



**5E RESOURCES LIMITED**  
(Registration. No. 202136285K)  
(Incorporated in Singapore)

**VOLUNTARY DISCLOSURE OF  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR FINANCIAL YEAR ENDED 31 DECEMBER 2021**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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**5E RESOURCES LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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**A. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	12 months ended		Increase/ (Decrease) %
		31 December 2021	31 December 2020	
		MYR'000	MYR'000	
Revenue from contracts with customers	4	57,970	44,049	31.6
Cost of sales		(30,345)	(22,630)	34.1
<b>Gross profit</b>		<b>27,625</b>	<b>21,419</b>	29.0
<b>Other income</b>				
- Interest income	6	117	180	(35.0)
- Others	6	8	37	(78.4)
Other gains	7	23	57	(59.6)
Administrative expenses		(9,958)	(5,707)	74.5
Selling and distribution expenses		(3,457)	(4,445)	(22.2)
Finance expenses		(165)	(229)	(27.9)
Net impairment losses on trade receivables		(67)	(11)	509.1
<b>Profit before income tax</b>		<b>14,126</b>	<b>11,301</b>	<b>25.0</b>
Income tax expense	9	(4,829)	(3,255)	48.4
<b>Net profit and total comprehensive income for the financial year</b>		<b>9,297</b>	<b>8,046</b>	<b>15.5</b>
<b>Net profit and total comprehensive income for the financial year attributable to:</b>				
- Owners of the Company		<b>9,297</b>	<b>8,046</b>	<b>15.5</b>
<b>Earnings per share for profit attributable to equity holders of the Company</b>				
- Basic and diluted earnings per share (MYR cents) <sup>(1)</sup>		<b>8.5</b>	<b>7.4</b>	

**Note:**

(1) The earning per share have been calculated based on the net profit attributable to equity holders of the Company and pre-invitation share capital of 108,974,784 shares. The fully diluted earnings per share and basic earnings per share are the same because there is no dilutive share.

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**B. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	31 December 2021 MYR'000	31 December 2020 MYR'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		21,918	16,845
Short term deposits		82	80
Trade and other receivables		11,693	9,536
Amount due from related parties		59	-
Other current assets		863	1,019
Inventories		499	699
<b>Total current assets</b>		<b>35,114</b>	<b>28,179</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	29,750	27,818
Right-of-use assets		7,161	5,494
Investment in subsidiary		-	-
Prepayment for purchase of property, plant and equipment		70	370
<b>Total non-current assets</b>		<b>36,981</b>	<b>33,682</b>
<b>Total assets</b>		<b>72,095</b>	<b>61,861</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		7,158	8,761
Contract liabilities		99	1,102
Current income tax liabilities		1,772	1,219
Borrowings	12	3,311	3,486
Lease liabilities		189	308
<b>Total current liabilities</b>		<b>12,529</b>	<b>14,876</b>
<b>Non-current liabilities</b>			
Lease liabilities		138	167
Borrowings	12	2,617	-
Deferred tax liabilities		2,427	1,731
<b>Total non-current liabilities</b>		<b>5,182</b>	<b>1,898</b>
<b>Total liabilities</b>		<b>17,711</b>	<b>16,774</b>
<b>NET ASSETS</b>		<b>54,384</b>	<b>45,087</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	13	55,886	55,886
Reserves		(59,250)	(59,250)
Retained earnings		57,748	48,451
<b>Total equity</b>		<b>54,384</b>	<b>45,087</b>

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**C. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to equity holders of the Group			
	Share capital	Reserves	Retained profits	Total
	MYR'000	MYR'000	MYR'000	MYR'000
<b>Balance at 1 January 2021</b>	<b>55,886</b>	<b>(59,250)</b>	<b>48,451</b>	<b>45,087</b>
Net profit for the financial year	-	-	9,297	9,297
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>9,297</b>	<b>9,297</b>
<b>Balance at 31 December 2021</b>	<b>55,886</b>	<b>(59,250)</b>	<b>57,748</b>	<b>54,384</b>

	Attributable to equity holders of the Group			
	Share capital	Reserves	Retained profits	Total
	MYR'000	MYR'000	MYR'000	MYR'000
<b>Balance at 1 January 2020</b>	<b>55,886</b>	<b>(54,756)</b>	<b>40,405</b>	<b>41,535</b>
Net profit for the financial year	-	-	8,046	8,046
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>8,046</b>	<b>8,046</b>
<b>Transactions with owners, recognised directly in equity</b>				
Contributions from shareholders	-	(4,494)	-	(4,494)
	<b>-</b>	<b>(4,494)</b>	<b>-</b>	<b>(4,494)</b>
<b>Balance at 31 December 2020</b>	<b>55,886</b>	<b>(59,250)</b>	<b>48,451</b>	<b>45,087</b>

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**D. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>MYR'000</b>	<b>MYR'000</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	14,126	11,301
Adjustments for:		
- Depreciation of property, plant and equipment	2,232	2,718
- Depreciation of right-of-use assets	587	596
- Interest income	(117)	(180)
- Finance expenses	165	229
- Loss/(gain) on disposal of property, plant and equipment	3	(45)
- Gain on early termination of lease	(18)	-
- Gain on rent concession	-	(37)
	<u>16,978</u>	<u>14,582</u>
Changes in working capital:		
- Inventories	200	(155)
- Trade and other receivables	(2,031)	(2,468)
- Trade and other payables	1,890	(1,320)
Cash generated from operations	<u>17,037</u>	<u>10,639</u>
Income tax paid	(3,580)	(3,507)
<b>Net cash generated from operating activities</b>	<u><b>13,457</b></u>	<u><b>7,132</b></u>
<b>Cash flows from investing activities</b>		
Payment to shareholders of a subsidiary in respect of the acquisition of a subsidiary	(4,495)	-
Purchase of property, plant and equipment	(3,867)	(824)
Purchase of right-of-use assets (leasehold land)	(1,900)	-
Proceeds from disposal of property, plant and equipment	-	45
Repayment from/(advance to) related parties	(30)	11
Purchase of financial assets held at FVTPL	-	(530)
Proceeds from disposal of financial assets held at FVTPL	-	3,615
Withdrawal of short-term deposits	-	1,601
Interest received	115	180
<b>Net cash (used in)/generated from investing activities</b>	<u><b>(10,177)</b></u>	<u><b>4,098</b></u>
<b>Cash flows from financing activities</b>		
Repayments of term loans	(518)	(424)
Proceeds from drawdown of term loan	2,960	-
Advances repayment to related parties	-	(14)
Repayments of lease liabilities	(484)	(475)
Interest paid	(165)	(229)
<b>Net cash generated from/ (used in) financing activities</b>	<u><b>1,793</b></u>	<u><b>(1,142)</b></u>
<b>Net change in cash and cash equivalents</b>	<u><b>5,073</b></u>	<u><b>10,088</b></u>
Cash and cash equivalents		
At the beginning of financial year	16,845	6,757
<b>Cash and cash equivalents at the end of financial year</b>	<u><b>21,918</b></u>	<u><b>16,845</b></u>

## **E. NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

### **1. General information, the restructuring exercise and basis of presentation**

#### **1.1 General information**

5E Resources Limited (the “**Company**”) was incorporated and domiciled in Singapore on 18 October 2021 as a private company limited by shares. The address of the Company’s registered office is 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712. On 25 March 2022, the Company was subsequently converted to a public limited company and the Company’s name was changed to “5E Resources Limited”.

The Company was successfully listed on Catalist, the sponsor-supervised listing platform in the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 12 May 2022.

The Company is an investment holding company. The Company, together with its subsidiaries (the “**Group**”), are principally engaged in the provision of scheduled waste management services, sale of recovered and recycled products and trading of chemicals.

#### **1.2 Restructuring Exercise**

In preparation for the listing of the Company’s shares on the Catalist of the SGX-ST, the Group underwent the restructuring as described below, which resulted in the Company becoming the holding company of the Group. For further information, please refer to section entitled “Restructuring Exercise” of the Company’s Offer Document.

#### **1.3 Basis of presentation**

The Group resulting from the above Restructuring Exercise is regarded as a continuing entity for the years ended 31 December 2020 and 2021 as the Group is ultimately controlled by the common shareholders both before and after the Restructuring Exercise. Accordingly, although the Company is only incorporated on 18 October 2021, the financial statements of the Group have been prepared using the principles of merger accounting on the basis that the Restructuring Exercise transfer the equity interest in the combining entities under the common control to the Company has been affected for the years ended 31 December 2020 and 2021.

### **2. Basis of preparation**

These condensed financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”). The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed financial statements are presented in Malaysia Ringgit (“**MYR**”) (“presentation currency”), which is the functional currency of the Group.

## **E. NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)**

### **2.1 New and amended standards adopted by the Group**

On 1 January 2021, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial periods and financial years.

### **3. Use of judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *(a) Useful lives and residual values of plant and machinery*

The costs of plant and machinery are depreciated on a straight-line basis over their useful lives. Management exercises its judgement in estimating the useful lives and residual values of the depreciable assets. The estimated useful lives reflect management's estimate of the period that the Group intends to derive future economic benefits from the use of the depreciable asset.

The Group reviews annually the estimated useful lives of plant and machinery based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets. It is possible that the Group's future results could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives by 1 year would increase the Group's annual depreciation expense by MYR175,000 (2020: MYR284,000).

#### *(b) Impairment of trade receivables*

The loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation.

To measure the expected credit losses, these receivables have been grouped based on days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months and the corresponding credit losses experienced within this period. The historical loss rates are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and inflationary rate in Malaysia to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Any possible changes in these inputs could result in revision to the loss allowance recorded by the Group.



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**E. NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)**

**3. Use of judgements and estimates (continued)**

(b) *Impairment of trade receivables (continued)*

Management has considered a range of possible outcomes, i.e. a baseline scenario and the worst case scenario in computing the Expected Credit Losses. In the baseline scenario, management incorporated the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables and made adjustments to the expected loss rates accordingly. In the worst case scenario, management considered a further increase in expected loss rate as computed in the baseline scenario. A probability-weighting of occurrence was subsequently applied to these two different scenarios to derive at the expected credit loss allowance to be made. A 20% increase in the probability-weighting would increase the loss allowance by MYR40,000 and MYR32,000 for 31 December 2021 and 31 December 2020 respectively.

**4. Revenue and segment information**

The chief operating decision maker ("CODM") has been identified as the Executive Directors of the Company who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The Group is principally engaged in scheduled waste management services, sales of recovered and recycled products and chemical trading. Information reported to CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group. For the financial year ended 31 December 2021, there are three operating segments based on business type: (1) scheduled waste management services, (2) sales of recovered and recycled products, and (3) chemical trading.

The CODM consider the business from activities perspective and assess the performance of the operating segments based on a measure of gross profit for the purposes of allocating resources. No analysis of segment assets or segment liabilities is regularly provided to the CODM.

Transactions between operating segments are carried out on agreed terms between both segments. The effects of such inter-segment transactions and balances arising thereof are eliminated.

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**E. NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)**

**4. Revenue and segment information (continued)**

	12 months ended 31 December 2021			
	Scheduled waste management services MYR'000	Sales of recovered and recycled products MYR'000	Chemical trading MYR'000	Total MYR'000
<b>Group</b>				
<b>Segment revenue</b>				
Total revenue	46,493	10,122	2,933	59,548
Intersegment revenue elimination	-	(1)	(1,577)	(1,578)
Revenue from external customers	46,493	10,121	1,356	57,970
<b>Segment results</b>	<b>22,242</b>	<b>4,339</b>	<b>1,044</b>	<b>27,625</b>
Other income				
- interest income				117
- others				8
Other gains				23
Administrative expenses				(9,958)
Selling and distribution expenses				(3,457)
Finance expenses				(165)
Net impairment loss on trade receivables				(67)
<b>Profit before income tax</b>				<b>14,126</b>
<b>Significant non-cash items</b>				
Depreciation of property, plant and equipment	1,873	357	2	2,232
Depreciation of right-of-use assets	476	82	29	587
<u>Addition:</u>				
Property, plant and equipment	4,165	-	2	4,167

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**E. NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)**

**4. Revenue and segment information (continued)**

	12 months ended 31 December 2020			
	Scheduled waste management services MYR'000	Sales of recovered and recycled products MYR'000	Chemical trading MYR'000	Total MYR'000
<b>Group</b>				
<b>Segment revenue</b>				
Total revenue	36,157	6,676	2,523	45,356
Intersegment revenue elimination	-	(3)	(1,304)	(1,307)
Revenue from external customers	36,157	6,673	1,219	44,049
<b>Segment results</b>	<b>16,674</b>	<b>3,815</b>	<b>930</b>	<b>21,419</b>
Other income				
- interest income				180
- others				37
Other gains				57
Administrative expenses				(5,707)
Selling and distribution expenses				(4,445)
Finance expenses				(229)
Net impairment loss on trade receivables				(11)
<b>Profit before income tax</b>				<b>11,301</b>
<b>Significant non-cash items</b>				
Depreciation of property, plant and equipment	2,389	326	3	2,718
Depreciation of right-of-use assets	499	68	29	596
Addition:				
Property, plant and equipment	451	-	3	454

Most of the Group's revenue is generated from customers located in Malaysia and all the assets of the Group are located in Malaysia. Accordingly, no geographical segment analysis is presented.

For the financial year ended 31 December 2021 and 2020, there were no customers which contributed over 10% of the Group's total revenue.

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**E. NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)**

**5. Financial assets and liabilities**

	Group 31 December	
	2021	2020
<b>Financial assets</b>	<b>MYR'000</b>	<b>MYR'000</b>
Trade and other receivables	11,693	9,536
Amounts due from related parties	59	-
Short term deposit	82	80
Cash and cash equivalents	21,918	16,845
	<b>33,752</b>	<b>26,461</b>

	Group 31 December	
	2021	2020
<b>Financial liabilities</b>	<b>MYR'000</b>	<b>MYR'000</b>
Trade and other payables	7,158	8,761
Borrowings	5,928	3,486
Lease liabilities	327	475
	<b>13,413</b>	<b>12,722</b>

**6. Other income**

	Group 12 months ended 31 December	
	2021	2020
	<b>MYR'000</b>	<b>MYR'000</b>
Interest income	117	180
Others	8	37
	<b>125</b>	<b>217</b>

**7. Other gains**

	Group 12 months ended 31 December	
	2021	2020
	<b>MYR'000</b>	<b>MYR'000</b>
(Loss)/gain on disposal of property, plant and equipment	(3)	45
Currency exchange gain – net	26	12
	<b>23</b>	<b>57</b>

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**E. NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)**

**8. Expenses by nature**

	<b>Group</b>	
	<b>12 months ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Depreciation of property, plant and equipment	2,232	2,718
Depreciation of right-of-use assets	587	596
Employee compensation	10,348	9,657
Transportation charges	1,822	1,531
Referral fees	321	821
Fuel oil and petrol	1,776	1,003
Utilities expense	1,659	1,684
Short term leases	79	192
Repair and maintenance fee	2,312	2,242
Raw material consumed	5,222	3,596
Consumables	2,428	2,070
Subcontractor charges	213	375
Sludge disposal	6,502	2,273
Professional fees	6,128	2,371
Others	2,131	1,653
Total cost of sales, administrative expenses and selling and distribution expenses	<b>43,760</b>	<b>32,782</b>

**9. Income taxes expenses**

	<b>Group</b>	
	<b>12 months ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Tax expense attributable to profit is made up of:		
Current income tax		
- current year	4,120	2,951
- under provision in prior year	13	-
Deferred income tax expense	696	304
	<b>4,829</b>	<b>3,255</b>

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**E. NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)**

**9. Income taxes expenses (continued)**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard rate of income tax as follows:

	<b>Group</b>	
	<b>12 months ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Profit before income tax	14,126	11,301
Tax calculated at Malaysia statutory tax rate of 24%	3,390	2,712
Effect of:		
- Income not subject to tax	(1)	(17)
- Expenses not deductible for tax purposes	1,496	625
- Reduction in tax rate (a)	(69)	(65)
- Under provision in prior year	13	-
<b>Tax charge</b>	<b>4,829</b>	<b>3,255</b>
Movement of current income tax liabilities:		
As of beginning of the period	1,219	1,775
Income tax paid	(3,580)	(3,507)
Tax expense	4,120	2,951
Under provision in prior year	13	-
<b>As of end of the period</b>	<b>1,772</b>	<b>1,219</b>

(a) Reduction in tax rate

Under the Malaysia Income Tax Act 1967, the entities in Malaysia with a paid-up capital of ordinary shares of MYR2,500,000 or less at the beginning of each basis period of the year of assessment enjoys a 17% tax rate on chargeable income of up to MYR600,000. Any subsequent chargeable income is taxed at 24%.

**10. Net assets value**

	<b>Group</b>	
	<b>31 December</b>	
	<b>2021</b>	<b>2020</b>
Net Asset Value per share (cent)	0.50	0.41
Net Asset Value (MYR'000)	54,384	45,087
Number of pre-invitation shares in issue (Note 16)	108,974,784	108,974,784

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**E. NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)**

**11. Property, plant and equipment**

	<b>Buildings</b>	<b>Plant and machinery</b>	<b>Furniture and office equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>
<b>Group</b>					
<b>As at 31 December 2021</b>					
<i>Cost</i>					
Beginning of financial year	20,376	23,279	3,269	2,291	49,215
Additions	2,079	565	502	1,021	4,167
Disposal	-	(3)	-	-	(3)
End of financial year	<u>22,455</u>	<u>23,841</u>	<u>3,771</u>	<u>3,312</u>	<u>53,379</u>
<i>Accumulated depreciation</i>					
Beginning of financial year	1,838	15,960	2,147	1,452	21,397
Depreciation charge	405	1,098	337	392	2,232
End of financial year	<u>2,243</u>	<u>17,058</u>	<u>2,484</u>	<u>1,844</u>	<u>23,629</u>
<b>Net book value</b>					
End of financial year	<u><b>20,212</b></u>	<u><b>6,783</b></u>	<u><b>1,287</b></u>	<u><b>1,468</b></u>	<u><b>29,750</b></u>

	<b>Buildings</b>	<b>Plant and machinery</b>	<b>Furniture and office equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>	<b>MYR'000</b>
<b>Group</b>					
<b>As at 31 December 2020</b>					
<i>Cost</i>					
Beginning of financial year	20,376	23,043	3,051	2,451	48,921
Additions	-	236	218	-	454
Disposal	-	-	-	(160)	(160)
End of financial year	<u>20,376</u>	<u>23,279</u>	<u>3,269</u>	<u>2,291</u>	<u>49,215</u>
<i>Accumulated depreciation</i>					
Beginning of financial year	1,435	14,262	1,788	1,354	18,839
Depreciation charge	403	1,698	359	258	2,718
Disposal	-	-	-	(160)	(160)
End of financial year	<u>1,838</u>	<u>15,960</u>	<u>2,147</u>	<u>1,452</u>	<u>21,397</u>
<b>Net book value</b>					
End of financial year	<u><b>18,538</b></u>	<u><b>7,319</b></u>	<u><b>1,122</b></u>	<u><b>839</b></u>	<u><b>27,818</b></u>

Bank borrowings (Note 12) are secured on buildings of the Group with carrying amounts of MYR20,212,000 and MYR18,538,000 as at 31 December 2021 and 31 December 2020 respectively.

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**E. NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)**

**12. Borrowings**

	<b>Group</b>	
	<b>31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>MYR'000</b>	<b>MYR'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b><u>Non-current</u></b>		
Term loans (secured)	2,617	-
<b><u>Current</u></b>		
Term loans (secured)	3,311	3,486
<b>Total borrowings</b>	<b>5,928</b>	<b>3,486</b>

These borrowings bear floating interest rates. The weighted average interest rate of the borrowings as at 31 December 2021 and 31 December 2020 is 3.10% and 3.14% per annum respectively.

**13. Share capital**

	<b>Group</b>	
	<b>31 December 2021</b>	
	<b>No. of shares</b>	<b>MYR</b>
<b>Issued and fully paid</b>		
At beginning of financial year	1	3
Issue of shares pursuant to Restructuring Exercise	18,162,463	55,885,900
<b>At end of the financial year</b>	<b>18,162,464</b>	<b>55,885,903</b>



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**E. NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)**

**14. Related party transactions**

In addition to the information disclosed elsewhere in the consolidated interim financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

**(a) Related party transactions**

The ultimate controlling shareholders of the Group are Mr KF Wong, Ms Loo and Mr. Ban. Related parties are entities controlled by one of the ultimate controlling shareholders of the Group.

	<b>Group</b>	
	<b>Year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>MYR'000</b>	<b>MYR'000</b>
<i>With entities controlled by the two of the ultimate controlling shareholders of the Group</i>		
Provision of scheduled waste management services	93	106
Sales of goods	3	4
Lease of right-of-use assets	(269)	(279)
Deposit paid for purchase of factory building	-	(370)
Purchase of factory building, less deposit paid in prior year	(3,330)	
Payment on behalf for the services charges and utility expenses	(27)	(115)
	<u>(27)</u>	<u>(115)</u>

	<b>Group</b>	
	<b>31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>MYR'000</b>	<b>MYR'000</b>
<i>Financial guarantee granted for Group's borrowings</i>		
By an entity controlled by two of the ultimate controlling shareholders of the Group and jointly and severally by certain Directors of the Group	-	163
Jointly and severally by certain Directors of the Group	5,928	3,323
	<u>5,928</u>	<u>3,323</u>

**(b) Balances with related parties**

	<b>31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>MYR'000</b>	<b>MYR'000</b>
<i>With entities controlled by two of the ultimate controlling shareholders of the Group</i>		
Trade receivable	48	18
Non trade payables	11	-
	<u>59</u>	<u>18</u>

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**E. NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)**

**16. Events occurring after the reporting period**

**(a) Acquisition of 5E Holdings Sdn Bhd (“5E Holdings”)**

On 28 December 2021, a share sale agreement was entered into between the Company as the purchaser and 5E International Holdings Limited as the vendor, pursuant to which the Company acquired the entire issued share capital in 5E Holdings held by the vendor at an aggregate nominal consideration of MYR55,885,900 which was settled by way of the allotment and issuance of 18,162,463 new shares to the vendor. Upon completion of the acquisition on 21 March 2022, 5E Holdings became a directly wholly-owned subsidiary of the Group.

**(b) Share split**

On 25 March 2022, the Company effected a share split exercise which resulted in 1 share being subdivided into 6 shares. Following the share split, the issued and paid-up share capital was S\$18,162,464 (MYR55,885,900 equivalent) comprising 108,974,784 shares.

**(c) New lease agreement**

Subsequent to the financial year end, the Company entered into a lease agreement to lease a piece of vacant land for 23 years.

## **F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES**

### **1. Review**

The condensed financial statements for the financial year ended 31 December 2021 have not been audited and reviewed.

### **2. Review of performance of the group**

#### **Consolidated Statement of Comprehensive Income**

##### Revenue

Total revenue increased by approximately MYR13.8 million or 31.3% from approximately MYR44.1 million in financial year ended 31 December 2020 ("FY2020") to approximately MYR57.9 million in financial year ended 31 December 2021 ("FY2021"). The increase was primarily due to the increase in revenue from our three (3) business segments.

Our revenue generated from scheduled waste management services increased by approximately MYR10.3 million or 28.5% from approximately MYR36.2 million in FY2020 to approximately MYR46.5 million in FY2021, primarily due to increase in demand for regular scheduled waste management services as a result of the easing of COVID-19 restrictions in Malaysia.

Our revenue generated from sale of recovered and recycled products increased by approximately MYR3.4 million or 50.7% from approximately MYR6.7 million in FY2020 to approximately MYR10.1 million in FY2021, primarily due to the overall increase in business activities as a result of the easing of COVID-19 restrictions in Malaysia, which increased the demand for recovered and recycled products.

Our revenue generated from chemical trading increased by approximately MYR0.2 million or 16.7% from approximately MYR1.2 million in FY2020 to approximately MYR1.4 million in FY2021, primarily due to increase in demand for chemicals from our existing customers.

##### Cost of sales

Our cost of sales increased by approximately MYR7.7 million or 34.1% from approximately MYR22.6 million in FY2020 to approximately MYR30.3 million in FY2021. The increase was in line with the increase in revenue across our three business segments.

Cost of sales attributable to scheduled waste management services increased by approximately MYR4.8 million or 24.6% from approximately MYR19.5 million in FY2020 to approximately MYR24.3 million in FY2021, mainly due to an increase in direct labour cost, repair and maintenance, sludge disposal cost, fuel oil and petrol consumed for the provision of our scheduled waste management services.

Cost of sales attributable to sale of recovered and recycled products increased by approximately MYR2.9 million or 100.0% from approximately MYR2.9 million in FY2020 to approximately MYR5.8 million in FY2021, mainly due to higher cost of purchase of waste in this segment.

Cost of sales attributable to chemical trading increased by approximately MYR23,000 or 8.0% from approximately MYR289,000 in FY2020 to approximately MYR312,000 in FY2021, in tandem with the increase in revenue from chemical trading.

**F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES**  
**(continued)**

**2. Review of performance of the group (continued)**

Gross profit

Gross profit increased by approximately MYR6.2 million or 29.0% from approximately MYR21.4 million in FY2020 to approximately MYR27.6 million in FY2021. Our overall gross profit margin decreased from approximately 48.6% in FY2020 to 47.7% in FY2021. The decrease in gross profit margin was attributable to higher cost of sales such as direct labour, sludge disposal cost, fuel oil and petrol and others.

Other income

Other income decreased by approximately MYR0.1 million or 50.0% from approximately MYR0.2 million in FY2020 to approximately MYR0.1 million in FY2021, mainly due to the lower short term deposit balance following the withdrawal of short-term deposits in FY2020 and absence of rental concessions from lease of properties recognised in FY2020.

Other gains

Other gains decreased by approximately MYR34,000 or 59.6% from approximately MYR57,000 in FY2020 to approximately MYR23,000 in FY2021. In FY2021, there was no gain on disposal of property, plant and equipment. However, gain on foreign exchange has increased approximately MYR14,000 in FY2021 as compared to FY2020.

Expenses

Our administrative expenses increased by approximately MYR4.3 million or 74.5% from approximately MYR5.7 million in FY2020 to approximately MYR10.0 million in FY2021, primarily due to one-off and non-recurring professional fee expenses incurred in connection with our previous and current listing exercises.

Our selling and distribution expenses decreased by approximately MYR0.9 million or 22.2% from approximately MYR4.4 million in FY2020 to approximately MYR3.5 million in FY2021, primarily due to the decrease in staff cost and commission in relation to our marketing activities.

Our finance expenses decreased by approximately MYR64,000 or 27.9% from approximately MYR229,000 in FY2020 to approximately MYR165,000 in FY2021, mainly due to the decrease in interest expense on borrowings as a result of repayment of borrowings in FY2021.

Net impairment losses on trade receivables

In FY2021, we recognised an impairment loss on trade receivables of approximately MYR0.06 million as compared to MYR0.01 million in FY 2020 due to the increase in gross carrying amount of trade receivables from MYR9.3 million in FY2020 to MYR11.5 million in FY2021.

Income tax expense

Our income tax expense increased by approximately MYR1.5 million or 48.4% from approximately MYR3.3 million in FY2020 to approximately MYR4.8 million in FY2021. Our effective income tax rate increased from approximately 28.8% in FY2020 to approximately 34.2% in FY2021, mainly due to one-off and non-recurring professional fee expenses incurred in connection with our previous and current listing exercises which are non-deductible for tax purpose.

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**F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES**  
**(continued)**

**2. Review of performance of the group (continued)**

**Consolidated Statement of Financial Position**

Non-current assets

The Group's non-current assets increased by MYR3.3 million from MYR33.7 million in FY2020 to MYR37.0 million in FY2021, largely due to:

- a. Increase in property, plant and equipment approximately MYR1.9 million due to additions of buildings, plant and machinery, motor vehicles and office equipment net off against depreciation charge for the year;
- b. Increase in right-of-use assets of MYR1.7 million mainly due to acquisition of leasehold land of PLO83 plant net off against depreciation charge for the year;
- c. Decrease in prepayment for purchase of property, plant and equipment of MYR0.3 million due to capitalisation to building upon completion of the acquisition of PLO83 plant in FY2021.

Current assets

The Group's current assets increased by MYR6.9 million from 28.2 million in FY2020 to MYR35.1 million in FY2021, mainly due to:

- a. Increase in cash and cash equivalents by MYR5.1 million contributed by higher cash inflow from operating activities set off against cash outflow from investing activities.
- b. Trade and other receivables increased by MYR2.2 million was due to the increase in revenue towards end of year FY2021.
- c. Decrease in other current assets of MYR0.2 million mainly due to lower receipts of goods for the prepayment made to suppliers set off against higher deferred listing expense and prepayment.
- d. Decrease in inventories of MYR0.2 million

Non-current liabilities

The Group's non-current liabilities increased by MYR3.3 million from MYR1.9 million in FY2020 to MYR5.2 million in FY2021, primarily due to:

- a. Borrowing increased by MYR2.6 million as a result of additional of borrowing draw down for the acquisition of PLO83 plant.
- b. Increase in deferred tax liabilities of MYR0.7 million in FY2021.

Current liabilities

The Group's current liabilities decreased by MYR2.4 million from MYR14.9 million in FY2020 to MYR12.5 million in FY2021, largely due to:

- a. Decrease in trade and other payables of MYR1.6 million due to the repayment to shareholder of TS Heuls Chemical & Engineering Sdn. Bhd. ("TS Heuls") for the acquisition of MYR4.5 million set off against higher trade payables and accruals of MYR2.9 million.
- b. Contract liabilities decreased by MYR1.0 million was mainly due to the lower deposit received from our customers as unfulfilled performance.
- c. Increase in current income tax liabilities of MYR0.6 million due to the increase in chargeable income in FY2021.
- d. Decrease in borrowings of MYR0.2 million due to repayment of term loans.
- e. Decrease in lease liabilities of MYR0.1 million due to repayment of lease liabilities.

Shareholder's equity

The Group's shareholder equity increased by MYR9.3 million from MYR45.1 million in FY2020 to MYR54.4 million in FY2021 mainly due to net profit for the year of MYR9.3 million in FY2021.

**F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES  
(continued)**

**2. Review of performance of the group (continued)**

**Consolidated Statement of Cash Flows**

The Group generated net cash from operating activities before movement in working capital of approximately MYR17.0 million in FY2021 compared with approximately MYR14.6 million in FY2020 as a result of higher profit before tax.

Net cash flows generated from operating activities was approximately MYR13.5 million in FY2021 compared with approximately MYR7.1 million in FY2020 as a result of decrease in inventories of approximately MYR0.2 million due to higher turnover of inventories, increase in trade and other receivables of approximately MYR2.0 million due to higher sales towards end of financial year, and increase in trade and other payables of approximately MYR1.9 million due to higher materials purchased and sludge disposal cost and listing expenses accrued during the financial year.

Net cash flows used in investing activities amounted to approximately MYR10.2 million, which was attributable to payment to shareholders of subsidiary of approximately MYR4.5 million, purchase of property, plant and equipment of approximately MYR3.9 million, prepayment of leases of approximately MYR1.9 million and repayment to related parties, partially offset by interest received by approximately MYR115,000.

Net cash flows generated from financing activities amounted to approximately MYR1.8 million, which was attributable to proceed from draw down of borrowing approximately MYR3.0 million, partially offset by repayment of borrowings of approximately MYR0.5 million, principal payments of lease liabilities of approximately MYR0.5 million, interest payments on lease liabilities and interest payment on borrowings.

**3. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer opinion:**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is material uncertainty relating to going concern**

Not applicable.

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

Not applicable.

**5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or event that may affect the group in the next reporting period and the next 12 months**

Looking forward, the manufacturing industry in Malaysia is expected to continue to be the largest contributor of scheduled waste in Malaysia, and will continuously bring huge demand for scheduled waste management services representing a steady growth at a compound annual growth rate ("CAGR") of approximately 5.5% from 2019 to 2025. The volume of scheduled waste in Malaysia is projected to grow at CAGR of approximately 4.1%, reaching 5.1 million tonnes in 2025. The steady development of manufacturing industries in Malaysia, mainly driven by electronics and electrical appliances, oil refining, rubber industry, machinery and automobile, is expected to further drive the demand for scheduled waste management services. The Group performance in FY2021 is in-line with Frost & Sullivan Industry Report as disclosed in Offer Document. The management expected the steady growth in the future.

**F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES  
(continued)**

**5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or event that may affect the group in the next reporting period and the next 12 months (continued)**

The scheduled waste management industry in Malaysia is effectively growing as a result of continuous review of the environmental regulations, the active enforcement by the Department of Environment of Malaysia and the acknowledgement of technology to improve waste treatment process. Some heavy pollution cases in Malaysia involving human health have promoted the importance of safe and sustainable scheduled waste management. Public concern on the waste management issue and triggered the Malaysian government to strengthen the supervision and regulations on illegal dumping and scheduled waste management. The stringent enforcement by government authorities will reduce the illegal dumping and increase waste treatment and recycle activities for our industry.

The outbreak of COVID-19 and hostilities between Russia and Ukraine have brought the geographical and economical risks. At the moment, management does not expect these risks will have any material impact. However, we foreseen the raw materials price might increase in future.

**6. Dividend information**

**a) Whether an interim (final) ordinary dividend had been declared (recommended) for current financial period reported on**

No dividend has been declared or recommended for the current financial year ended 31 December 2021.

**b) Whether an interim (final) ordinary dividend had been declared (recommended) for previous corresponding period**

No dividend has been declared or recommended for the previous corresponding period.

**c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hand of shareholders, this must be stated).**

Not applicable

**d) Date payable**

Not applicable

**e) The date on which Registrable Transfers received by the Company (up to 5:00pm) will be registered before entitlements to the dividend are determined.**

Not applicable

**7. If no dividend had been declared/recommended, a statement to that effect and the reason(s) for the decision**

No dividend had been declared or recommended for the financial year ended 31 December 2021. The available fund will be retained for working capital use.

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**F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (continued)**

- 8. If the group had obtained a general mandate from shareholders for Interested Parties Transactions (IPTs), the aggregate value of such transaction as require under Rule 920(1)(a)(ii). If no IPT mandate had been obtained, a statement to that effect**

The Group does not have general mandate for interested person transaction. Save for the disclosed in section entitled "Interested Person Transactions" of the Offer Document, there were no other interested person transaction of S\$100,000 or more for FY2021.

- 9. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules of the SGX-ST.

- 10. Disclosure of person occupying a managerial position in the issuer or any of its principle subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

Name	Age	Family relationship with director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Wong Ying Wei	37	Daughter of our Executive Chairman, Loo Sok Ching and our controlling shareholder, Wong Kim Fatt and niece of our controlling shareholder, Ban Kim Wah.	Head of Administration, appointed in November 2020. Responsible for planning and coordinating administrative procedures and systems and to facilitate other business operations.	No change.
Wong Chun Wei	35	Son of our Executive Chairman, Loo Sok Ching and our controlling shareholder, Wong Kim Fatt and nephew of our controlling shareholder, Ban Kim Wah.	Head of Business Development, appointed in October 2018. Responsible for helping Group enter new market, expertise to new and existing customers.	Resigned with effective last day on 22 July 2022. Please refer to announcement dated 27 June 2022 for further information.
Ban Kim Wah	60	Sibling of our controlling shareholder, Wong Kim Fatt and brother-in-law of our Executive Chairman, Loo Sok Ching, and uncle of Wong Ying Wei and Wong Chun Wei.	Marketing advisors, appointed in November 2021. Responsible to oversee the marketing plan of our Group.	No change.
Wong Kim Fatt	65	Spouse of our Executive Chairman, Loo Sok Ching, sibling of our controlling shareholder, Ban Kim Wah, and father of Wong Ying Wei and Wong Chun Wei.	Marketing advisors, appointed in May 2010. Responsible to oversee the marketing plan of our Group.	No change.



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**F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES**  
**(continued)**

**11. Status of the use of IPO funds raised**

The Group raised net proceeds of S\$8.0 million. As of the date of announcement, the net proceeds have not been utilised as follows and the balance as follows:

	<b>Allocation of net proceeds</b>	<b>Amount utilised as at the date of this announcement</b>	<b>Balance as at the date of this announcement</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Acquisition of an off-site storage plant including the land on which it is situated, for geographical business expansion	3,863	-	3,863
Capital investment in facilities, plants, machineries and/or equipment to enhance production efficiency and capacities	2,244	-	2,244
Expansion of our business through, inter alia, investments, mergers and acquisitions, joint ventures and/or strategic collaboration	1,169	-	1,169
General working capital purposes	741	-	741
<b>Total</b>	<b>8,017</b>	<b>-</b>	<b>8,017</b>

**BY ORDER OF THE BOARD**

Lim Te Hua  
Executive Director and Chief Executive Officer  
12 July 2022