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## **Anacle Systems Limited**

**安科系統有限公司\***

(Incorporated in the Republic of Singapore with limited liability)

(Stock Code: 8353)

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 NOVEMBER 2021**

The board of directors (the "Directors") of Anacle Systems Limited (the "Company") is pleased to announce the unaudited interim financial results of the Company and its subsidiaries (the "Group") for the six months ended 30 November 2021. This announcement, containing the full text of the 2022 interim results announcement of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM in relation to information to accompany the preliminary announcement of 2022 interim results. The printed version of the Company's 2022 interim report will be delivered to the shareholders of the Company and available for viewing on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and of the Company at [www.anacle.com](http://www.anacle.com) on or before 14 January 2022.

By order of the Board  
**Anacle Systems Limited**  
**Lau E Choon Alex**  
Executive Director and Chief Executive Officer

Singapore, 6 January 2022

*As at the date of this announcement, the Board comprises Mr. Lau E Choon Alex (Chief Executive Officer), and Mr. Ong Swee Heng (Chief Operating Officer) as executive Directors; Mr. Lee Suan Hiang (Chairman), Prof. Wong Poh Kam and Dr. Chong Yoke Sin as non-executive Directors; and Mr. Alwi Bin Abdul Hafiz, Mr. Chua Leong Chuan Jeffrey and Mr. Mok Wai Seng as independent non-executive Directors.*

*This announcement, for which the directors of Anacle Systems Limited (the "Company" and the "Directors", respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM for the purpose of giving information with regard to the Company. The Director, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement 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 announcement misleading.*

*This announcement will remain on the "Latest Company Information" page of GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication. This announcement will also be published on the Company's website at [www.anacle.com](http://www.anacle.com).*

*\* 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.

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this results announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this results announcement.*

*This report, for which the directors (the “Directors”) of Anacle Systems Limited (the “Company”) collectively and individually accept full responsibilities, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company and its subsidiaries (together the “Group”). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this results announcement 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 results announcement 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
"Placing"	the placing of the Shares on 16 December 2016
"PRC"	the People's Republic of China excluding, for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Prospectus"	the prospectus issued by the Company on 30 November 2016 in connection with the Placing
"Reporting Period"	the six months ended 30 November 2021

# DEFINITIONS

"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 report, 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. Mok Wai Seng

### Nomination Committee

Mr. Lee Suan Hiang (*Chairman*)

Mr. Alwi Bin Abdul Hafiz

Mr. Chua Leong Chuan Jeffrey

## COMPLIANCE OFFICER

Mr. Ong Swee Heng

## JOINT COMPANY SECRETARIES

Ms. Yue Sau Lan, ACS, ACIS

Ms. Sylvia Sundari Poerwaka

## AUTHORISED REPRESENTATIVES

Mr. Lau E Choon Alex

Mr. Ong Swee Heng

## INDEPENDENT AUDITOR

BDO Limited

## HONG KONG SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited

Room 2103B

21/F., 148 Electric 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

31/F., 148 Electric Road

North Point

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	
	2021 (unaudited) S\$	2020 (unaudited) S\$
Revenue	11,087,720	10,240,167
Gross profit	5,123,522	4,081,142
Profit before tax	1,948,664	1,962,375

**8.3%**

## REVENUE INCREASE

The public sector's investment in smart technology contributed to a 11.2% or S\$ 968,988 increase in the revenue of our Simplicity business segment. myBill segment contributed to 5.7% or S\$ 43,599 increase in revenue. Starlight continued to face a slowdown in demand due to the COVID-19 pandemic and the introduction of the Fair Tenancy Code of Conduct by the Singapore government in June 2021 which prevented landlords from making profits from sub-selling of electricity. As a result, revenue from Starlight dipped further by 31.8%, or S\$202,747. Subscriptions for SpaceMonster continued to increase as more venues were coming on board resulting in a 24.2% or S\$37,713 increase in SpaceMonster's revenue.

**25.5%**

## GROSS PROFIT INCREASE

Improvement to gross profit was due mainly due to an increase in revenue which offset the increase in our manpower-related costs for Simplicity. Challenges in employee retention have driven up both staff remuneration and outsourcing costs. Manpower costs contributed to a 7.8% increase in cost of sales for all business segments. The decrease in third party licences costs and amortisation expense for Simplicity and Starlight has offset the increase in manpower costs resulting in an overall lower cost of sales and an increase in gross profit as compared to last year.

**S\$ 13,711**

## PROFIT BEFORE TAX DECREASE

Profit before tax remained relatively stable due to an increase in revenue which offset the increase in employment related costs.

## DIVIDEND

The Board has not declared the payment of a dividend for the six months ended 30 November 2021 (30 November 2020: S\$Nil).

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Three months ended 30 November		Six months ended 30 November	
		2021 (unaudited) S\$	2020 (unaudited) S\$	2021 (unaudited) S\$	2020 (unaudited) S\$
<b>Revenue</b>	3c	<b>6,540,116</b>	<b>6,477,108</b>	<b>11,087,720</b>	<b>10,240,167</b>
Cost of sales		(3,506,536)	(3,789,860)	(5,964,198)	(6,159,025)
<b>Gross profit</b>		<b>3,033,580</b>	<b>2,687,248</b>	<b>5,123,522</b>	<b>4,081,142</b>
Other revenue	4	35,025	324,071	68,533	627,976
Other gains and (losses)	5	3,417	708	11,655	(8,788)
Marketing and other operating expenses		(313,648)	(328,057)	(667,799)	(583,972)
Administrative expenses		(1,032,071)	(936,766)	(1,991,893)	(1,660,206)
Research and development costs		(310,639)	(256,795)	(562,444)	(479,418)
Finance costs	6	(15,883)	(12,139)	(32,910)	(14,359)
<b>Profit before income tax</b>	7	<b>1,399,781</b>	<b>1,478,270</b>	<b>1,948,664</b>	<b>1,962,375</b>
Income tax expense	8	-	-	-	-
<b>Profit for the period</b>		<b>1,399,781</b>	<b>1,478,270</b>	<b>1,948,664</b>	<b>1,962,375</b>
<b>Other comprehensive income</b>					
Item that may be reclassified subsequently to profit or loss:					
Exchange difference arising from translation of foreign operations		503	720	(909)	(2,562)
<b>Total comprehensive income for the period</b>		<b>1,400,284</b>	<b>1,478,990</b>	<b>1,947,755</b>	<b>1,959,813</b>
<b>Profit for the period attributable to:</b>					
Owners of the Company		1,400,050	1,478,891	1,949,053	1,962,753
Non-controlling interests		(269)	(621)	(389)	(378)
		<b>1,399,781</b>	<b>1,478,270</b>	<b>1,948,664</b>	<b>1,962,375</b>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Company		1,400,553	1,479,611	1,948,144	1,960,191
Non-controlling interests		(269)	(621)	(389)	(378)
		<b>1,400,284</b>	<b>1,478,990</b>	<b>1,947,755</b>	<b>1,959,813</b>
<b>Earnings per share attributable to owners of the Company</b>					
- Basic	10	0.34	0.37	0.48	0.49
- Diluted	10	0.35	0.36	0.48	0.48



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at	
		30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$
<b>Non-current assets</b>			
Property, plant and equipment	11	673,543	747,731
Right-of-use assets	12	3,764,899	4,182,255
Intangible assets	13	642,477	849,334
Interests in associates		-	-
<b>Total non-current assets</b>		<b>5,080,919</b>	<b>5,779,320</b>
<b>Current assets</b>			
Trade receivables	14	4,424,900	7,511,898
Contract assets	15	814,062	273,303
Other receivables, deposits and prepayments	16	518,798	646,850
Inventories	17	797,980	836,072
Bank balances and cash		11,675,962	8,176,761
<b>Total current assets</b>		<b>18,231,702</b>	<b>17,444,884</b>
<b>Current liabilities</b>			
Trade payables	18	1,498,306	1,751,831
Contract liabilities	19	858,337	808,773
Other payables and accruals	20	953,801	2,194,917
Amount due to a director		10,740	10,395
Provision for warranty		7,200	7,200
Lease liabilities	23	419,453	834,051
Income tax payable		33,080	33,087
<b>Total current liabilities</b>		<b>3,780,917</b>	<b>5,640,254</b>
<b>Net current assets</b>		<b>14,450,785</b>	<b>11,804,630</b>
<b>Total assets less current liabilities</b>		<b>19,531,704</b>	<b>17,583,950</b>
<b>Non-current liabilities</b>			
Provision for reinstatement cost		60,000	60,000
Deferred tax liabilities		569	570
Lease liabilities	23	3,445,336	3,445,336
<b>Total non-current liabilities</b>		<b>3,505,905</b>	<b>3,505,906</b>
<b>NET ASSETS</b>		<b>16,025,799</b>	<b>14,078,044</b>
<b>Capital and reserves</b>			
Share capital	24	20,874,677	20,645,177
Reserves		(4,797,825)	(6,516,469)
Equity attributable to owners of the Company		16,076,852	14,128,708
Non-controlling interests		(51,053)	(50,664)
<b>TOTAL EQUITY</b>		<b>16,025,799</b>	<b>14,078,044</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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	Attributable to owners of the Company							Total S\$
	Ordinary share capital S\$	Share capital pending allotment S\$	Share premium S\$	Share-based compensation reserve S\$	Exchange fluctuation reserve S\$	Accumulated losses S\$	Non-controlling interests S\$	
<b>At 31 May 2021 (audited)</b>	<b>20,645,177</b>	<b>229,500</b>	<b>(1,376,024)</b>	<b>322,930</b>	<b>50,767</b>	<b>(5,743,642)</b>	<b>(50,664)</b>	<b>14,078,044</b>
Profit/(loss) for the period	-	-	-	-	-	1,949,053	(389)	1,948,664
Other comprehensive income	-	-	-	-	(909)	-	-	(909)
Total comprehensive income	-	-	-	-	(909)	1,949,053	(389)	1,947,755
Issuance of ordinary shares	229,500	(229,500)	-	-	-	-	-	-
<b>As at 30 November 2021 (unaudited)</b>	<b>20,874,677</b>	<b>-</b>	<b>(1,376,024)</b>	<b>322,930</b>	<b>49,858</b>	<b>(3,794,589)</b>	<b>(51,053)</b>	<b>16,025,799</b>
<b>At 31 May 2020 (audited)</b>	<b>20,756,598</b>		<b>(1,376,024)</b>	<b>688,754</b>	<b>51,157</b>	<b>(8,244,355)</b>	<b>(48,848)</b>	<b>11,827,282</b>
Profit/(loss) for the period	-		-	-	-	1,962,753	(378)	1,962,375
Other comprehensive income	-		-	-	(2,562)	-	-	(2,562)
Total comprehensive income	-		-	-	(2,562)	1,962,753	(378)	1,959,813
<b>As at 30 November 2020 (unaudited)</b>	<b>20,756,598</b>		<b>(1,376,024)</b>	<b>688,754</b>	<b>48,595</b>	<b>(6,281,602)</b>	<b>(49,226)</b>	<b>13,787,095</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 November	
	2021 (unaudited) S\$	2020 (unaudited) S\$
Net cash generated from operating activities	4,250,384	5,872,610
Net cash used in investing activities	(17,294)	(3,030,084)
Net cash (used in)/generated from financing activities	(447,347)	2,255,010
Net increase in cash and cash equivalents	3,785,743	5,100,658
Cash and cash equivalents at beginning of period	8,176,761	4,749,041
Effect of foreign exchange rate changes	(286,542)	(3,122)
<b>Cash and cash equivalents at end of period</b>	<b>11,675,962</b>	<b>9,846,577</b>
Analysis of the balances of cash and cash equivalents		
<b>Bank balances and cash</b>	<b>11,675,962</b>	<b>9,846,577</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 2021 (the "2022 Interim Financial Statements") were approved for issue by the Board on 6 January 2022.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The 2022 Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") and the applicable disclosure requirements of the GEM Listing Rules. The 2022 Interim Financial Statements have been prepared under the historical cost basis.

The 2022 Interim Financial Statements are presented in Singapore Dollar ("S\$"), which is the same as the functional currency of the Company.

The 2022 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 2021 (the "2021 Financial Statements").

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

The 2022 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 2022 Interim Financial Statements are consistent with those used in the preparation of the 2021 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. With the exception to which the practical expedient for Covid-19-Related Rent Concessions applies (see note 2(a)), 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. 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.

Contract balances relating to system integration contracts in progress were presented in the statement of financial position under "contract assets" or "contract liabilities" respectively.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

#### (d) Revenue recognition (Continued)

##### Revenue from rendering of services including maintenance

Revenues are recognised over time as the benefits are received and consumed simultaneously by the customer. The services are charged at a fixed rate with no significant variable consideration. The Group recognises revenue in the amount to which the entity has the right to invoice, which is representative to the value being delivered. Invoices for maintenance services are issued on a monthly basis and are usually payable within 30 days. No significant financial component existed.

##### 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.

##### Subscription income

Revenues are recognised over time as the benefits are received and consumed simultaneously by the customer. The services are charged at a fixed rate with no significant variable consideration. The Group recognises revenue in the amount to which the entity has the right to invoice, which is representative to the value being delivered.

##### 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

### 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 decision.

The Group has three 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 and myBill – a package of enterprise application software solutions that provides specific solutions for municipal services management, commercial real estate management, corporate real estate management, as well as industrial asset management;
- 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; and
- SpaceMonster – an online venue booking platform.

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 & myBill		Starlight		SpaceMonster		Total	
	Six months ended 30 November							
	2021 (unaudited) S\$	2020 (unaudited) S\$	2021 (unaudited) S\$	2020 (unaudited) S\$	2021 (unaudited) S\$	2020 (unaudited) S\$	2021 (unaudited) S\$	2020 (unaudited) S\$
Revenue from external customers	10,459,980	9,447,393	434,103	636,850	193,637	155,924	11,087,720	10,240,167
Gross profit	4,794,473	3,615,953	138,607	312,853	190,442	152,336	5,123,522	4,081,142
Depreciation and amortisation	218,948	456,518	6,100	5,657	-	-	225,048	462,175
Write-down of inventories	-	-	-	423	-	-	-	423
Reportable segment profit/(loss)	4,200,734	3,195,343	(405,963)	(264,999)	185,842	152,336	3,980,613	3,082,680
	As at							
	30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$	30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$	30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$	30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$
Reportable segment assets	6,024,962	8,210,297	1,018,359	1,582,351	20,354	37,782	7,063,675	9,830,430
Additions to non-current assets	15,697	85,648	1,640	12,043	-	-	17,337	97,691
Reportable segment liabilities	2,183,125	2,646,118	180,718	254,082	-	-	2,363,843	2,900,200

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. SEGMENT REPORTING (Continued)

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

	Three months ended		Six months ended	
	30 November		30 November	
	2021	2020	2021	2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	S\$	S\$	S\$	S\$
<b>Profit before income tax</b>				
Reportable segment profit	2,429,736	2,123,538	3,980,613	3,082,680
Other revenue	35,025	324,071	68,358	627,621
Other gains and (losses)	2,447	643	5,778	(8,492)
Finance costs	(15,883)	(12,139)	(32,910)	(14,359)
Unallocated expenses:				
- Staff costs	(754,724)	(484,506)	(1,241,110)	(919,646)
- Rental expenses	(1,230)	(18,873)	(2,461)	(8,728)
- Legal and professional fee	(25,811)	(33,630)	(79,247)	(88,234)
- Depreciation	(33,099)	(26,469)	(67,156)	(36,647)
- Depreciation of rights-of-use assets	(208,604)	(124,795)	(417,208)	(246,468)
- Reinstatement cost	-	-	-	(43,000)
- Others	(28,076)	(269,570)	(265,993)	(382,352)
<b>Consolidated profit before income tax</b>	<b>1,399,781</b>	<b>1,478,270</b>	<b>1,948,664</b>	<b>1,962,375</b>

	As at	
	30 November 2021	31 May 2021
	(unaudited)	(audited)
	S\$	S\$
<b>Assets</b>		
Reportable segment assets	7,063,675	9,830,430
Bank balances and cash	11,675,962	8,176,761
Right-of-use assets	3,764,899	4,182,255
Property, plant and equipment	557,776	621,377
Unallocated corporate assets	250,309	413,381
<b>Consolidated total assets</b>	<b>23,312,621</b>	<b>23,224,204</b>

	As at	
	30 November 2021	31 May 2021
	(unaudited)	(audited)
	S\$	S\$
<b>Liabilities</b>		
Reportable segment liabilities	2,363,843	2,900,200
Other payables and accruals	964,541	1,862,521
Lease liabilities	3,864,789	4,279,387
Unallocated corporate liabilities	33,649	104,052
<b>Consolidated total liabilities</b>	<b>7,226,822</b>	<b>9,146,160</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 and myBill		Starlight		SpaceMonster		Total	
	2021 S\$	2020 S\$	2021 S\$	2020 S\$	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Six months ended 30 November								
<b>Timing of revenue recognition</b>								
<b>Transferred over time</b>								
- Project revenue	7,423,986	6,877,843	226,576	454,720	-	-	7,650,562	7,332,563
- Maintenance services	2,115,747	1,797,952	89,820	128,020	187	114	2,205,754	1,926,086
- Subscription	792,597	693,958	-	-	193,450	155,810	986,047	849,768
<b>Recognised at a point of time</b>								
- Sale of equipment	127,650	77,640	87,782	24,809	-	-	215,432	102,449
<b>Other sources</b>								
- Lease of equipment	-	-	29,925	29,301	-	-	29,925	29,301
	10,459,980	9,447,393	434,103	636,850	193,637	155,924	11,087,720	10,240,167
<b>Primary geographical market</b>								
Singapore	7,927,294	8,887,742	394,320	606,228	193,637	155,924	8,515,251	9,649,894
Thailand	2,173,329	-	-	-	-	-	2,173,329	-
Malaysia	8,345	6,870	36,578	25,415	-	-	44,923	32,285
PRC	109,957	109,235	-	-	-	-	109,957	109,235
Others	241,055	443,546	3,205	5,207	-	-	244,260	448,753
	10,459,980	9,447,393	434,103	636,850	193,637	155,924	11,087,720	10,240,167

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 2021 (unaudited) S\$	31 May 2021 (audited) S\$
<b>Specified non-current assets</b>		
Singapore	4,994,766	5,655,111
India	86,153	124,209
	5,080,919	5,779,320

## 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	
	2021 (unaudited) S\$	2020 (unaudited) S\$
Customer A	2,851,615	4,760,235
Customer B	2,133,919	1,251,539
Customer C	1,422,087	-

### 4. OTHER REVENUE

	Three months ended 30 November		Six months ended 30 November	
	2021 (Unaudited) S\$	2020 (Unaudited) S\$	2021 (Unaudited) S\$	2020 (Unaudited) S\$
Government grants	34,945	323,745	67,877	625,123
Interest income	31	25	43	2,197
Others	49	301	613	656
	35,025	324,071	68,533	627,976

### 5. OTHER GAINS AND (LOSSES)

	Three months ended 30 November		Six months ended 30 November	
	2021 (Unaudited) S\$	2020 (Unaudited) S\$	2021 (Unaudited) S\$	2020 (Unaudited) S\$
Net exchange gains/(losses)	2,447	516	5,778	(8,492)
Write-down of inventories	-	65	-	(423)
Reversal of provision for obsolete inventories	17	-	4,924	-
Reversal of provision for expected credit loss	953	127	953	127
	3,417	708	11,655	(8,788)

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 6. FINANCE COSTS

	Three months ended 30 November		Six months ended 30 November	
	2021 (Unaudited) S\$	2020 (Unaudited) S\$	2021 (Unaudited) S\$	2020 (Unaudited) S\$
Interest on lease liabilities	15,883	12,139	32,910	14,359
Interest on bank borrowings	-	-	-	-
	15,883	12,139	32,910	14,359

### 7. PROFIT BEFORE INCOME TAX

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

	Three months ended 30 November		Six months ended 30 November	
	2021 (Unaudited) S\$	2020 (Unaudited) S\$	2021 (Unaudited) S\$	2020 (Unaudited) S\$
Staff costs (including directors' emoluments)				
Salaries and allowances	2,633,714	2,303,778	5,032,427	4,452,899
Contributions on defined contribution retirement plans	248,053	200,572	463,501	387,090
	-	-	-	-
	2,881,767	2,504,350	5,495,928	4,839,989
Depreciation of property, plant and equipment	45,570	40,722	91,491	56,610
Depreciation of right-of-use assets	208,604	114,617	417,208	246,468
Amortisation of intangible assets	103,428	220,027	206,856	445,876
Finance costs	15,883	12,139	32,910	14,359
Reinstatement cost	-	-	-	43,000
Auditor's remuneration	-	5,294	4,850	5,294

### 8. INCOME TAX EXPENSE

	Three months ended 30 November		Six months ended 30 November	
	2021 (Unaudited) S\$	2020 (Unaudited) S\$	2021 (Unaudited) S\$	2020 (Unaudited) S\$
Current tax	-	-	-	-
Deferred tax	-	-	-	-
	-	-	-	-

Pursuant to the corporate tax rules and regulations of Singapore, Malaysia and India, the corporate taxes of the Company, and the two wholly-owned subsidiaries namely, Anacle Systems Sdn Bhd and Anacle Systems (India) Private Limited, are calculated at 17%, 17% and 29% on the chargeable income for the six months ended 30 November 2021.



## 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 2021 (30 November 2020 : S\$Nil).

### 10. EARNINGS/(LOSS) PER SHARE

For the six months ended 30 November 2022, the basic earnings per share of the Company was S\$0.48 cents. The calculation is based on the profit attributable to the owners of the Company of S\$ 1,949,053 and 402,900,738 Ordinary Shares in issue. Diluted earnings per share of the Company was S\$0.48 cents which was based on the profit attributable to the owners of the Company of S\$1,949,053 and 406,976,128 weighted average number of Ordinary Shares in issue.

For the six months ended 30 November 2020, the basic earnings per share of the Company was S\$0.49 cents. The calculation is based on the profit attributable to the owners of the Company of S\$1,962,753 and 399,158,496 Ordinary Shares in issue. Diluted earnings per share of the Company was S\$0.48 cents which was based on the profit attributable to the owners of the Company of S\$1,962,753 and 407,040,422 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\$17,337 (for the six months ended 30 November 2020: S\$774,922).

### 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 2021 (unaudited) S\$	31 May 2021 (audited) S\$
As at beginning of period	4,182,255	256,561
Addition	-	4,718,461
Depreciation charge for the period	(417,208)	(789,710)
Exchange alignment	(148)	(3,057)
As at end of period	3,764,899	4,182,255

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 12. LEASES (Continued)

#### (a) Leases as lessee

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

	Three months ended 30 November		Six months ended 30 November	
	2021 (Unaudited) S\$	2020 (Unaudited) S\$	2021 (Unaudited) S\$	2020 (Unaudited) S\$
Interest on lease liabilities	15,883	12,139	32,910	14,359
Expenses relating to short-term leases and leases of low-value assets	1,230	1,246	2,461	1,866
	17,113	13,385	35,371	16,225

#### (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\$29,301 (30 November 2020: S\$29,301).

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 2021 (unaudited) S\$	31 May 2021 (audited) S\$
Within one year	25,440	34,785

### 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 2020: S\$Nil).

### 14. TRADE RECEIVABLES

	As at	
	30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$
Trade receivables	4,813,973	7,901,177
Less: provision for expected credit loss	(389,073)	(389,279)
	4,424,900	7,511,898

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

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 14. TRADE RECEIVABLES (Continued)

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 2021 (unaudited) S\$	31 May 2021 (audited) S\$
Within 1 month	4,405,544	6,684,292
2 to 3 months	19,356	541,943
4 to 6 months	-	236,809
7 to 12 months	-	48,854
	4,424,900	7,511,898

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 2021 (unaudited) S\$	31 May 2021 (audited) S\$
Unbilled revenue from contracts in progress	815,160	274,401
Less: provision for expected credit loss	(1,098)	(1,098)
	814,062	273,303

### 16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at	
	30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$
Deposits	163,260	174,549
Prepayments	350,559	242,791
Other receivables	4,979	229,510
	518,798	646,850

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 17. INVENTORIES

	As at	
	30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$
Raw materials	320,042	380,569
Finished goods	477,938	455,503
	797,980	836,072

### 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 2021 (unaudited) S\$	31 May 2021 (audited) S\$
Within 1 month	1,185,325	1,150,406
1 to 2 months	16,889	485,245
2 to 3 months	749	92,241
4 to 6 months	-	-
7 to 12 months	271,640	14,307
Over 12 months	23,703	9,632
	1,498,306	1,751,831

### 19. CONTRACT LIABILITIES

	As at	
	30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$
Contract liabilities arising from:		
Construction projects of Simplicity and Starlight	64,324	145,831
Advance income received for maintenance services	794,013	662,942
	858,337	808,773

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 20. OTHER PAYABLES AND ACCRUALS

	As at	
	30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$
Accruals	687,423	1,026,855
Other payables	45,535	826,897
Goods and Services Tax payables	220,843	319,446
Provision of onerous contract	-	21,719
	953,801	2,194,917

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

	As at	
	30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$
Balance as at the beginning of period	7,200	41,000
(Reversal)/addition during the period	-	(33,800)
	7,200	7,200

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

### 22. BANK FACILITIES

As at 30 November 2021 and 31 May 2021, bank facilities in total of S\$1,000,000 were granted to the Company by DBS Limited, which has not been utilised by the Company as at 30 November 2021 and 31 May 2021. 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 as at 30 November 2021 and 31 May 2021.

All of the banking facilities are subject to the fulfillment of covenants relating to certain of the Company's financial position ratios, as are commonly found in lending arrangements with financial institutions. If the Company was to breach the covenants the drawn down facilities would become repayable on demand.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 23. LEASE LIABILITIES

	As at	
	30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$
<b>Current liabilities</b>		
Lease liabilities - current portion	419,453	834,051
<b>Non-current liabilities</b>		
Lease liabilities - non-current portion	3,445,336	3,445,336

#### *Lease liabilities*

	As at	
	30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$
<b>Properties</b>		
Balance as at the beginning of period	4,279,387	266,804
Addition	-	4,658,461
Interest expense	32,910	66,871
Lease payments	(447,347)	(709,512)
Exchange alignment	(161)	(3,237)
	3,864,789	4,279,387

Future lease liabilities are payable as follows:

	Minimum lease payments S\$	Interest S\$	Present value S\$
<b>At 30 November 2021</b>			
Not later than one year	447,735	28,282	419,453
Later than one year and not later than five years	3,259,396	115,304	3,144,092
Later than five years	302,282	1,038	301,244
	4,009,413	144,624	3,864,789
<b>At 31 May 2021</b>			
Not later than one year	895,020	60,969	834,051
Later than one year and not later than five years	3,259,396	115,304	3,144,092
Later than five years	302,282	1,038	301,244
	4,456,698	177,311	4,279,387

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 23. LEASE LIABILITIES (Continued)

The present value of future lease payments are analysed as:

	As at	
	30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$
Current liabilities	419,453	834,051
Non-current liabilities	3,445,336	3,445,336
	3,864,789	4,279,387

### 24. SHARE CAPITAL

	Number of Shares	Share Capital S\$
<b>Issued and fully paid:</b>		
At 31 May 2021 (audited)	397,880,496	20,645,177
Issuance of ordinary shares	5,020,242	229,500
As at 30 November 2021 (unaudited)	402,900,738	20,874,677

On 26 May 2021, the employees of the Company exercised 1,854,852 share options under the share option plan adopted on 10 March 2010 (the "2010 Plan") and 3,165,390 share options under the share option plan adopted on 18 December 2013 (the "2013 Plan"). On 4 June 2021, the Company issued 5,020,242 new ordinary shares to its employees.

### 25. SHARE BASED PAYMENTS

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.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 25. SHARE BASED PAYMENTS (Continued)

#### (a) The 2010 Plan

The terms and conditions of the grants and movements in the number of share options under the 2010 Plan during the Reporting Period were as follows:

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-Aug-13	-	-	-	-	-	-	0.009
	1-May-15	682,500	-	-	-	-	682,500	0.009
	1-Jun-16	227,500	-	-	-	-	227,500	0.009
Total		910,000	-	-	-	-	910,000	

#### (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	3,165,390	-	-	-	-	3,165,390	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 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 2021 (unaudited)		31 May 2021 (audited)	
	Weighted average exercise price S\$	Number	Weighted average exercise price S\$	Number
Outstanding at the beginning and at the end of period	0.054	4,075,390	0.054	4,075,390

As at end of the Reporting Period 4,075,390 number of outstanding options had vested and were exercisable.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 26. 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 30 November		Six months ended 30 November	
	2021 (Unaudited) S\$	2020 (Unaudited) S\$	2021 (Unaudited) S\$	2020 (Unaudited) S\$
Provision of manpower charges from an associate, EASI Technology Co., Ltd.	92,855	92,196	92,855	269,679

- (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 30 November		Six months ended 30 November	
	2021 (Unaudited) S\$	2020 (Unaudited) S\$	2021 (Unaudited) S\$	2020 (Unaudited) S\$
Salaries, allowances and benefits in kind	319,800	325,407	609,600	600,664
Share-based payments	-	-	-	-
Contributions on defined contribution retirement plans	19,380	20,808	37,740	39,168
	339,180	346,215	647,340	639,832

### 27. CAPITAL COMMITMENTS

	As at	
	30 November 2021 (unaudited) S\$	31 May 2021 (audited) S\$
Commitments for the acquisition of: Investment in an associate	194,280	191,822

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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 on-premise model and 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 upgrades, maintenance and after-sales support to our customers. Our products reach end-users across various countries and regions including Singapore, Thailand, Malaysia, China and other Asian countries, and various industries including commercial real estate, education, healthcare, government, utilities and oil and gas. Our mission is to design and deliver practical and easy to use innovations that will have immediate positive impact to our customers.

We have four revenue generating business segments, Simplicity, myBill, Starlight, and SpaceMonster.

Simplicity is a suite of business software applications specialized for operations of the built environment. Simplicity is cloud and mobile apps-enabled, and designed to be extremely easy to use and simple to implement. In particular, Simplicity is specially designed to meet the advanced and complex requirements of large enterprises in Asia. Simplicity 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 software. Simplicity project revenue comprises of on-premise system design and implementation services and on-going systems enhancement. Recurring revenue comprises of subscription fees from our SaaS model, and systems technical support. Accounting for the majority of segment revenue, system design and implementation fees typically come from new customers. On-going system enhancements and recurring revenue are driven by both existing and newly acquired customers.

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 payment and compute arrears. myBill's unique business model charges a monthly fee per customer account onboarded to the platform, greatly aligning our interests with those of the energy retailers. myBill is designed primarily for energy retailers participating in the Open Electricity Market in Singapore; the platform 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 Starlight business segment is anchored by the Starlight Smart Utilities Management Solution ("UMS"), a cloud-based smart energy and water management IoT platform. The Starlight UMS provides end-to-end revenue and non-revenue energy and water management using advanced IoT sensors, wireless communications and sophisticated data analytics. Starlight project revenue consists of Starlight hardware (including the state of the art Tesseract Ultra-smart Electricity Meter) and software sales, as well as services including onsite installation of hardware and implementation of Starlight UMS software. Recurring revenue includes maintenance and technical support services for installed sites, while rental revenue represents to fees for renting of Starlight hardware.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

#### SIMPLICITY

Six months ended 30 November 2021 S\$		Six months ended 30 November 2020 S\$
9,647,383	<b>Total Simplicity Revenue</b>	8,678,395
7,403,986	Simplicity Project Revenue	6,802,803
2,115,747	Simplicity Maintenance Services	1,797,952
127,650	Simplicity Sale of Equipment	77,640

▲ **11.2%** (30 November 2020: ▲ 54.8%)

#### TOTAL SIMPLICITY REVENUE

Our Simplicity business segment achieved a revenue increase of 11.2% from S\$8,678,395 for the six months ended 30 November 2020 to S\$9,647,383 for the six months ended 30 November 2021.

▲ **8.8%** (30 November 2020: ▲ 75.5%)

#### SIMPLICITY PROJECT REVENUE

Simplicity's revenue increase was contributed by a 8.8% increase in project revenue from S\$6,802,803 to S\$7,403,986. The increase in project revenue was driven by both deliveries of the Smart Estate Management System project for the Singapore Housing Development Authority and a new commercial real estate management system project for the CP Group in Thailand.

▲ **17.7%** (30 November 2020: ▲ 4.5%)

#### SIMPLICITY MAINTENANCE SERVICES

Maintenance revenue has recovered from temporary decrease during the first quarter. Revenue from recurring maintenance increased by 17.7% from S\$1,797,952 to S\$2,115,747.

Revenue from equipment sales represents ad-hoc hardware sales for our corporate real estate project with the Singapore government; they are newly separately classified because of IFRS financial reporting requirements

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

#### STARLIGHT

Six months ended 30 November 2021 S\$		Six months ended 30 November 2020 S\$
434,103	<b>Total Starlight Revenue</b>	<b>636,850</b>
226,576	Starlight Project Revenue	454,720
89,820	Starlight Maintenance Services	128,020
29,925	Starlight Leasing of Equipment	29,301
87,782	Starlight Sale of Equipment	24,809

▼ **31.8%** (30 November 2020: ▼ 56.6%)

#### TOTAL STARLIGHT REVENUE

▼ **50.2%** (30 November 2020: ▼ 65.6%)

#### STARLIGHT PROJECT REVENUE

▼ **29.8%** (30 November 2020: ▲ 47.7%)

#### STARLIGHT RECURRING SERVICE REVENUE

▲ **2.1%** (30 November 2020: ▲ 1.2%)

#### STARLIGHT LEASING REVENUE

Our Starlight business segment suffered a further revenue decrease of 31.8% from S\$636,850 for the six months ended 30 November 2020 to S\$434,103 for the six months ended 30 November 2021.

Project and recurring service revenue decrease were mainly driven by both a slowdown in demand from new construction projects due to the COVID-19 pandemic and a slowdown in demand from existing buildings due to the introduction of the Fair Tenancy Code of Conduct by the Singapore government on 1 June 2021, which forbids commercial landlords from profiting from sub-selling of electricity to their tenants. Metering for sub-selling of electricity was a major source of revenue for the Starlight Business Unit.

## MANAGEMENT DISCUSSION AND ANALYSIS

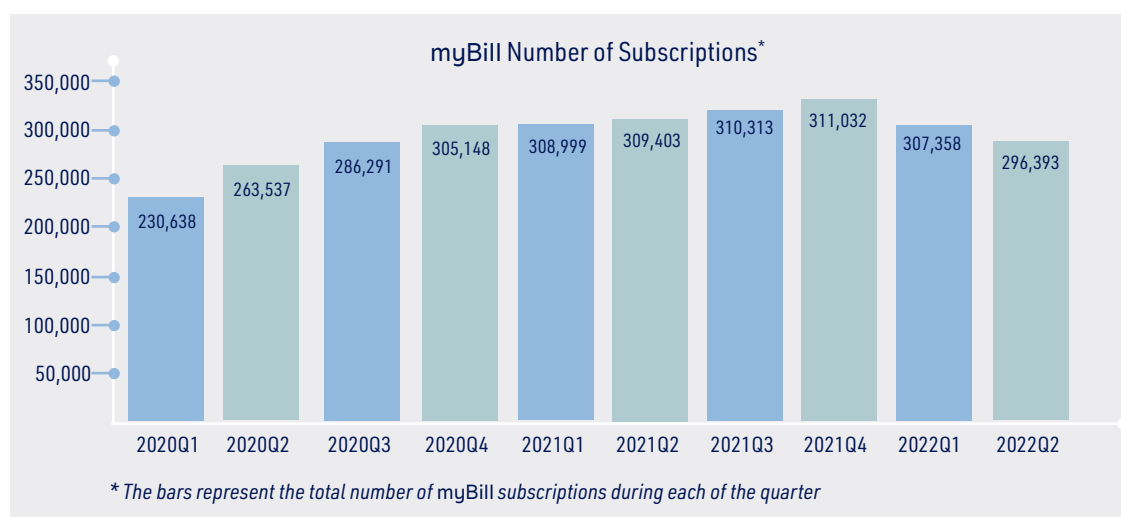
### Business Review

#### myBill

Six months ended 30 November 2021 S\$		Six months ended 30 November 2020 S\$
812,597	<b>Total myBill Revenue</b>	768,998
792,597	myBill Subscription	693,958
20,000	myBill Project Revenue	75,040

myBill is a pay-per-use utilities revenue assurance platform for the liberalized electricity market in Singapore. In the newly liberalized and fully competitive electricity market, also known as the Open Electricity Market, energy retailers will not know in advanced how many customers they can sign up. The myBill platform is targeted at energy retailers that cannot afford multi-million dollar billing software by allowing them a pay-per-use scheme for electricity billing.

Energy retailers in Singapore have been severely affected by the rising energy prices resulting in the closure of seven energy retailers. Subscription to myBill platform has been adversely affected by the closing down of myBill's major customer, I Switch Pte Ltd in November 2021. As a result, revenue from myBill will further decrease in the coming months.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

#### SpaceMonster

Six months ended 30 November 2021 S\$		Six months ended 30 November 2020 S\$
193,637	SpaceMonster Revenue	155,924

Demand in venue sharing services continued to increase and our SpaceMonster's revenue had a healthy growth of 24.2% in revenue as compared to last year's first quarter. Gross profit of SpaceMonster remained healthy at 98.4%.

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# MANAGEMENT DISCUSSION AND ANALYSIS

## Future Prospect and Outlook

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Our corporate objective is to achieve sustainable growth in our business and financial performance so that we can create long-term shareholder value.

With the focus on digitalization for many enterprises and public sector agencies due to the COVID-19 pandemic, the Singapore and Southeast Asian markets for enterprise application software remain robust and are expected to grow throughout 2021. Thus we expect Simplicity and SpaceMonster to continue to perform well.

However, the situation with Starlight is much more complex. We continue to witness relentless push for wide scale Smart City IoT projects throughout Southeast Asia, however until the COVID-19 pandemic situation improves, constraints on site installations will continue, limiting short term revenue.

In October 2021, energy retailers in Singapore have been severely affected by the rising energy prices resulting in the closure of seven energy retailers. myBill's major customer, iSwitch Pte Ltd announced on 13 October 2021 that they will cease their electricity retail operations on 11 November 2021. The cessation of their electricity retail operations will mean the loss of myBill future subscription revenue from iSwitch. In the coming months, we expect to see a significant decline in revenue from myBill business segment.

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## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

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#### REVENUE

Revenue for the Group for the Reporting Period increased by S\$847,553 or 8.3% from S\$10,240,167 during the six months ended 30 November 2020 to S\$11,087,720 during the Reporting Period. Revenue from Simplicity increased by 11.2% or by S\$968,988, which was contributed primarily by project revenue from the Smart Estate Management System project and our commercial real estate project in Thailand. myBill's revenue increased by 5.7% or S\$ 43,599 from S\$768,998 in the six months ended 30 November 2020 to S\$812,597 in the Reporting Period. The recent event of energy prices increase has resulted in the closure of seven energy retailers in Singapore. myBill's major customer, I Switch Pte Ltd ceased their electricity retail operations on 11 November 2021, and as a result, myBill's future subscription revenue will significantly decline in the coming months. The steady increase in venue-sharing service resulted in an increase of 24.2% or S\$37,713 in SpaceMonster's revenue. Starlight's revenue decreased by 31.8%, or S\$202,747, because of the general slowdown in demand. The preceding Business Review section discusses a detailed analysis of each business unit's revenue.

#### COST OF SALES

During the Reporting Period, cost of sales for the Group decreased by 1.6%. Simplicity's cost of sales increased by 0.2% or S\$12,731. 13.5% of the increase was due to an increase in manpower related costs to support Simplicity's increased revenue and projects. We have outsourced some work overseas to overcome the local challenges in employee retention and manpower quota limitation. The increase in Simplicity's cost of sales was partially offset by the decrease in third party licence costs and amortisation expense for Simplicity and Starlight business segments. myBill's cost of sales decreased by 37.1% or S\$178,664 due to the winding support for myBill's operations in November 2021 the on-going cost savings from our internally developed value-added customer relationship management module. Starlight cost of sales decreased by 8.8% in line with the decrease in the revenue.

#### GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's overall gross profit increased by S\$1,042,380 or 25.5% during the Reporting Period. The increase in gross profit was due to an increase in revenue and the decrease in overall cost of sales. Simplicity's gross profit was 44.4% as compared to 38.4% last year. myBill's gross profit increased to 62.7% from 37.3% last year. SpaceMonster has improved its profitability at 98.4% this Reporting Period as compared to 97.7% in the same period last year.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

#### ADMINISTRATIVE EXPENSES

Administrative expenses primarily consist of the salaries and other general and administrative staff benefits, office-related expenses, depreciation, and public company expenses. Administrative expenses increased by 20.0% from S\$1,660,206 for the six months ended 30 November 2020 to S\$1,991,895 for the six months ended 30 November 2021. This increase was mainly due to (i) the increase in the staff employment expenses, (ii) the increase in amortisation expense of right-of-use assets, (iii) the increase in depreciation of property, plant, and equipment.

#### RESEARCH AND DEVELOPMENT COSTS

We continued to invest in improvements and enhancements to the existing products to better serve the evolving market. New features have been continuously added to enhance our customers' experience in using our Simplicity, Starlight, and myBill products. Simplicity's current framework has reached its five years useful life on 31 May 2021. The technological advancement in architecture and customers' demand compel us to improve our software framework to keep up and move ahead of our competitors. Starlight development costs were mainly for our office in India.

#### MARKETING AND OTHER OPERATING EXPENSES

Advertising and marketing expenses primarily consist of salaries, sales, marketing-related expenses, logistics and distribution expenses, and IT operations expenses. Sales and marketing expenses increased by 14.4% or S\$ 83,827, primarily due to the increase in sales enquiries volume and ramping up of our branding and marketing activities.

#### NET PROFIT BEFORE TAX

Net profit before tax of the Group for the Reporting Period was S\$1,948,664 as compared to S\$1,962,375 for the six months ended 30 November 2020. The Group's net profit for the six months ended 30 November 2020 included COVID-19 wage support grant from the Singapore Government which amounted to S\$565,358. The wage support grant ended in March 2021 for information technology sector that was deemed to be managing well under the pandemic.

## 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 2021, 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 / underlying Shares interested	Total interest	Approximate percentage of the Company's issued Shares <sup>(1)</sup>
Mr. Lau E Choon Alex ("Mr. Lau")	Beneficial interest	45,572,000	45,572,000	11.31%
Mr. Ong Swee Heng ("Mr. Ong")	Beneficial interest	22,750,000	22,750,000	5.65%

*Notes:*

(1) The percentage of shareholding was calculated based on the Company's total number of issued Shares of 402,900,738 as at 30 November 2021, without taking into account the Shares to be issued upon exercise of the Pre-IPO share options

Save as disclosed above, as at 30 November 2021, 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 2021, 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	Approximate percentage of Company's issued Shares <sup>(7)</sup>
Ng Yen Yen <sup>(1)</sup>	Interest of spouse	45,572,000	-	11.31%
Lim Lay Hong <sup>(2)</sup>	Interest of spouse	22,750,000	-	5.65%
BAF Spectrum Pte. Ltd. <sup>(3)</sup>	Beneficial interest	28,698,162	-	7.12%
Majuven Fund 1 Ltd. <sup>(4)</sup>	Beneficial interest	36,528,219	-	9.07%
OWW Investments III Limited <sup>(5)</sup>	Beneficial interest	20,873,307	-	5.18%
M1 TeliNet Pte. Ltd. <sup>(6)</sup>	Beneficial interest	20,259,000	-	5.03%
M1 Limited <sup>(6)</sup>	Interest in a controlled corporation	20,259,000	-	5.03%
Konnectivity Pte. Ltd. <sup>(6)</sup>	Interest in a controlled corporation	20,259,000	-	5.03%
Keppel Konnect Pte. Ltd. <sup>(6)</sup>	Interest in a controlled corporation	20,259,000	-	5.03%
Keppel Corporation Limited <sup>(6)</sup>	Interest in a controlled corporation	36,723,000	-	9.11%

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) BAF Spectrum Pte. Ltd. is beneficially owned by Prof Wong Poh Kam, a non-executive Director, Shah Sanjeev Kumar, Chow Yen Lu Yale, Tan Hong Huat, Hellmut Schutte, William Klippgen, Chua Seng Kiat and five other second-tier investors.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 30 November 2021 (i.e. 402,900,738 Shares).

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## CORPORATE GOVERNANCE AND OTHER INFORMATION

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Anacle Systems 2022 Interim Results Announcement

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

Save as disclosed above, as at 30 November 2021, 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.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### 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 2021 and the date of this results announcement, 4,075,390 options granted to four members of senior management of the Company had vested and were exercisable.

All of the above Pre-IPO share options have not been exercised as at 30 November 2021 and as at the date of this results announcement.

#### 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. Since the adoption of the Post-IPO Share Option Scheme, no share option has been granted, exercised or cancelled by the Company under the Post-IPO Share Option Scheme and there were no outstanding share options under the Post-IPO Share Option Scheme as at 30 November 2021 and as at the date of this results announcement.

### 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.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **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.

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 results announcement.

### **DIVIDEND**

The Board has resolved not to declare the payment of a dividend for the six months ended 30 November 2021 (30 November 2020: S\$Nil).

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### AUDIT COMMITTEE

The Board established the Audit Committee on 24 November 2016 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 2022 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, 6 January 2022



**2022 Interim Results Announcement  
For the Six Months Period Ended  
30 November 2021**

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ADDRESS : 3 Fusionopolis Way, #14-21 Symbiosis  
Singapore 138633

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PHONE : +65 6914 2666

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EMAIL : [info@anacle.com](mailto:info@anacle.com)

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

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