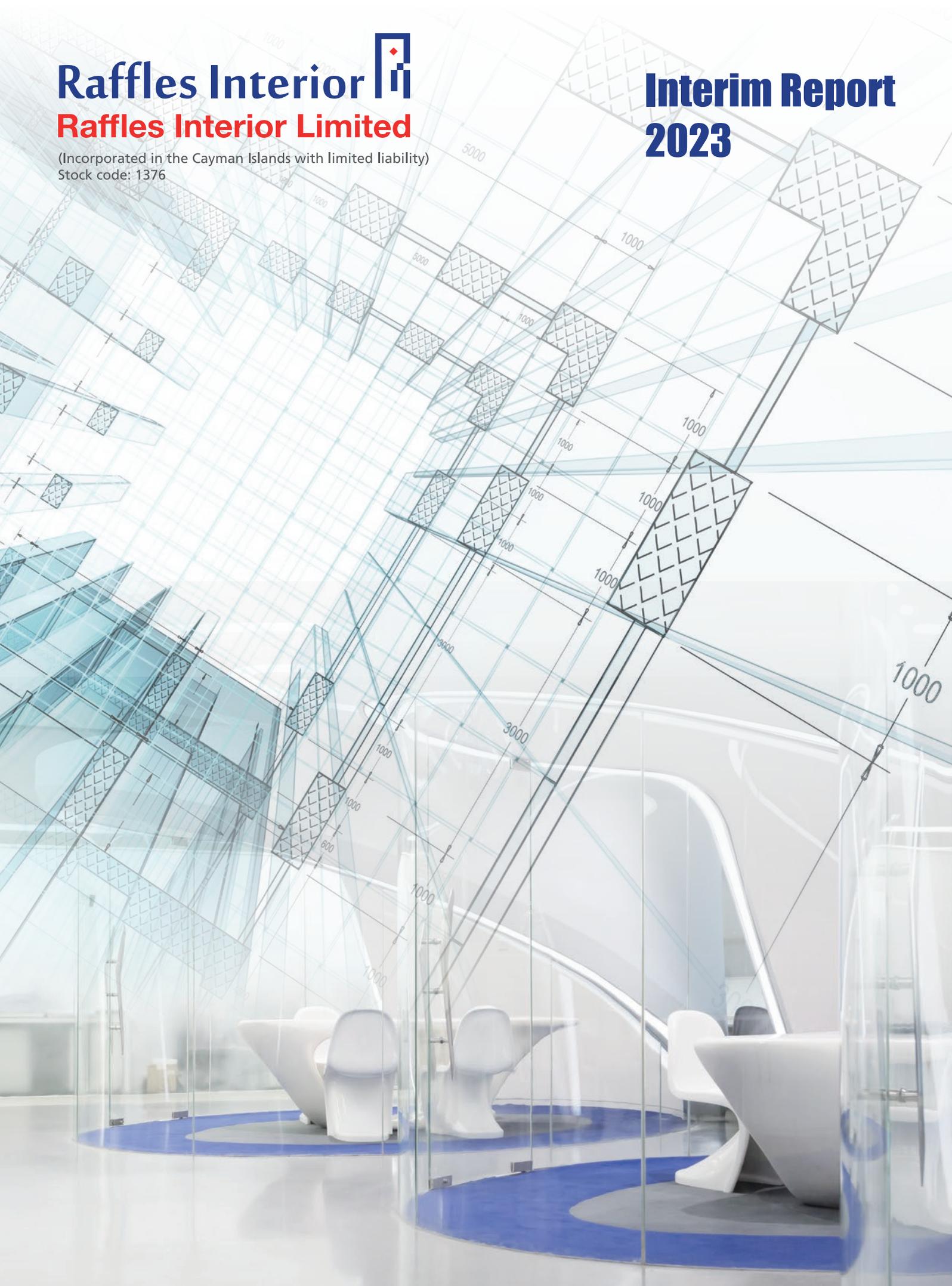


Raffles Interior

Raffles Interior Limited

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

Interim Report 2023





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Ding Hing Hui

Independent Non-Executive Directors

Mr. Wong Heung Ming Henry
(Non-executive chairman)

Mr. Chia Kok Seng

Mr. Gay Soon Watt

Mr. Tan Chong Huat

AUDIT COMMITTEE

Mr. Wong Heung Ming Henry *(Chairman)*

Mr. Chia Kok Seng

Mr. Gay Soon Watt

Mr. Tan Chong Huat

REMUNERATION COMMITTEE

Mr. Gay Soon Watt *(Chairman)*

Mr. Chia Kok Seng

Mr. Tan Chong Huat

Mr. Wong Heung Ming Henry

NOMINATION COMMITTEE

Mr. Chia Kok Seng *(Chairman)*

Mr. Gay Soon Watt

Mr. Tan Chong Huat

Mr. Wong Heung Ming Henry

COMPANY SECRETARY

Ms. Lam Wing Chi

AUTHORISED REPRESENTATIVES

Mr. Ding Hing Hui

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 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

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



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To the Board of Directors of Raffles Interior Limited

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Raffles Interior Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 5 to 25, which comprise the condensed consolidated statement of financial position as of 30 June 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“**HKSRE 2410**”) issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Moore Stephens CPA Limited
Certified Public Accountants

Hong Kong, 23 August 2023

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 2023 together with comparative figures for the corresponding period in 2022 as follows:

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

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Notes	Six months ended 30 June	
		2023 (Unaudited) S\$'000	2022 (Unaudited) S\$'000
Revenue	4	52,918	30,696
Cost of sales		(46,941)	(27,502)
Gross profit		5,977	3,194
Other income	6	63	494
Administrative expenses		(3,718)	(3,773)
Operating profit/(loss)		2,322	(85)
Finance income		14	2
Finance costs		(126)	(218)
Finance costs, net	7	(112)	(216)
Profit/(loss) before income tax		2,210	(301)
Income tax (expense)/credit	8	(6)	5
Profit/(loss) for the period attributable to equity holders of the Company	9	2,204	(296)
Other comprehensive expense			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(13)	(5)
Other comprehensive expense for the period		(13)	(5)
Total comprehensive income/(expense) for the period attributable to equity holders of the Company		2,191	(301)
Basic and diluted earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company (expressed in Singapore cents per share)	11	0.22	(0.03)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	As at 30 June 2023 (Unaudited) S\$'000	As at 31 December 2022 (Audited) S\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	1,135	1,407
Right-of-use assets		480	435
		1,615	1,842
Current assets			
Current income tax recoverable		18	19
Contract assets	13	25,705	23,503
Trade and other receivables, deposits and prepayments	14	9,096	9,882
Pledged fixed deposits		2,180	2,180
Cash and cash equivalents		6,217	4,047
		43,216	39,631
Total assets		44,831	41,473
EQUITY			
Share capital	15	1,829	1,829
Share premium		29,730	29,730
Deficit		(18,395)	(20,586)
Total equity		13,164	10,973
LIABILITIES			
Non-current liabilities			
Borrowings	16	1,083	1,583
Lease liabilities		303	282
Deferred income tax liabilities		16	10
		1,402	1,875
Current liabilities			
Trade and other payables and accruals	17	28,987	23,022
Contract liabilities	13	54	28
Borrowings	16	1,000	5,371
Lease liabilities		224	204
		30,265	28,625
Total liabilities		31,667	30,500
Total equity and liabilities		44,831	41,473

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2023

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
At 1 January 2023 (audited)	1,829	29,730	(13,047)	(18)	(7,521)	10,973
Profit for the period	—	—	—	—	2,204	2,204
Other comprehensive expense for the period	—	—	—	(13)	—	(13)
Total comprehensive (expense)/ income for the period	—	—	—	(13)	2,204	2,191
At 30 June 2023 (unaudited)	1,829	29,730	(13,047)	(31)	(5,317)	13,164
At 1 January 2022 (audited)	1,829	29,730	(13,047)	(4)	(6,158)	12,350
Loss for the period	—	—	—	—	(296)	(296)
Other comprehensive expense for the period	—	—	—	(5)	—	(5)
Total comprehensive expense for the period	—	—	—	(5)	(296)	(301)
At 30 June 2022 (unaudited)	1,829	29,730	(13,047)	(9)	(6,454)	12,049

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 2023

	For six months ended 30 June	
	2023 (Unaudited) S\$'000	2022 (Unaudited) S\$'000
Cash flows from operating activities		
Net cash from operating activities	7,303	943
Cash flows from investing activities		
Purchase of property, plant and equipment	(25)	(113)
Proceeds from disposal of property, plant and equipment	1	—
Cash used in investing activities	(24)	(113)
Cash flows from financing activities		
Proceeds from borrowings	1,605	22,451
Repayments of borrowings	(6,476)	(25,063)
Payments for lease liabilities	(106)	(153)
Finance costs paid	(126)	(218)
Net cash used in financing activities	(5,103)	(2,983)
Net increase/(decrease) in cash and cash equivalents	2,176	(2,153)
Cash and cash equivalents at the beginning of the period	4,047	10,651
Effect of foreign exchange rate changes	(6)	—
Cash and cash equivalents at the end of the period	6,217	8,498

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

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 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

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 2023 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2022.

Application of new and 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 Group's annual period beginning on 1 January 2023 for the preparation of the Group's condensed consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two Model Rules

The application of the new and 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 2023 and 2022 is as follows:

	For the six months ended 30 June	
	2023 (Unaudited) S\$'000	2022 (Unaudited) S\$'000
Contract revenue	52,918	30,696
Timing of the revenue recognition: Over time	52,918	30,696

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 2023 and 31 December 2022:

	As at 30 June 2023 (Unaudited) S\$'000	As at 31 December 2022 (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	24,789	37,985

Management of the Group expects that all the transaction price allocated to the unsatisfied performance obligation as of 30 June 2023 and 31 December 2022 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

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 2023 (Unaudited) S\$'000	For the six months ended 30 June 2022 (Unaudited) S\$'000	As at 30 June 2023 (Unaudited) S\$'000	As at 31 December 2022 (Audited) S\$'000
Singapore (country of domicile)	52,918	30,696	1,379	1,559
Malaysia	—	—	236	283
	52,918	30,696	1,615	1,842

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 2023, revenue generated from major customers which individually contributing over 10% of the total revenue of the Group accounted for approximately 71.9% (six months ended 30 June 2022: 59.9%) 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	
	2023 (Unaudited) S\$'000	2022 (Unaudited) S\$'000
Customer A	7,096	11,237
Customer B	17,310	3,691
Customer C	N/A*	3,445
Customer D	7,593	N/A*
Customer E	6,060	N/A*
	38,059	18,373

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

6 OTHER INCOME

	For the six months ended 30 June	
	2023 (Unaudited) S\$'000	2022 (Unaudited) S\$'000
Government grants (note a)	38	427
Others	25	67
	63	494

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 2023 and 30 June 2022. 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 FINANCE COSTS, NET

	For the six months ended 30 June	
	2023 (Unaudited) S\$'000	2022 (Unaudited) S\$'000
Finance costs:		
Bank charges	(7)	(42)
Performance bond guarantee	(24)	(21)
Interest on:		
— Lease liabilities	(10)	(12)
— Borrowings	(26)	(37)
— Trade financing	(59)	(106)
	(126)	(218)
Finance income:		
Bank deposits	14	2
Finance costs, net	(112)	(216)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

8 INCOME TAX EXPENSE/(CREDIT)

	For the six months ended 30 June	
	2023 (Unaudited) S\$'000	2022 (Unaudited) S\$'000
The tax charge/(credit) comprises:		
Deferred income tax expense/(credit)	6	(5)

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.

9 PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period has been arrived at after charging:

	For the six months ended 30 June	
	2023 (Unaudited) S\$'000	2022 (Unaudited) S\$'000
Contract assets written off	—	2
Depreciation of property, plant and equipment	290	343
Depreciation of right-of-use assets	102	155
Directors' remuneration	263	333
Other staff costs:		
— Salaries and other benefits	5,808	5,278
— Contribution to central provident fund	228	223
Total staff costs	6,299	5,834
Legal and professional fees	570	706
Cost of materials used recognised as cost of services	8,276	3,555
Subcontractor charges recognised as cost of services	33,539	19,417

10 DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

11 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share is calculated by dividing the profit/(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 2023 and 2022.

	For the six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Profit/(loss) for the period attributable to the equity holders of the Company (S\$'000)	2,204	(296)
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000
Basic earnings/(loss) per share in Singapore cents	0.22	(0.03)

There were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2023 and 2022, and hence the diluted earnings/(loss) per share is the same as basic earnings/(loss) per share.

12 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 2022: nil) for cash proceeds of S\$1,000 (six months ended 30 June 2022: nil), resulting in a loss on disposal of S\$1,000 (six months ended 30 June 2022: nil).

During the six months ended 30 June 2023, the Group acquired certain plant and equipment with an amount of S\$25,000 (six months ended 30 June 2022: certain plant and equipment with an amount of S\$98,000).

As at 30 June 2023, building with total carrying amount of S\$742,000 (31 December 2022: S\$966,000) is pledged to a bank in respect of performance bank guarantee and trade financing.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

13 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 2023 (Unaudited) S\$'000	As at 31 December 2022 (Audited) S\$'000
Contract assets	26,451	24,249
Less: provision for expected credit losses ("ECL")	(746)	(746)
	25,705	23,503
Contract liabilities	(54)	(28)
	25,651	23,475

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 2023, included in contract assets, there were retention receivables amounting to S\$6,153,000 (31 December 2022: S\$4,339,000), 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.

13 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.

14 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2023 (Unaudited) S\$'000	As at 31 December 2022 (Audited) S\$'000
Trade receivables	8,704	9,036
Less: provision for ECL	(257)	(257)
Trade receivables, net (note i)	8,447	8,779
Prepayments	154	374
Deposits	493	727
Other receivables	2	2
	649	1,103
Total	9,096	9,882

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

14 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 2022: 65 days). The ageing analysis of these trade receivables based on the invoice date is as follows:

	As at 30 June 2023 (Unaudited) S\$'000	As at 31 December 2022 (Audited) S\$'000
0 to 30 days	3,934	6,344
31 to 60 days	4,101	1,451
61 to 90 days	641	5
Over 90 days	28	1,236
	8,704	9,036

(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:

	As at 30 June 2023 (Unaudited) S\$'000	As at 31 December 2022 (Audited) S\$'000
Transferred receivables	—	3,673
Amortised trade financing borrowings (note 16)	—	(2,938)
Net position	—	735

14 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 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

15 SHARE CAPITAL OF THE COMPANY

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000
Ordinary shares of HK\$0.01 each		
<i>Authorised:</i>		
As at 1 January 2022 (audited), 30 June 2022 (unaudited), 31 December 2022 (audited), 1 January 2023 (audited) and 30 June 2023 (unaudited)	10,000,000,000	100,000
	Number of ordinary shares	Nominal value of ordinary shares S\$'000
<i>Issued and fully paid:</i>		
As at 1 January 2022 (audited), 30 June 2022 (unaudited), 31 December 2022 (audited), 1 January 2023 (audited) and 30 June 2023 (unaudited)	1,000,000,000	1,829

16 BORROWINGS

	As at 30 June 2023 (Unaudited) S\$'000	As at 31 December 2022 (Audited) S\$'000
Trade financing from bank		
— Trade receivable	—	2,938
— Trade payable	—	1,433
Bank loan	2,083	2,583
	2,083	6,954

16 BORROWINGS (Continued)

	As at 30 June 2023 (Unaudited) S\$'000	As at 31 December 2022 (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	1,000	1,000
Within a period of more than two years but not exceeding five years	83	583
	2,083	2,583
The carrying amounts of above borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:		
Within one year	—	4,371
Total borrowings	2,083	6,954
Less: amounts due within one year shown under current liabilities	(1,000)	(5,371)
Amounts shown under non-current liabilities	1,083	1,583

* 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 2023 and 31 December 2022 were set out as follows:

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Floating interest rate		
— Trade financing	6.03%–6.10%	2.04%–6.10%
Fixed interest rate		
— Bank loan	2.25%	2.25%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

16 BORROWINGS (Continued)

The carrying amounts of the Group's borrowings approximate their fair values as at 30 June 2023 and 31 December 2022 are denominated in SGD.

The total banking facilities granted to the Group amounted to S\$27,000,000 (31 December 2022: S\$27,000,000), of which S\$22,000,000 (31 December 2022: S\$22,000,000) from the facilities of trade financing and specific advance facilities and loan facilities of S\$5,000,000 (31 December 2022: S\$5,000,000) as at 30 June 2023.

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 2023 and 31 December 2022 were set out as follows:

	As at 30 June 2023 (Unaudited) S\$'000	As at 31 December 2022 (Audited) S\$'000
Floating rate		
— Expiring within one year	22,000	17,629

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.

17 TRADE AND OTHER PAYABLES AND ACCRUALS

Trade and other payables and accruals comprise the following:

	As at 30 June 2023 (Unaudited) S\$'000	As at 31 December 2022 (Audited) S\$'000
Trade payables	6,402	8,048
Accruals for project cost (note)	20,995	13,071
Other payables and accruals		
— Accrued expenses	1,116	1,520
— Good and services tax payables	151	221
— Accrued unutilised leave	144	144
— Others	179	18
	28,987	23,022

Note: Included in accruals for project cost is retention payable amounting to S\$1,865,000 (31 December 2022: S\$1,048,000). 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 2023 (Unaudited) S\$'000	As at 31 December 2022 (Audited) S\$'000
0 to 30 days	2,899	4,439
31 to 60 days	2,417	1,338
61 to 90 days	480	862
Over 90 days	606	1,409
	6,402	8,048

The credit period on purchases from suppliers and subcontractors as at 30 June 2023 is 30 to 90 days (31 December 2022: 30 to 90 days) or payable upon delivery.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

18 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	
	2023 (Unaudited) S\$000	2022 (Unaudited) S\$000
Executive directors' emoluments	155	266
Other related parties' remunerations		
— wages, salaries, bonus and allowances	393	335
— contribution to central provident fund	27	19
— compensation for the loss of office in connection with the management of the affairs of any member of the Group	131	—
	706	620

19 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 2023, performance guarantees of S\$12,404,000 (31 December 2022: S\$10,748,000), 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 12 and 16. 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 2023 (31 December 2022: none).

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.

20 EVENT AFTER THE REPORTING PERIOD

On 1 August 2023, the Company entered into an investment agreement, pursuant to which the Company shall obtain 51% equity interest in 武漢二廠汽水有限公司 in consideration of HK\$25,500,000, which will be satisfied by the issue of the convertible note upon completion. Details of which are set out in the Company's announcements dated 1 August 2023 and 15 August 2023.

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 2023, our Group's revenue increased by 72.4% to approximately S\$52.9 million as compared to approximately S\$30.7 million for the six months ended 30 June 2022. Our Group's gross profit also increased by 87.1% to approximately S\$6.0 million, as compared to approximately S\$3.2 million for the six months ended 30 June 2022. Our Group's net profit after tax was approximately S\$2.2 million, as compared to approximately net loss of S\$0.3 million for the six months ended 30 June 2022.

The above increase was mainly due to the recovery of construction industry in Singapore given the improvement in COVID-19 situation in Singapore. Since July 2022, the entry requirement for construction, marine shipyard and process sectors work permit holders have been further eased and there have been an influx of migrant workers into Singapore. Consequently, the influx of migrant workers into Singapore have moderated the labour costs and sped up the progress of the Group's on-going projects and led to an increase in revenue and net profit recognised over the six months ended 30 June 2023.

However, we foresee the construction industry in Singapore to remain challenging especially with the reduction of foreign worker quota from 1:7 to 1:5 which will come into effect from 1 January 2024. This will greatly reduce the number of foreign workers that we are able to employ and the number of foreign workers in the market.

As at 30 June 2023, we had 17 projects on hand (including contracts in progress) with a notional or estimated contract value of approximately S\$52.9 million, of which approximately S\$5.5 million had been recognised as revenue in prior periods, approximately S\$22.6 million had been recognised as revenue during the six months ended 30 June 2023 and the remaining balance will be recognised as our revenue in accordance with the stage of completion. The remaining revenue of approximately S\$30.3 million recognised during the six months ended 30 June 2023 was mainly attributed to projects which have been completed during the reporting period.

FINANCIAL REVIEW

	Six months ended 30 June		
	2023 (Unaudited)	2022 (Unaudited)	Change
Revenue (S\$'000)	52,918	30,696	22,222
Gross profit (S\$'000)	5,977	3,194	2,783
Gross profit margin	11.3%	10.4%	0.9 p.p.
Net profit/(loss) (S\$'000)	2,204	(296)	2,500

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

	2023			2022		
	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	23	36,506	69.0	25	12,878	42.0
Construction contractors	9	8,040	15.2	9	12,184	39.7
Professional consultants	5	8,372	15.8	8	5,634	18.3
	37	52,918	100.0	42	30,696	100.0

The Group's overall revenue increased by approximately S\$22.2 million or approximately 72.4% from approximately S\$30.7 million for the six months ended 30 June 2022 to approximately S\$52.9 million for the six months ended 30 June 2023.

Cost of Services

The Group's cost of services increased by approximately S\$19.4 million or approximately 70.7% from approximately S\$27.5 million for the six months ended 30 June 2022 to approximately S\$46.9 million for the six months ended 30 June 2023. 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 2023 amounted to approximately S\$6.0 million, representing an increase of approximately 87.1% as compared with approximately S\$3.2 million for the six months ended 30 June 2022, which was driven by an increase in revenue for the same period. The Group's gross profit margin had increased by approximately 0.9 percentage point from 10.4% for the six months ended 30 June 2022 to 11.3% for the six months ended 30 June 2023.

Other Income

Other income mainly included income from (i) government grants; and (ii) sundry income. During the six months ended 30 June 2023, other income amounted to approximately S\$63,000 compared to approximately S\$494,000 for the six months ended 30 June 2022, 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 remains fairly constant at around S\$3.7 million for the six months ended 30 June 2023 and 30 June 2022.

Finance Costs

Finance costs for the six months ended 30 June 2023 was approximately S\$126,000 (six months ended 30 June 2022: S\$218,000) which represents interest on lease liabilities, trade financing and bank loans. The interest has decreased despite the increasing interest rate as the Group takes a conscious effort to minimised trade financing and decreasing bank loan as a result of the monthly installments paid in the six months ended 30 June 2023 as compared to six months ended 30 June 2022.

Income Tax (Expense)/Credit

No income tax had been provided for the six months ended 30 June 2023 as the Group had unrecognised tax losses arising from 2020.

Net Profit/(Loss)

Profit attributable to owners of the Company for the six months ended 30 June 2023 increased by approximately S\$2.5 million from a net loss of approximately S\$0.3 million for the six months ended 30 June 2022 to a profit of approximately S\$2.2 million for the six months ended 30 June 2023. The increase was mainly due to the increase in gross profit.

Interim Dividend

The Board did not recommend any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: 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 2023, the Group had total cash and bank balances of approximately S\$6.2 million as compared to approximately S\$4.0 million as at 31 December 2022.

As at 30 June 2023, the Group had a total available committed banking facilities of approximately S\$27.0 million, of which approximately S\$5.0 million of term loan was utilised. The outstanding term loan as at 30 June 2023 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 2023, the Group also had facilities in relation to performance guarantee of approximately S\$15.5 million, of which approximately S\$12.4 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 2023 and 30 June 2022.

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\$61,000 as at 30 June 2023 (31 December 2022: S\$54,000) 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 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 2023 was 19.8% (as at 31 December 2022: 67.8%).

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 2023.

Future Plans for Material Investments or Capital Assets

Save as disclosed in the announcements of the Company dated 1 August 2023 and 15 August 2023, the Group did not have other future plans for material investments or capital assets as at 30 June 2023.

Employees and Remuneration Policy

As at 30 June 2023, the Group had a total of 398 employees (30 June 2022: 368 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 2023 amounted to approximately S\$6.3 million (six months ended 30 June 2022: approximately S\$5.8 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 2023, the Group had performance bonds of approximately S\$12.4 million (31 December 2022: S\$10.7 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 2023, the Group acquired items of property, plant and equipment of approximately S\$25,000 (30 June 2022: S\$113,000).

As at 30 June 2023, the Group had no material capital commitments.

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 2023, 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. Ding Hing Hui	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. 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 2023, 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.

OTHER INFORMATION (CONTINUED)

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

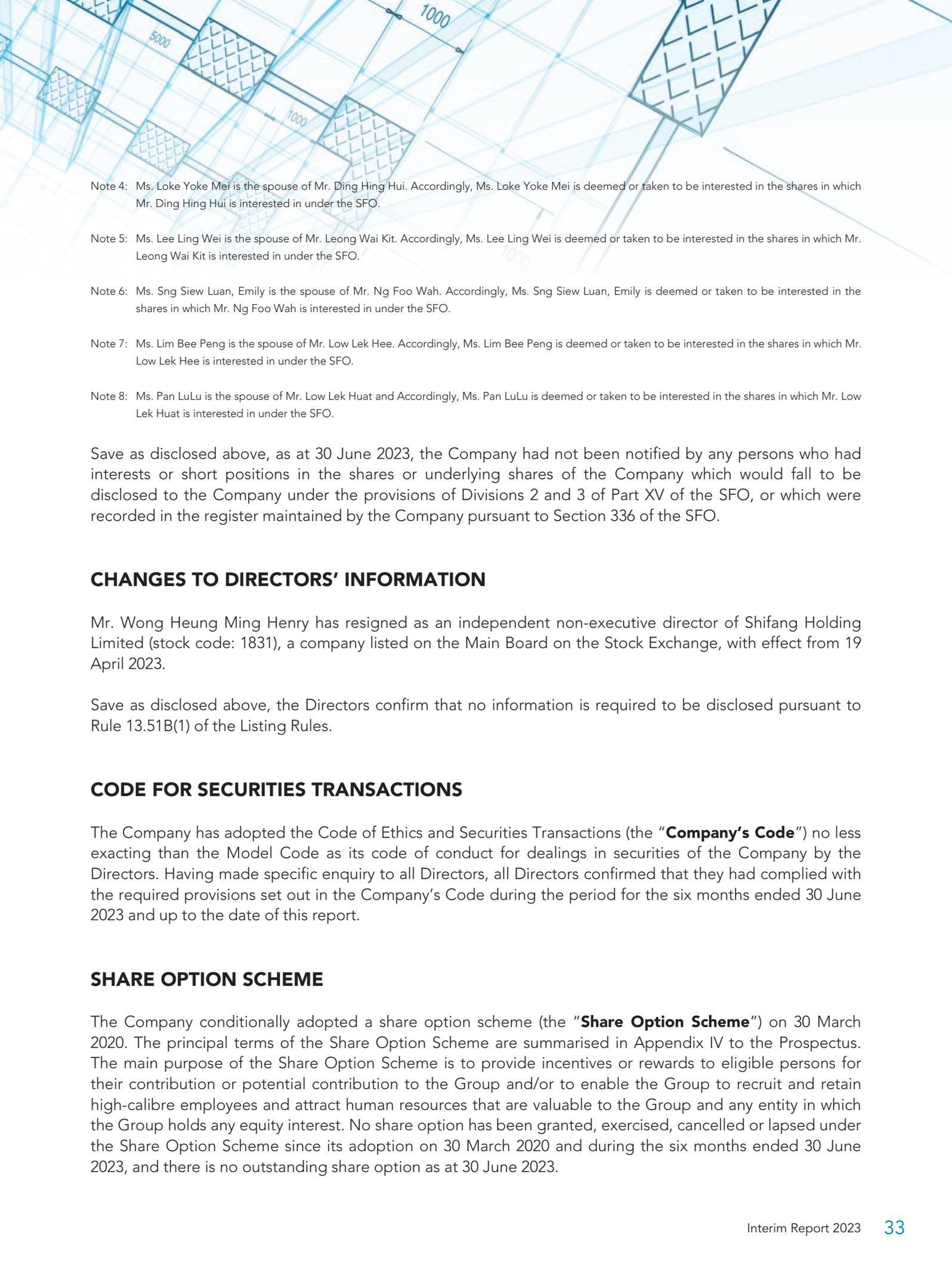
As at 30 June 2023, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to 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.

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 2023, 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

Mr. Wong Heung Ming Henry has resigned as an independent non-executive director of Shifang Holding Limited (stock code: 1831), a company listed on the Main Board on the Stock Exchange, with effect from 19 April 2023.

Save as disclosed above, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 2023 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 2023, and there is no outstanding share option as at 30 June 2023.

OTHER INFORMATION (CONTINUED)

As at 1 January 2023 and 30 June 2023, 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 2023 divided by the weighted average number of Shares in issue for the six months ended 30 June 2023 is nil.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report and the announcements of the Company dated 1 August 2023 and 15 August 2023 in relation to the acquisition of 51% equity interest of the target company involving the issue of convertible note under general mandate, the Group had no other significant event requiring disclosure subsequent to 30 June 2023 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 14 to the Listing Rules throughout the six months ended 30 June 2023.

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 2023.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises four independent non-executive Directors, namely Mr. Wong Heung Ming Henry (chairman of the Audit Committee), Mr. Chia Kok Seng, 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 2023 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

23 August 2023