

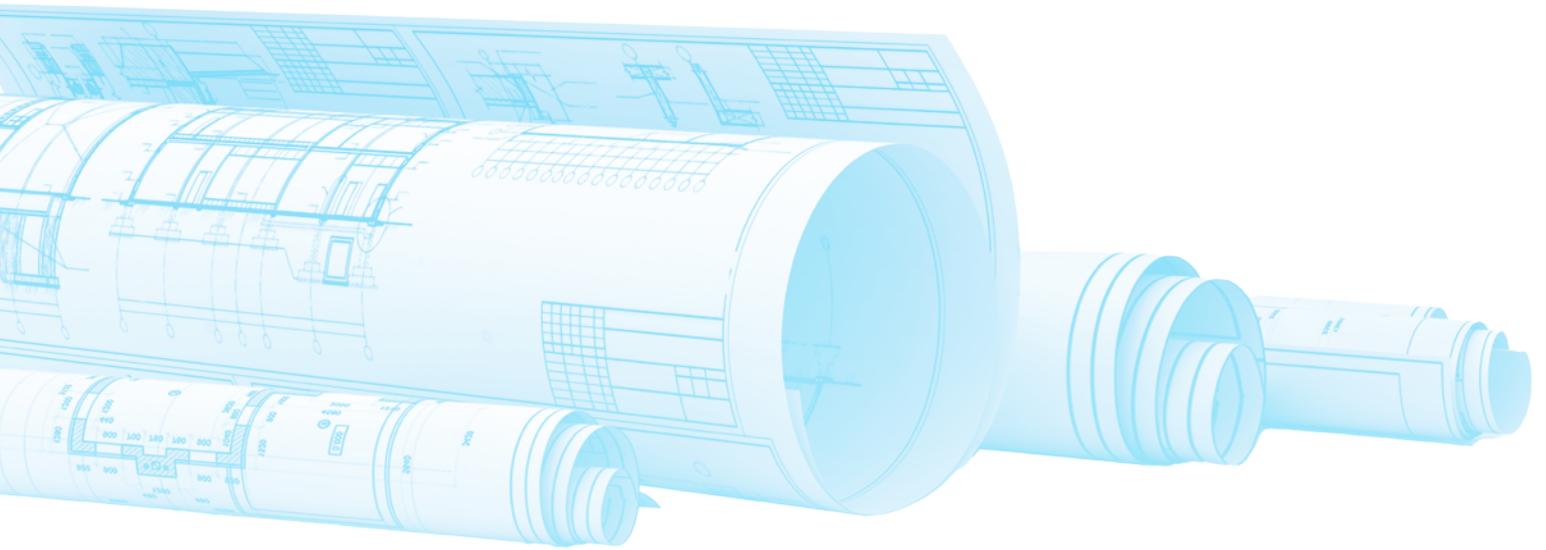
# Raffles Interior

## Raffles Interior Limited

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

# Interim Report 2022





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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Chua Boon Par  
(Chairman and Chief Executive Officer)  
Mr. Ding Hing Hui  
Mr. Leong Wai Kit (Liang Weijie)

### Independent Non-Executive Directors

Mr. Chia Kok Seng  
Mr. Gay Soon Watt  
Mr. Wong Heung Ming Henry

## AUDIT COMMITTEE

Mr. Wong Heung Ming Henry (Chairman)  
Mr. Chia Kok Seng  
Mr. Gay Soon Watt

## REMUNERATION COMMITTEE

Mr. Gay Soon Watt (Chairman)  
Mr. Chia Kok Seng  
Mr. Wong Heung Ming Henry

## NOMINATION COMMITTEE

Mr. Chia Kok Seng (Chairman)  
Mr. Gay Soon Watt  
Mr. Wong Heung Ming Henry

## COMPANY SECRETARY

Ms. Lam Wing Chi

## AUTHORISED REPRESENTATIVES

Mr. Chua Boon Par  
Ms. Lam Wing Chi

## REGISTERED OFFICE

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

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

59 Sungei Kadut Loop, Singapore 729490

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place  
348 Kwun Tong Road  
Kowloon, Hong Kong

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

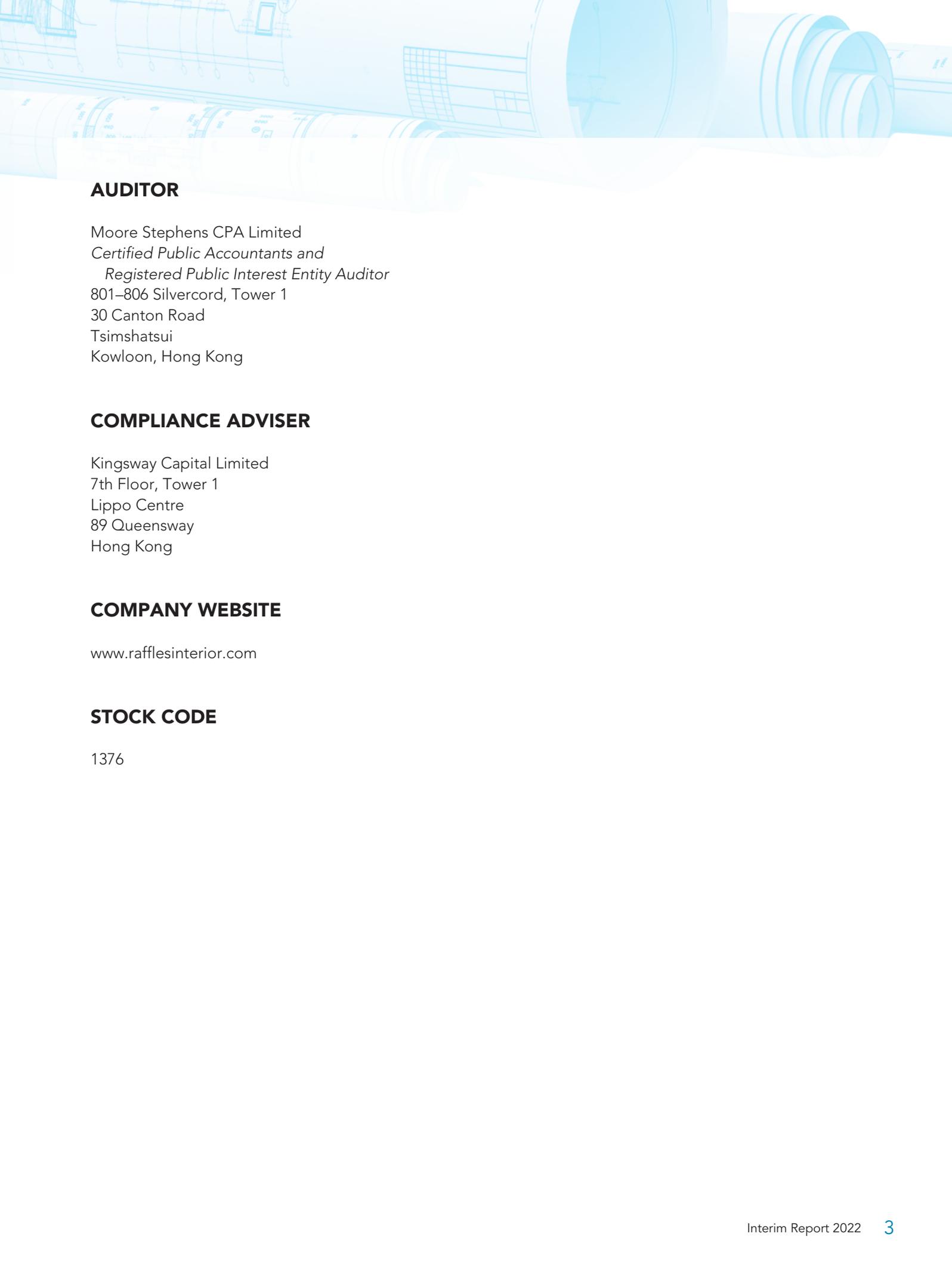
Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## 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 Stephens CPA Limited  
*Certified Public Accountants and  
Registered Public Interest Entity Auditor*  
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](http://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 2022 together with comparative figures for the corresponding period in 2021 as follows:

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

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Notes	Six months ended 30 June	
		2022 (Unaudited) S\$'000	2021 (Unaudited) S\$'000
Revenue	4	30,696	30,466
Cost of sales		(27,502)	(27,294)
<b>Gross profit</b>		<b>3,194</b>	3,172
Other income	6	494	1,060
Other gains	7	—	67
Administrative expenses		(3,773)	(4,217)
<b>Operating (loss)/profit</b>		<b>(85)</b>	82
Finance income		2	5
Finance costs		(218)	(186)
Finance costs, net	8	(216)	(181)
<b>Loss before income tax</b>		<b>(301)</b>	(99)
Income tax credit/(expense)	9	5	(97)
<b>Loss for the period attributable to equity holders of the Company</b>	10	<b>(296)</b>	(196)
<b>Other comprehensive expense</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(5)	(3)
<b>Other comprehensive expense for the period</b>		<b>(5)</b>	(3)
<b>Total comprehensive expense for the period attributable to equity holders of the Company</b>		<b>(301)</b>	(199)
<b>Basic and diluted loss per share for loss attributable to equity holders of the Company (expressed in Singapore cents per share)</b>	12	<b>(0.03)</b>	(0.02)

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	As at 30 June 2022 (Unaudited) S\$'000	As at 31 December 2021 (Audited) S\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	1,784	2,016
Right-of-use assets		519	582
		<b>2,303</b>	2,598
<b>Current assets</b>			
Current income tax recoverable		4	17
Contract assets	14	24,907	32,572
Trade and other receivables, deposits and prepayments	15	8,900	9,937
Pledged fixed deposits		1,674	1,827
Cash and cash equivalents		8,498	10,651
		<b>43,983</b>	55,004
<b>Total assets</b>		<b>46,286</b>	57,602
<b>EQUITY</b>			
Share capital	16	1,829	1,829
Share premium		29,730	29,730
Deficit		(19,510)	(19,209)
<b>Total equity</b>		<b>12,049</b>	12,350
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	17	2,083	2,583
Lease liabilities		330	365
Deferred income tax liabilities		7	13
		<b>2,420</b>	2,961
<b>Current liabilities</b>			
Trade and other payables and accruals	18	24,339	31,686
Contract liabilities	14	29	116
Provision for liquidated damages	19	—	898
Borrowings	17	7,207	9,319
Lease liabilities		242	268
Current income tax liabilities		—	4
		<b>31,817</b>	42,291
<b>Total liabilities</b>		<b>34,237</b>	45,252
<b>Total equity and liabilities</b>		<b>46,286</b>	57,602

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	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	Total equity S\$'000
<b>As at 1 January 2022 (audited)</b>	<b>1,829</b>	<b>29,730</b>	<b>(13,047)</b>	<b>(4)</b>	<b>(6,158)</b>	<b>12,350</b>
Loss for the period	—	—	—	—	(296)	(296)
Other comprehensive expense for the period	—	—	—	(5)	—	(5)
<b>Total comprehensive expense for the period</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(5)</b>	<b>(296)</b>	<b>(301)</b>
<b>As at 30 June 2022 (unaudited)</b>	<b>1,829</b>	<b>29,730</b>	<b>(13,047)</b>	<b>(9)</b>	<b>(6,454)</b>	<b>12,049</b>
<b>As at 1 January 2021 (audited)</b>	1,829	29,730	(13,047)	—	(5,040)	13,472
Loss for the period	—	—	—	—	(196)	(196)
Other comprehensive expense for the period	—	—	—	(3)	—	(3)
<b>Total comprehensive expense for the period</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(3)</b>	<b>(196)</b>	<b>(199)</b>
<b>As at 30 June 2021 (unaudited)</b>	1,829	29,730	(13,047)	(3)	(5,236)	13,273

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 2022

	For six months ended 30 June	
	2022 (Unaudited) S\$'000	2021 (Unaudited) S\$'000
<b>Cash flows from operating activities</b>		
Net cash from/(used in) operating activities	<b>943</b>	(438)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	<b>(113)</b>	(20)
Cash used in investing activities	<b>(113)</b>	(20)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	<b>22,451</b>	7,062
Repayments of borrowings	<b>(25,063)</b>	(13,234)
Payments for lease liabilities	<b>(153)</b>	(139)
Finance costs paid	<b>(218)</b>	(186)
Net cash used in financing activities	<b>(2,983)</b>	(6,497)
<b>Net decrease in cash and cash equivalents</b>	<b>(2,153)</b>	(6,955)
Cash and cash equivalents at the beginning of the period	<b>10,651</b>	17,070
Cash and cash equivalents at the end of the period	<b>8,498</b>	10,115

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

## 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, Ngai Chin, are the provision of interior fitting-out services in the Republic of Singapore ("**Singapore**").

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 trading in the shares of the Company on the Stock Exchange has been suspended with effect from 1 April 2021.

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 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2021.

#### Application of amendments to International Financial Reporting Standards ("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 annual periods beginning on or after 1 January 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendment to IFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018–2020

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 2022 and 2021 is as follows:

	For the six months ended 30 June	
	2022 (Unaudited) S\$'000	2021 (Unaudited) S\$'000
Contract revenue	30,696	30,466
Timing of the revenue recognition: Over time	30,696	30,466

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2022

## 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 2022 and 31 December 2021:

	<b>As at 30 June 2022 (Unaudited) S\$'000</b>	As at 31 December 2021 (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	<b>14,733</b>	28,665
— To be recognised between 1 to 2 year(s)	<b>7,023</b>	7,023
	<b>21,756</b>	35,688

Management of the Group expects that all the transaction price allocated to the unsatisfied performance obligation as of 30 June 2022 and 31 December 2021 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 is principally engaged in the provision of interior fitting-out services in Singapore. 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. Accordingly, the Group has a single operating segment and no discrete operating segment financial information is available.

## 5 SEGMENT INFORMATION (Continued)

### (a) Geographical information

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

Information about the Group's revenue from external customers is presented based in Singapore. 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 2022 (Unaudited) S\$'000	For the six months ended 30 June 2021 (Unaudited) S\$'000	As at 30 June 2022 (Unaudited) S\$'000	As at 31 December 2021 (Audited) S\$'000
Singapore (country of domicile)	30,696	30,466	2,034	2,448
Malaysia	—	—	269	150
	<b>30,696</b>	30,466	<b>2,303</b>	2,598

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

### (b) Information about major customers

For the six months ended 30 June 2022, revenue generated from major customers which individually contributing over 10% of the total revenue of the Group accounted for approximately 59.9% (six months ended 30 June 2021: 29.3%) 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	
	2022 (Unaudited) S\$'000	2021 (Unaudited) S\$'000
Customer A	11,237	N/A*
Customer B	3,691	N/A*
Customer C	3,445	N/A*
Customer D	N/A*	5,150
Customer E	N/A*	3,779
	<b>18,373</b>	8,929

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

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2022

## 6 OTHER INCOME

	For the six months ended 30 June	
	2022 (Unaudited) S\$'000	2021 (Unaudited) S\$'000
Government grants (note a)	427	1,052
Others	67	8
	<b>494</b>	<b>1,060</b>

Note a: Government grants mainly include (i) the Wage Credit Scheme; (ii) Special Employment Credit Scheme; and (iii) additional wage support like job support scheme and foreign worker rebate received during this period of economic uncertainty due to Coronavirus Disease 2019 ("COVID-19") for the six months ended 30 June 2022 and 30 June 2021. 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

	For the six months ended 30 June	
	2022 (Unaudited) S\$'000	2021 (Unaudited) S\$'000
Gain on fair value changes of financial asset at fair value through profit or loss ("FVTPL")	—	67

## 8 FINANCE COSTS, NET

	For the six months ended 30 June	
	2022 (Unaudited) S\$'000	2021 (Unaudited) S\$'000
<b>Finance costs:</b>		
Bank charges	(42)	(13)
Performance bond guarantee	(21)	(61)
Interest on:		
— Lease liabilities	(12)	(15)
— Borrowings	(37)	(48)
— Trade financing	(106)	(49)
	(218)	(186)
<b>Finance income:</b>		
Bank deposits	2	5
Finance costs, net	(216)	(181)

## 9 INCOME TAX (CREDIT)/EXPENSE

	For the six months ended 30 June	
	2022 (Unaudited) S\$'000	2021 (Unaudited) S\$'000
The tax (credit)/charge comprises:		
Underprovision in prior period		
— Singapore corporate income tax	—	95
	—	95
Deferred income tax (credit)/expense	(5)	2
Income tax (credit)/expense	(5)	97

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.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2022

## 10 LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	For the six months ended 30 June	
	2022 (Unaudited) S\$'000	2021 (Unaudited) S\$'000
Contract assets written off	2	—
Depreciation of property, plant and equipment	343	347
Depreciation of right-of-use assets	155	162
Directors' remuneration	333	552
Other staff costs:		
— Salaries and other benefits	5,278	6,439
— Contribution to central provident fund	223	287
Total staff costs	5,834	7,278
Legal and professional fees	706	307
Cost of materials used recognised as cost of services	3,555	2,557
Subcontractor charges recognised as cost of services	19,417	19,131

## 11 DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

## 12 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2022 and 2021.

	For the six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Loss for the period attributable to the equity holders of the Company (S\$'000)	(296)	(196)
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000
Basic loss per share in Singapore cents	(0.03)	(0.02)

There were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2022 and 2021, and hence the diluted loss per share is the same as basic loss per share.

### 13 MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired certain plant and equipment with an amount of S\$98,000 (six months ended 30 June 2021: certain plant and equipment with an amount of S\$14,000).

During the six months ended 30 June 2021, the Group disposed of wrote off curtailed plant and equipment with an aggregate carrying amount of S\$1,000, resulting a loss on disposal of S\$1,000. There was no such disposal during the six months ended 30 June 2022.

As at 30 June 2022, building with total carrying amount of S\$1,188,000 (31 December 2021: S\$1,411,000) is pledged to a bank in respect of performance bank guarantee and trade financing.

### 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:

	<b>As at 30 June 2022 (Unaudited) S\$'000</b>	As at 31 December 2021 (Audited) S\$'000
Contract assets	<b>25,248</b>	32,913
Less: provision for expected credit losses ("ECL")	<b>(341)</b>	(341)
	<b>24,907</b>	32,572
Contract liabilities	<b>(29)</b>	(116)
	<b>24,878</b>	32,456

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.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2022

## 14 CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)

As at 30 June 2022, included in contract assets, there were retention receivables amounting to S\$5,390,000 (31 December 2021: S\$4,253,000), 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.

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.

The Group considered that the provision for ECL of contract assets is sufficient as the customers of the Group are reputable organisations.

## 15 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>As at 30 June 2022 (Unaudited) S\$'000</b>	As at 31 December 2021 (Audited) S\$'000
Trade receivables	<b>8,043</b>	8,988
Less: provision for ECL	<b>(189)</b>	(189)
Trade receivables, net (note i)	<b>7,854</b>	8,799
Prepayments	<b>201</b>	189
Deposits	<b>843</b>	928
Other receivables	<b>2</b>	21
	<b>1,046</b>	1,138
Total	<b>8,900</b>	9,937

### (i) Trade receivables

The Group normally grants credit term to customers of up to 65 days (31 December 2021: 65 days). The ageing analysis of these trade receivables based on the invoice date is as follows:

	<b>As at 30 June 2022 (Unaudited) S\$'000</b>	As at 31 December 2021 (Audited) S\$'000
0 to 30 days	<b>5,529</b>	3,422
31 to 60 days	<b>357</b>	3,068
61 to 90 days	<b>1,498</b>	2,097
Over 90 days	<b>659</b>	401
	<b>8,043</b>	8,988

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2022

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

### (i) Trade receivables (Continued)

#### (a) Transferred receivables

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement with full recourse basis. Under this arrangement, the Group has transferred the relevant receivables to the bank in exchange for approximately 80% of cash and is prevented from selling or pledging the receivables. However, the Group has still retained the credit risk.

The Group therefore continues to recognise the transferred assets in their entirety in its condensed consolidated statement of financial position. The amount repayable under the factoring agreement is presented as trade financing. The Group considers the held to collect business model to remain appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts are as follows:

	<b>As at 30 June 2022 (Unaudited) S\$'000</b>	As at 31 December 2021 (Audited) S\$'000
Transferred receivables	<b>2,824</b>	—
Amortised trade financing borrowings (note 17)	<b>2,260</b>	—

#### (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.

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

### (i) Trade receivables (Continued)

#### (c) Impairment and risk exposure of trade receivables (Continued)

Provision for ECL is recognised against trade receivables based on estimated irrecoverable amounts determined by reference to individual customer's credit quality. In determining the recoverability of a trade receivable, management of the Group considers any change in credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period, and no impairment was considered necessary for those balances which are not past due at each reporting date.

In the opinion of the 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

	<b>Number of ordinary shares</b>	<b>Nominal value of ordinary shares</b> HK\$'000
Ordinary shares of HK\$0.01 each		
<i>Authorised:</i>		
As at 1 January 2021 (audited), 30 June 2021 (unaudited), 31 December 2021 (audited), 1 January 2022 (audited) and 30 June 2022 (unaudited)	10,000,000,000	100,000
<hr/>		
	<b>Number of ordinary shares</b>	<b>Nominal value of ordinary shares</b> S\$'000
<i>Issued and fully paid:</i>		
As at 1 January 2021 (audited), 30 June 2021 (unaudited), 31 December 2021 (audited), 1 January 2022 (audited) and 30 June 2022 (unaudited)	1,000,000,000	1,829



## 17 BORROWINGS (Continued)

The average effective interest rates per annum at the end of each period ended 30 June 2022 and 31 December 2021 were set out as follows:

	<b>As at 30 June 2022 (Unaudited)</b>	As at 31 December 2021 (Audited)
<b>Floating interest rate</b>		
— Trade financing	<b>2.04%–3.95%</b>	2.04%–2.52%
<b>Fixed interest rate</b>		
— Bank loan	<b>2.25%</b>	2.25%

The carrying amounts of the Group's borrowings approximate their fair values as at 30 June 2022 and 31 December 2021 are denominated in SGD.

The total banking facilities granted to the Group amounted to S\$27,000,000 (31 December 2021: S\$27,000,000), of which S\$22,000,000 (31 December 2021: S\$22,000,000) from the facilities of trade financing and specific advance facilities and loan facilities of S\$5,000,000 (31 December 2021: S\$5,000,000) as at 30 June 2022.

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 2022 and 31 December 2021 were set out as follows:

	<b>As at 30 June 2022 (Unaudited) S\$'000</b>	As at 31 December 2021 (Audited) S\$'000
Floating rate		
— Expiring within one year	<b>15,793</b>	13,681

The facilities expiring within one year from the balance sheet date are facilities subject to annual review. The other facilities are arranged mainly to help finance the Group's proposed expansion.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2022

## 18 TRADE AND OTHER PAYABLES AND ACCRUALS

Trade and other payables and accruals comprise the following:

	<b>As at 30 June 2022 (Unaudited) S\$'000</b>	As at 31 December 2021 (Audited) S\$'000
Trade payables	7,772	8,043
Accruals for project cost	13,070	19,404
Retention payables (note)	2,319	2,739
Other payables and accruals		
— Accrued expenses	805	1,034
— Goods and service tax payable	51	230
— Accrued unutilised leave	232	232
— Others	90	4
	<b>24,339</b>	31,686

Note: 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:

	<b>As at 30 June 2022 (Unaudited) S\$'000</b>	As at 31 December 2021 (Audited) S\$'000
0 to 30 days	4,362	3,537
31 to 60 days	1,518	1,826
61 to 90 days	705	1,178
Over 90 days	1,187	1,502
	<b>7,772</b>	8,043

The credit period on purchases from suppliers and subcontractors as at 30 June 2022 is 30 to 90 days (31 December 2021: 30 to 90 days) or payable upon delivery.

## 19 PROVISION FOR LIQUIDATED DAMAGES

	<b>As at 30 June 2022 (Unaudited) S\$'000</b>	As at 31 December 2021 (Audited) S\$'000
Provision for liquidated damages	—	898

During the year ended 31 December 2021, the Group had made a provision for liquidated damages of S\$898,000 for a project due to a delay in project completion. During the six months ended 30 June 2022, the Group has settled the provision claimed by the customer.

## 20 RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2022 and 2021, the remuneration received by related parties is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2022 (Unaudited) S\$000</b>	2021 (Unaudited) S\$000
Executive directors' emoluments	<b>266</b>	490
Other related parties' remunerations		
— wages, salaries, bonus and allowances	<b>335</b>	422
— contribution to central provident fund	<b>19</b>	24
	<b>620</b>	936

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND OUTLOOK

The Group is an interior fitting-out services provider in Singapore. 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 2022, our Group's revenue increased by 0.8% to approximately S\$30.7 million as compared to approximately S\$30.5 million for the six months ended 30 June 2021. Our Group's gross profit remained fairly constant at around S\$3.2 million, as compared to the six months ended 30 June 2021. Our Group's net loss also remained relatively stable at approximately S\$0.3 million, as compared to approximately S\$0.2 million for the six months ended 30 June 2021.

The increase in net losses was mainly due to the cessation of some grants given by the Singapore government to support firms affected by the COVID-19 during the six months ended 30 June 2022.

We foresee the construction industry in Singapore to remain challenging in the short term given the uncertainty of the development of the COVID-19 outbreak globally. That said, based on the recent Building and Construction Authority ("BCA") projection, the construction demand in Singapore is estimated to be between S\$27 billion and S\$32 billion during the year 2022, with the public sector projects contributing about 60% of the total demand. Over the medium-term, BCA projected the total construction demand to reach between S\$25 billion and S\$32 billion per year from 2023 to 2026, with the public sector expected to lead the demand, contributing S\$14 billion to S\$18 billion per year from 2023 to 2026.

As at 30 June 2022, we had 14 projects on hand (including contracts in progress) with a notional or estimated contract value of approximately S\$44.6 million, of which approximately S\$7.5 million had been recognised as revenue in prior periods, approximately S\$15.3 million had been recognised as revenue during the six months ended 30 June 2022 and the remaining balance will be recognised as our revenue in accordance with the stage of completion. The remaining revenue of approximately S\$15.4 million recognised during the six months ended 30 June 2022 was mainly attributed to projects which have been completed during the reporting period.

## FINANCIAL REVIEW

	Six months ended 30 June		Change
	2022 (Unaudited)	2021 (Unaudited)	
Revenue (S\$'000)	30,696	30,466	230
Gross profit (S\$'000)	3,194	3,172	22
Gross profit margin	10.4%	10.4%	—
Net loss (S\$'000)	(296)	(196)	(100)

## Revenue

The Group's principal operating activities are 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.

	For the six months ended 30 June					
	2022			2021		
	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	25	12,878	42.0	24	21,832	71.7
Construction contractors	9	12,184	39.7	5	7,308	24.0
Professional consultants	8	5,634	18.3	6	1,326	4.3
	<b>42</b>	<b>30,696</b>	<b>100.0</b>	35	30,466	100.0

The Group's overall revenue increased by approximately S\$0.2 million or approximately 0.8% from approximately S\$30.5 million for the six months ended 30 June 2021 to approximately S\$30.7 million for the six months ended 30 June 2022.

## Cost of Services

The Group's cost of services increased by approximately S\$0.2 million or approximately 0.8% from approximately S\$27.3 million for the six months ended 30 June 2021 to approximately S\$27.5 million for the six months ended 30 June 2022. Such increase in cost of services is generally in line with the increase in revenue.

## Gross Profit and Gross Profit Margin

The gross profit of the Group for the six months ended 30 June 2022 remained fairly constant at S\$3.2 million, compared to the six months ended 30 June 2021. The Group's gross profit margin for the six months ended 30 June 2022 remained fairly constant at approximately 10.4% compared to the six months ended 30 June 2021 as the market has been stabilised.

## Other Income

Other income mainly included income from (i) government grants; and (ii) sundry income. During the six months ended 30 June 2022, other income amounted to approximately S\$0.5 million compared to approximately S\$1.1 million for the six months ended 30 June 2021, which was mainly due to the cessation of some grants given by the Singapore government to combat the COVID-19.

## Administrative Expenses

The administrative expenses of the Group for the six months ended 30 June 2022 amounted to approximately S\$3.8 million as compared to S\$4.2 million for the six months ended 30 June 2021. The decrease was mainly due to the cost saving measures such as pay cut arrangements and streamlining of our work force in the second half of 2021 and early 2022.

## Finance Costs

Finance costs for the six months ended 30 June 2022 was approximately S\$218,000 (six months ended 30 June 2021: S\$186,000) which represents interest on lease liabilities, trade financing and bank loans. The interest has increased as a result of the increasing interest rate and more trade financing was taken up in the six months ended 30 June 2022 as compared to six months ended 30 June 2021.

## Income Tax Credit/(Expense)

No income tax had been provided as the Company was in a loss making position for the six months ended 30 June 2022.

## Net Loss

Loss attributable to owners of the Company for the six months ended 30 June 2022 increased by approximately S\$0.1 million from approximately S\$0.2 million for the six months ended 30 June 2021 to approximately S\$0.3 million for the six months ended 30 June 2022. The increase was mainly due to the cessation of some COVID-19 related grants from the Singapore government.

## Interim Dividend

The Board did not recommend any interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: 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 2022, the Group had total cash and bank balances of approximately S\$8.5 million as compared to approximately S\$10.7 million as at 31 December 2021.

As at 30 June 2022, the Group had a total available committed banking facilities of approximately S\$27.2 million, of which approximately S\$11.2 million was utilised which comprises S\$6.2 million of trade financing and S\$5.0 million of term loan. The outstanding term loan as at 30 June 2022 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 2022, the Group also had facilities in relation to performance guarantee of approximately S\$15.5 million, of which approximately S\$7.3 million was utilized.

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

### **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 2022 and 30 June 2021.

### **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**

The Group mainly operates in Singapore. Most of the operating transactions and revenue were settled in SGD and the Group's assets and liabilities are primarily denominated in SGD. However, the Group has certain bank balances denominated in HKD amounting to approximately S\$2,000 as at 30 June 2022 (31 December 2021: S\$22,000) which exposes the Group to foreign currency risk. The Group manages the risk by closely monitoring the movements of the foreign currency rate.

### **Gearing Ratio**

Gearing ratio is calculated by dividing all interest-bearing borrowings by total equity at the period-end date and expressed as a percentage. The gearing ratio of the Group as at 30 June 2022 was 81.8% (as at 31 December 2021: 101.5%).

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

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 2022.

### **Future Plans for Material Investments or Capital Assets**

Save as disclosed in the prospectus of the Company dated 21 April 2020 (the "**Prospectus**"), the Group did not have other future plans for material investments or capital assets as at 30 June 2022.

## **Employees and Remuneration Policy**

As at 30 June 2022, the Group had a total of 368 employees (30 June 2021: 407 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 2022 amounted to approximately S\$5.8 million (six months ended 30 June 2021: approximately S\$7.3 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 2022, the Group had performance bonds of approximately S\$7.3 million (31 December 2021: S\$10.3 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 2022, the Group acquired items of property, plant and equipment of approximately S\$113,000 (30 June 2021: S\$19,000).

As at 30 June 2022, the Group had no material capital commitments.

## Use of Net Proceeds from the Share Offer

The net proceeds from the Share Offer were approximately HK\$69.9 million (equivalent to approximately S\$13.0 million) (after deducting listing expenses). As disclosed in the announcement of the Company dated 18 February 2022, due to the impact of the prolonged COVID-19 pandemic, the Board considered that it would not be the best timing for the Group to execute its expansion plan of acquiring a design company and expanding the Group's premises in the short run and the Board has resolved to re-allocate HK\$16.2 million (equivalent to approximately S\$3.0 million) to reinforce its capital base for projects' funding needs. For details, please refer to the Company's announcement dated 18 February 2022. An analysis of the utilisation of the revised allocation of the net proceeds from the Share Offer from the date of Listing up to 30 June 2022 is set out below:

Purpose	Revised allocation of the net proceeds as disclosed in the announcement of the Company dated 18 February 2022 S\$ million	Approximate percentage of the total net proceeds	Approximate actual amount utilised as at 30 June 2022 S\$ million	Unused amount of net proceeds as at 30 June 2022 S\$ million	Expected date to fully utilise the unutilised amount
Extending our service scope to include MEP services	4.2	32.3%	4.2	—	N/A
Expanding the Group's premises for its various operational needs	2.7	20.8%	0.8	1.9	31 December 2023
Acquisition of a Singapore based design company	—	—	—	—	N/A
Enhancing our information technology capacity and project implementation efficiency	1.2	9.2%	0.2	1.0	31 December 2022
Financing additional machinery and equipment	0.7	5.4%	0.3	0.4	31 December 2023
General working capital	4.2	32.3%	3.6	0.6	31 December 2022
	13.0	100.0%	9.1	3.9	

During the period from the date of Listing to 30 June 2022, the Group has utilised approximately S\$9.1 million, which is in line with the purposes shown above.

As at 30 June 2022, the unused amount of net proceeds was placed in licensed banks in Singapore.

## OTHER INFORMATION

### 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 2022, 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 10 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. Chua Boon Par	Long	Interest in controlled corporation	750,000,000	75%
Mr. Ding Hing Hui	Long	Interest in controlled corporation	750,000,000	75%
Mr. Leong Wai Kit	Long	Interest in controlled corporation	750,000,000	75%

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. Chua Boon Par, Mr. Ding Hing Hui and Mr. Leong Wai Kit are 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. Chua Boon Par	Long	Ultimate Global	Beneficial owner	15	15%
Mr. Ding Hing Hui	Long	Ultimate Global	Beneficial owner	12	12%
Mr. Leong Wai Kit	Long	Ultimate Global	Beneficial owner	10	10%

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 2022, 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 2022, 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	750,000,000	75%
Mr. Lo Lek Chew (Note 1)	Long	Interest in controlled corporation	750,000,000	75%
Mr. Chua Boon Par (Note 1)	Long	Interest in controlled corporation	750,000,000	75%
Mr. Ding Hing Hui (Note 1)	Long	Interest in controlled corporation	750,000,000	75%
Mr. Leong Wai Kit (Note 1)	Long	Interest in controlled corporation	750,000,000	75%
Mr. Ng Foo Wah (Note 1)	Long	Interest in controlled corporation	750,000,000	75%
Mr. Low Lek Hee (Note 1)	Long	Interest in controlled corporation	750,000,000	75%
Mr. Low Lek Huat (Note 1)	Long	Interest in controlled corporation	750,000,000	75%
Ms. Ong Poh Eng (Note 2)	Long	Interest of spouse	750,000,000	75%
Ms. Neo Bee Ling, Pauline (Note 3)	Long	Interest of spouse	750,000,000	75%
Ms. Loke Yoke Mei (Note 4)	Long	Interest of spouse	750,000,000	75%
Ms. Lee Ling Wei (Note 5)	Long	Interest of spouse	750,000,000	75%
Ms. Sng Siew Luan, Emily (Note 6)	Long	Interest of spouse	750,000,000	75%
Ms. Lim Bee Peng (Note 7)	Long	Interest of spouse	750,000,000	75%
Ms. Pan LuLu (Note 8)	Long	Interest of spouse	750,000,000	75%

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.

## OTHER INFORMATION (CONTINUED)

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 2022, 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.

## 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 2022 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 2022, and there is no outstanding share option as at 30 June 2022.



## EVENTS AFTER THE REPORTING PERIOD AND SUSPENSION OF TRADING

Save as disclosed in this report and the announcement of the Company dated 25 July 2022 in relation to key findings of the supplemental independent investigation report, the Group had no other significant event requiring disclosure subsequent to 30 June 2022 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 the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2022 with the exception of code provision C.2.1, which requires the roles of chairman and chief executive to be held by different individuals.

Under code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Chua Boon Par currently holds both positions. Throughout our business history, Mr. Chua Boon Par has held the key leadership position of our Group and has been deeply involved in the formulation of corporate strategies, management of the business and operations of the Group. Taking into account the continuation of the implementation of our business plans, the Directors, including independent non-executive Directors, consider that Mr. Chua Boon Par is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Group and its shareholders as a whole.

## 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 2022.

## 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. Chia Kok Seng and Mr. Gay Soon Watt. The Audit Committee has reviewed the Group's unaudited condensed consolidated interim financial statements and interim results for the six months ended 30 June 2022 and discussed with the management on the accounting principles and practices adopted by the Group with no disagreement by the Audit Committee.

### UPDATES ON SUSPENSION OF TRADING

References are made to the announcements of the Company dated 23 March 2021, 24 March 2021, 31 March 2021, 1 April 2021, 23 April 2021, 25 May 2021, 26 May 2021, 30 June 2021, 8 July 2021, 10 September 2021, 30 September 2021, 31 December 2021, 18 January 2022, 2 March 2022, 31 March 2022, 6 May 2022, 29 May 2022, 7 June 2022, 9 June 2022, 24 June 2022, 30 June 2022, 25 July 2022, 7 August 2022 and 12 August 2022 in relation to, among others, the suspension and resumption of trading of the Company's shares on the Stock Exchange and the resumption guidance issued by the Stock Exchange.

The Company has been working diligently to fulfil the resumption guidance issued by the Stock Exchange. As as the date of this report, the Company has published all outstanding financial results, details of 2020 annual, 2021 interim and 2021 annual results are set out in the announcements of the Company dated 29 May 2022, 24 June 2022 and 7 August 2022. The Company is applying for resumption of trading and will continue to keep the shareholders and potential investors of the Company informed of any material development of the Group's business operations and financial performance, as and when appropriate in accordance with the Listing Rules.

By Order of the Board

**Raffles Interior Limited**

**Chua Boon Par**

*Chairman, chief executive officer and executive director*

30 August 2022