hold up a certain percentage of each payment (including progress payment) made to the Group as retention money. Retention money is normally equivalent to 2.5% to 10.0% of the value of works done and subject to a maximum 5.0% of the total contract sum. Typically, half of the retention money is released upon handover of the project and the remaining amount will be released upon expiry of the defect liability period of around 12 months. The defect liability period commences on the date on which the certificate of completion issued by the customer. Thus, the amount of retention receivables as at the end of the reporting period depends on the completion of the project and the defect liability period.

Contract liabilities represent the Group's obligation to transfer project works to customers for which the Group has received consideration in advance from the customers according to progress billing arrangement stated in the contracts.

14 CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)

Contract assets and liabilities are normally affected by (i) the number, value and stage of projects on hand; (ii) the amount of works completed by the Group at the time close to the end of each reporting period, by reference to the actual costs incurred to date and the total budgeted costs for the projects; (iii) the timing to certify the application of payment progress for billings, which may vary from period to period; (iv) amount of works certified by the Group's customers or the professional consultant of the project; and (v) depending on the contract terms, the amount of the retention money held by the Group's customers yet to be released.

15 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2024 (Unaudited) S$'000	As at 31 December 2023 (Audited) S$'000
Trade receivables	6,159	4,111
Less: provision for ECL	(85)	(85)
Trade receivables, net (note i)	6,074	4,026
Prepayments	295	242
Deposits	327	210
Deposits paid for fitting-out	446	487
Other receivables	896	215
	1,964	1,154
Total	8,038	5,180

15 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

(i) Trade receivables

The Group normally grants credit term to customers of up to 65 days (31 December 2023: 65 days). The ageing analysis of these trade receivables based on the invoice date is as follows:

	As at 30 June 2024 (Unaudited) S$'000	As at 31 December 2023 (Audited) S$'000
0 to 30 days	**5,254**	2,449
31 to 60 days	**225**	1,524
61 to 90 days	**425**	19
Over 90 days	**255**	119
	6,159	4,111

15 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

(i) Trade receivables (Continued)

(b) Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(c) Impairment and risk exposure of trade receivables

The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables and contract assets. The Group has assessed that the expected loss rate for trade receivables was consistent at an insignificant level. Thus no additional loss allowance provision for trade receivables was recognised.

The maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables mentioned above. The Group does not hold any collateral as security.

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit limit to each customer on individual basis. Limits attributed to customers are reviewed when necessary. The majority of the Group's trade receivables that are neither past due nor impaired have good credit quality with reference to respective settlement history.

The Group does not charge interest or hold any collateral over these balances.

As part of the Group's credit risk management, trade receivables are assessed on a collective basis with internal credit ratings for each group of debtors. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

In the opinion of management of the Group, the trade receivables at the end of each reporting period are of good credit quality and considering high creditability of these customers, good track record with the Group and subsequent settlement, management of the Group believes that no impairment allowance is necessary in respect of the remaining unsettled balances.

16 SHARE CAPITAL OF THE COMPANY

	Number of ordinary shares	Nominal value of ordinary shares HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
As at 1 January 2023 (audited), 30 June 2023 (unaudited), 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited)	10,000,000,000	100,000

	Number of ordinary shares	Nominal value of ordinary shares S$'000
Issued and fully paid:		
As at 1 January 2023 (audited), 30 June 2023 (unaudited), 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited)	1,000,000,000	1,829

17 BORROWINGS

	As at 30 June 2024 (Unaudited) S$'000	As at 31 December 2023 (Audited) S$'000
Bank loan	**1,083**	1,583
Other borrowing	**935**	—
	2,018	1,583

17 BORROWINGS (Continued)

	As at 30 June 2024 (Unaudited) S$'000	As at 31 December 2023 (Audited) S$'000
The carrying amounts of the above borrowings are repayable*:		
Within one year	**1,000**	1,000
Within a period of more than one year but not exceeding two years	**83**	583
	1,083	1,583
The carrying amounts of above borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:		
Within one year	**935**	—
Total borrowings	**2,018**	1,583
Less: amounts due within one year shown under current liabilities	**(1,935)**	(1,000)
Amounts shown under non-current liabilities	**83**	583

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

The average effective interest rates per annum at the end of each period ended 30 June 2024 and 31 December 2023 were set out as follows:

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Floating interest rate		
— Trade financing	**N/A**	6.03%–6.10%
Fixed interest rate		
— Bank loan	**2.25%**	2.25%
— Other borrowing	**24.00%**	N/A

17 BORROWINGS (Continued)

The carrying amounts of the Group's borrowings approximate their fair values as at 30 June 2024 and 31 December 2023 are mainly denominated in SGD and RMB.

The total banking facilities granted to the Group amounted to S$16,000,000 (31 December 2023: S$16,000,000), of which S$11,000,000 (31 December 2023: S$11,000,000) from the facilities of trade financing and specific advance facilities and loan facilities of S$5,000,000 (31 December 2023: S$5,000,000) as at 30 June 2024.

The Group has entered into certain supplier finance arrangements with a bank. Under these arrangements, the bank pays suppliers the amounts owed by the Group in advance of the original due dates. The Group's obligations to suppliers are legally extinguished on settlement made by the relevant bank.

The undrawn borrowing facilities as at 30 June 2024 and 31 December 2023 were set out as follows:

	As at 30 June 2024 (Unaudited) S$'000	As at 31 December 2023 (Audited) S$'000
Floating rate		
— Expiring within one year	**11,000**	11,000

The facilities expiring within one year from the date of condensed consolidated statement of financial position are facilities subject to annual review. The other facilities are arranged mainly to help finance the Group's proposed expansion.

The other borrowing is a short-term loan, unsecured, interest bearing at 24% per annum, repayable on demand.

18 TRADE AND OTHER PAYABLES AND ACCRUALS

Trade and other payables and accruals comprise the following:

	As at 30 June 2024 (Unaudited) S$'000	As at 31 December 2023 (Audited) S$'000
Trade payables	4,475	6,662
Accruals for project cost (note)	13,399	18,742
Provision for onerous contract	528	528
Amount due to a director of the Company	570	—
Other payables and accruals		
— Accrued expenses	2,336	2,783
— Good and services tax payables	18	634
— Accrued unutilised leave	151	151
— Others	388	179
	21,865	29,679

Note: Included in accruals for project cost is retention payable amounting to S$2,027,000 (31 December 2023: S$2,022,000). The retention payables to subcontractors are interest-free and payable after the completion of maintenance period or in accordance with the terms specified in the relevant contracts for a period of generally 12 months after completion of the relevant works.

The following is an ageing analysis of trade payables presented based on the invoice date as at the end of each reporting period:

	As at 30 June 2024 (Unaudited) S$'000	As at 31 December 2023 (Audited) S$'000
0 to 30 days	3,044	2,994
31 to 60 days	527	1,836
61 to 90 days	65	765
Over 90 days	839	1,067
	4,475	6,662

The credit period on purchases from suppliers and subcontractors as at 30 June 2024 is 30 to 90 days (31 December 2023: 30 to 90 days) or payable upon delivery.

19 ACQUISITION OF A BUSINESS

On 5 January 2024, the Group completed an acquisition of 51% equity interest in 武漢二廠汽水有限公司 ("**Wuhan 2 Factory**"). Wuhan 2 Factory is principally engaged in sale and distribution of soft drink products in the PRC. The acquisition consideration was/will be satisfied by the issuance of the Convertible Bonds (as defined in note 21) at an aggregate principal amount of HK$25,500,000 (equivalent to approximately S$3,466,000) of the Company (note 21). In pursuance to the sale and purchase agreement (the "**SPA**"), a profit guarantee is provided by the vendor, shall not be less than HK$5,000,000 per annum for the first two financial years after the completion (i.e. the financial years ending 31 December 2024 and 2025), details set out in note 20. The directors of the Company believe that the acquisition of other businesses enhances its future development and strengthens revenue bases.

The fair values of identifiable assets and liabilities assumed of the Wuhan 2 Factory as at the acquisition date were as follows:

	S$'000 (Unaudited)
Property, plant and equipment	6
Intangible assets	2,338
Trade and other receivables, deposits and prepayments	1,442
Cash and cash equivalents	17
Inventories	21
Trade and other payables and accruals	(567)
Borrowings	(928)
Deferred income tax liabilities	(584)
Total identifiable net assets acquired	1,745
Less: non-controlling interests	(855)
	890
Goodwill	3,863
Total consideration	4,753

19 ACQUISITION OF A BUSINESS (Continued)

	S$'000 (Unaudited)
Satisfied by:	
Convertible Bonds at fair value (note 21)	5,081
Less: Contingent Consideration Adjustment (note)	(328)
Net consideration at fair value	4,753

Note: The Contingent Consideration Adjustment arrangement requires the vendor to pay to the Group by reference to the operating performance of Wuhan 2 Factory pursuant to the SPA. The consideration will be adjusted for the aggregate sum of the shortfall between the actual profit/loss for the Profit Guaranteed Period (as defined in note 20) and Guaranteed Net Profit (as defined in note 20) amount during the Profit Guaranteed Period. Details of the Contingent Consideration Adjustment are set out in note 20.

	S$'000 (Unaudited)
Net cash inflow arising from the acquisition:	
Bank balances and cash acquired	17

The Group had elected to measure the non-controlling interests in the Wuhan 2 Factory by reference to the proportionate share of the acquiree's identifiable net assets.

The provisional goodwill and intangible assets arising from the acquisition is determined on a provisional basis as the Group is in the process of completing the identification of separable intangible assets and independent valuation to assess the provisional fair value of identifiable assets acquired. They may be adjusted upon the completion of initial accounting year which shall not exceed one year from the acquisition date.

The provisional intangible assets represent a brand name and distribution channels identified from Wuhan 2 Factory.

The revenue and loss in the condensed consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2024 contributed by the Wuhan 2 Factory was S$0.8 million and S$0.6 million respectively.

The acquisition-related costs of approximately S$12,000 had been charged to administrative expenses in the condensed consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2024.

20 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

On 5 January 2024, the Group completed an acquisition of 51% equity interest in Wuhan 2 Factory, details of which are set out in note 19. Pursuant to the SPA, the vendor guaranteed to the Group that the net profit after tax of Wuhan 2 Factory as stated in the Wuhan 2 Factory's audited accounts for the Profit Guarantee Period shall not be less than HK$5,000,000 per annum (the "**Guaranteed Net Profit**") for the first two financial years after the completion (the "**Profit Guaranteed Period**").

If, the profit as stated in the Wuhan 2 Factory's audited accounts for the Profit Guaranteed Period above shall be less the Guaranteed Net Profit giving rise to a shortfall ("**Sum A**"), the vendor shall pay to the Group a sum ("**Sum B**") calculated in accordance with the following:

Sum B = Sum A × 2.0

Sum B shall be paid and settled in cash to the Group's designated bank account within fourteen Business Days of date of issuance of Wuhan 2 Factory's audited accounts.

If the actual net profit after tax as stated in the Wuhan 2 Factory's audited accounts for the Profit Guaranteed Period shall be zero or is in the negative for the Profit Guaranteed Period in question, the vendor shall pay to the Group a sum equal to the Consideration, being HK$25,500,000, which shall be paid and settled in cash to the Group's designated bank account within fourteen business days of date of issuance of the Wuhan 2 Factory's audited accounts.

Such profit guarantee is measured as financial asset at FVTPL and initially recognised at its fair value of S$328,000.

21 CONVERTIBLE BONDS

The Company issued three-year, interest-free, redeemable Convertible Bonds (the "**Convertible Bonds**") at an aggregate principal amount of HK$25,500,000 (equivalent to approximately S$3,466,000) on 5 January 2024. The Convertible Bonds are denominated in HK$ and are unsecured. The maturity date (the "**Maturity Date**") is the date falling immediately before the third anniversary of the date of issue of the Convertible Bonds, i.e. 4 January 2027. The Convertible Bonds entitle the holders to convert them into ordinary shares of the Company at any time commencing from 12 months after the date of issue of the Convertible Bonds to the end of the Maturity Date at a conversion price of HK$0.136 per Convertible Bonds, subject to restrictions and adjustments in accordance with the terms and conditions of the Convertible Bonds. Unless already converted or redeemed in accordance with the conditions and terms of the Convertible Bonds, the Company shall redeem the outstanding principal amount at the redemption price (being 100% of the then outstanding principal amount) at Maturity Date. The conversion options are not settled by exchange of a fixed amount of cash or another asset for a fixed number of the Company's own shares. Hence, the Convertible Bonds contains two components, debt component and derivative (including conversion options) component. The effective interest rate of the debt component is 21.54% per annum. The derivative component is measured at fair value with changes in fair value recognised in profit or loss. The movement of the debt and derivative components of the Convertible Bonds for the period is set out as below:

	Debt component (Unaudited) S$'000	**Derivative component (Unaudited)** S$'000
At 1 January 2023 and 31 December 2023 (audited)	—	—
At date of acquisition	**2,419**	**2,662**
Imputed interest charged (note 8)	**194**	**—**
Loss arising on changes of fair value (note 7)	**—**	**258**
Exchange adjustments	**52**	**59**
At 30 June 2024 (unaudited)	**2,665**	**2,979**

The fair values of Convertible Bonds at initial recognition and at 30 June 2024 were arrived at on the basis of a valuation carried out on that dates by Norton Appraisals Holdings Limited, an independent qualified professional valuer not connected to the Group. They are categorised as Level 3 under the fair value hierarchy set out in IFRS 13. Level 3 fair value measurements are those derived from valuation techniques that include inputs for that asset or liability that are not based on observable market data (unobservable inputs).

21 CONVERTIBLE BONDS (Continued)

The binomial option pricing model is used for valuation of the derivative component. The key inputs used in the model are disclosed as follows:

	As at 30 June 2024 (Unaudited)	At initial recognition (Unaudited)
Share price of the Company	**HK$0.238**	HK$0.390
Risk free rates	**3.66%**	3.43%
Discount rate	**60.08%**	55.67%
Dividend yield	**0%**	0%
Option life	**2.52 years**	3 years
Volatility	**114.24%**	111.97%
Exercise price	**HK$0.136**	HK$0.136

22 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages an external qualified professional valuer not connected to the Group to perform the valuation. Management of the Group works closely with the external qualified valuer to establish the appropriate valuation techniques and inputs to the model.

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

22 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

(i) Fair value of the Group's financial asset and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial asset and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of the financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Fair value hierarchy

	30 June 2024 Level 3 (Unaudited) S$'000	31 December 2023 Level 3 (Audited) S$'000
Financial asset at FVTPL (note 20)	**331**	—
Derivative component in relation to the Convertible Bonds (note 21)	**2,979**	—

	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30 June 2024 (Unaudited) S$'000	31 December 2023 (Audited) S$'000			
Financial asset					
Financial asset at FVTPL	**331**	—	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will be generated from the contingent consideration, based on an appropriate discount rate.	Discount rate of 16.9% (31 December 2023: nil) (note (a)).
Financial liabilities					
Derivative component in relation to the Convertible Bonds	**2,979**	—	Level 3	Binomial option pricing model. The fair value is estimated based on the risk free rate, discount rate, share price, volatility of the share price of the Company, dividend yield and exercise price.	Expected volatility of the share price of 114.2% (31 December 2023: nil) determined by taking reference to historical share prices of the Company (note (b)).

22 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

(i) Fair value of the Group's financial asset and liabilities that are measured at fair value on a recurring basis (Continued)

Note a: An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the Contingent Consideration Adjustment, and vice versa. As at 30 June 2024, a 5% increase/decrease in the discount rate holding all other variables constant would decrease/increase the carrying amount of the Contingent Consideration Adjustment by S$6,000 (31 December 2023: nil).

Note b: A slight increase in the expected volatility used in isolation would result in a slight increase in the fair value measurement of the derivative component in relation to the convertible bonds, and vice versa. As a result of the volatile financial market in 2024, management of the Group adjusted the sensitivity rate from -5% to 5% (31 December 2023: nil) for the purpose of performing the sensitivity analysis. A 5% (31 December 2023: nil) increase in the expected volatility holding all other variables constant would increase the carrying amount of the derivative component in relation to the convertible bonds by S$61,000 (31 December 2023: nil).

There were no transfers between the different levels of the fair value hierarchy during the periods.

(ii) Reconciliation of Level 3 fair value measurements

	Financial asset at FVTPL (Unaudited) S$'000	Derivative component in relation to the Convertible Bonds (Unaudited) S$'000
At 1 January 2023 and 31 December 2023 (audited)	—	—
Issued during the period	**328**	**(2,662)**
Total (loss)/gain:		
— in profit or loss	**—**	**(258)**
Exchange adjustments	**3**	**(59)**
At 30 June 2024 (unaudited)	**331**	**(2,979)**

(iii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

As at 30 June 2024, the fair value of the debt component of Convertible Bonds is determined assuming redemption on maturity and using an interest rate of 22.43% (31 December 2023: N/A) per annum based on the prevailing market risk free rate, credit spread and liquidity risk premium. The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values due to short maturity.

23 RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2023 and 2022, the remuneration received by related parties is as follows:

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	S$000	S$000
Executive directors' emoluments	**282**	155
Non-executive director's emoluments	**34**	—
Other related parties' remunerations		
— wages, salaries, bonus and allowances	**688**	393
— contribution to central provident fund	**29**	27
— compensation for the loss of office in connection with the management of the affairs of any member of the Group	**—**	131
	1,033	706

24 PERFORMANCE BONDS

Some of the projects require the Group to provide an insurance performance bond or insurance performance guarantee issued by a licensed bank in Singapore to the Group's customers (typically between 5.0% to 10.0% of the contract value), which will remain in effect until the expiry of the defects liability period. The duration of the performance bond or performance guarantee typically covers the contractual period of the project and an additional period corresponding to the defects liability period.

As at 30 June 2024, performance guarantees of S$10,247,000 (31 December 2023: S$10,502,000), were given by banks and insurance company in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance guarantees have been given, such customers may demand the banks to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate such banks accordingly. The performance guarantees will be released upon completion of the contract works. The performance guarantees were granted under the banking facilities of the Group as set out in notes 13 and 17. None of the Group's customers has enforced the insurance performance bond or insurance performance guarantee provided by the Group during the period ended 30 June 2024 (31 December 2023: none).

24 PERFORMANCE BONDS (Continued)

In the opinion of the directors of the Company, it is not probable that a claim will be made against the Group in respect of the above performance guarantees.

25 EVENT AFTER THE REPORTING PERIOD

There are no significant events affecting the Group which have occurred after 30 June 2024 and up to the date of this interim report.

BUSINESS REVIEW AND OUTLOOK

The Group principally engaged in (i) providing interior fitting-out services and (ii) sale and distribution of soda drink products.

(i) Interior fitting-out services

Our interior fitting-out services include (i) project management and construction management of the interior fitting-out projects; (ii) construction and installation of interior fitting-out works; (iii) customising, manufacturing and supplying of carpentry/joinery and integral fixtures; and (iv) maintenance of the projects that we undertake on an ad-hoc basis.

During the six months ended 30 June 2024, this segment's revenue decreased by 55.8% to approximately S$23.4 million as compared to approximately S$52.9 million for the six months ended 30 June 2023. This segment's gross profit also decreased by 11.7% to approximately S$5.3 million, as compared to approximately S$6.0 million for the six months ended 30 June 2023. This segment's net profit after tax was approximately S$1.8 million, as compared to approximately S$2.8 million for the six months ended 30 June 2023.

Based on the 2024 Singapore Real Estate Market Outlook released by CBRE, Tech layoff, economic uncertainty had weigh on the demand in H1 2024. Occupiers carefully managed their real estate cost by focusing on lease renewals, same-budget relocations and priorities workspace optimization. As a result, the management had seen a slowdown in the tenders roll out in 1H2024. This had resulted in less projects secured and with less order books carried forward from 31 December 2023 as compared to 31 December 2022, revenue recognized during the 6 months ended 30 June 2024 had decrease significantly as compared to the 6 months ended 30 June 2023.

Gross profit margin had improved as more variation orders for work done in prior years are approved during the 6 months ended 30 June 2024.

As at 30 June 2024, we had 11 projects on hand (including contracts in progress) with a notional or estimated contract value of approximately S$19.2 million, of which approximately S$2.8 million had been recognised as revenue in prior periods, approximately S$3.4 million had been recognised as revenue during the six months ended 30 June 2024 and the remaining balance will be recognised as our revenue in accordance with the stage of completion. The remaining revenue of approximately S$20.0 million recognised during the six months ended 30 June 2024 was mainly attributed to projects which have been completed during the reporting period.

(ii) Sale and distribution of soft drink products

During the 6 months ended 30 June 2024, we have mainly sold to the C-end retail customers. We have signed a long-term agreement with Sinopec Co., Ltd. which we expected to generate tens of millions of business volume this year.

The Brand has not left Wuhan market in the past 100 years. Since its establishment, Wuhan No. 2 soda has rapidly spread its business throughout China, and their soda products are even sold oversea.

In particular, we have developed from a single unique retail model to become the main supplier for big corporations such as Sinopec and PetroChina. Currently, our intended customers include Total Energies, China Southern Airlines, China Eastern Airlines, China Railway and etc.

The management is confident to achieve an annual growth of approximately 30% per year for the next 3 years.

FINANCIAL REVIEW

	Six months ended 30 June		
	2024 (Unaudited)	2023 (Unaudited)	Change
Revenue (S$'000)	**24,278**	52,918	(28,640)
Gross profit (S$'000)	**5,521**	5,977	(456)
Gross profit margin	**22.7%**	11.3%	11.4 p.p.
Net profit (S$'000)	**87**	2,204	(2,117)

Revenue

The Group's principal operating activities are (1) provision of interior fitting-out services for (i) owners or tenants of commercial and light-industrial properties; (ii) construction contractors; and (iii) professional consultants, and our revenue is mainly derived from projects involving fitting-out works for office space and (2) sale and distribution of soda drink products.

	For the six months ended 30 June					
	2024			2023		
	Number of projects with revenue contribution	**Revenue S$'000**	**Percentage of revenue (%)**	Number of projects with revenue contribution	Revenue S$'000	Percentage of revenue (%)
Owners/tenants	**36**	**18,365**	**75.7**	23	36,506	69.0
Construction contractors	**—**	**—**	**—**	9	8,040	15.2
Professional consultants	**15**	**5,058**	**20.8**	5	8,372	15.8
	51	**23,423**	**96.5**	37	52,918	100.0
Sale and distribution of soft drink products		**855**	**3.5**	—	—	—
		24,278	**100.0**		52,918	100.0

The Group's overall revenue decreased by approximately S$28.6 million or approximately 54.1% from approximately S$52.9 million for the six months ended 30 June 2023 to approximately S$24.3 million for the six months ended 30 June 2024.

Cost of Services

The Group's cost of services decreased by approximately S$28.1 million or approximately 59.9% from approximately S$46.9 million for the six months ended 30 June 2023 to approximately S$18.8 million for the six months ended 30 June 2024. Such decrease in cost of services is generally in line with the decrease in revenue.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the six months ended 30 June 2024 amounted to approximately S$5.5 million, representing a decrease of approximately 8.3% as compared with approximately S$6.0 million for the six months ended 30 June 2023, which was driven by a decrease in revenue for the same period. The Group's gross profit margin had increased by approximately 11.4 percentage point from 11.3% for the six months ended 30 June 2023 to 22.7% for the six months ended 30 June 2024. This is mainly due to more variation orders confirmed during the six months ended 30 June 2024.

Other Income

Other income mainly included income from (i) government grants; and (ii) sundry income. During the six months ended 30 June 2024, other income amounted to approximately S$33,000 compared to approximately S$63,000 for the six months ended 30 June 2023, which was mainly due to less grants given by the Singapore government.

Selling and Distribution Expenses

The selling and distribution expenses of S$0.4 million for the six months ended 30 June 2024 arises from the newly acquired Soda business.

Administrative Expenses

The administrative expenses of the Group had increased from approximately S$3.7 million for the six months ended 30 June 2023 to S$4.3 million for the six months ended 30 June 2024. This is mainly due to the S$0.6 million used in Soda business.

Finance Costs

Finance costs for the six months ended 30 June 2024 was approximately S$293,000 (six months ended 30 June 2023: S$126,000) which represents interest on lease liabilities, trade financing, bank loans and inputed interest on convertible bond. The increase in finance cost is mainly due to the inputed interest of S$194,000 charged on the convertible bond for the six months ended 30 June 2024.

Income Tax (Expense)/Credit

As the Group's unrecognised tax losses arising from 2020 had been fully utilised, the Group had made a provision for corporate income tax based on the estimated chargeable income of the interior fitting out services segment for the six months ended 30 June 2024.

Net Profit/(Loss)

Profit attributable to owners of the Company for the six months ended 30 June 2024 decreased by approximately S$1.8 million from approximately S$2.2 million for the six months ended 30 June 2023 to approximately S$87,000 for the six months ended 30 June 2024. The decrease was mainly due to the decrease in contract revenue which in turn resulted in a decrease in gross profit, and net profit of S$0.9 million coupled with S$0.4 million loss contributed from the newly acquired subsidiary and S$0.5 million loss arising from the revaluation of the convertible bond as at 30 June 2024.

Interim Dividend

The Board did not recommend any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

Liquidity, Financial Resources and Capital Structure

The Company's shares were successfully listed on the Main Board of the Stock Exchange on 7 May 2020 and there has been no change in the capital structure of the Group since then. The Company's capital comprises ordinary shares and capital reserves. The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of its cash and cash equivalents, cash flows generated from operations and net proceeds from the Share Offer.

The Group adopts a prudent cash and financial management policy. The Group's cash, mainly denominated in SGD and Hong Kong Dollars ("**HKD**"), is generally deposited with certain financial institutions.

As at 30 June 2024, the Group had total cash and bank balances of approximately S$13.4 million as compared to approximately S$17.0 million as at 31 December 2023.

As at 30 June 2024, the Group had a total available committed banking facilities of approximately S$16.0 million, of which approximately S$5.0 million of term loan was utilised. The outstanding term loan as at 30 June 2024 carried fixed interest rate at 2.25% per annum and will be settled by monthly instalments and matured by June 2025.

As at 30 June 2024, the Group also had facilities in relation to performance guarantee of approximately S$22.0 million, of which approximately S$10.2 million was utilized.

All of the Group's borrowings are denominated in SGD and RMB.

Pledge of Assets

Other than the building and pledged fixed deposits have been pledged to bank in respect of performance bond guarantee and trade financing provided to the Group, the Group did not pledge any assets to secure any banking facilities or bank loans during the six months ended 30 June 2024 and 30 June 2023.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy financial position throughout the year. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements at all times.

Foreign Exchange Risk

Foreign exchange risk arises from future commercial transactions, recognised assets or liabilities denominated in a currency that is not the entity's functional currency. The Group has no significant foreign exchange risk as the Group mainly operates in Singapore with majority of the transactions settled in SGD.

Gearing Ratio

Gearing ratio is calculated by dividing all interest-bearing borrowings and lease liabilities by total equity at the period-end date and expressed as a percentage. The gearing ratio of the Group as at 30 June 2024 was 60.7% (as at 31 December 2023: 16.2%).

Significant Investments, Material Acquisitions and Disposal of Subsidiaries and Associated Companies

During the six months ended 30 June 2024, the Group completed its acquisition of 51% equity interest in 武漢二廠汽水有限公司 ("**武漢二廠**"). The transaction was completed on 5 January 2024 and the acquisition cost of HK$25,500,000, which was satisfied by the issue of the convertible note upon completion. Details of the acquisition are set out in the Group's announcements dated 1 August 2023, 15 August 2023, 29 August 2023 and 8 January 2024. The convertible note does not bear any interest, maturity date falling on the third anniversary from the date of issuance, conversion period commencing from 12 months from the date of issuance. The initial conversion price at HK$0.136 per conversion share subject to adjustments in the event of, among others, share consolidation or subdivision, capitalization of profits or reserves, capital distribution, rights issue or open offer and such other customary events etc. In additions, a profit guarantee is provided by the vendor, shall not be less than HK$5,000,000 per annum for the two full financial years commencing after the completion date (exclusive of the financial year of the completion date).

武漢二廠 is principally engaged in the sale and distribution of soft drink products under the brand name "二廠汽水" in the PRC, and this brand has a history of over 70 years in the PRC.

Saved as disclosed above, there were no significant investment, material acquisitions or disposals of subsidiaries and associated companies or joint ventures by the Group during the six months ended 30 June 2024.

Future Plans for Material Investments or Capital Assets

The Group did not have other future plans for material investments or capital assets as at 30 June 2024.

Employees and Remuneration Policy

As at 30 June 2024, the Group had a total of 467 employees (30 June 2023: 398 employees), including executive Directors. Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes for the six months ended 30 June 2024 amounted to approximately S$7.2 million (six months ended 30 June 2023: approximately S$6.3 million). In order to attract and retain high quality staff and to enable smooth operation within the Group, the remuneration policy and package of the Group's employees are periodically reviewed. The salary and benefits levels of the Group's employees are competitive (with reference to market conditions and individual qualifications and experience). The Group provides adequate job training to the employees to equip them with practical knowledge and skills. Apart from a central provident fund and job training programs, salaries increment and discretionary bonuses may be awarded to employees according to the assessment of individual performance and market situation. The emoluments of the Directors have been reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance, experience, responsibility, workload and time devoted to the Company, and approved by the Board.

Contingent Liabilities

As at 30 June 2024, the Group had performance bonds of approximately S$10.2 million (31 December 2023: S$10.5 million) given in favour of the Group's customers as security for the due performance and observance of the Group's obligation under the contracts entered into between the Group and the customers. The performance guarantees will be released upon completion of the contracts.

Capital Expenditures and Capital Commitments

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment of approximately S$19,000 (30 June 2023: S$25,000).

As at 30 June 2024, the Group had no material capital commitments.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules were as follows:

(a) Interests in the shares of HK$0.01 each of the Company (the "Shares")

Name of Director	Long/short position	Nature of interest	Number of Shares and underlying Shares held	Percentage of shareholding in the Company
Mr. Ding Hing Hui	Long	Interest in controlled corporation	510,000,000	51%

Ultimate Global is legally and beneficially owned by the Ultimate Shareholders, namely, Mr. Lo Lek Chew, Mr. Chua Boon Par, Mr. Ding Hing Hui, Mr. Leong Wai Kit, Mr. Low Lek Huat, Mr. Low Lek Hee and Mr. Ng Foo Wah, each holding an effective interest of 33%, 15%, 12%, 10%, 10%, 10% and 10% respectively. Accordingly, by virtue of the SFO, Mr. Ding Hing Hui is deemed to be interested in the Shares held by Ultimate Global.

(b) Interests in the shares of associated corporations

Name of Director	Long/short position	Name of associated corporation	Nature of interest	Number of shares held/ interested in	Percentage of shareholding interest
Mr. Ding Hing Hui	Long	Ultimate Global	Beneficial owner	12	12%

Note: Ultimate Global is the direct shareholder of the Company and is an associated corporation within the meaning of Part XV of the SFO.

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Name of substantial shareholder	Long/short position	Nature of interest	Number of Shares and underlying Shares held	Percentage of shareholding in the Company
Ultimate Global (Note 1)	Long	Beneficial owner	510,000,000	51%
Mr. Lo Lek Chew (Note 1)	Long	Interest in controlled corporation	510,000,000	51%
Mr. Chua Boon Par (Note 1)	Long	Interest in controlled corporation	510,000,000	51%
Mr. Ding Hing Hui (Note 1)	Long	Interest in controlled corporation	510,000,000	51%
Mr. Leong Wai Kit (Note 1)	Long	Interest in controlled corporation	510,000,000	51%
Mr. Ng Foo Wah (Note 1)	Long	Interest in controlled corporation	510,000,000	51%
Mr. Low Lek Hee (Note 1)	Long	Interest in controlled corporation	510,000,000	51%
Mr. Low Lek Huat (Note 1)	Long	Interest in controlled corporation	510,000,000	51%
Ms. Ong Poh Eng (Note 2)	Long	Interest of spouse	510,000,000	51%
Ms. Neo Bee Ling, Pauline (Note 3)	Long	Interest of spouse	510,000,000	51%
Ms. Loke Yoke Mei (Note 4)	Long	Interest of spouse	510,000,000	51%
Ms. Lee Ling Wei (Note 5)	Long	Interest of spouse	510,000,000	51%
Ms. Sng Siew Luan, Emily (Note 6)	Long	Interest of spouse	510,000,000	51%
Ms. Lim Bee Peng (Note 7)	Long	Interest of spouse	510,000,000	51%
Ms. Pan LuLu (Note 8)	Long	Interest of spouse	510,000,000	51%

Note 1: Ultimate Global is the direct shareholder of the Company. Ultimate Global is legally and beneficially owned by the Ultimate Shareholders, namely, Mr. Lo Lek Chew, Mr. Chua Boon Par, Mr. Ding Hing Hui, Mr. Leong Wai Kit, Mr. Low Lek Huat, Mr. Low Lek Hee and Mr. Ng Foo Wah, each holding an effective interest of 33%, 15%, 12%, 10%, 10%, 10% and 10% respectively. Accordingly, by virtue of the SFO, Mr. Lo Lek Chew, Mr. Chua Boon Par, Mr. Ding Hing Hui, Mr. Leong Wai Kit, Mr. Low Lek Huat, Mr. Low Lek Hee and Mr. Ng Foo Wah are deemed to be interested in the Shares held by Ultimate Global.

Note 2: Ms. Ong Poh Eng is the spouse of Mr. Lo Lek Chew. Accordingly, Ms. Ong Poh Eng is deemed or taken to be interested in the shares in which Mr. Lo Lek Chew is interested in under the SFO.

Note 3: Ms. Neo Bee Ling, Pauline is the spouse of Mr. Chua Boon Par. Accordingly, Ms. Neo Bee Ling, Pauline is deemed or taken to be interested in the shares in which Mr. Chua Boon Par is interested in under the SFO.

Note 4: Ms. Loke Yoke Mei is the spouse of Mr. Ding Hing Hui. Accordingly, Ms. Loke Yoke Mei is deemed or taken to be interested in the shares in which Mr. Ding Hing Hui is interested in under the SFO.

Note 5: Ms. Lee Ling Wei is the spouse of Mr. Leong Wai Kit. Accordingly, Ms. Lee Ling Wei is deemed or taken to be interested in the shares in which Mr. Leong Wai Kit is interested in under the SFO.

Note 6: Ms. Sng Siew Luan, Emily is the spouse of Mr. Ng Foo Wah. Accordingly, Ms. Sng Siew Luan, Emily is deemed or taken to be interested in the shares in which Mr. Ng Foo Wah is interested in under the SFO.

Note 7: Ms. Lim Bee Peng is the spouse of Mr. Low Lek Hee. Accordingly, Ms. Lim Bee Peng is deemed or taken to be interested in the shares in which Mr. Low Lek Hee is interested in under the SFO.

Note 8: Ms. Pan LuLu is the spouse of Mr. Low Lek Huat and Accordingly, Ms. Pan LuLu is deemed or taken to be interested in the shares in which Mr. Low Lek Huat is interested in under the SFO.

Save as disclosed above, as at 30 June 2024, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

CHANGES TO DIRECTORS' INFORMATION

Save as disclosed in this interim report, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the six months ended 30 June 2024 and remain so as at the date of this interim report.

CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Code of Ethics and Securities Transactions (the "**Company's Code**") no less exacting than the Model Code as its code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiry to all Directors, all Directors confirmed that they had complied with the required provisions set out in the Company's Code during the period for the six months ended 30 June 2024 and up to the date of this report.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "**Share Option Scheme**") on 30 March 2020. The principal terms of the Share Option Scheme are summarised in Appendix IV to the Prospectus. The main purpose of the Share Option Scheme is to provide incentives or rewards to eligible persons for their contribution or potential contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds any equity interest. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 30 March 2020 and during the six months ended 30 June 2024, and there is no outstanding share option as at 30 June 2024.

As at 1 January 2024 and 30 June 2024, the total number of Shares available for issue under the Share Option Scheme were both 100,000,000 Shares, representing 10% of the issued share capital of the Company.

The number of Shares that may be issued in respect of options granted under the Share Option Scheme for the six months ended 30 June 2024 divided by the weighted average number of Shares in issue for the six months ended 30 June 2024 is nil.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, the Group had no other significant event requiring disclosure subsequent to 30 June 2024 and up to the date of this report.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company complied with the code provisions as set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2024.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises three independent non-executive Directors, namely Mr. Wong Heung Ming Henry (chairman of the Audit Committee), Mr. Gay Soon Watt and Mr. Tan Chong Huat. The Audit Committee has reviewed the Group's unaudited condensed consolidated interim financial statements and interim results for the six months ended 30 June 2024 and discussed with the management on the accounting principles and practices adopted by the Group with no disagreement by the Audit Committee.

By Order of the Board
Raffles Interior Limited
Wong Heung Ming Henry
Non-executive chairman

30 August 2024