



# **ANACLE SYSTEMS LIMITED**

安科系統有限公司\*

(Incorporated in the Republic of Singapore with limited liability)

Stock code: 8353

## **2023/24 INTERIM REPORT**

**For the six months ended  
30 November 2023**

*\* for identification purpose only*

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This document, for which the directors (the “Directors”) of Anacle Systems Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.*

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# DEFINITIONS

"Audit Committee"	the audit committee under the Board
"Board"	the board of Directors
"CG Code"	the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules
"commercialisation"	a product is considered commercially launched once our product generates its first dollar of revenue
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the laws of Hong Kong), as amended, supplemented and otherwise modified from time to time
"Company"	Anacle Systems Limited 安科系統有限公司, a company incorporated in Singapore with limited liability, the issued Shares of which are listed on the GEM (Stock code: 8353)
"Director(s)"	the director(s) of the Company
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
"Group"	the Company and its subsidiaries or, where the context so requires, all of its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing"	the listing of the Shares on GEM
"Listing Date"	16 December 2016 on which date dealings in the Shares commenced on GEM
"Ordinary Share(s)"	the ordinary share(s) of nil par value in the share capital of the Company
"PRC"	the People's Republic of China excluding, for the purpose of this document, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Reporting Period" or "1H 2024"	the six months ended 30 November 2023
"1H 2023"	the six months ended 30 November 2022
"Required Standard of Dealings"	the required standard of dealings in securities pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	the Ordinary Share(s) in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Shares
"Singapore"	the Republic of Singapore
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"S\$" or "Singapore dollars"	the lawful currency of Singapore
"TESSERACT"	an advanced Internet of Things, smart metering and controlling platform for Starlight which handles big data in the software

In this document, the terms "associate", "close associate", "connected person", "core connected person", "controlling shareholder", "subsidiary" and "substantial shareholder" shall have the respective meanings ascribed thereto under the GEM Listing Rules, unless the context otherwise requires.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Lau E Choon Alex (*Chief Executive Officer*)

Mr. Ong Swee Heng (*Chief Operating Officer*)

### Non-Executive Directors

Mr. Lee Suan Hiang (*Chairman*)

Prof. Wong Poh Kam

Dr. Chong Yoke Sin

### Independent Non-Executive Directors

Mr. Alwi Bin Abdul Hafiz

Mr. Chua Leong Chuan Jeffrey

Mr. Mok Wai Seng

## BOARD COMMITTEES

### Audit Committee

Mr. Mok Wai Seng (*Chairman*)

Dr. Chong Yoke Sin

Mr. Chua Leong Chuan Jeffrey

### Remuneration Committee

Mr. Alwi Bin Abdul Hafiz (*Chairman*)

Prof. Wong Poh Kam

Mr. Chua Leong Chuan Jeffrey

### Nomination Committee

Mr. Lee Suan Hiang (*Chairman*)

Mr. Alwi Bin Abdul Hafiz

Mr. Mok Wai Seng

### COMPLIANCE OFFICER

Mr. Ong Swee Heng

### JOINT COMPANY SECRETARIES

Ms. Tsang Oi Yin

Ms. Sylvia Sundari Poerwaka

## AUTHORISED REPRESENTATIVES

Mr. Lau E Choon Alex

Mr. Ong Swee Heng

## INDEPENDENT AUDITOR

BDO Limited

## HONG KONG SHARE REGISTRAR

Union Registrars Limited

Suites 3301-04, 33/F.

Two Chinachem Exchange Square

338 King's Road

North Point, Hong Kong

## HEADQUARTERS, REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

3 Fusionopolis Way

#14-21 Symbiosis

Singapore 138633

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

Suite 2903, 29/F, China Resources Building

26 Harbour Road

Wanchai, Hong Kong

## PRINCIPAL BANKER

DBS Bank Ltd

12 Marina Bay Boulevard, Level 3

Marina Bay Financial Centre Tower 3

Singapore 018982

## COMPANY WEBSITE

[www.anacle.com](http://www.anacle.com)

## GEM STOCK CODE

8353

# FINANCIAL HIGHLIGHTS

	Six months ended 30 November 2023 (unaudited) S\$	Six months ended 30 November 2022 (unaudited) S\$
Revenue	11,216,739	7,839,095
Gross profit	5,427,297	2,549,591
Loss before tax	(446,161)	(2,595,997)

## 43.1%

### REVENUE INCREASE

Total revenue increased by 43.1% or S\$3,377,644 during 1H 2024. This was due primarily to a S\$3,635,808 increase in revenue from the Simplicity® Real Estate segment, and was partially offset by a S\$401,567 decrease in revenue from the Simplicity® Digital Workplace and Utilities segments.

## 112.9%

### GROSS PROFIT INCREASE

Gross profit for both Simplicity® and Starlight® increased by S\$2,793,722 and S\$83,984 respectively due primarily to higher proportion of recurring revenue as compared to system implementation revenue.

## S\$446,161

### LOSS BEFORE TAX

Loss before tax was due primarily to expenses incurred for the Company's first technology showcase event in July 2023, our market expansion to Australia and Japan, as well as inflation-adjustment of employee salaries.

### DIVIDEND

The Board has not declared the payment of a dividend for the six months ended 30 November 2023 (30 November 2022: S\$Nil).

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Three months ended 30 November 2023 (unaudited) S\$	Three months ended 30 November 2022 (unaudited) S\$	Six months ended 30 November 2023 (unaudited) S\$	Six months ended 30 November 2022 (unaudited) S\$
<b>Revenue</b>	3c	<b>5,735,434</b>	<b>3,190,805</b>	<b>11,216,739</b>	<b>7,839,095</b>
Cost of sales		(2,867,122)	(2,654,743)	(5,789,442)	(5,289,504)
<b>Gross profit</b>		<b>2,868,312</b>	<b>536,062</b>	<b>5,427,297</b>	<b>2,549,591</b>
Other revenue	4	154,573	171,685	229,292	330,456
Other gains and (losses)	5	109,340	(7,996)	106,955	1,051
Marketing and other operating expenses		(653,535)	(700,681)	(1,509,860)	(1,332,852)
Administrative expenses		(1,677,821)	(1,445,333)	(3,132,764)	(2,763,249)
Research and development costs		(877,143)	(742,244)	(1,513,483)	(1,343,516)
Finance costs	6	(32,677)	(18,748)	(53,598)	(37,478)
<b>Loss before income tax</b>	7	<b>(108,951)</b>	<b>(2,207,255)</b>	<b>(446,161)</b>	<b>(2,595,997)</b>
Income tax credit/(expense)	8	-	(3,162)	10,707	(151)
<b>Loss for the period</b>		<b>(108,951)</b>	<b>(2,210,417)</b>	<b>(435,454)</b>	<b>(2,596,148)</b>
<b>Other comprehensive income</b>					
Item that may be reclassified subsequently to profit or loss:					
Exchange difference arising from translation of foreign operations		(8,733)	(19,872)	(13,962)	(20,802)
<b>Total comprehensive income for the period</b>		<b>(117,684)</b>	<b>(2,230,289)</b>	<b>(449,416)</b>	<b>(2,616,950)</b>
<b>Loss for the period attributable to:</b>					
Owners of the Company		(108,655)	(2,210,297)	(435,043)	(2,595,755)
Non-controlling interests		(296)	(120)	(411)	(393)
		<b>(108,951)</b>	<b>(2,210,417)</b>	<b>(435,454)</b>	<b>(2,596,148)</b>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Company		(117,388)	(2,230,169)	(449,005)	(2,616,557)
Non-controlling interests		(296)	(120)	(411)	(393)
		<b>(117,684)</b>	<b>(2,230,289)</b>	<b>(449,416)</b>	<b>(2,616,950)</b>
<b>Loss per share attributable to owners of the Company</b>					
		Singapore cents	Singapore cents	Singapore cents	Singapore cents
- Basic	10	(0.03)	(0.54)	(0.11)	(0.64)
- Diluted	10	(0.03)	(0.54)	(0.11)	(0.64)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 November 2023 (unaudited) S\$	As at 31 May 2023 (audited) S\$
<b>Non-current assets</b>			
Property, plant and equipment	11	1,034,667	985,487
Right-of-use assets	12	3,024,779	3,491,622
Intangible assets	13	3,129	21,909
Staff loans	24	1,232,288	1,290,862
Deferred tax assets		95,054	92,222
<b>Total non-current assets</b>		<b>5,389,917</b>	<b>5,882,102</b>
<b>Current assets</b>			
Trade receivables	14	2,995,050	4,482,582
Contract assets	15	2,548,666	2,103,074
Other receivables, deposits and prepayments	16	1,082,579	556,514
Staff loans	24	125,812	135,502
Inventories	17	706,958	738,899
Bank balances and cash		9,388,248	11,853,222
<b>Total current assets</b>		<b>16,847,313</b>	<b>21,427,894</b>
<b>Current liabilities</b>			
Trade payables	18	215,365	253,599
Contract liabilities	19	1,325,076	2,637,725
Other payables and accruals	20	949,407	2,196,320
Amount due to a director		9,345	9,530
Provision for warranty	21	3,900	3,900
Lease liabilities	23	1,139,224	1,130,662
Income tax payable		-	30,136
<b>Total current liabilities</b>		<b>3,642,317</b>	<b>6,261,872</b>
<b>Net current assets</b>		<b>13,204,996</b>	<b>13,607,921</b>
<b>Total assets less current liabilities</b>		<b>18,594,913</b>	<b>19,490,023</b>
<b>Non-current liabilities</b>			
Provision for reinstatement cost		80,000	80,000
Lease liabilities	23	2,047,517	2,521,063
<b>Total non-current liabilities</b>		<b>2,127,517</b>	<b>2,601,063</b>
<b>NET ASSETS</b>		<b>16,467,396</b>	<b>16,888,960</b>
<b>Capital and reserves</b>			
Share capital	25	20,988,202	20,988,202
Reserves		(4,465,861)	(4,044,708)
Equity attributable to owners of the Company		16,522,341	16,943,494
Non-controlling interests		(54,945)	(54,534)
<b>TOTAL EQUITY</b>		<b>16,467,396</b>	<b>16,888,960</b>



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							Total S\$
	Ordinary share capital	Share premium	Share-based compensation reserve	Exchange fluctuation reserve	Accumulated losses	Non- controlling interests		
	S\$	S\$	S\$	S\$	S\$	S\$		
<b>At 31 May 2023 (audited)</b>	<b>20,988,202</b>	<b>(1,376,024)</b>	<b>133,754</b>	<b>7,945</b>	<b>(2,810,383)</b>	<b>(54,534)</b>	<b>16,888,960</b>	
Loss for the period	-	-	-	-	(435,043)	(411)	(435,454)	
Other comprehensive income	-	-	-	(13,962)	-	-	(13,962)	
Total comprehensive income	-	-	-	(13,962)	(435,043)	(411)	(449,416)	
Recognition of share-based payment expenses	-	-	27,852	-	-	-	27,852	
<b>As at 30 November 2023 (unaudited)</b>	<b>20,988,202</b>	<b>(1,376,024)</b>	<b>161,606</b>	<b>(6,017)</b>	<b>(3,245,426)</b>	<b>(54,945)</b>	<b>16,467,396</b>	
<b>At 31 May 2022 (audited)</b>	<b>20,874,677</b>	<b>(1,376,024)</b>	<b>322,930</b>	<b>43,089</b>	<b>(3,373,846)</b>	<b>(52,551)</b>	<b>16,438,275</b>	
Loss for the period	-	-	-	-	(2,595,755)	(393)	(2,596,148)	
Other comprehensive income	-	-	-	(20,802)	-	-	(20,802)	
Total comprehensive income	-	-	-	(20,802)	(2,595,755)	(393)	(2,616,950)	
<b>As at 30 November 2022 (unaudited)</b>	<b>20,874,677</b>	<b>(1,376,024)</b>	<b>322,930</b>	<b>22,287</b>	<b>(5,969,601)</b>	<b>(52,944)</b>	<b>13,821,325</b>	

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

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	Six months ended 30 November 2023 (unaudited) S\$	Six months ended 30 November 2022 (unaudited) S\$
Net cash used in operating activities	(1,839,322)	(5,919,615)
Net cash generated from/(used in) investing activities	193	(61,765)
Net cash used in financing activities	(608,742)	(450,669)
Net decrease in cash and cash equivalents	(2,447,871)	(6,432,049)
Cash and cash equivalents at beginning of period	11,853,222	15,770,924
Effect of foreign exchange rate changes	(17,103)	(10,695)
<b>Cash and cash equivalents at end of period</b>	<b>9,388,248</b>	<b>9,328,180</b>
Analysis of the balances of cash and cash equivalents		
<b>Bank balances and cash</b>	<b>9,388,248</b>	<b>9,328,180</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company was incorporated as a limited private company in Singapore on 21 February 2006. On 25 November 2016, the Company was converted into a “public company limited by shares” under the Singapore Companies Act and the Company was renamed from Anacle Systems Pte. Ltd. to Anacle Systems Limited with immediate effect. The address of the Company’s registered office and principal place of business is 3 Fusionopolis Way, #14-21 Symbiosis, Singapore 138633.

The principal activities of the Group are software development, provision of enterprise application software solutions and energy management solutions, and provision of support and maintenance services.

The unaudited condensed consolidated statement of comprehensive income and the unaudited condensed consolidated statement of changes in equity of the Group for the six months ended 30 November 2023 (the “**2023/24 Interim Financial Statements**”) were approved for issue by the Board on 27 December 2023.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The 2023/24 Interim Financial Statements have been prepared in accordance with applicable disclosure requirements of the GEM Listing Rules. These financial statements are unaudited but have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

The 2023/24 Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended 31 May 2023 (“**2023 Financial Statements**”).

The 2023/24 Interim Financial Statements have been prepared under the historical cost basis and are presented in Singapore Dollar (“**S\$**”), which is the same as the functional currency of the Company.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

The 2023/24 Interim Financial Statements have been prepared in accordance with all applicable International Financial Reporting Standards, International Accounting Standards and Interpretations (hereinafter collectively referred to as the "IFRSs") and the disclosure requirements of the Companies Ordinance. The accounting policies and methods of computation used in the preparation of the 2023/24 Interim Financial Statements are consistent with those used in the preparation of the 2023 Financial Statements.

### (a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the "Group"). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

### (b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee; exposure, or rights to, variable returns from the investee; and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

#### (c) Leases

##### The Group as a lessee

All leases are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term of less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

##### Right of use asset

The right-of-use asset is initially recognised at cost and would comprise:

- (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability);
- (ii) any lease payments made at or before the commencement date, less any lease incentives received;
- (iii) any initial direct costs incurred by the lessee; and
- (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use asset at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

##### Lease liabilities

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments:

- (i) fixed lease payments less any lease incentives receivable;
- (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date;
- (iii) amounts expected to be payable by the lessee under residual value guarantees;
- (iv) exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

### (c) Leases (Continued)

#### The Group as a lessee (Continued)

##### Lease liabilities (Continued)

Subsequent to the commencement date, the Group measures the lease liability by:

- (i) increasing the carrying amount to reflect interest on the lease liability;
- (ii) reducing the carrying amount to reflect the lease payments made; and
- (iii) remeasuring the carrying amount to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payments.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease, in all other cases, where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount. If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date and the right-of-use asset is adjusted by the same amount.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

#### (c) Leases (Continued)

##### The Group as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

Any changes in the scope of the consideration for a lease that was not part of the original terms and conditions of the lease are accounted for as lease modifications. The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, recognising the remaining lease payments as income on either a straight-line basis or another systematic basis over the remaining lease term.

#### (d) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component using the practical expedient in IFRS 15.

##### *Contract revenue from projects of provision of enterprise application software solutions and energy management solutions*

The Group generates revenue from projects of provision of enterprise application software solutions and energy management solutions including customer-specified enhancements to the existing implemented solutions. The transaction price for the services are charged at a fixed contracted price. Invoices are issued according to contractual terms and are usually payable within 90 days.

Revenue for projects are recognised by reference to the stage of completion when this can be measured reliably. The stage of completion is determined by reference to the work done at the end of reporting period as a percentage of total estimated work. Foreseeable losses from contracts are fully provided for when they are identified. The revenue is recognised over time as the Group's activities create or enhance an asset under the customer's control.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

### (d) Revenue recognition (Continued)

#### *Revenue from maintenance service*

Maintenance service includes technical support and software assurance. Revenue from maintenance services is recognised over time as the benefits are received and consumed simultaneously by the customer. Maintenance revenue is recognised based on time elapsed and rateably over the contract duration. Under the standardised agreement, the performance obligation is to stand ready to provide technical support and unspecified software updates on a when-and-if-available basis. Invoices for maintenance services are issued on a monthly basis and are usually payable within 30 days. No significant financial component existed.

#### *Subscription revenue*

Subscription revenue is recognised over time as the benefits are received and consumed simultaneously by the customer. Subscriptions contracts are structured as fee-per-account with a minimum number of base accounts. There is no variable consideration in the Group's standard subscription contracts. Subscription revenue is recognised by the number of accounts.

#### *Revenue from sales of hardware*

Sales of hardware are recognised when the customer takes possession of and accepts the products. This is usually taken as the time when the goods are delivered and the customer has accepted the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. There is generally only one performance obligation. Invoices are issued when the customer takes possession of and accepts the products and are usually payable within 30 days from the date of billing. No significant financial component existed. The transaction price is determined based on a stand-alone selling price specified in the contracts for sales of hardware.

#### *Rental income*

Rental income from leasing of hardware is recognised on a straight-line basis over the term of the relevant lease.

#### *Interest income*

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

#### (e) Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

#### Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised. Other contract costs are expensed as incurred.

#### (f) Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

#### (f) Foreign currencies (Continued)

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Singapore dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as exchange fluctuation reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as exchange fluctuation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange fluctuation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

#### (g) Employee benefits

##### (i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

##### (ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company makes contributions to the Central Provident Fund scheme in Singapore (the "CPF Scheme"), a state-managed retirement benefit scheme operated by the government of Singapore. The Company is required to contribute a specified percentage of payroll costs to the CPF Scheme to fund the benefits. The only obligation of the Company with respect to the CPF Scheme is to make the specified contributions.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

#### (h) Share-based payments

Where share options are awarded to employees and others providing similar services, the fair value of the services received is measured by reference to the fair value of the equity instruments at the date of grant. Such fair value is recognised in profit or loss over the vesting period with a corresponding increase in the share-based compensation reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all non-market vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees and others providing similar services, the fair value of goods or services received is recognised in profit or loss unless the goods or services qualify for recognition as assets. A corresponding increase in equity is recognised. For cash-settled share based payments, a liability is recognised at the fair value of the goods or services received

#### (i) Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as other revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised as deferred government grants and consequently are effectively recognised in profit or loss over the useful life of the asset.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategy decisions. The segments are managed separately as each business offers different products and services and requires different business strategies.

The Group has two reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- **Simplicity** – a package of enterprise application software solutions which provides specific solutions for enterprise asset management, shared resources management, tenancy management, financial management, supply chain management, customer relationship management and billing management; and
- **Starlight** – a one-stop cloud-based energy management solutions that provide real-time access to the energy profiles of buildings, including information such as energy consumption, power quality, demand analytics and carbon footprint profiles.

Inter-segment transactions, if any, are priced by reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-maker for assessment of segment performance.

#### (a) Business segments

	Simplicity		Starlight		Total	
	Six months ended					
	30 November 2023 (unaudited) S\$	30 November 2022 (unaudited) S\$	30 November 2023 (unaudited) S\$	30 November 2022 (unaudited) S\$	30 November 2023 (unaudited) S\$	30 November 2022 (unaudited) S\$
Revenue from external customers	10,546,151	7,311,910	670,588	527,185	11,216,739	7,839,095
Gross profit	5,092,941	2,299,219	334,356	250,372	5,427,297	2,549,591
Reportable segment profit/(loss)	2,879,573	428,824	(103,080)	(160,289)	2,776,493	268,535
Depreciation and amortisation	38,456	225,067	28,900	3,095	67,356	228,162
Provision for/(reversal of provision) expected credit loss – trade receivables and contract assets	(132,633)	-	855	-	(131,778)	-
	As at					
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
Reportable segment assets	6,163,666	6,660,566	1,339,945	1,222,687	7,503,611	7,883,253
Additions to non-current assets	70,116	56,380	109,250	174,773	179,366	231,153
Reportable segment liabilities	1,580,796	3,203,043	149,453	240,137	1,730,249	3,443,180

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. SEGMENT REPORTING (Continued)

#### (b) Reconciliation of reportable segment revenue, profit/(loss), assets and liabilities

	Three months ended		Six months ended	
	30 November 2023 (unaudited) S\$	30 November 2022 (unaudited) S\$	30 November 2023 (unaudited) S\$	30 November 2022 (unaudited) S\$
<b>Loss before income tax</b>				
Reportable segment profit/(loss)	1,412,082	(683,070)	2,776,493	268,535
Other revenue	154,240	91,743	228,959	215,692
Other gains and (losses)	(19,526)	(7,996)	(24,823)	1,051
Finance costs	(32,677)	(18,748)	(53,598)	(37,478)
Unallocated expenses:				
- Staff costs	(984,236)	(1,089,461)	(1,910,170)	(2,049,922)
- Share-based payments	(27,852)	-	(27,852)	-
- Rental expenses	(1,230)	(1,230)	(2,461)	(2,461)
- Legal and professional fee	(68,539)	(65,834)	(111,532)	(95,287)
- Depreciation	(56,503)	(30,784)	(112,365)	(60,460)
- Depreciation of rights-of-use assets	(281,291)	(178,757)	(557,358)	(420,350)
- Others (Note 1)	(203,419)	(223,118)	(651,454)	(415,317)
<b>Consolidated loss before income tax</b>	<b>(108,951)</b>	<b>(2,207,255)</b>	<b>(446,161)</b>	<b>(2,595,997)</b>

Note 1: Anacle held an event - Breaking Boundaries 2023: Proptech - in July 2023 to showcase Anacle's Simplicity® major technological advances for real estate and facility management. The event's cost amounted to S\$249,393 was included in other unallocated expenses.

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
<b>Assets</b>		
Reportable segment assets	7,503,611	7,883,253
Bank balances and cash	9,296,848	11,853,222
Right-of-use assets	3,024,779	3,418,913
Property, plant and equipment	611,582	720,105
Unallocated corporate assets	1,800,410	1,876,402
<b>Consolidated total assets</b>	<b>22,237,230</b>	<b>25,751,895</b>

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
<b>Liabilities</b>		
Reportable segment liabilities	1,730,249	3,443,180
Other payables and accruals	772,844	1,734,337
Lease liabilities	3,186,741	3,575,282
Unallocated corporate liabilities	80,000	110,136
<b>Consolidated total liabilities</b>	<b>5,769,834</b>	<b>8,862,935</b>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. SEGMENT REPORTING (Continued)

#### (c) Disaggregation of revenue

In the following table, revenue is disaggregated by timing of recognition and primary geographical market:

	Simplicity		Starlight		Total	
	30 November 2023	30 November 2022	Six months ended		30 November 2023	30 November 2022
	S\$	S\$	30 November 2023	30 November 2022	S\$	S\$
<b>Timing of revenue recognition</b>						
<b>Transferred over time</b>						
- Project revenue	5,045,413	3,459,405	399,021	386,367	5,444,434	3,845,772
- Maintenance services	3,536,992	2,684,967	130,633	95,308	3,667,625	2,780,275
- Subscription	1,963,746	1,167,538	-	-	1,963,746	1,167,538
<b>Recognised at a point of time</b>						
- Sale of equipment	-	-	19,022	19,620	19,022	19,620
<b>Other sources</b>						
- Lease of equipment	-	-	121,912	25,890	121,912	25,890
	10,546,151	7,311,910	670,588	527,185	11,216,739	7,839,095
<b>Primary geographical market</b>						
Singapore	9,821,552	6,372,906	668,832	526,345	10,490,384	6,899,251
Thailand	592,858	657,630	-	-	592,858	657,630
Malaysia	6,965	7,318	-	-	6,965	7,318
PRC	47,533	18,126	-	-	47,533	18,126
Others	77,243	255,930	1,756	840	78,999	256,770
	10,546,151	7,311,910	670,588	527,185	11,216,739	7,839,095

The following table provides an analysis of the Group's non-current assets other than financial instruments and deferred tax assets ("Specified non-current assets")

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
<b>Specified non-current assets</b>		
Singapore	3,816,670	4,237,117
India	245,905	261,901
	4,062,575	4,499,018

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. SEGMENT REPORTING (Continued)

#### (d) Information about major customers

Revenue from the Group's major customers, each of them accounted for 10% or more of the Group's revenue, are set out below:

	Six months ended	
	30 November 2023 (unaudited) S\$	30 November 2022 (unaudited) S\$
Customer A	2,305,152	1,072,908
Customer B	1,552,785	-
Customer C	1,240,425	973,068

### 4. OTHER REVENUE

	Three months ended		Six months ended	
	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$
Government grants	71,380	149,853	83,912	291,415
Interest income	81,374	17,762	143,333	33,842
Others	1,819	4,070	2,047	5,199
	154,573	171,685	229,292	330,456

### 5. OTHER GAINS AND (LOSSES)

	Three months ended		Six months ended	
	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$
Net exchange gains/(losses)	(19,526)	(7,996)	(24,823)	1,051
Reversal of provision for expected credit loss, net:				
- Trade receivables and contract assets	128,866	-	131,778	-
	109,340	(7,996)	106,955	1,051

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 6. FINANCE COSTS

	Three months ended		Six months ended	
	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$
Interest on lease liabilities	(32,677)	(18,748)	(53,598)	(37,478)

### 7. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Three months ended		Six months ended	
	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$
Staff costs (including directors' emoluments)				
Salaries and allowances	3,875,383	3,510,154	7,439,700	6,649,916
Share-based payments	27,852	-	27,852	-
Contributions on defined contribution retirement plans	331,636	312,448	630,800	590,487
	4,234,871	3,822,602	8,098,352	7,240,403
Depreciation of property, plant and equipment	82,637	41,705	160,941	81,766
Depreciation of right-of-use assets	281,291	178,757	557,358	420,350
Amortisation of intangible assets	9,390	103,428	18,780	206,856
Provision/(reversal of provision) for expected credit loss, net	(128,866)	-	(131,778)	-

### 8. INCOME TAX CREDIT/(EXPENSE)

	Three months ended		Six months ended	
	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$
Current tax credit - overseas				
- over provision for prior year	-	-	10,707	-
Deferred tax charge	-	(3,162)	-	(151)
	-	(3,162)	10,707	(151)

Pursuant to the corporate tax rules and regulations of Singapore, Malaysia, India, PRC, and Australia, the corporate taxes of the Company, Anacle Systems Sdn. Bhd., Anacle Systems (India) Private Limited, Anacle Systems (Shanghai) Co., Ltd., and Anacle Systems Pty Ltd are calculated at 17%, 17%, 29%, 25%, and 25% respectively for the six months ended 30 November 2023 and 2022, on the chargeable income.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 9. DIVIDEND

The Board has not declared the payment of a dividend for the six months ended 30 November 2023 (30 November 2022 : S\$Nil).

### 10. LOSS PER SHARE

For the six months ended 30 November 2023, the basic loss per share of the Company was S\$0.11 cents. The calculation is based on the loss attributable to the owners of the Company of S\$435,043 and 405,279,683 Ordinary Shares in issue. Diluted earnings per share of the Company was S\$0.11 cents which was based on the loss attributable to the owners of the Company of S\$435,043 and 405,820,898 weighted average number of Ordinary Shares in issue.

For the six months ended 30 November 2022, the basic loss per share of the Company was S\$0.64 cents. The calculation is based on the loss attributable to the owners of the Company of S\$2,595,755 and 402,900,738 Ordinary Shares in issue. Diluted earnings per share of the Company was S\$0.64 cents which was based on the loss attributable to the owners of the Company of S\$2,595,755 and 403,668,371 weighted average number of Ordinary Shares in issue.

### 11. PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, the Group acquired property, plant and equipment valued at S\$211,404 (for the six months ended 30 November 2022: S\$95,607). Included in the addition to the property, plant and equipment were Starlight meters amounting to S\$108,742 (30 November 2022: S\$27,068) that were leased to customers with useful life of five years which corresponded to the contractual lease terms. A depreciation charge of S\$20,718 were recognised as Starlight cost of sales during the Reporting Period (30 November 2022: S\$Nil).

### 12. LEASES

#### (a) Leases as lessee

The Group leases office properties. The leases typically run for a period of one to six years. Lease payments are renegotiated every one to six years to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Information about leases for which the Group is a lessee is presented below:

#### (i) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as right-of-use assets.

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
As at beginning of period	3,491,622	3,612,984
Additions	-	952,908
Lease modification	94,523	(63,071)
Depreciation charge for the period	(557,358)	(994,519)
Exchange alignment	(4,008)	(16,680)
As at end of period	3,024,779	3,491,622

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 12. LEASES (Continued)

#### (a) Leases as lessee (Continued)

##### (ii) Amounts recognised in profit or loss

	Three months ended		Six months ended	
	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$
Interest on lease liabilities	32,677	18,748	53,598	37,478
Expenses relating to short-term leases and leases of low-value assets	1,230	1,230	2,461	2,461
	33,907	19,978	56,059	39,939

#### (b) Leases as lessor

The Group leases out its Starlight meters. All leases are classified as operating leases from a lessor perspective. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during the Reporting Period was S\$121,912 (30 November 2022: S\$25,890).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
Within one year	264,252	148,512
Within two to five years	728,307	341,052
	992,559	489,564

### 13. INTANGIBLE ASSETS

During the Reporting Period, the Group did not incur any additional development cost in respect of the intangible assets (for the six months ended 30 November 2022: S\$Nil).

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 14. TRADE RECEIVABLES

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
Trade receivables	3,088,662	4,710,596
Less: provision for expected credit loss	(93,612)	(228,014)
	2,995,050	4,482,582

The credit period of the Group's trade receivables ranges from 30 days to 60 days.

The ageing analysis of trade receivables (net of impairment losses) at the end of the Reporting Period, based on the invoice date, is as follows:

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
Within 1 month	2,973,813	3,864,765
2 to 3 months	21,237	540,797
4 to 6 months	-	52,240
7 to 12 months	-	24,780
	2,995,050	4,482,582

Trade receivables that were neither past due nor impaired primarily relate to the Group's main customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there have not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

At the end of the Reporting Period, the Group's trade receivables are individually determined for impairment testing. The impairment losses recognised on trade receivables are expensed immediately for the amount by which the trade receivables' carrying amounts exceeds their recoverable amounts.

### 15. CONTRACT ASSETS

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
Unbilled revenue from contracts in progress	2,561,473	2,114,593
Less: provision for expected credit loss	(12,807)	(11,519)
	2,548,666	2,103,074

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
Deposits	714,109	280,092
Prepayments	368,460	276,412
Other receivables	10	10
	1,082,579	556,514

### 17. INVENTORIES

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
Raw materials	237,376	374,776
Finished goods	469,582	364,123
	706,958	738,899

### 18. TRADE PAYABLES

The Group's trade payables are non-interest bearing. Generally, the credit term received from suppliers of the Group is 30 days.

The ageing analysis of trade payables, based on invoice date, as at the end of the Reporting Period is as follows:

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
Within 1 month	212,984	253,599
1 to 2 months	1,101	-
2 to 3 months	1,280	-
	215,365	253,599

### 19. CONTRACT LIABILITIES

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
Contract liabilities arising from:		
Construction projects of Simplicity and Starlight	-	41,596
Advance income received for maintenance services	1,325,076	2,596,129
	1,325,076	2,637,725

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 19. CONTRACT LIABILITIES (Continued)

Movements in contract liabilities:

	Construction projects S\$	Maintenance services S\$	Total S\$
Balance as at 1 June 2022 (audited)	297,076	1,583,132	1,880,208
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(297,076)	(1,583,132)	(1,880,208)
Increase in contract liabilities as a result of billing in advance of construction contracts	41,596	-	41,596
Increase in contract liabilities as a result of advance payment received from customers for system enhancement and maintenance services	-	2,596,129	2,596,129
Balance as at 31 May 2023 (audited)	41,596	2,596,129	2,637,725
Decrease in contract liabilities as a result of recognising revenue during the period that was included in the contract liabilities at the beginning of the period	(41,596)	-	(41,596)
Increase in contract liabilities as a result of billing in advance of construction contracts	-	-	-
Increase in contract liabilities as a result of advance payment received from customers for system enhancement and maintenance services	-	(1,271,053)	(1,271,053)
Balance as at 30 November 2023 (unaudited)	-	1,325,076	1,325,076

### 20. OTHER PAYABLES AND ACCRUALS

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
Accruals	238,121	1,158,230
Other payables	535,250	585,550
Goods and Services Tax payables	176,036	452,540
	949,407	2,196,320

Note: Goods and Services Tax is a broad-based consumption tax levied on the import of goods as well as nearly all supplies of goods and services in Singapore.

### 21. PROVISION FOR WARRANTY

The provision for warranty represents the amount recognised for the expected replacement of inventories for completed projects.

### 22. BANK FACILITIES

As at 30 November 2023, the Company also has bank facilities from the Hong Kong and Shanghai Banking Corporation amounted to S\$2,000,000, which has not been utilised.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 23. LEASE LIABILITIES

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
<b>Current liabilities</b>		
Lease liabilities - current portion	1,139,224	1,130,662
<b>Non-current liabilities</b>		
Lease liabilities - non-current portion	2,047,517	2,521,063

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
<b>Properties</b>		
Balance as at the beginning of period	3,651,725	3,710,765
Additions	-	932,908
Lease modification	94,522	(64,654)
Interest expense	53,598	86,463
Lease payments	(608,742)	(996,641)
Exchange alignment	(4,362)	(17,116)
	3,186,741	3,651,725

Future lease liabilities are payable as follows:

	Minimum lease payments S\$	Interest S\$	Present value S\$
<b>At 30 November 2023</b>			
Not later than one year	1,264,776	125,552	1,139,224
Later than one year and not later than five years	2,135,548	88,031	2,047,517
	3,400,324	213,583	3,186,741
<b>At 31 May 2023</b>			
Not later than one year	1,203,995	73,333	1,130,662
Later than one year and not later than five years	2,582,425	61,362	2,521,063
	3,786,420	134,695	3,651,725

The present value of future lease payments are analysed as:

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
Current liabilities	1,139,224	1,130,662
Non-current liabilities	2,047,517	2,521,063
	3,186,741	3,651,725

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 24. STAFF LOANS

	As at	
	30 November 2023 (unaudited) S\$	31 May 2023 (audited) S\$
Principal amount		
- key management personnel	1,183,048	1,270,000
- employee	243,316	250,000
Interest income	12,889	19,270
Repayment amount:		
- principal	(68,264)	(93,636)
- interest	(12,889)	(19,270)
Allowance for impairment losses	-	-
	<b>1,358,100</b>	<b>1,426,364</b>
Represented as:		
- Current portion	125,812	135,502
- Non current portion	1,232,288	1,290,862

The Group has granted housing loans to three members of key management personnel and employee who are full time employees of the Group at a market annual interest rate of 1.366% to 2.20%. The housing loans are denominated in Singapore Dollars and are repayable monthly over a term of 2 years to 20 years. The housing loans outstanding principal and interest are repayable on demand upon cessation of employment. The loans are repaid monthly by way of direct deduction from the staff' salaries. The loans are strictly for the purpose of residential property purchase. The Group assessed that as at 30 November 2023, there was no indication of significant credit risk and no provision for impairment is necessary.

### 25. SHARE CAPITAL

	Number of Shares	Share Capital S\$
<b>Issued and fully paid:</b>		
As at 31 May 2023 (audited) and 30 November 2023 (unaudited)	405,279,683	20,988,202

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 26. SHARE BASED PAYMENTS

### Pre-IPO Employee Share Options

The Board of Directors of the Company approved and adopted a share option plan (the "2010 Plan") on 10 March 2010 and another share option plan (the "2013 Plan") on 18 December 2013 for the purpose of providing eligible individuals who are responsible for the management, growth and financial success of the Company or who otherwise render valuable services to the Company with the opportunity to acquire a proprietary interest, or increase their proprietary interest, in the Company and thereby encourage them to remain in the service of the Company.

Eligible individuals of both 2010 Plan and 2013 Plan include directors, officers, employees of the Company and its subsidiaries, and independent consultants, advisors and independent contractors who provide valuable services to the Company and its subsidiaries.

No options granted under the 2010 Plan and 2013 Plan shall have a term in excess of 10 years from the grant date. The maximum number of shares that may be granted over the term of the 2010 Plan and 2013 Plan shall not exceed 10% of the issued share capital of the Company, unless otherwise approved by the Board of Directors.

### Post-IPO Employee Share Options

The Board of Director of the Company granted/conditionally granted an aggregate of 39,915,849 share options to 10 eligible participants on 12 October 2023 (the "2023 Plan"). 16,000,000 share options were granted to the two executive directors of the Company, 13,250,000 share options were granted to four key management personnel, and 10,665,849 share options were granted to four employees of the Company.

Of the aggregate 39,915,849 share options, 31,000,000 share options were approved by shareholders at the extraordinary general meeting held by the Company on 8 December 2023. The remaining 8,915,849 share options were granted and accepted on 12 October 2023.

Each of the share options is exercisable in four equal tranches at the end of each year commencing from the grant date ("Grant Date"). In respect of each portion of share options which is vested, the exercise period (the "Exercise Period") shall be the period beginning on the relevant vesting date and ending on the 10<sup>th</sup> anniversary of the Grant Date. The Share Options (to the extent not already exercised) shall lapse automatically at the expiry of the Exercise Period.

The exercise price of each of the share options granted is HK\$0.256 (or approximately S\$ 0.045) per Share, being the higher of (i) the average closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange for the five business days (as defined in the GEM Listing Rules) immediately preceding the Grant Date, being HK\$0.256; and (ii) the closing price of the Shares to be issued by the Stock Exchange on the Grant Date, being HK\$0.250.

The purpose of the 2023 Plan is (i) to motivate eligible participants to optimise their future contributions to the Company and/or to reward them for their past contributions, (ii) to attract and retain or otherwise maintain on-going relationships with the eligible participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Company, and (iii) in the case of executive Directors, managers and employees holding an executive, managerial, supervisory or similar position in the Company (the "Executives"), to enable the Company to attract and retain individuals with experience and ability and/or to reward them for their past contributions.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 26. SHARE BASED PAYMENTS (Continued)

The terms and conditions of the grants and movements in the number of share options during the Reporting Period were as follows:

#### (a) The 2010 Plan

Category of participant	Date of grant	Number of shares issuable under share options					At the end of the period	Exercise price S\$
		At the beginning of the period	Granted during the period	Exercised during the period	Forfeited during the period	Lapsed during the period		
Employees	1-Jun-16	113,750	-	-	-	-	113,750	0.009

#### (b) The 2013 Plan

Category of participant	Date of grant	Number of shares issuable under share options					At the end of the period	Exercise price S\$
		At the beginning of the period	Granted during the period	Exercised during the period	Forfeited during the period	Lapsed during the period		
Employees	1-Jun-16	1,582,695	-	-	-	-	1,582,695	0.067

The options are exercisable once the vesting conditions are met. If the options are vested when the Company is privately held, the options shall expire on earlier of 10 years from vesting date or 3 years from the Listing date. If the options are vested when the Company is a public company, the options shall expire on 3 years from vesting date.

#### (c) The 2023 Plan

Category of participant	Date of grant	Number of shares issuable under share options					At the end of the period	Exercise price S\$
		At the beginning of the period	Granted during the period	Exercised during the period	Forfeited during the period	Lapsed during the period		
Directors	12-Oct-23	-	16,000,000	-	-	-	16,000,000	0.045
Employees	12-Oct-23	-	15,000,000	-	-	-	15,000,000	0.045
Employees	12-Oct-23	-	8,915,849	-	-	-	8,915,849	0.045
		-	39,915,849	-	-	-	39,915,849	0.045

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 26. SHARE BASED PAYMENTS (Continued)

(d) The movement of number of outstanding share options and weighted average exercise prices of the share options during the Reporting Period are as follows:

	30 November 2023 (unaudited)		30 November 2022 (unaudited)	
	Weighted average exercise price S\$	Number	Weighted average exercise price S\$	Number
Outstanding at beginning of the year	0.063	1,696,445	0.054	4,075,390
Granted during the period	0.045	39,915,849	-	-
Outstanding at end of the period	0.045	41,612,294	0.054	4,075,390

As at end of the Reporting Period 1,696,445 number of outstanding options had vested and were exercisable.

### 27. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions during the Reporting Period:

	Three months ended		Six months ended	
	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$
Provision of manpower charges from an associate, EASI Technology Co., Ltd.	83,427	85,223	166,710	175,610

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the Reporting Period were as follows:

	Three months ended		Six months ended	
	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$	30 November 2023 (Unaudited) S\$	30 November 2022 (Unaudited) S\$
Salaries, allowances and benefits in kind	394,875	372,150	727,275	688,050
Share-based payment	10,120	-	10,120	-
Contributions to defined contribution retirement plans	23,537	20,783	41,897	39,143
	428,532	392,933	779,292	727,193

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# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Review

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Established in 2006, the Group is a fast-growing IT company based in Singapore. We specialise in offering, via the SaaS delivery model, (i) enterprise application software which is designed to assist commercial property and building owners in managing their real estate assets and facilities, and (ii) energy management system, which is designed to assist commercial property and building owners in monitoring and managing their energy consumption. Besides researching, designing, developing, and implementing software and hardware solutions, we also provide our customers with cloud hosting, upgrades, maintenance, and after-sales support. Our products reach end-users across various countries and regions, including Singapore, Thailand, India, China, and other Asian countries, and various industries, including commercial real estate, education, healthcare, government, and utilities. Our mission is to design and deliver practical and easy-to-use innovations that will have an immediate positive impact on our customers.

We have two revenue-generating business segments, Simplicity<sup>®</sup> and Starlight<sup>®</sup>.

Simplicity<sup>®</sup> is a suite of business software applications specialized for operations of the built environment. Simplicity<sup>®</sup> is cloud and mobile apps-enabled and designed to be extremely easy to use and simple to implement. In particular, Simplicity<sup>®</sup> is specially designed to meet the advanced and complex requirements of large enterprises in Asia. Simplicity<sup>®</sup> software is now primarily offered on a SaaS model; we also offer professional services to assist clients in the implementation and ongoing support of their Simplicity<sup>®</sup> software.

Simplicity<sup>®</sup> Utility Billing (previously myBill) is a revenue assurance platform for energy retailers and other utility companies to manage their utility contracts with their customers and automatically generate bills, collect payments and compute arrears. Simplicity<sup>®</sup> Utility Billing charges a monthly fee per customer account onboarded to the platform, greatly aligning our interests with those of the energy retailers. Simplicity<sup>®</sup> Utility Billing can also support other types of utilities, such as water and gas. Recurring subscription revenue represents the monthly fee charged per customer account managed on the platform.

The revenue generated by Simplicity<sup>®</sup> system implementation comprises earnings from system design, configuration, and implementation services for newly acquired customers. Recurring revenue includes ongoing system enhancements, subscription fees from our SaaS model, and technical support services, which are typically provided to existing customers.

The Starlight<sup>®</sup> business segment is anchored by the Starlight<sup>®</sup> Smart Utilities Management Solution ("UMS"), a cloud-based smart energy and water management IoT platform. The Starlight<sup>®</sup> UMS provides end-to-end revenue and non-revenue energy and water management using advanced IoT sensors, wireless communications, and sophisticated data analytics.

Starlight<sup>®</sup> implementation revenue consists of Starlight<sup>®</sup> hardware (including the state of the art Tesseract<sup>®</sup> Ultra-smart Electricity Meter) and software sales, as well as services including onsite installation of hardware and implementation of Starlight<sup>®</sup> UMS software for newly acquired customers. Recurring revenue includes maintenance and technical support services for existing installed sites. Rental revenue represents fees for renting of Starlight<sup>®</sup> hardware.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

#### SIMPLICITY<sup>®</sup> BUSINESS SEGMENT

	Six months ended 30 November 2023 S\$	Six months ended 30 November 2022 S\$
Simplicity <sup>®</sup> system implementation revenue	2,463,843	1,336,732
Simplicity <sup>®</sup> recurring revenue	8,082,308	5,975,178
Total Simplicity <sup>®</sup> revenue	10,546,151	7,311,910

▲ 44.2%

TOTAL SIMPLICITY<sup>®</sup> REVENUE

▲ 84.3%

SYSTEM IMPLEMENTATION

▲ 35.3%

RECURRING

Total Simplicity<sup>®</sup> revenue increased by 44.2% or S\$3,234,241 for this Reporting Period; this was due primarily to a S\$3,635,808 increase in revenue from the Simplicity<sup>®</sup> Real Estate segment, and was partially offset by a S\$401,567 decrease in revenue from the Simplicity<sup>®</sup> Digital Workplace and Utilities segments.

System implementation revenue increased by 84.3% or S\$1,127,111 as a result of improved order book, while recurring revenue increased by 35.3% or S\$2,107,130 due primarily to continual system enhancements for customers and accelerated move to a SaaS business model.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

#### STARLIGHT® BUSINESS SEGMENT

	Six months ended 30 November 2023 S\$	Six months ended 30 November 2022 S\$
Starlight® system implementation revenue	47,609	-
Starlight® recurring revenue	501,067	501,295
Starlight® hardware leasing revenue	121,912	25,890
Total Starlight® revenue	670,588	527,185

▲ 27.2%

TOTAL STARLIGHT® REVENUE

▼ 0.0%

RECURRING

▲ 370.9%

HARDWARE LEASING

During the Reporting Period, Starlight® revenue were driven by support provided to existing customers, which contributed to a stable revenue.

In October 2022 and December 2022, Starlight® secured six five-year-term contracts for cloud-based management system and another contract in June 2023. We completed the implementation of Starlight® metering infrastructure for six of the seven buildings which resulted in an increased revenue from Starlight® hardware leasing. We expect to see a further improvement in Starlight® leasing revenue in the coming months.

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## MANAGEMENT DISCUSSION AND ANALYSIS

### Future Prospect and Outlook

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In the short term, Simplicity<sup>®</sup> business segment will be the main source of revenue for the Group, driven by system enhancements for existing customers and the increasing demand for SaaS delivery of Simplicity<sup>®</sup>. We anticipate a decrease in Simplicity<sup>®</sup> system implementation revenue from new IT projects in the commercial and public sectors due to the general economic slowdown and the Singapore government's fiscal tightening measures, but the accelerating shift of the Group's business model to SaaS will increase quality recurring revenue for the coming year.

Our Starlight<sup>®</sup> business segment has moved into steady state; although no new projects have been acquired in the current Reporting Period, Starlight<sup>®</sup> continues to be sustained by quality recurring revenue and hardware leasing revenue.

We launched our Japanese office in November 2023. We plan to ramp up our sales and marketing for another round of push to the region, including South East Asia, Australia, New Zealand, and East Asia.

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# MANAGEMENT DISCUSSION AND ANALYSIS

## Financial Review

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### REVENUE

Total revenue increased by 43.1% or S\$3,377,644 from S\$7,839,095 for H1 2023 to S\$11,216,739 for H1 2024. Revenue from Simplicity<sup>®</sup> increased by 44.2% or S\$3,234,241 from S\$7,311,910 to S\$10,546,151. Revenue from Starlight<sup>®</sup> increased by 27.2% or S\$143,403 from S\$527,185 to S\$670,588.

Simplicity<sup>®</sup> revenue was more evenly distributed among our customer base. For H1 2024, Simplicity<sup>®</sup> had three customers that individually represented more than 10% of the Group's total revenue, which accounted for 20.6%, 13.8% and 11.1%. The same three customers accounted for 5.4%, 0.0% and 13.7% of the Group's total revenue for H1 2023. Both Simplicity<sup>®</sup> system implementation and recurring revenue experienced significant increases, with system implementation revenue growing by 84.3% or S\$1,127,111, and recurring revenue from system enhancements, SaaS cloud subscriptions, utilities billing, and support services growing by 35.3% or S\$2,107,130.

Starlight<sup>®</sup> revenue recorded a growth of 27.2% in this Reporting Period, with the entirety of the revenue coming from recurring revenue from support services, hardware leasing, and maintenance services.

Further insights on the performance of each business segment can be found in the detailed analysis presented in the preceding Business Review section.

### COST OF SALES

Total cost of sales increased by 9.5%, or S\$499,938. Simplicity<sup>®</sup> cost of sales increased by 8.8% or S\$440,519 from S\$5,012,691 for H1 2023 to S\$5,453,210 for H1 2024. Manpower cost was the major component of Simplicity<sup>®</sup> cost of sales, followed by third party professional services and third party commercial cloud costs.

Corresponding to the increase in revenue, Starlight<sup>®</sup> cost of sales increased by 21.5% which were due primarily to manpower cost and depreciation of hardware under leasing.

### GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's overall gross profit increased by S\$2,877,706 or 112.9% during the Reporting Period. Simplicity<sup>®</sup> gross profit margin was 48.3% compared to 31.4% in H1 2023. The gross profit increased due to a higher increase in revenue than cost of sales. Starlight<sup>®</sup>'s gross profit margin was 49.9% compared to 47.5% in H1 2023 due to price adjustment and adoption of energy-saving technologies in response to rising energy costs which led to an increase in demand for Starlight<sup>®</sup> energy management solution.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

#### MARKETING AND OTHER OPERATING EXPENSES

Sales, marketing and distribution expenses are driven primarily by the business development activities, marketing-and-advertising-related activities, IT infrastructure costs, and costs for logistics and distributions of Starlight®.

As a percentage of revenue, our sales, marketing and distribution expenses decreased from 17.1% for H1 2023 to 13.5% for H1 2024 in spite of our technology event in July 2023 and our market expansion to Australia and Japan.

#### ADMINISTRATIVE EXPENSES

Administrative expenses primarily consist of salaries and benefits, office-related expenses, depreciation, and public company expenses.

As a percentage of revenue, administrative expenses decreased from 35.2% for H1 2023 to 27.9% for H1 2024, even after taking into account inflation-adjustment increase in salaries and office-related expenses as well as depreciation.

#### RESEARCH AND DEVELOPMENT COSTS

We continued to invest in improvements and enhancements to the existing products to serve the evolving market better. New features have been continuously added to enhance our customers' experience using our Simplicity® and Starlight® products. The technological advancement in architecture and customers' demand compel us to improve our software framework to keep up and move ahead of our competitors. As part of our carbon emission control, we are progressively moving to cloud computing. We acknowledge that the cloud environment has higher information security risks than the traditional on-premise delivery model. Our focus this financial year is to improve the security features of Simplicity®. Starlight® development costs were mainly for our office in India.

As a percentage of revenue, research and development costs decreased from 17.1% for H1 2023 to 13.5% for H1 2024.

#### NET LOSS BEFORE TAX

As a result of our investment in new markets, IT improved security controls and processes, and product technology updates, the Group recorded a net loss before tax of S\$446,161 for H1 2024 as compared to S\$2,595,997 net loss before tax for H1 2023.



## CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 November 2023, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and 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 required: (a) to be 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 were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

#### Long Positions in the Shares and the Underlying Shares

Name of Directors	Capacity / Nature of interest	Number of Shares interested	Number of underlying Shares interested <sup>(2)</sup>	Total interest	Approximate percentage of the Company's issued Shares <sup>(1)</sup>
Mr. Lau E Choon Alex <sup>(3)</sup> ("Mr. Lau")	Beneficial interest	45,572,000	10,000,000	60,572,000	14.95%
	Interest of spouse	-	5,000,000		
Mr. Ong Swee Heng ("Mr. Ong")	Beneficial interest	22,750,000	6,000,000	28,750,000	7.09%
Prof. Wong Poh Kam ("Prof. Wong")	Beneficial interest	22,993,900	-	22,993,900	5.67%

*Notes:*

- (1) The percentage of shareholding was calculated based on the Company's total number of issued Shares of 405,279,683 as at 30 November 2023, without taking into account the Shares to be issued upon exercise of the Pre-IPO share options.
- (2) The underlying Shares represent the options granted under the Post-IPO Share Option Scheme of the Company.
- (3) Mr. Lau is husband of Ms. Ng Yen Yen and is deemed to be interested in the shareholding interests of Ms. Ng Yen Yen in the Company pursuant to the disclosure requirements of the SFO.

The Directors and chief executive of the Company were granted share options under the Post-IPO Share Option Scheme of the Company to subscribe for the Shares, which are exercisable in four equal tranches at the end of each year commencing from the date of grant. In respect of each portion of share options which is vested, the exercise period (the "Exercise Period") shall be the period beginning on the relevant vesting date and ending on the 10<sup>th</sup> anniversary of the Grant Date. The Share Options (to the extent not already exercised) shall lapse automatically at the expiry of the Exercise Period.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

The following table sets out the details of the share options under the Post-IPO Share Option Scheme granted to the Directors and chief executive of the Company as at 30 November 2023:

Name of Directors	Date of Grant	Number of underlying Shares comprised in the Post-IPO Share Option Scheme	Approximate percentage of the Company's issued Shares <sup>(1)</sup>	Exercise price per Share <sup>(2)</sup>
Mr. Lau	12 October 2023	10,000,000	2.47%	HK\$0.256 (approximately S\$0.045)
Mr. Ong	12 October 2023	6,000,000	1.48%	HK\$0.256 (approximately S\$0.045)

*Notes:*

- (1) The percentage of shareholding was calculated based on the Company's total number of issued Shares of 405,279,683 as at 30 November 2023, without taking into account the Shares to be issued upon exercise of the Pre-IPO share options.
- (2) The exercise price is the higher of (i) the average closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange for the five business days (as defined in the GEM Listing Rules) immediately preceding the Date of Grant, being HK\$0.256; and (ii) the closing price of the Shares to be issued by the Stock Exchange on the Date of Grant, being HK\$0.250.

Save as disclosed above, as at 30 November 2023, none of the Directors nor the chief executive of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (a) to be 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 were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 November 2023, so far as was known to the Directors, the following persons/entities (other than the Directors and the chief executive of the Company) had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO :

Name of Shareholders	Capacity/Nature of interest	Number of Shares held	Number of Underlying Shares held	Total interest	Approximate percentage of Company's issued Shares <sup>(6)</sup>
Ng Yen Yen <sup>(1)</sup>	Beneficial interest	-	5,000,000	60,572,000	14.95%
	Interest of spouse	45,572,000	10,000,000		
Lim Lay Hong <sup>(2)</sup>	Interest of spouse	22,750,000	6,000,000	28,750,000	7.09%
Majuven Fund 1 Ltd. <sup>(3)</sup>	Beneficial interest	36,528,219	-	36,528,219	9.01%
OWW Investments III Limited <sup>(4)</sup>	Beneficial interest	20,873,307	-	20,873,307	5.15%
M1 TeliNet Pte. Ltd. <sup>(5)</sup>	Beneficial interest	20,259,000	-	20,259,000	5.00%
M1 Limited <sup>(5)</sup>	Interest in a controlled corporation	20,259,000	-	20,259,000	5.00%
Konnectivity Pte. Ltd. <sup>(5)</sup>	Interest in a controlled corporation	20,259,000	-	20,259,000	5.00%
Keppel Konnect Pte. Ltd. <sup>(5)</sup>	Interest in a controlled corporation	20,259,000	-	20,259,000	5.00%
Keppel Corporation Limited <sup>(5)</sup>	Interest in a controlled corporation	36,723,000	-	36,723,000	9.06%

Notes:

- (1) Ms. Ng Yen Yen is the wife of Mr. Lau, the Chief Executive Officer and an executive Director, and is deemed to be interested in the shareholding interests of Mr. Lau in the Company pursuant to the disclosure requirements of the SFO.
- (2) Ms. Lim Lay Hong is the wife of Mr. Ong, the chief Operating Officer and an executive Director, and is deemed to be interested in the shareholding interests of Mr. Ong in the Company pursuant to the disclosure requirements of the SFO.
- (3) Majuven Fund 1 Ltd. is beneficially owned by Singapore Warehouse Company (Private) Ltd., Poems Pte. Ltd., Koh Boon Hwee, Lui Pao Chuen, Chua Sock Koong, Phuyay Yong Hen, Lee Hsien Yang, Lim Ho Kee, Lee Ching Yen Stephen, Chow Helen, Chan Wing To, Low Teck Seng, Yoh Chie Lu, Chaly Mah Chee Kheong, Loo Yen Lay Madeleine, Sri Widati Erbawan Putri and Majuven Fund 1 LP.
- (4) OWW Investments III Limited is beneficially owned by Wang Zaian, Li Mingding, Zhao Yang, Li Wenli, Pan Chengjie, He Li, Tao Feng, Ying Jiong, Su Jinhua, Zang Yi, Yu Hai, Pang Hongmei, Li Shengfa, Li Weiwei, Xian Youwei, Li Ting, Hong Liping, Chen Guilin, Gao Junsong, Zhang Aijun, Wu Jinxiang, Shen Jinlong, Xiao Bin, Yu Rong, Wang Ruihong, Wei Dong, Shi Yuanfeng, Tan Bien Chuan, Kai Wan Chung, Ye Yongqing, Xu Yongrui, Yang Qi, Liang Chengan, Qin Lei, Gu Weiping, Jia Bin, Chen Kunsheng, Huang Haidi, Sun Yuxing, Wan Shilong, Huang Renzhu, Anil Kanayalal Thawani, Xu Jiantang, Deng Bingxin, Mao Shizhang, Qian Jun, Yu Zhong, Liu Yang, Wu Wei, Zong Haixiao, Deng Kunlai, Sun Jian, Zhao Shangyang, Wu Xiaoxia and Li Xiaorong.
- (5) Keppel Corporation Limited wholly owns Keppel Konnect Pte. Ltd., which in turn wholly owns Konnectivity Pte. Ltd., which in turn owns M1 Limited as to approximately 80.69%, which in turn wholly owns M1 TeliNet Pte. Ltd. Keppel Corporation Limited is deemed to be interested in the Shares held by M1 TeliNet Pte. Ltd. pursuant to the disclosure requirements of the SFO.  
Keppel Corporation Limited wholly owns Kepventure Pte. Ltd. and is deemed to be interested in the 16,464,000 Shares held by Kepventure Pte. Ltd. pursuant to the disclosure requirements of the SFO.
- (6) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 30 November 2023 (i.e. 405,279,683 Shares).

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES (Continued)

Save as disclosed above, as at 30 November 2023, so far as is known by or otherwise notified to the Directors, no other person or entity (other than a Director or the chief executive of the Company) had interests and short positions in the Shares and underlying Shares as required to be recorded in the register to be kept by the Company pursuant to Section 336 of the SFO.

### SHARE OPTION SCHEMES

#### Pre-IPO Share Option Schemes

The Company adopted two Pre-IPO Share Option Schemes with the approval of the Board. The principal terms of the two Pre-IPO Share Option Schemes are substantially identical to each other.

The Pre-IPO Share Option Schemes are intended to promote the interests of the Company by providing eligible individuals who are responsible for the management, growth and financial success of the Company or who otherwise render valuable services to the Company with the opportunity to acquire a proprietary interest, in the Company and thereby encourage them to remain in the service of the Company.

These Pre-IPO share options are exercisable at either approximately S\$0.01 per share or S\$0.07 per share (as the case may be and taking into account the automatic adjustment due to the sub-division of shares of the Company that took place on 24 November 2016), each becoming exercisable in four equal tranches at the end of each year commencing from the grant date and shall expire (i) ten years from the day on which the Pre-IPO share options become exercisable; or (ii) three years from the Listing Date, whichever is earlier.

As at 30 November 2023, 1,696,445 options granted to two members of senior management and an employee of the Company had vested and were exercisable.

All of the above Pre-IPO share options have not been exercised as at 30 November 2023.

#### Post-IPO Share Option Scheme

The Company has conditionally adopted the Post-IPO Share Option Scheme which was approved by written resolutions passed by the Shareholders on 24 November 2016.

The Board of Director of the Company granted/conditionally granted an aggregate of 39,915,849 Post-IPO share options to 10 eligible participants on 12 October 2023 (the "**2023 Plan**"). 16,000,000 Post-IPO share options were granted to the two executive directors of the Company, 13,250,000 Post-IPO share options were granted to four key management personnel, and 10,665,849 Post-IPO share options were granted to four employees of the Company.

Of the aggregate 39,915,849 Post-IPO share options, 31,000,000 Post-IPO share options which required the approval of shareholders, were subsequently approved at the extraordinary general meeting held by the Company on 8 December 2023. The remaining 8,915,849 share options were granted and accepted on 12 October 2023.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### SHARE OPTION SCHEMES (Continued)

#### Post-IPO Share Option Scheme (Continued)

Each of the Post-IPO share options is exercisable in four equal tranches at the end of each year commencing from the grant date ("**Grant Date**"). In respect of each portion of share options which is vested, the exercise period (the "**Exercise Period**") shall be the period beginning on the relevant vesting date and ending on the 10th anniversary of the Grant Date. The Share Options (to the extent not already exercised) shall lapse automatically at the expiry of the Exercise Period.

Each of the Post-IPO share options are exercisable at HK\$0.256 (or approximately S\$ 0.045) per Share, being the higher of (i) the average closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange for the five business days (as defined in the GEM Listing Rules) immediately preceding the Grant Date, being HK\$0.256; and (ii) the closing price of the Shares to be issued by the Stock Exchange on the Grant Date, being HK\$0.250.

All of the Post-IPO share options have not vested as at 30 November 2023.

#### CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the Required Standard of Dealings. The Company had made specific enquiries with all Directors and each of them has confirmed his compliance with the Required Standard of Dealings throughout the Reporting Period.

#### DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or the controlling shareholders of the Company, or their respective close associates had an interest in any business which directly or indirectly competed or might compete with the business of the Group.

#### PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

#### CORPORATE GOVERNANCE PRACTICES

The Company is committed to fulfilling its responsibilities to its Shareholders and protecting and enhancing Shareholders' value through solid corporate governance.

The Company's corporate governance practices are based on the principles and the code provisions of corporate governance as set out in the CG Code in Appendix 15 to the GEM Listing Rules and in relation to, among others, the Directors, chairman of the Board and chief executive officer, the Board composition, the appointment, re-election and removal of Directors, their responsibilities and remuneration and the communications with the Shareholders.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### CORPORATE GOVERNANCE PRACTICES (Continued)

To the best knowledge of the Board, the Company has adopted and has complied with all applicable code provisions set out in the CG Code during the Reporting Period and thereafter to the date of this report.

### DIVIDEND

The Board has resolved not to declare the payment of a dividend for the six months ended 30 November 2023 (30 November 2022: S\$Nil).

### AUDIT COMMITTEE

The Board established the Audit Committee with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code. The Audit Committee comprises two independent non-executive Directors, namely Mr. Mok Wai Seng and Mr. Chua Leong Chuan Jeffrey and one non-executive Director, Dr. Chong Yoke Sin. Mr. Mok Wai Seng was appointed to serve as the chairman of the Audit Committee. The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the risk management and internal control procedures of the Company. The 2023/24 Interim Financial Statements have not been audited by the Company's auditors, but have been reviewed by the Audit Committee.

By order of the Board  
**Anacle Systems Limited**  
**Lee Suan Hiang**  
*Chairman*

Singapore, 27 December 2023



# Anacle Systems Limited

2023/24 Interim Report  
For the Six Months Period Ended  
30 November 2023

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