LIFEBRANDZ LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200311348E)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 JANUARY 2023

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		Group		
		Six months ended		
	Note	31-Jan-23 ("HY FY23") S$'000	31-Jan-22 ("HY FY22") S$'000	Inc/ (Dec) %
Revenue	4	**575**	37	>100%
Other operating income		**62**	83	(25%)
Expenses				
- Inventories and consumables used		**(185)**	(11)	>100%
- Amortisation and depreciation		**(158)**	(1)	>100%
- Employee benefits		**(650)**	(402)	62%
- Finance cost		**(5)**	-	N.M.
- Advertising, media and entertainment		**(14)**	(2)	>100%
- Lease expenses		**(46)**	(19)	>100%
- Transportation		**(17)**	(1)	>100%
- Legal and professional fees		**(152)**	(131)	16%
- Other operating expenses		**(232)**	(62)	>100%
Total expenses		**(1,459)**	(629)	>100%
Loss before income tax	6	**(822)**	(509)	61%
- Income tax expenses		**-**	-	-
Net loss for the period		**(822)**	(509)	61%
Attributable to:				
Owners of the Company		**(707)**	(509)	39%
Non-controlling interest		**(115)**	-	N.M.
		(822)	(509)	61%
Other comprehensive income:				
Exchange differences on translating foreign operations		**15**	(41)	N.M.
Total comprehensive loss for the financial period		(807)	(550)	47%
Total comprehensive loss for the financial period attributable to:				
Owners of the Company		**(692)**	(550)	26%
Non-controlling interest		**(115)**	-	N.M.
		(807)	(550)	47%
Loss per share attributable to owners of the Company (cents) – basic and diluted	9	**(0.03)**	(0.02)	

N.M. - not meaningful

B. Condensed interim statements of financial position

	Note	The Group 31-Jan-23 S$'000	The Group 31-Jul-22 (Audited) S$'000	The Company 31-Jan-23 S$'000	The Company 31-Jul-22 (Audited) S$'000
Current assets					
Inventories		**4**	6	**-**	-
Trade and other receivables		**252**	270	**421**	138
Cash and cash equivalents		**1,827**	2,872	**1,703**	2,662
		2,083	3,148	**2,124**	2,800
Non-current assets					
Property, plant and equipment	11	**821**	70	**3**	3
Goodwill		**19**	19	**-**	-
Investment in subsidiaries		**-**	-	*****	*
Convertible loan receivable	12	**-**	-	**559**	144
		840	89	**562**	147
Total assets		**2,923**	3,237	**2,686**	2,947
Current liabilities					
Trade and other payables		**729**	702	**458**	482
Lease liabilities		**119**	53	-	-
		848	755	**458**	482
Non-current liabilities					
Lease liabilities		**399**	-	-	-
Total liabilities		**1,247**	755	**458**	482
Equity					
Share capital	13	**69,950**	69,950	**69,950**	69,950
Foreign currency translation reserve		**(62)**	(77)	**-**	-
Accumulated losses		**(68,099)**	(67,393)	**(67,722)**	(67,485)
Equity attributable to owners of the Company		**1,789**	2,480	**2,228**	2,465
Non-controlling interest		**(113)**	2	**-**	-
Total equity		**1,676**	2,482	**2,228**	2,465
Total equity and liabilities		**2,923**	3,237	**2,686**	2,947

* - amount less than S$1,000

C. Condensed interim statements of changes in equity

(i) **Group**

	Share Capital S$'000	Foreign Currency Translation Reserve S$'000	Accumulated Losses S$'000	Non-controlling Interest S$'000	Total S$'000
Balance at 1 August 2022	**69,950**	**(77)**	**(67,393)**	**2**	**2,482**
Loss for the financial period	**-**	**-**	**(707)**	**(115)**	**(822)**
Other comprehensive loss for the financial period	**-**	**15**	**-**	**-**	**15**
Currency translation differences arising on consolidation	**-**	**-**	**1**	**-**	**1**
Balance at 31 January 2023	**69,950**	**(62)**	**(68,099)**	**(113)**	**1,676**
Balance at 1 August 2021	69,950	(43)	(66,325)	-	3,582
Loss for the financial period	-	-	(509)	-	(509)
Other comprehensive loss for the financial period	-	(41)	-	-	(41)
Balance at 31 January 2022	69,950	(84)	(66,834)	-	3,032

(ii) **Company**

	Share Capital S$'000	Accumulated Losses S$'000	Total S$'000
Balance at 1 August 2022	**69,950**	**(67,485)**	**2,465**
Loss for the financial period	**-**	**(237)**	**(237)**
Balance at 31 January 2023	**69,950**	**(67,722)**	**2,228**
Balance at 1 August 2021	69,950	(66,260)	3,690
Loss for the financial period	-	(405)	(405)
Balance at 31 January 2022	69,950	(66,665)	3,285

D. Condensed interim consolidated statement of cash flows

	HY FY23	HY FY22
	S$'000	S$'000
Cash flows from operating activities		
Loss before income tax from continuing operations	**(822)**	(509)
Adjustments for:		
Depreciation of plant and equipment	**158**	1
Interest income	**(4)**	-
Operating cash flows before changes in working capital	**(668)**	(508)
Changes in working capital		
Inventories	**2**	(1)
Trade and other receivables	**18**	5
Trade and other payables	**28**	(212)
Cash flows used in operations	**(620)**	(716)
Income tax paid	-	-
Net cash flows used in operating activities	**(620)**	(716)
Cash flows from investing activities		
Purchase of plant and equipment	**(338)**	(1)
Interest received	**4**	-
Net cash flows used in investing activities	**(334)**	(1)
Cash flows from financing activities		
Amount due to related party	**-**	(139)
Repayment of lease liabilities	**(106)**	-
Exchange realignment	**15**	(41)
Net cash flows used in financing activities	**(91)**	(180)
Net change in cash and cash equivalents	**(1,045)**	(897)
Cash and cash equivalents at beginning of the financial period	**2,872**	4,454
Cash and cash equivalents at end of the financial period	**1,827**	3,557

E. Notes to the condensed interim consolidated financial statements

1. Corporate Information

LifeBrandz Ltd. (the "**Company**") (Registration Number 200311348E) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The registered office of the Company is located at 30 Cecil Street #19-08 Prudential Tower, Singapore 049712. These condensed interim consolidated financial statements as at 31 January 2023 and for the half year then ended comprise the Company and its subsidiaries (collectively, the "**Group**").

The principal activity of the Company is that of investment holding and management consultancy to its subsidiaries. The principal activities of the respective subsidiaries are those of food and beverage businesses.

2. Basis of preparation

The condensed interim financial statements for the half year ended 31 January 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last audited financial statements for the financial year ended 31 July 2022. The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)s**"), except for the adoption of new and amended standards as set out in Note 2.1. The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1. New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 July 2022.

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are as follows:

- Assessment of impairment of investment in subsidiaries and amount due from subsidiaries (including convertible loan receivables)
- Assessment of impairment of goodwill
- Assessment of impairment of trade and other receivables

3. **Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. **Segment and revenue information**

The Group's operations are substantially in food and beverage. All of its operations are in Singapore, except for two subsidiaries – Mulligan's Co., Ltd. and LB F&B Sdn. Bhd. which are located in Thailand and Malaysia, respectively. For management purposes, the Group is organised into business units based on their geographical locations.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

	Singapore		Thailand		Malaysia		Total	
	HY FY23	HY FY22	HY FY23	HY FY22	HY FY23	HY FY22	HY FY23	HY FY22
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue:								
Sales to external customers	**466**	-	**109**	37	**-**	-	**575**	37
Results:								
Amortisation and depreciation	**158**	1	**-**	-	**-**	-	**158**	1
Segment loss for the period	**(686)**	(417)	**(53)**	(84)	**(83)**	(8)	**(822)**	(509)
Assets/(Liabilities):								
Property, plant and equipment	**817**	4	**3**	1	**1**	1	**821**	6
Segment assets	**2,833**	3,622	**46**	21	**44**	39	**2,923**	3,682
Segment liabilities	**(1,196)**	(579)	**(48)**	(68)	**(3)**	(3)	**(1,247)**	(650)

5. **Financial assets and financial liabilities**

Set out of below is an overview of the financial assets and financial liabilities of the Group as at 31 January 2023 and 31 July 2022:

	Group		Company	
	31-Jan-23	31-Jul-22	31-Jan-23	31-Jul-22
	S$'000	S$'000	S$'000	S$'000
Financial assets at amortised cost				
Trade and other receivables	**252**	270	**421**	138
Less: Prepayments	**(73)**	(95)	**(48)**	(48)
	179	175	**373**	90
Cash and cash equivalents	**1,827**	2,872	**1,703**	2,662
Total	**2,006**	3,047	**2,076**	2,752
Financial liabilities at amortised cost				
Trade and other payables	**729**	702	**458**	482
Lease liabilities	**518**	53	**-**	-
Total	**1,247**	755	**458**	482

6. Loss before income tax

Significant items

	HY FY23 S$'000	HY FY22 S$'000
Depreciation of plant and equipment	**158**	1
Loss on disposal of plant and equipment	**-**	10
Interest income	**(4)**	-
Government grant	**(49)**	(13)
Net foreign exchange gain	**-**	(48)

7. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

8. Dividends

No dividend has been declared for HY FY23 and HY FY22.

Please refer to Notes 5 and 6 in Section F - Other information required by Catalist Rules Appendix 7C for further details.

9. Loss per share

	HY FY23 S$'000	HY FY22 S$'000
Loss per share ("**LPS**") for the financial period attributable to the owners of the Company	**(707)**	(509)
Weighted average number of ordinary share ('000)	**2,060,340**	2,060,340
Based on the weighted average number of ordinary shares - Basic & Diluted (cents)	**(0.03)**	(0.02)

Diluted LPS is the same as basic LPS as the outstanding warrants have not been included in the calculation given that they are anti-dilutive.

10. Net asset value

	Group		Company	
	31/1/2023	**31/7/2022**	**31/1/2023**	**31/7/2022**
Number of ordinary shares ('000)	**2,060,340**	2,060,340	**2,060,340**	2,060,340
Net assets value (attributable to the owners of the Company) per ordinary share based on existing issued share capital (excluding treasury shares) as at the end of the period reported on (cents)	**0.09**	0.12	**0.11**	0.12

11. Plant and equipment

During HY FY23, the Group acquired plant and equipment ("**PE**") for an amount of S$338,000 (HY FY22: S$1,300).

12. Convertible loan receivable

	Company	
	31-Jan-2023	31-Jul-2022
	S$'000	S$'000
At fair value through profit or loss		
Convertible loan receivable	**559**	144

On 18 April 2022, the Company entered into a convertible loan agreement with SFK in respect of an investment by the Company in SFK by way of a grant of a convertible loan of an amount up to S$650,000 and with maturity date on five (5) years from the drawdown date. The subsidiary bears a fixed interest rate for the convertible loan is of 5% per annum on each amount outstanding under the convertible loan from the period of the date of drawdown to the repayment date or the date that the convertible loan is converted into shares of SFK and such accrued interests shall be payable at the end of each calendar quarter from 30 June 2023 (date inclusive). The Company entitled to convert the convertible loan into shares of SFK at a conversion price of S$0.065 per SFK share in the event of any payment that is so due but not made on or before the interest payment date(s) or the repayment date; or upon the occurrence of an event of default.

SFK has drawn down the loan totalling amounted to S$200,000 on 20 May 2022 and 7 July 2022 respectively. The fair value of the convertible loan receivable was determined based on discounted cashflows for an equivalent financial instrument. Consequently, the fair value loss on the convertible loan receivables amounted to S$56,000 are recognised in the Company's statement of profit or loss and other comprehensive income in the financial year ended 31 July 2022.

The Company has classified the convertible loan receivable as financial assets at fair value through profit or loss at initial recognition and at the end of the reporting period. The Company has determined the fair value of the convertible loan receivable based on the valuation performed by an external professional valuer using the discounted cash flow method during the financial year ended 31 July 2022. The key inputs to the discounted cash flow method mainly include the discount rate, time to maturity, required rate of return and probability of conversion. Management considered the appropriateness of the valuation technique and assumptions applied by the external valuer. The fair value of the convertible loan receivable is categorised at Level 3 of the fair value hierarchy.

SFK has further drawn down an amount totalled S$415,000 on 10 August 2022, 6 September 2022, 25 October 2022, 21 December 2022 and 26 January 2023. No external professional valuer was engaged to conduct fair value valuation on the convertible loan receivable during the HY FY23. The fair value of the convertible loan receivable was determined based on discounted cashflows for an equivalent financial instrument.

Please refer to the announcements released by the Company on 3 February 2022, 18 April 2022 and 29 April 2022 for more details.

13. Share capital

	Group and Company	
	No. of shares	Amount
	'000	S$'000
Issued and paid-up share capital as at 1 August 2022 and 31 January 2023	2,060,340	69,950

There was no change in the Company's share capital since the end of the previous period reported on, being the period between 1 August 2022 and 31 January 2023.

There were no other outstanding convertibles, treasury shares and subsidiary holdings held or issued as at 31 January 2023, 31 July 2022 and 31 January 2022.

14. Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

F. Other information required by Catalist Rules Appendix 7C

1. Review

The condensed consolidated statement of financial position of LifeBrandz Ltd. and its subsidiaries as at 31 January 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six months then ended and certain explanatory notes have not been audited or reviewed. There is no auditors' report issued (including any modifications or emphasis of matter).

The Company has a qualified opinion for its most recently audited financial statements for the financial year ended 31 July 2022 ("**FY2022**"). In the auditors' report dated 2 November 2021 on the financial statements for the financial year ended 31 July 2021 ("**FY2021**"), the Independent Auditors were unable to obtain sufficient appropriate audit evidence about the profit from discontinued operations and the gain on disposal recorded in other operating income arising from the disposal of two of the disposed subsidiaries, namely Sync Co., Ltd. and e-Holidays Co., Ltd., as management was unable to provide Independent Auditors pertinent and relevant supporting records and documents requested to perform audits on the aforementioned disposed subsidiaries. Consequently, the Independent Auditors were unable to determine whether any adjustments to these amounts in the Group financial statements were necessary nor ascertain the appropriateness and completeness of the corresponding disclosure notes for FY2021. Accordingly, the audit opinion for the FY2022 financial statement is qualified because of the possible effect of the disposed subsidiaries on the comparability of the FY2022's figures and the corresponding FY2021's figures.

Following the completion of the disposals of the disposed subsidiaries in March 2021, the audit issue highlighted above has been resolved.

2. Review of performance of the Group

<u>Review of Income Statement</u>

Revenue

	Group				
	HY FY23	**Contribution**	**HY FY22**	**Contribution**	**Increase / (Decrease)**
	S$'000	**%**	**S$'000**	**%**	**%**
Food and beverage revenue					
- Singapore	466	81%	-	-	N.M.
- Thailand	109	19%	37	100%	>100%
	575	100%	37	100%	>100%

The Group recorded approximately S$0.58 million from food and beverage ("**F&B**") revenue for HY FY23, an increase of S$0.54 million compared to HY FY22.

The increase in F&B revenue from Singapore of S$0.47 million in HY FY23 was mainly due to the revenue generated from The Green Bar Pte. Ltd. ("**TGB**") that was acquired by the Group on 29 April 2022 and the launch of Superfood Kitchen in late September 2022, a nutrition-focused takeout concept featuring delicious recipes at wallet-friendly prices via Superfood Kitchen Pte. Ltd. ("**SFK**"), a 75% owned subsidiary of the Company. The increase in F&B revenue from Thailand of S$0.07 million was due to recovery from COVID-19 pandemic in view of relaxation of COVID-19 measures and border restrictions by the Thailand Government.

Other operating income

Decrease in other operating income by S$0.02 million was mainly due to the following transactions occurred in HY FY22 but not in HY FY23: (i) net gain in foreign exchange of S$0.05 million; and (ii) tax refund for carry-back relief of S$0.01 million. This was offset by increase in government grants by S$0.04 million.

Costs & expenses

Inventories and consumables used increased by S$0.17 million to S$0.19 million in HY FY23 which is in tandem with the increase in the Group's revenue.

Amortisation and depreciation expenses increased by S$0.16 million to SS$0.16 million in HY FY23 mainly due to increase in depreciation of new additions of property, plant and equipment arising from the acquisition of TGB and the rollout of Superfood Kitchen.

Employee benefits increased by S$0.25 million to S$0.65 million in HY FY23 mainly due to additional employee salaries and benefits arising from the acquisition of TGB and the rollout of Superfood Kitchen.

Advertising, media and entertainment increased by S$0.01 million to S$0.01 million mainly due to branding design and conceptualisation expenses spent on Superfood Kitchen in HY FY23.

Lease expenses increased by S$0.03 million to S$0.05 million in HY FY23 mainly due to short term rental contract at the central kitchen premise.

Transportation expenses increased by S$0.02 million to S$0.02 million as the Group engaged external logistics firms to transport certain goods among TGB, the three new outlets and the central kitchen under SFK.

Legal and professional fees increased by S$0.02 million to S$0.15 million in HY FY23 as certain corporate exercises including, *inter alia,* updating of the Company's Constitution and valuation services for the acquisition of TGB, which took place in HY FY23.

Other operating expenses in HY FY23 saw an increase of S$0.17 million to S$0.23 million due to, amongst others, additional expenditures on logistics, kitchen consumables and supplies, and utilities following the acquisition of TGB and opening of three new outlets under SFK.

As a result of the factors mentioned above, the Group recorded an increase in total expenses of S$0.83 million to S$1.46 million in HY FY23.

Loss before income tax

Overall, the Group recorded a loss of S$0.82 million in HY FY23 as compared to a loss of S$0.51 million in HY FY22 for the reasons stated above.

Review of Statement of Financial Position

Current assets

The Group's current assets decreased by S$1.06 million to S$2.09 million as at 31 January 2023, from S$3.15 million as at 31 July 2022. This was mainly due to decrease in cash and cash equivalent of S$1.05 million utilised for working capital purposes including, *inter alia,* payment of professional fees and payroll related expenses and for business expansion purpose.

Non-current assets

Non-current assets increased by S$0.75 million to S$0.84 million as at 31 January 2023, from S$0.09 million as at 31 July 2022. Besides new additions to property, plant and equipment arising from the acquisition of TGB and the opening of new SFK's outlets, during HY FY23, the Group recorded a net increase of S$0.51 million right-of-use assets arising from leases for the new SFK's outlets.

Current liabilities

The Group's current liabilities increased by S$0.09 million to S$0.85 million as at 31 January 2023, from S$0.76 million as at 31 July 2022 mainly due to the increase in lease liabilities of $0.07 million arising from leases for the new SFK's outlets.

Non-current liabilities

This relates to the non-current portion of the lease liabilities on the new SFK's outlets.

Equity

Equity attributable to owners of the Company amounted to S$1.79 million as at 31 January 2023, decreased by S$0.69 million from S$2.48 million as at 31 July 2022. The decrease was mainly due to a net loss of S$0.71 million recorded in HY FY23 and partially offset by an increase in foreign currency translation reserve of S$0.02 million.

Review of Statement of Cash Flows

The Group's net cash flows used in operating activities in HY FY23 was S$0.62 million, mainly due to net operating cash outflow before changes in working capital of S$0.67 million and net working capital inflow of S$0.05 million.

The net cash flows used in investing activities in HY FY23 was S$0.33 million, mainly for purchase of property, plant and equipment for the 3 new SFK outlets.

The net cash flows used in financing activities in HY FY23 was S$0.09 million, mainly due to the repayment of the principal portion and the interest expense of lease liabilities.

As a result, cash and cash equivalents stood at S$1.83 million as at 31 January 2023.

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

No forecast or prospect statement has been previously disclosed to shareholders.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Thailand

The Tourism Authority of Thailand ("**TAT**") welcomes all international tourists under the fully-reopen-to-tourism policy that was introduced on 1 October 2022. This resulted in better-than-expected arrival of tourists in November 2022 to Thailand.[1] Thailand's tourism recovery is a positive development for F&B businesses in Thailand. The Group's Mulligan's Irish Pub ("**Mulligan**") in Pattaya, Thailand recorded higher sales during this period, riding on the wave of tourists' influx. In addition, with Thailand lifting up its travel restrictions and easing entry requirements for China travellers to travel to Thailand from January 2023, the Group is hopeful that these will further improve the performance of Mulligan.

Singapore

The increase in revenue of HY FY23 reflects optimistic signs of recovery in the F&B sector with the lifting of COVID-19 related restrictions on dining-in and social gatherings since April 2022. However, the operating environment continues to be challenging due to intense competition, increasing labour and higher operational costs in Singapore. The raw material costs have been driven up also as a result of the supply chain disruption and inflationary pressure. The higher operating cost pressure is expected to plague the F&B scene at least in the near and mid-term horizon. The Group is mindful and keeping a close watch against the rising costs of our outlets and intensifying our efforts to manage outlets expenses while constantly conceiving new and compelling menu that will appeal to customers.

Even though Singapore and the rest of the world are recovering from the COVID-19 pandemic, global economics uncertainties remain due to ongoing geopolitical tensions, and potential recession following tightening by central banks around the world to combat inflationary pressure, may dampened

Reference:

[1] Extracted from Thai Enquirer, which was published on 8 December 2022 (https://www.thaienquirer.com/46530/thailand-sees-better-tourism-arrival-in-november-than-estimates-but-spending-remains-subdued-due-to-global-economic-slowdown/).

consumer confidence and business sentiments. The Group will continue to exercise due care and diligence in cost management and utilisation of resources, and its effort to optimize its business operations amidst these challenging time.

5. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared/recommended for the period under review in view of the negative earnings.

7. Interested person transactions ("IPT")

The Group has not obtained any IPT mandate from the shareholders. There is no IPT which amounted to more than S$100,000 entered during the six months ended 31 January 2023.

8. Confirmation pursuant to Rule 720(1) of the Catalist Rules

The Company has received undertaking from all its Directors and Executive Officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

9. Use of Proceeds

The Rights cum Warrants Issue

The Company has on 22 June 2021 completed the renounceable non-underwritten rights cum warrants issue of 1,030,170,246 new ordinary shares ("**Rights Shares**") at the issue price of S$0.005 for each Rights Share, with 515,085,123 free detachable and transferable warrants ("**Warrants**"), each Warrant carrying the right to subscribe for one (1) new ordinary share ("**New Share**") at the exercise price of S$0.010 for each New Share, on the basis of one (1) Rights Share for every one (1) existing Share held by entitled shareholders as at the record date, with one (1) free detachable Warrant for every two (2) Rights Shares subscribed, fractional entitlements to be disregarded" ("**Rights cum Warrants Issue**"). The Company has raised net proceeds of approximately S$4.97 million (after deducting estimated expenses of approximately S$0.19 million) from the Rights cum Warrants Issue (the "**Net Proceeds**"). Please refer to the Company's Offer Information Statement dated 28 May 2021 and announcements dated 15 March 2021, 7 May 2021, 18 May 2021, 19 May 2021, 28 May 2021, 18 June 2021 and 23 June 2021 for further information on the Rights cum Warrants Issue.

Following a review of the Group's current operating environment, cash flow as well as investment and expansion plans, the Board has decided to re-allocate S$0.90 million of the Net Proceeds from the business expansion category to general working capital purposes (the "**Re-allocation**") to meet the needs of its current working capital requirements.

The following table summarises the Re-allocation and utilisation of Net Proceeds raised from the Rights cum Warrants Issue as at the date of this announcement:

Intended use of RI Net Proceeds	**Allocation of the RI Net Proceeds (S$' million)**	**Amount utilised as at 10 November 2022 (S$' million)**	**Further amount utilised as at date of this announcement (S$' million)**	**Re-allocated as at the date of this announcement (S$' million)**	**Balance as at the date of this announcement (S$' million)**
Repayment of the Group's existing and outstanding liabilities to external creditors	0.93	(0.73)	-	-	0.20
General working capital purposes	2.11	(1.74)(1)	(0.49)(1)	0.90	0.78
Business expansion	1.93	(0.62)(2)	(0.15)(2)	(0.90)	0.26
Total	**4.97**	**(3.09)**	**(0.64)**	**-**	**1.24**

Notes:

(1) A breakdown of the use of Net Proceeds for general working capital purposes of the Group is as follows:

	Amount utilised as at 10 November 2022 S$'000	**Further amount utilised as at date of this announcement S$'000**
Professional fees	505	126
Payroll related expenses	823	253
Working capital support for overseas subsidiary (Thailand)	60	26
Other operating expenses	350	85
Total	**1,738**	**490**

(2) A breakdown of the use of Net Proceeds for business expansion purposes of the Group is as follows:

	Amount utilised as at 10 November 2022 S$'000	**Further amount utilised as at date of this announcement S$'000**
Professional fees in relation to the acquisition of TGB	68	-
Working capital and other operating expenses for SFK and TGB	550	150
Total	**618**	**150**

Saved as disclosed above on the Re-allocation, the use of proceeds is in accordance with the stated use disclosed in the Company’s announcement dated 18 June 2021 in relation to the Rights cum Warrants Issue.

10. Disclosure pursuant to Rule 706A of the Catalist Rules

There were no acquisition or realisation of shares thereby resulting (i) in a change in the shareholding percentage in any of the subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during HY FY23. Neither was there any incorporation or striking off of subsidiary or associated company by the Group during HY FY23.

11. Statement pursuant to Rule 705(5) of the Catalist Rules

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the HY FY23 to be false or misleading in any material aspect.

By Order of the Board

Lam Siew Kee
Executive Chairman and Chief Executive Officer
16 March 2023