

**SHS Holdings Ltd.**  
(Company Registration No. 197502208Z)

**Condensed interim financial statements**  
**For the six months and full year ended 31 December 2022**

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**SHS Holdings Ltd.**  
(Company Registration No. 197502208Z)

**(A) Condensed Interim consolidated statement of profit or loss and other comprehensive income for the six months and full year ended 31 December 2022**

	Note	Group 6 month ended 31 Dec			Group 12 month ended 31 Dec		
		2022 S\$'000	2021 S\$'000	Change %	2022 S\$'000	2021 S\$'000	Change %
<b><u>Continuing Operations</u></b>							
Revenue	3	46,307	30,023	54%	87,222	55,200	58%
Cost of sales and services		(35,666)	(25,303)	(41%)	(68,157)	(45,881)	49%
<b>Gross profit</b>		<u>10,641</u>	<u>4,720</u>	125%	<u>19,065</u>	<u>9,319</u>	105%
Other income		1,725	1,580	9%	2,847	4,451	(36%)
Selling and distribution expenses		(206)	(152)	36%	(414)	(588)	(30%)
Administrative expenses		(3,355)	(3,271)	3%	(7,046)	(6,443)	9%
Other operating expenses		(3,509)	(4,954)	(29%)	(6,785)	(8,679)	(22%)
<b>Profit / (Loss) from operations</b>		<u>5,296</u>	<u>(2,077)</u>	(355%)	<u>7,667</u>	<u>(1,940)</u>	(495%)
Finance costs		(374)	(497)	(25%)	(689)	(1,060)	(35%)
Share of loss of associated companies		(574)	(504)	14%	(830)	(623)	33%
<b>Profit / (Loss) before income tax</b>	4	<u>4,348</u>	<u>(3,078)</u>	241%	<u>6,148</u>	<u>(3,623)</u>	(270%)
Income tax	5	223	34	556%	(114)	45	(353%)
<b>Profit / (Loss) from continuing operations after tax</b>		<u>4,571</u>	<u>(3,044)</u>	(250%)	<u>6,034</u>	<u>(3,578)</u>	(269%)
<b><u>Discontinued operations #</u></b>							
Profit / (Loss) from discontinued operations after tax		-	1,689	(100%)	-	(2,326)	100%
<b>Profit / (Loss) after income tax</b>		<u>4,571</u>	<u>(1,355)</u>	(437%)	<u>6,034</u>	<u>(5,904)</u>	202%
<b>Attributable to:</b>							
Equity holders of the Company							
- Continuing Operations		4,028	(2,920)	(238%)	5,456	(3,359)	262%
- Discontinued Operations		-	2,813	(100%)	-	611	(100%)
		4,028	(107)	(3864%)	5,456	(2,748)	299%
Non-controlling interests, net of income tax							
- Continuing Operations		543	(124)	(538%)	578	(219)	(364%)
- Discontinued Operations		-	(1,124)	(100%)	-	(2,937)	(100%)
		543	(1,248)	(144%)	578	(3,156)	(118%)
		<u>4,571</u>	<u>(1,355)</u>	(437%)	<u>6,034</u>	<u>(5,904)</u>	(202%)

# Discontinued operations refer to the solar development business and modular construction business in respect of which the Company has completed its disposal as at last year ended 31 December 2021.

**(A) Condensed Interim consolidated statement of profit or loss and other comprehensive income for the six months and full year ended 31 December 2022 (cont'd)**

	Group			Group		
	6 month ended 31 Dec			12 month ended 31 Dec		
	2022 S\$'000	2021 S\$'000	Change %	2022 S\$'000	2021 S\$'000	Change %
<b>Profit / (Loss) after income tax from Continuing Operations</b>	4,571	(3,044)	(250%)	6,034	(3,578)	(269%)
Profit / (Loss) from discontinued operations	-	1,689	(100%)	-	(2,326)	(100%)
Profit / (Loss) after income tax	4,571	(1,355)	(437%)	6,034	(5,904)	(202%)
<u>Other comprehensive (expense)</u>						
Foreign currency translation	(444)	(237)	87%	(493)	(359)	37%
Net loss on fair value changes of equity instruments at fair value through other comprehensive income	(835)	-	NM	(835)	-	NM
Disposal of revaluation surplus of fixed assets	(338)	-	NM	(338)	-	NM
	<u>(1,617)</u>	<u>(237)</u>	582%	<u>(1,666)</u>	<u>(359)</u>	364%
Total comprehensive profit /(loss)	<u>2,954</u>	<u>(1,592)</u>	(286%)	<u>4,368</u>	<u>(6,263)</u>	(170%)
Attributable to:						
Equity holders of the Company	2,566	(248)	(1135%)	3,945	(2,982)	(232%)
Non-controlling interests, net of income tax	388	(1,344)	(129%)	423	(3,281)	(113%)
	<u>2,954</u>	<u>(1,592)</u>	(286%)	<u>4,368</u>	<u>(6,263)</u>	(170%)
<b>Earnings / (Loss) per shares</b>						
Basic and Diluted (cents)	<b>6</b>	0.64	(0.43)	0.87	(0.49)	

(B) **Condensed Interim consolidated Statement of Financial position as at 31 December 2022**

	Note	Group		Company	
		31 Dec 2022 S\$'000	31 Dec 2021 S\$'000	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9	39,613	43,316	15	29
Investment property	10	-	-	8,542	9,714
ROU Assets		3,820	4,133	1,198	1,359
Investment in subsidiary companies		-	-	33,227	33,227
Investments in associated companies		245	1,075	-	-
Other Financial Assets	11	14,093	13,947	14,043	13,892
Goodwill	12	6,000	6,000	-	-
Other receivable and prepayments		2,814	2,876	2,814	2,876
		<u>66,585</u>	<u>71,347</u>	<u>59,839</u>	<u>61,097</u>
<b>Current Assets</b>					
Inventories		4,281	2,849	-	-
Land held for development		4,566	4,566	-	-
Contract assets		8,021	11,110	-	-
Trade receivables		20,209	11,995	-	-
Amount due from related parties		147	-	32,447	30,295
Other receivables and prepayments		3,179	8,101	1,352	628
Fixed deposits		42,940	47,632	42,940	47,632
Cash and bank balances		17,035	18,748	1,262	7,473
		<u>100,378</u>	<u>105,001</u>	<u>78,001</u>	<u>86,028</u>
Assets held for sale		-	-	-	-
		<u>100,378</u>	<u>105,001</u>	<u>78,001</u>	<u>86,028</u>
<b>Total Assets</b>		<b>166,963</b>	<b>176,348</b>	<b>137,840</b>	<b>147,125</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade payables and accruals		6,821	9,401	334	423
Contract liabilities		2,648	356	-	-
Other payables		2,530	2,308	515	734
Amount due to related parties		28	-	244	-
Term loans	13	3,807	3,409	-	-
Other amounts due to bankers	13	7,628	6,540	-	-
Provision for taxation		425	363	-	-
		<u>23,887</u>	<u>22,377</u>	<u>1,093</u>	<u>1,157</u>
<b>Non-current Liabilities</b>					
Term loans	13	5,730	9,491	-	-
Lease liabilities		4,189	4,458	1,343	1,478
Deferred taxation		1,718	1,729	1,577	1,577
		<u>11,637</u>	<u>15,678</u>	<u>2,920</u>	<u>3,055</u>
<b>Total Liabilities</b>		<b>35,524</b>	<b>38,055</b>	<b>4,013</b>	<b>4,212</b>
<b>EQUITY</b>					
Share capital	14	155,547	160,640	155,547	160,640
Treasury shares	14	(11,524)	(5,395)	(11,524)	(5,395)
Asset revaluation reserve		12,473	12,771	8,582	8,582
Foreign currency translation reserve		101	479	-	-
Other reserve		-	-	3,297	3,297
Fair Value reserve		(10,696)	(9,861)	(10,247)	(10,247)
Retained earnings/(Accumulated losses)		(14,775)	(20,231)	(11,828)	(13,964)
		<u>131,126</u>	<u>138,403</u>	<u>133,827</u>	<u>142,913</u>
Non-controlling interests		313	(110)	-	-
<b>Total Equity</b>		<b>131,439</b>	<b>138,293</b>	<b>133,827</b>	<b>142,913</b>
<b>Total Liabilities and Equity</b>		<b>166,963</b>	<b>176,348</b>	<b>137,840</b>	<b>147,125</b>

**(C) Condensed consolidated statement of changes in equity for the year ended 31 December 2022**

	Share Capital S\$'000	Treasury Share S\$'000	Revaluation Reserve S\$'000	Other Reserve S\$'000	Fair Value Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Retained Earnings/(Accumulated losses) S\$'000	Total S\$'000	Non-controlling Interests S\$'000	Total Equity S\$'000
<b>Group</b>										
<b>Balance at 01 January 2022</b>	160,640	(5,395)	12,771	-	(9,861)	479	(20,231)	138,403	(110)	138,293
Comprehensive Profit	-	-	(298)	-	(835)	(378)	5,456	3,945	423	4,368
Shares buy-back (Note 14)	(5,093)	(6,129)	-	-	-	-	-	(11,222)	-	(11,222)
<b>Balance at 31 December 2022</b>	<b>155,547</b>	<b>(11,524)</b>	<b>12,473</b>	<b>-</b>	<b>(10,696)</b>	<b>101</b>	<b>(14,775)</b>	<b>131,126</b>	<b>313</b>	<b>131,439</b>
<b>Balance at 01 January 2021</b>	160,640	(5,011)	12,771	-	(9,861)	(878)	(17,483)	140,178	(6,387)	133,791
Comprehensive loss	-	-	-	-	-	(234)	(2,748)	(2,982)	(3,281)	(6,263)
Share buy-back (Note 14)	-	(384)	-	-	-	-	-	(384)	-	(384)
Disposal of subsidiary	-	-	-	-	-	1,591	-	1,591	9,558	11,149
<b>Balance at 31 December 2021</b>	<b>160,640</b>	<b>(5,395)</b>	<b>12,771</b>	<b>-</b>	<b>(9,861)</b>	<b>479</b>	<b>(20,231)</b>	<b>138,403</b>	<b>(110)</b>	<b>138,293</b>
<b>Company</b>										
<b>Balance at 01 January 2022</b>	160,640	(5,395)	8,582	3,297	(10,247)	-	(13,964)	142,913	-	142,913
Comprehensive loss	-	-	-	-	-	-	2,136	2,136	-	2,136
Share buy-back (Note 14)	(5,093)	(6,129)	-	-	-	-	-	(11,222)	-	(11,222)
<b>Balance at 31 December 2022</b>	<b>155,547</b>	<b>(11,524)</b>	<b>8,582</b>	<b>3,297</b>	<b>(10,247)</b>	<b>-</b>	<b>(11,828)</b>	<b>133,827</b>	<b>-</b>	<b>133,827</b>
<b>Balance at 01 January 2021</b>	160,640	(5,011)	8,582	3,297	(10,247)	-	(5,285)	151,976	-	151,976
Comprehensive loss	-	-	-	-	-	-	(8,679)	(8,679)	-	(8,679)
Share buy-back (Note 14)	-	(384)	-	-	-	-	-	(384)	-	(384)
<b>Balance at 31 December 2021</b>	<b>160,640</b>	<b>(5,395)</b>	<b>8,582</b>	<b>3,297</b>	<b>(10,247)</b>	<b>-</b>	<b>(13,964)</b>	<b>142,913</b>	<b>-</b>	<b>142,913</b>

**(D) Condensed consolidated statement of cash flows for the year ended 31 December  
2022**

	<b>Group</b>	
	<b>12 months ended 31 Dec</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit / (Loss) After income tax, total	6,034	(5,904)
Adjustments for:		
Income tax income recognise in profit & loss	114	(45)
Depreciation of property, plant and equipments	4,359	5,416
Depreciation of ROU assets	313	582
Property, plant and equipment written off	-	1
(Gain)/loss on disposal of property, plant and equipments	-	(63)
Impairment of goodwill	-	2,000
Interest expenses	689	1,426
Interest income	(815)	(125)
Share of loss of associated companies	830	623
Net loss of associate struck off	-	13
Allowance for impairment of receivables and contract assets	-	508
Bad debts written off	-	701
(Reversal) / Allowance for inventory obsolescence	(20)	1,006
Gain on disposal of subsidiary	-	(4,798)
Net foreign currency translation adjustments	503	(859)
	<hr/>	<hr/>
Operating cash flow before working capital changes	12,007	482
Changes in working capital		
Inventories	(1,432)	44
Receivables, contract assets and prepayment	(1,818)	(4,618)
Payables and contract liabilities	(1,714)	3,948
Cash generated from / (used in) operations	<hr/> 7,043	<hr/> (144)
Interest paid	-	(1,104)
Interest received	815	125
Income tax payment	(63)	(25)
<b>Net cash generated from / (used in) operating activities</b>	<hr/> <b>7,795</b>	<hr/> <b>(1,148)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(720)	(636)
Proceeds from disposal of property, plant and equipment	65	65
Proceeds from struck off associated company	-	127
Proceed from disposal of subsidiary	-	39,357
	<hr/>	<hr/>
<b>Net cash (used in) / generated from investing activities</b>	<b>(655)</b>	<b>38,913</b>
<b>Cash Flows from Financing Activities</b>		
Shares buy-back	(11,222)	(384)
Payment for lease liabilities	398	(667)
Repayment of term loan (net)	(3,761)	(4,890)
Drawdown of trusts receipts (net)	1,088	3,033
Decrease in amount due to associate company	-	(455)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(13,497)</b>	<b>(3,363)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(6,357)</b>	<b>34,402</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>66,380</b>	<b>31,716</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	(48)	262
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	<b>59,975</b>	<b>66,380</b>

## **E Notes to the unaudited condensed interim consolidated financial statements for the six months and full year ended 31 December 2022**

### **1 General Information**

SHS Holdings Ltd. (the “Company”) is a public limited liability company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). These consolidated financial statements as at and for the six-month period and full year ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the Group).

The Company’s registered address and principal place of business is at 19 Tuas Avenue 20, Singapore 638830.

The principal activities of the Company are investment holding and those of grit blasting and painting. The principal activities of the Group are the corrosion prevention services, engineering and construction, and solar energy related services.

### **2 Basis of preparation**

2.1 The financial statements for the six-month period and full year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standard Council Singapore. The financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended Standards as set out in note 2.2.

The financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.2 New and amended standards adopted by the Group

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (“SFRS”) and Interpretations of Financial Reporting Standards (“INT FRS”) that are mandatory for the accounting periods beginning on or after 1 January 2022. The adoption of these new and revised SFRS and INT FRS did not result in any substantial change to the Group’s and the Company’s accounting policies and has no significant impact on the financial statements for the current financial reporting period.

2.3 Use of estimates and judgements

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 described in the last annual financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Management is of the opinion that there are no critical judgements made in applying the Group’s accounting policies and no assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

### 3 Segmental reporting

Segment information reported externally was analysed on the basis of the types of goods supplied and services provided by the Group's operating divisions. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance of the Group. The Group's reportable operating segments are as follows:

- Engineering & construction
- Corrosion prevention
- Solar energy
- Others

The engineering & construction segment is in the business of designing, engineering and construction of steel, aluminium and glass structures, and the design, construction and manufacturing services in modular construction projects.

The corrosion prevention segment provides coating services to marine, oil and gas, construction and infrastructure industries.

The solar energy segment specialises in solar energy development and engineering and project management for electrical works.

Others segment consists of property development business, warehousing, storage handling services, corporate head office and strategic investments.

#### 3.1 Segment revenues and results

	Corrosion prevention		Engineering & Construction		Solar Energy		Others		Discontinued operations		Continuing operations	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	Total	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment revenue	16,370	15,952	59,511	30,770	11,341	10,281	-	1	-	(1,804)	87,222	55,200
Segment result	1,818	1,208	8,629	(6,954)	1,571	1,594	(201)	(557)	-	6,762	11,817	2,053
Impairment of other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of goodwill	-	-	-	(2,000)	-	-	-	-	-	-	-	(2,000)
Revaluation loss of Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of freehold land	-	-	-	-	-	-	-	-	-	-	-	-
(Impairment) / Reversal of Property, plant and equi	-	-	-	-	-	-	-	-	-	-	-	-
Allowance for inventory obsolescence	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of land held for development	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of subsidiaries	-	-	-	6,210	-	(1,408)	-	-	-	(4,802)	-	-
Finance cost	(88)	(97)	(547)	(1,251)	(5)	(78)	-	-	-	366	(640)	(1,060)
Share of loss of associates, net of tax	-	-	-	-	-	-	-	-	-	-	(830)	(623)
Central administration costs and directors' salaries	-	-	-	-	-	-	-	-	-	-	(7,046)	(6,443)
Other income	-	-	-	-	-	-	-	-	-	-	2,847	4,451
Profit / (Loss) before tax	-	-	-	-	-	-	-	-	-	-	6,148	(3,622)

Revenue reported above represents revenue generated from external customers. Inter-segment sales for the year ended 2022 was S\$2,556,000 (FY2021: S\$2,745,000). Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of central administration costs and directors' remuneration, share of (loss)/profit of associates and other income. These are the performance measures reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

### 3 Segmental reporting (cont'd)

#### 3.2 Segment assets and liabilities

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Segment assets</b>		
Corrosion prevention	38,517	34,206
Solar Energy	6,275	4,331
Engineering & Construction	61,784	57,015
Others	60,385	80,796
Total segment assets	<u>166,963</u>	<u>176,348</u>
Consolidated assets	<u>166,963</u>	<u>176,348</u>
<b>Segment liabilities</b>		
Corrosion prevention	13,948	4,978
Solar Energy	1,879	1,750
Engineering & Construction	17,152	28,330
Others	402	905
Total segment liabilities	<u>33,381</u>	<u>35,963</u>
Unallocated liabilities		
- Provision for taxation	425	363
- Deferred income tax	1,718	1,729
Consolidated liabilities	<u>35,524</u>	<u>38,055</u>

#### 3.3 Geographical information

The Group's continuing operations is primarily carried out in Singapore. The Group's revenue from continuing operations derived from external customers and information about its non-current assets by geographical locations are detailed below.

	<b>Group's revenue</b>		<b>Group's non-current</b>	
	<b>from external</b>		<b>assets #</b>	
	<b>customers</b>			
	<b>Year</b>	<b>Year</b>	<b>Year</b>	<b>Year</b>
	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Singapore	84,066	47,957	48,560	53,551
Rest of South East Asia (a)	3,156	3,028	3,904	3,821
People of Republic China	-	-	28	28
Others (b)	-	4,215	-	-
	<u>87,222</u>	<u>55,200</u>	<u>52,492</u>	<u>57,400</u>

# Non-current assets exclude other financial assets

(a) Rest of South East Asia includes Malaysia, Vietnam and Indonesia

(b) Others include Japan and Europe

**3.4 Any single individual customer contributed significantly to the Group's revenue**

No.

**4 Profit / (Loss) before taxation from Continuing Operations**

Profit / (Loss) from continuing operations is arrived at after (charging)/crediting the following significant items:

	Group			Group		
	6 months ended 31 Dec		Change %	12 months ended 31 Dec		Change %
	<u>2022</u> S\$'000	<u>2021</u> S\$'000		<u>2022</u> S\$'000	<u>2021</u> S\$'000	
Other Income	1,053	1,928	(45%)	2,033	3,143	(35%)
Interest Income	672	96	600%	815	125	552%
Interest on borrowings	(374)	(496)	(25%)	(689)	(1,060)	(35%)
Depreciation of property, plant and equipments	(2,133)	(2,267)	(6%)	(4,359)	(4,793)	(9%)
Depreciation of ROU assets	(132)	(226)	(42%)	(313)	(473)	(34%)
Property, plant and equipment written off	-	-	n/m	(1)	(1)	0%
(Loss)/gain on disposal of property, plant and equipment	-	(2)	n/m	(1)	63	(102%)
Impairment of goodwill	-	(2,000)	(100%)	-	(2,000)	(100%)
Amortisation of prepaid land lease	74	(46)	(261%)	(16)	(136)	(88%)
Reversal/(Allowance) for doubtful receivables	3	54	(94%)	(95)	54	(277%)
Bad debts written off	701	701	0%	-	701	n/m
Allowance for stock obsolescence	(8)	(8)	0%	(5)	(8)	(33%)
Foreign exchange gain/(loss)	(206)	543	(138%)	-	1,120	(100%)

## 5 Income Tax

	Group 6 months ended 31 Dec		Group 12 months ended 31 Dec	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current income tax:</b>				
- Current year	(203)	53	(24)	53
- Overprovision in respect of prior year	-	(85)	138	(91)
	(203)	(32)	114	(38)
<b>Deferred tax:</b>				
- Deferred tax relating to the reversal of temporary differences	4	(2)	-	(7)
-overprovision in respect of Prior year	(24)	-	-	-
	(20)	(2)	-	(7)
	<u>(223)</u>	<u>(34)</u>	<u>114</u>	<u>(45)</u>

The corporate income tax applicable to the Company and other Singapore incorporated entities of the Group is 17% (FY2021: 17%). The entities of the Group in Malaysia are subject to a corporate income tax rate of 24% (FY2021: 24%). The remaining entities of the Group operating in other jurisdictions are considered not material.

## 6 Earnings per share

Earnings per share for profit / (Loss) for the period attributable to the owners of the Company during the period:

	Group 6 months ended 31 Dec		Group 12 months ended 31 Dec	
	2022	2021	2022	2021
<b>Continuing Operations</b>				
Profit / (Loss) per ordinary share for the financial year based on consolidated (loss) attributable to members of the Company (Basic and diluted)				
- Basic	0.64 cents	(0.43) cents	0.87 cents	(0.49) cents
-Diluted	0.64 cents	(0.43) cents	0.87 cents	(0.49) cents
Based on the weighted average number of shares (Basic )	629,947,341	685,043,210	629,947,341	685,043,210
Based on the weighted average number of shares (Diluted)	629,947,341	685,043,210	629,947,341	685,043,210

## 7 Dividend

**Group and Company**  
**2022**      **2021**  
S\$'000      S\$'000

Declared:

-      -

At the annual general meeting to be held on 28 April 2023, a first and final tax exempted (one tier) dividend of \$0.0035 per share, amounting to \$2,136,412 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders equity as an appropriation of retained earnings for the financial year ended 31 December 2023

## 8 Net Asset Value

	GROUP		COMPANY	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Net asset backing per ordinary share	21.50 cents	20.27 cents	22.09 cents	20.94 cents
Based on the number of shares in issue, excluding treasury shares	610,403,412	682,637,312	610,403,412	682,637,312

## 9 Property, plant and equipment

During the six months and full year ended 31 December 2022, the Group acquired property, plant and equipment with an aggregate cost amounting to S\$700,000 and S\$720,000 (2H 2021: S\$291,000; FY2021: S\$636,000) respectively.

The Group's leasehold buildings at 81 Tuas South Street 5 and 19 Tuas Avenue 20 were professionally valued by an independent valuer based on open market value as at 31 December 2022 and are mortgaged to secure the credit facilities of the Group.

### Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets may be impaired. If any such indication exists, an impairment assessment will be performed accordingly. The recoverable amount of an asset or group of assets is assessed as the higher of its fair value less costs of disposal and its value in use. During the six months and full year ended 31 December 2022, there is no impairment of property, plant and equipment.

## 10 Investment Property

	Company	
	<u>2022</u> S\$'000	<u>2021</u> S\$'000
<u>At cost</u>		
At beginning of the reporting period	14,400	14,400
<u>Accumulated depreciation</u>		
At beginning of the reporting period	4,686	3,514
Depreciation charge	1,172	1,172
At end of the reporting period	5,858	4,686
<u>Net book value</u>		
At end of the reporting period	8,542	9,714

The Group's leasehold building at 81 Tuas South Street 5 leased to certain subsidiaries of the Group to earn leasing revenue. Accordingly, the leasehold building is classified as an investment property on the statement of financial position of the Company. Investment property held for long-term rental yields and/or for capital appreciation, is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

## 10 Investment Property (cont'd)

The fair value of the investment property disclosed below is measured using valuation inputs categorised as Level 3 in the Fair Value Hierarchy as follows:

	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
<u>2022</u>				
Investment property	-	-	14,600	14,600
<u>2021</u>				
Investment property	-	-	14,600	14,600

The fair value of the investment property is determined based on a valuation by an independent professional valuer at the end of 31 December 2022. In determining the fair value, the valuer has used the direct comparison method by referring to market evidence of recent transactions for similar properties.

## 11 Other Financial Assets

	<b>Group</b>		<b>Company</b>	
	<u>2022</u> S\$'000	<u>2021</u> S\$'000	<u>2022</u> S\$'000	<u>2021</u> S\$'000
Unquoted equity investments measured at fair value through other comprehensive income ("FVOCI"): - Equity securities in investee companies	14,093	13,947	14,043	13,892

### *Fair Value Hierarchy*

The Group categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability.

## 11 Other Financial Assets (cont'd)

The following table gives information about how the fair values of these financial assets are determined:

	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
<b>Group</b>				
<u>2022</u>				
Other financial assets	-	-	14,093	14,093
<u>2021</u>				
Other financial assets	-	-	13,947	13,947
<b>Company</b>				
<u>2022</u>				
Other financial assets	-	-	14,043	14,043
<u>2021</u>				
Other financial assets	-	-	13,892	13,892

## 12 Goodwill

	<b>Group</b>	
	<u>2022</u> S\$'000	<u>2021</u> S\$'000
At 1 January	6,000	8,000
Impairment loss recognised for the year	-	(2,000)
At 31 December	6,000	6,000

### Impairment testing for goodwill

For the purpose of impairment testing, goodwill has been allocated to the respective cash-generating unit (CGU) under the relevant operating segments as follows:

	<b>Group</b>	
	<u>2022</u> S\$'000	<u>2021</u> S\$'000
<u>Engineering &amp; Construction</u>		
- Hetat Holdings Pte Ltd ("Hetat")	6,000	6,000
	6,000	6,000

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow forecasts covering a five-year period. The discount rate applied to the cash flow forecasts, forecasted growth rates, budgeted gross margins, and the terminal growth rates used to extrapolate cash flow forecasts beyond the five-year period was based on the following key assumptions:

- (i) Revenue and budgeted margins for the five-year period are projected based on contracts secured with customers along with order books on hand for the first year and thereafter with a forecasted revenue growth rate of 10% for the subsequent four years (2021: Nil)
- (ii) Inflation rate of 3.5% (2021: 3.5%) has been used to project overhead and other general expenses.
- (iii) Terminal growth rate of Nil (2021: Nil) has been used for terminal value.
- (iv) Discount rate of 11.45% (2021: 11.45%) which represents the current market assessment of the risks specific to the CGU

### 13 Bank Borrowings

	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
<b>Amount Repayable in one year or less, or on demand</b>		
Secured	11,435	9,949
Unsecured	-	-
	<u>11,435</u>	<u>9,949</u>
<b>Amount Repayable after one year, or on demand</b>		
Secured	5,730	9,491
Unsecured	-	-
	<u>5,730</u>	<u>9,491</u>

The credit facilities of the Group were secured by the following:

- i) first legal mortgage over 81 Tuas South Street 5, Singapore 637651;
- ii) first legal mortgage over 19 Tuas Avenue 20, Singapore 638830;
- iii) first deed of debenture duly executed, incorporating a fixed and floating charge over the present and future undertaking, assets, revenues and rights of a subsidiary of the Group; and
- iv) corporate guarantee from the Company for a total of S\$75.1 million (2021: S\$70.1 million).

### 14 Share Capital

#### Issued and paid-up Capital

	<b>Group and Company</b>	
	<b>2022</b>	<b>2021</b>
	S\$'000	S\$'000
Issued and fully paid, with no par value:		
At beginning of the reporting period		
710,639,212 (2021: 710,639,212) ordinary shares	160,640	160,640
Share buy-back during the period		
32,529,300 (2021: Nil)	<u>(5,093)</u>	<u>-</u>
At end of the reporting period		
678,109,912 (2021: 710,639,212) ordinary shares	<u>155,547</u>	<u>160,640</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction, except for treasury shares, at general meetings of the Company and rank equally with regards to the Company's residual assets.

There were no subsidiary holdings as at 31 December 2022 and 31 December 2021.

**14 Share Capital (cont'd)****Treasury Shares**

	<b>Group and Company</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
	S\$'000	S\$'000
At beginning of the reporting period	(5,395)	(5,011)
28,001,900 (2021: 25,540,900) treasury shares		
Shares buy-back during the year	(6,129)	(384)
39,704,600 (2021: 2,461,000) ordinary shares		
At end of the reporting period		
67,706,500 (2021: 28,001,900) treasury shares	<u>(11,524)</u>	<u>(5,395)</u>

Number of Issued Shares (excluding Treasury Shares) as at 31 December 2022 is 610,403,312 (31 December 2021: 682,637,312).

3,009,300 treasury shares had been cancelled as at the end of the current financial period (2021: Nil) reported on.

**15 Significant related party transactions**

In addition to the related party information disclosed elsewhere in the condensed consolidated financial statements, the Group entered into significant transactions with related parties during the financial year, on terms agreed between the parties, as shown below.

	<b>Group</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
	S\$'000	S\$'000
(a) Professional fees paid to a firm in which a director is a partner of the firm	10	284
(b) Sales to a related party	2	6
(c) Service income received from an associate	-	7
(d) Purchase of services from an associate	198	119
(e) Purchase of services from a related party	119	-
(f) Purchase property, plant and equipment from an associate	-	-
(g) Rental of machinery from an associate	-	-
(h) Key Management personnel compensation	1,885	1,920

**16 Seasonal operations**

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

**17 Subsequent events**

There are no known material subsequent events which have resulted in adjustments to this set of financial statements.

**(F) Other Information Required by Listing Rule Appendix 7.2 for the six months and full year ended 31 December 2022**

**1. Review**

The Condensed consolidated financial statements comprising financial position of SHS Holdings Ltd and its subsidiaries as at 31 December 2022, Condensed consolidated profit or loss and other comprehensive income for the half year and financial year then ended, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed by the auditors.

**2. Review of performance of the Group**

**Overview**

For the 6 months ended 31 December 2022 (“2H22”), the Group recorded a 54% increase in revenue from continuing operations to S\$46.3 million from S\$30.0 million and a net profit attributable to equity holders from continuing operations of S\$4.0 million as compared with a net loss of S\$2.9 million in the previous year.

For the 12 months ended 31 December 2022 (“FY22”), the Group achieved a revenue of S\$87.2 million from continuing operations, an increase of 58% from the S\$55.2 million for FY21. Net profit attributable to equity holders from continuing operations in FY22 was S\$5.5 million as compared to a net loss S\$3.4 million in FY21.

As at 31 December 2022, the Group’s total equity attributable to shareholders stood at S\$131.4 million compared to S\$138.3 million as at 31 December 2021. At 31 December 2022, the Group has cash and cash equivalent balance of S\$60.0 million, a net cash position with low debt-to-total equity ratio of 13%.

**Condensed consolidated statement of Profit or Loss**

**Revenue from Continuing Operations**

<b>S\$'000</b>	<b>2H22</b>	<b>2H21</b>	<b>Change</b>	<b>FY22</b>	<b>FY21</b>	<b>Change</b>
<b>Corrosion Prevention (“CP”)</b>	6,537	8,394	(22%)	16,370	15,952	13%
<b>Engineering &amp; Construction (“E&amp;C”)</b>	32,693	16,514	98%	59,511	28,966	106%
<b>Solar Energy</b>	7,079	5,115	38%	11,341	10,281	10%
<b>Others</b>	-	-	Nm	-	1	Nm
<b>Total</b>	<b>46,309</b>	<b>30,023</b>	<b>54%</b>	<b>87,222</b>	<b>55,200</b>	<b>58%</b>

The Group’s revenue improved by 54% to S\$46.3 million in 2H22, compared with S\$30.0 million in the corresponding period in the last financial year. This was mainly due to increase in project revenue of E&C segment in 2H22.

For FY22, the Group’s revenue increased by 58% to S\$87.2 million. This was mainly due to more contracts secured and executed in E&C segment and Solar segment in the 2nd half of the year.

### Corrosion Prevention (“CP”) segment

Revenue from the CP segment for 2H22 decreased by 22% to S\$6.5 million, largely caused by the delay of orders for site operations. For FY22, revenue increased by 13% year-on-year to S\$16.4 million. The CP segment revenue in the previous corresponding period was impacted by the circuit breaker measures implemented by the Singapore government to combat the Covid-19 pandemic.

### Engineering & Construction (“E&C”) segment

Similar to CP Segment, the E&C segment did not record much revenue in last corresponding period due to the circuit breaker measures implemented by the Singapore government. Revenue for the E&C segment increased by 98% to S\$32.7 million in 2H22 from S\$16.5 million with the execution of order books in steel engineering business. For FY22, revenue doubled year-on-year to S\$59.5 million, driven by execution of orders from significant high value projects such as SGA.

### Solar Energy segment

Revenue for the Solar Energy segment increased to S\$7.1 million in 2H22 from S\$5.1 million in 2H21 and increased to S\$11.3 million in FY22 from S\$10.3 million in FY21 as we secured more trading and distribution business during the year from overseas customers.

## **Gross Profit and Gross Profit Margin**

### **Gross Profit from Continuing Operations**

<b>S\$'000</b>	<b>2H22</b>	<b>2H21</b>	<b>Change</b>	<b>FY22</b>	<b>FY21</b>	<b>Change</b>
<b>CP</b>	3,130	2,690	16%	6,786	5,059	34%
<b>E&amp;C</b>	6,296	1,166	440%	10,474	2,584	305%
<b>Solar Energy</b>	1,215	1,042	16%	1,805	2,096	(14%)
<b>Others</b>	-	(178)	NM	-	(420)	NM
<b>Total</b>	<b>10,641</b>	<b>4,720</b>	<b>125%</b>	<b>19,065</b>	<b>9,319</b>	<b>105%</b>

For 2H22, the Group recorded a gross profit of S\$10.6 million against a gross profit of S\$4.7 million for the corresponding period last year.

For FY22, gross profit doubled from S\$9.3 million to S\$19.1 million in line with the increase in sales for the year especially 2H22.

### CP segment

CP segment's 2H22 gross profit increase by 16% to S\$3.1 million from S\$2.7 million in 2H21 and recorded S\$6.8 million in FY22 as compared to S\$5.1 million in FY21. The gross profit increase in line with the increase in sales and also due to more focus on module blasting work where the fixed operating costs are lower as compared to plant blasting work.

### E&C segment

Gross profit for E&C segment improved from S\$1.2 million in 2H21 to S\$6.3 million in 2H22 and gross profit margin increased from 7% to 19%. This was largely driven by several high value projects commenced in 2H22 which generated better margin as compared to the previous period

### Solar Energy segment

For 2H22, increase in gross profit from S\$1.0 million to S\$1.2 million was driven by more EPC works being carried out during the period and lesser overseas inverter distribution business. The gross margin decreased slightly by 4% from 20% in FY21 to 16% in FY22.

### Other Income

Other income decreased by 36% year-on-year from S\$4.4 million in FY21 to S\$2.8 million in FY22 mainly due to lower scrap income, lower exchange gain and absence of rental income but offset by the increase in interest income.

### Selling, Distribution, Administrative and Other Operating Expenses

S\$'000	2H22	2H21	Change	FY22	FY21	Change
<b>Selling &amp; Distribution</b>	(206)	(152)	35%	(414)	(588)	-30%
<b>Administrative</b>	(3,355)	(3,271)	2%	(7,046)	(6,443)	9%
<b>Other OPEX</b>	(3,509)	(4,954)	-29%	(6,785)	(8,679)	-22%
<b>Total OPEX</b>	<b>(7,070)</b>	<b>(8,377)</b>	<b>-16%</b>	<b>(14,245)</b>	<b>(15,710)</b>	<b>-9%</b>

Total OPEX decreased year-on-year by 9% to S\$14.2 million in FY22 from S\$15.7 million in FY21. The OPEX was 16% lower than the corresponding period in previous year.

Selling and distribution expenses increased by 35% to S\$206k in 2H22 due to agent commissions incurred by the solar segment for its distribution business in line with the higher in sales.

Administrative expenses increased by 2% to S\$3.3 million in 2H22 and increased by 9% to S\$7 million in FY22 mainly due to increase in number of staffs in E&C segment in line with the increase in business volume and order books for the year under review.

Other operating expenses in 2H22 decreased to S\$3.5 million from S\$5.0 million due to absent of one-off adjustments as explained below. Other operating expenses decreased by 22% in FY22 to S\$6.8 million was mainly due to those one-off impairment charge incurred in last year which is no longer required with the improvement of business results.

### Finance Costs

Finance costs dropped to S\$0.7 million in FY22 and S\$0.4million in 2H22 largely due to lesser Loan Interest resulted from the repayment of loan.

### Share of results of associates

For 2H22, share of loss from associated companies was S\$574,000 and S\$830,000 for FY2022. The increase in share of loss was mainly due to lower business activities carried out by associated companies which recently shifted its production to Malaysia in FY21.

### **Condensed consolidated statement of financial position**

Non-current assets decreased by S\$4.7 million mainly due to the depreciation amounting to S\$4.7 million and was offset by addition of assets of S\$0.7 million.

Current assets decreased by S\$4.6 million from S\$105.0 million as at 31 December 2021 to S\$100.3 million as at 31 December 2022. This was largely attributed to:

- increase in receivables was mainly in line with the sales and higher retention receivables in E&C segment;
- decrease in cash and bank balances mainly due to share buyback of S\$11.2 million and collection from Trade receivables in line with the increase in Revenue.
- decrease in other receivables of approximately S\$4.9 million was mainly due to receivable in relation to the land.

Current liabilities of the Group increased by S\$1.5 million from S\$22.4 million as at 31 December 2021 to S\$23.9 million as at 31 December 2022. This was mainly due to:

- decrease in trade payables and accruals mainly due to repayment using trade financing which indirectly increase in amount due to bankers;
- Increase in term loan due to reclassification from non-current to current of S\$3.7 million and repayment of S\$3.8 million;
- Increase in contract liabilities mainly due to recognition of deferred revenue for project in Solar Energy Segment.
- increase in other amounts due to bankers mainly due to increase in usage of trust receipts for supplier's payment;

Decrease in non-current liabilities mainly due to the reclassification non-current to current term loan.

Shareholders' equity decreased by S\$6.9 million to S\$131.4 million as at 31 December 2022 from S\$138.3 million as at 31 December 2021. The decrease was largely attributed to the share buy-back of S\$11.2 million but offset by the profit for the year.

### **Condensed consolidated statement of cash flows**

During FY22, the Group recorded a net cash outflow of S\$6.4 million due to:-

- a) Net cash generated from operating activities of S\$7.8 million including changes in working capital of S\$7 million.
- b) Net cash used in investing activities amounted to S\$0.66 million in FY22 mainly due to the purchases of Plant & Machinery.
- c) Net cash used in financing activities in FY22 was mainly due to shares buy-back of S\$11.2 million, repayment of term loan S\$3.7 million and offset by the drawdown of trust receipts of S\$1.0 million.

After taking into account the above, net cash flows and net foreign currency translation adjustments, the Group's cash and cash equivalents as at 31 December 2022 stood at S\$60.0 million.

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

The current announced results are in line with the prospect commentary previously disclosed to shareholders in the results announcement for the period ended 30 June 2022.

**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 reporting period and the next 12 months.**

Global growth is expected to decelerate markedly in 2022, from 5.5% to 4.1% (accordingly to the World Bank (Source: [Worldbank](#)) This reflects the continued disruption caused by COVID-19, as well as supply bottlenecks. These have pushed up headline inflation across many countries.

Based on flash estimates released by the Ministry of Trade and Industry (MTI) on 3 January 2023, Singapore's economy grew by 3.8% for the year 2022 down from the 7.6% growth in 2021. The construction sector grew by 10.4% y-o-y in the 4Q2022 as both the public and private sector construction output continue to recover. In absolute terms, however, the value-added of the construction sector remained 19.3% below pre-pandemic levels from 4Q2019

Meanwhile, the Building and Construction Authority (BCA) in a statement released on 12 January 2023, projects the total construction demand in 2023 to be remain the range as in 2022 to be between \$27 billion and \$32 billion, around the same level recorded in pre-Covid 2019.

For the E&C segment, the steel engineering business with its existing contracts on hand towards completion, we will still be taking on more jobs at the same time to secure more order books on hand especially on the Construction part of our E&C segment.

For the Solar Energy segment, our roof-top solar projects and distribution of solar panels and Inverters together, we are expecting to see some improvements in next 12 months with more orders expected locally and overseas with more demand in Renewables energy. Singapore's wholesale electricity market has seen higher price volatility for sustained periods as a result it leads to the increase in demand of solar system for substitution.

For the CP segment, with the returning to a more orderly Covid-19 controlled routine, and increase in numbers of foreign workers, we will be able to strengthen our business activities and competitive advantage to secure more orders from major shipyards in the marine and offshore sector in the beginning of the year.

Overall, with cash resources of approximately \$60 million as at 31 December 2022, the Group is of the view that it has sufficient liquidity to meet its near-term debt obligations and operational needs. The Group remains cautiously optimistic about the prospects of our business in the near-term. The Group will continue to monitor the changing COVID-19 situation and keep shareholders informed of any material developments that may impact our operations as and when they arise.

**5. Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

<b>Name of Dividend</b>	Proposed Final Dividend
<b>Dividend Type</b>	Cash
<b>Dividend Amount per share</b>	\$0.0035
<b>Tax Rate</b>	Tax exempt, one-tier

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

***(c) Date payable***

The proposed final dividend, if approved at the forthcoming Annual General Meeting, will be paid at a date to be announced later

***(d) Record date***

Notice will be given at a later date on the closure of the Share Transfer Books and Register of Members to determine the shareholders' entitlement to the proposed final dividend

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

N.A.

**7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect,**

The Group has not obtained a general mandate from shareholders for IPTs. During the financial period, there are no transactions of S\$100,000 and/or more than S\$100,000.

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**8. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to note 2 Review of performance of the Group.

**9. A breakdown of sales**

	Full Year 2022 S\$'000	Full Year 2021 S\$'000	Change %
<b>Revenue reported for first half year</b>			
Continuing operation	40,915	25,177	63%
Discontinued operation	-	1,070	NM
<b>Net Profit / (loss) reported for first half year</b>			
Continuing operation	1,463	(534)	(374%)
Discontinued operation	-	(4,015)	(100%)
<b>Revenue reported for second half year</b>			
Continuing operation	46,307	30,023	54%
Discontinued operation	-	734	(100%)
<b>Net Profit / (loss) reported for second half year</b>			
Continuing operation	4,571	(3,044)	(250%)
Discontinued operation	-	1,689	(100%)
<b>Total revenue reported for the full year</b>			
Continuing operation	87,222	55,200	58%
Discontinued operation	-	1,804	(100%)
<b>Total Net Profit / (loss) reported for the full year</b>			
Continuing operation	6,034	(3,578)	(269%)
Discontinued operation	-	(2,326)	(100%)

**10. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Total Annual Dividend

	Latest Full Year (S\$'000)	Previous Full Year (S\$'00)
Ordinary – Proposed Final Dividend	2,136	-

- 11. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the SGX Listing Manual, the Company confirms that there is no person occupying a managerial position in the Company who is a relative of a director, chief executive officer, substantial shareholder of the Company.

- 12. Undertaking from Directors and Executive Officers pursuant to Rule 720(1) of the SGX Listing Manual**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

**BY ORDER OF THE BOARD**

Ng Han Kok, Henry  
Group CEO  
1 March 2023