

Xamble Group Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Xamble Group Limited
ARBN:	605927464
Current reporting period:	For the half-year ended 30 June 2023 (H1 FY2023)
Previous reporting period:	For the half-year ended 30 June 2022 (H1 FY2022)

2. Results for announcement to the market

			S\$
Revenue from ordinary activities	down	20% to	4,617,847
Loss from ordinary activities after tax attributable to the owners of Xamble Group Limited	up	596% to	(1,002,883)
Loss for the half-year attributable to the owners of Xamble Group Limited	up	596% to	(1,002,883)

Dividends

There were no dividends paid, recommended or declared by Xamble Group Limited during the current reporting period.

Comments

The Group's revenue for the half year-ended 30 June 2023 ("H1 FY2023") was S\$4.62 million (half year-ended 30 June 2022 ("H1 FY2022"): S\$5.79 million), representing a decline of 20%, largely due to slowdown in overall consumer packaged goods (CPG) spending which affected the Group's core influencer marketing business and revenue mix shift within its performance marketing business with clients paying for media directly while still using the Group's performance marketing services. However, although there was an overall decline in revenue during the period, the Group's current core businesses, namely Nuffnang, Sashimi and Plata & Punta, continued to be EBITDA¹ profitable of S\$0.28 million during the period.

The loss before tax for the Group amounted to S\$1.0 million in H1 FY2023 (H1 FY2022: loss before tax of S\$0.16 million). H1 FY2023's loss before tax was partly driven by forex losses of S\$0.22 million mainly due to unfavourable exchange rate movements during the period. The loss was also attributable to the startup and development costs of S\$0.39 million incurred by our new technology businesses, namely Xamble Live Commerce, Xamble Social Wallet and Xamble Creators.

Excluding extraordinary items stated above and expenses related to the new technology businesses, the Group delivered an EBITDA¹ deficit of S\$0.27 million in H1 FY2023 (H1 FY2022: EBITDA¹ profitable of S\$0.035 million).

This information should be read in conjunction with the Interim Financial Statements for the half year-ended 30 June 2023 of Xamble Group Limited, which have been reviewed by RSM Chio Lim LLP. The Independent Auditor's Report on Review of Interim Financial Information provided by RSM Chio Lim LLP is included in the consolidated financial statements for the half year-ended 30 June 2023 of Xamble Group Limited.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets ("NTA") per ordinary share	1.48	2.07

¹ Underlying EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) adjusted for extraordinary items relating to forex movements, options expenses and M&A activities.

4. Dividends

There were no dividends paid, recommended or declared during the current and previous reporting period.

5. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period S\$	Previous period S\$
Nuffnang Philippines Inc	40.00%	40.00%	N.M.	N.M.
<i>Group's aggregate share of associates and joint venture entities' loss (where material)</i>				
Loss from ordinary activities before income tax			N/A	N/A

N.M. – Not material to the Group.

As of the date of this report, Nuffnang Philippines Inc. is still in the process of being struck off.

6. Details of entities over which control has been gained or lost during the period

Nil

7. Audit qualification or review

Details of review dispute or qualification:

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Statements.

8. Attachments

Details of attachments:

The Interim Financial Statements of Xamble Group Limited for the six months ended 30 June 2023 are attached.

9. Signed



Ganesh Kumar Bangah
 Executive Chairman

Date: 31 August 2023

XAMBLE GROUP LIMITED

(Incorporated in Singapore. Registration Number: 200612086W)

and its subsidiaries

ARBN 605927464

Interim Financial Statements

for the six months ended 30 June 2023

Xamble Group Limited
Directors' Report
30 June 2023

The directors of the company are pleased to present their report together with the financial statements of the consolidated entity (referred to hereafter as the "Group") consisting of Xamble Group Limited (referred to hereafter as the "company" or "parent entity") and its controlled entities for the six-month reporting period ended 30 June 2023.

Directors

The directors of the company in office during the reporting period and at the date of this report are:

Ganesh Kumar Bangah
Darren John Cooper
Robert William Sultan
Joanne Khoo Su Nee

Principal activities

During the period, the principal continuing activities of the consolidated entity consisted of:

- Enabling advertisers to engage social media influencers to promote their products and services;
- Specialising in social media strategy and campaign management for advertisers;
- Specialising in the manufacture and construction of advertising devices through any media; and
- Live commerce enabler aiming to provide merchants and their customers with a seamless and automated livestream shopping experience.

Review of operations (in \$SG)

The Group reported a loss before tax of S\$1.0 million (H1 FY2022: loss before tax of S\$0.16 million). H1 FY2023's loss before tax was partly driven by forex losses of S\$0.22 million mainly due to unfavourable exchange rate movements during the period. The loss was also attributable to the startup and development costs of S\$0.39 million incurred by our new technology businesses, namely Xamble Live Commerce, Xamble Social Wallet and Xamble Creators.

Excluding extraordinary items stated above and expenses related to new technology businesses, the Group delivered an EBITDA¹ deficit of S\$0.27 million in H1 FY2023 (H1 FY2022: EBITDA¹ profitable of S\$0.035 million).

In March 2023, the Group rebranded to Xamble Group Limited to better communicate its products and services. Derived from the core word "assemble", Xamble is pronounced as 'x-em-bl' and reflects the Group's vision of 'Assembling Communities' to deliver prosperity and value to its ecosystem of brands, influencers or 'creators', and consumers.

Also in March 2023, the Group launched its new mobile influencer platform, Xamble Creators, which enables influencers to better monetise their content and networks and allows them to find interest-aligned brands, be invited to participate in exclusive brand campaigns and receive payment for their content. In May 2023, Xamble Creators was successfully integrated to Open AI's ChatGPT to provide influencers with suggested post content.

As at 30 August 2023, the Xamble Creator app has 734 registered influencers on the platform and has processed approximately S\$0.35 million (MYR1.16 million) of payments to influencers.

In May 2023, the Group launched its new Web3 membership platform, Xamble Social Wallet. The platform enables brands and influencers to issue memberships to reward and retain consumers or followers while providing consumers with a digital wallet to manage multiple digital memberships. Xamble Social Wallet provides brands with control over customer data and, in the near future, will allow tracking and attribution of sales generated from influencer marketing campaigns.

¹ Underlying EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) adjusted for extraordinary items relating to forex movements, options expenses and M&A activities.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the reporting period.

This report is made in accordance with a resolution of Board of Directors.

On behalf of the Board of Directors



Ganesh Kumar Bangah
Director

31 August 2023



Joanne Khoo Su Nee
Director

Xamble Group Limited

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30 June 2023

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General information

The financial statements cover Xamble Group Limited as a consolidated entity consisting of Xamble Group Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Singapore dollars, which is Xamble Group Limited's reporting currency.

Xamble Group Limited is a listed public company limited by shares, incorporated and domiciled in Singapore. Its registered office and principal place of business are:

Registered office

600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

Principal place of business

Level 9, Menara HLX
3 Jalan Kia Peng
50450 Kuala Lumpur

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2023.

Xamle Group Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 30 June 2023

		Group	
	Note	30 Jun 2023	30 Jun 2022
		\$	\$
Revenue	3	4,617,847	5,786,767
Cost of sales		(2,630,411)	(3,441,404)
Gross profit		1,987,436	2,345,363
Interest income		25,061	1,867
Other income and gains	4	176,609	609,044
Administrative and operating expenses	5	(2,953,629)	(2,971,040)
Other losses	4	(229,173)	(144,323)
Finance costs		(3,546)	(2,644)
Loss before income tax		(997,242)	(161,733)
Income tax (expense) / income		(10,986)	33,853
Loss, net of tax		(1,008,228)	(127,880)
Other comprehensive (loss) profit:			
Items that will not reclassified to profit or loss:			
Fair value changes on equity instruments at FVTOCI, net of tax		(66,829)	—
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations, net of tax		74,988	(18,551)
Other comprehensive profit / (loss), net of tax		8,159	(18,551)
Total comprehensive loss		(1,000,069)	(146,431)
Loss for the period attributable to:			
Owners of the parent		(1,002,883)	(144,148)
Non-controlling interests		(5,345)	16,268
Loss, net of tax		(1,008,228)	(127,880)
Total comprehensive loss for the period attributable to:			
Owners of the parent		(994,724)	(162,699)
Non-controlling interests		(5,345)	16,268
Total comprehensive loss		(1,000,069)	(146,431)
Loss per share		Cents	Cents
Basic and diluted	15	(0.36)	(0.05)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Xamble Group Limited
Consolidated Statement of Financial Position
As at 30 June 2023

		Group	
	Note	30 Jun 2023	31 Dec 2022
		\$	\$
ASSETS			
Non-current assets			
Plant and equipment		540,042	506,239
Intangible assets		173,435	192,270
Investment in associate		103,056	103,057
Financial asset at FVTOCI	7	30,871	97,700
Deferred tax assets		37,342	39,276
Total non-current assets		884,746	938,542
Current assets			
Trade and other receivables		2,303,076	2,166,192
Other non-financial assets		155,980	148,151
Cash and cash equivalents	8	3,446,209	4,307,791
Total current assets		5,905,265	6,622,134
Total assets		6,790,011	7,560,676
EQUITY AND LIABILITIES			
Equity			
Share capital	9	14,112,365	14,112,365
Accumulated losses		(12,602,649)	(11,599,766)
Capital reserve		65,757	29,329
Share option reserve	11	2,937,773	2,847,919
Fair value reserve	12	(490,642)	(423,813)
Foreign currency translation reserves		(227,781)	(302,769)
Equity attributable to owners of the parent		3,794,823	4,663,265
Non-controlling interests		552,529	541,468
Total equity		4,347,352	5,204,733
Non-current liabilities			
Lease liabilities		122,820	103,512
Total non-current liabilities		122,820	103,512
Current liabilities			
Income tax payable		–	97
Trade and other payables		1,551,911	1,583,063
Lease liabilities		170,518	117,494
Other financial liability	13	4	41,872
Other non-financial liabilities		597,406	509,905
Total current liabilities		2,319,839	2,252,431
Total liabilities		2,442,659	2,355,943
Total equity and liabilities		6,790,011	7,560,676

The above statement of financial position should be read in conjunction with the accompanying notes

Xamble Group Limited
Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2023

Group:	<u>Total equity</u> \$	<u>Attributable to parent Sub-total</u> \$	<u>Share capital</u> \$	<u>Accumulated losses</u> \$	<u>Capital reserves</u> \$	<u>Share option reserves</u> \$	<u>Fair value reserves</u> \$	<u>Foreign currency translation reserves</u> \$	<u>Non-controlling interests</u> \$
Current year:									
Balance at 1 January 2023	5,204,733	4,663,265	14,112,365	(11,599,766)	29,329	2,847,919	(423,813)	(302,769)	541,468
Movements in equity:									
Total comprehensive loss for the year	(1,000,069)	(994,724)	–	(1,002,883)	–	–	(66,829)	74,988	(5,345)
Additions to non-controlling interests in subsidiaries	39,154	–	–	–	–	–	–	–	39,154
Share-options expense (Note 11)	126,282	126,282	–	–	–	126,282	–	–	–
Transfer to capital reserve (Note 11a)	–	–	–	–	36,428	(36,428)	–	–	–
Dividends paid to non-controlling interests	(22,748)	–	–	–	–	–	–	–	(22,748)
Balance at 30 June 2023	<u>4,347,352</u>	<u>3,794,823</u>	<u>14,112,365</u>	<u>(12,602,649)</u>	<u>65,757</u>	<u>2,937,773</u>	<u>(490,642)</u>	<u>(227,781)</u>	<u>552,529</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Xamble Group Limited
Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2023

	<u>Total equity</u> \$	<u>Attributable to parent Sub-total</u> \$	<u>Share capital</u> \$	<u>Accumulated losses</u> \$	<u>Capital reserves</u> \$	<u>Share option reserves</u> \$	<u>Fair value reserves</u> \$	<u>Foreign currency translation reserves</u> \$	<u>Non- controlling interests</u> \$
Group:									
Previous year:									
Balance at 1 January 2022	5,650,288	5,110,695	14,112,365	(10,502,740)	–	2,285,712	(443,513)	(341,129)	539,593
Movements in equity:									
Total comprehensive loss for the year	(1,058,197)	(1,021,852)	–	(1,075,009)	–	–	19,700	33,457	(36,345)
Additions to non-controlling interests in subsidiaries	180,750	–	–	–	–	–	–	–	180,750
Share-options expense (Note 11)	591,536	591,536	–	–	–	591,536	–	–	–
Transfer to capital reserve (Note 11a)	–	–	–	–	29,329	(29,329)	–	–	–
Acquisition of additional interest in a subsidiary	(159,644)	(17,114)	–	(22,017)	–	–	–	4,903	(142,530)
Balance at 31 December 2022	<u>5,204,733</u>	<u>4,663,265</u>	<u>14,112,365</u>	<u>(11,599,766)</u>	<u>29,329</u>	<u>2,847,919</u>	<u>(423,813)</u>	<u>(302,769)</u>	<u>541,468</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Xamble Group Limited
Consolidated Statement of Cash Flows
For the half-year ended 30 June 2023

	Group	
	30 Jun 2023	30 Jun 2022
	\$	\$
<u>Cash flows from operating activities</u>		
Loss before income tax	(997,242)	(161,733)
Adjustments for:		
Interest income	(25,061)	(1,867)
Finance costs	3,546	2,644
Amortisation of intangible assets	14,196	11,930
Depreciation of right-of-use assets	48,948	55,810
Depreciation of plant and equipment	37,908	51,381
Share option expense	126,282	327,482
Fair value gain on other financial liability	(126,808)	(584,820)
Gain on disposal of plant and equipment	(29,090)	(2,656)
Foreign exchange adjustment unrealised losses	124,769	(14,421)
Operating cash flows before changes in working capital	(822,552)	(316,250)
Trade and other receivables	(76,551)	(273,377)
Other non-financial assets	(7,829)	74,940
Trade and other payables	(31,152)	(142,706)
Other non-financial liabilities	172,441	235,335
Net cash flows used in operations	(765,643)	(422,058)
Income taxes paid	(69,482)	(64,095)
Net cash used in operating activities	(835,125)	(486,153)
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(53,509)	(56,741)
Purchase of intangible assets	—	(13,066)
Additional contribution from non-controlling interests in subsidiary	39,154	150,870
Interest received	25,061	1,867
Net cash from investing activities	10,706	82,930
<u>Cash flows from financing activities</u>		
Dividends paid to non-controlling interests	(22,748)	—
Finance costs	(3,546)	(2,644)
Lease liabilities – principal portion paid	(10,869)	(62,477)
Net cash used in financing activities	(37,163)	(65,121)
<u>Net decrease in cash and cash equivalents</u>	(861,582)	(468,344)
Cash and cash equivalents at the beginning of reporting period	4,307,791	5,414,901
Cash and cash equivalents, at the end of reporting period (Note 8)	3,446,209	4,946,557

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The consolidated financial statements for the interim half-year reporting period ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standard ("FRS") 34, Interim Financial Reporting.

These financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with any public announcements made by the company during the interim reporting period.

The principal accounting policies adopted are consistent with those of disclosed in the audited financial statements for the reporting year ended 31 December 2022. The report is presented in its reporting currency, Singapore dollars.

Changes and adoption of financial reporting standards

For the current reporting period the consolidated entity has adopted all of the new or revised Singapore Financial Reporting Standards that are mandatory for the current reporting period. The new or revised standards applicable to the Group are as follows:

<u>FRS No.</u>	<u>Title</u>
FRS 1	Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non-current
FRS 1	Disclosure of Accounting Policies - Amendments to FRS 1 and FRS Practice Statement 2 Making Materiality Judgements
FRS 8	Definition of Accounting Estimates - Amendments to the Conceptual Framework for Financial Reporting

Note 2. Segment Reporting

For management purposes, the Group is organised into the following major strategic operating segments that offer different products and services: (1) Influencer Platform, (2) Social Media Agency, (3) Performance Marketing Agency and (4) Live Commerce. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The principal segments and type of products and services are as follows:

(1) Influencer Platform	Enables advertisers to engage social media influencers to promote their products and services.
(2) Social Media Agency	Digital marketing agency specialising in social media strategy and campaign management for advertisers.
(3) Performance Marketing Agency	Performance marketing agency specialising in the manufacture and construction of advertising devices through any media.
(4) Live Commerce	Live commerce enabler aiming to provide merchants and their customers with a seamless and automated livestream shopping experience.

Segment revenues are allocated based on the country in which the customer is located. The Group has a large number of customers to which it provides both products and services. The Group does not rely on any single customer to a significant portion of revenues. Segment results consist of costs directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

Note 2. Segment Reporting (cont'd)

The following tables illustrate the information about revenue by business units and countries.

Business Units

	Group	
	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	\$	\$
Influencer Platform	2,351,558	3,390,415
Social Media Agency	1,470,188	1,396,989
Performance Marketing Agency	699,027	946,627
Live Commerce	97,074	52,736
Total	<u>4,617,847</u>	<u>5,786,767</u>

Country

	Group	
	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	\$	\$
Malaysia	4,130,580	5,075,482
Taiwan	485,167	641,117
Singapore	2,100	70,168
Total	<u>4,617,847</u>	<u>5,786,767</u>

Note 3. Revenue

	Group	
	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	\$	\$
Rendering of services	<u>4,617,847</u>	<u>5,786,767</u>

Note 4. Other income and gains and (other losses)

	Group	
	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	\$	\$
Foreign exchange adjustment loss	(221,555)	(144,323)
Allowance for impairment on trade receivable – loss	(7,618)	–
Government grants	10,699	13,815
Gain on disposal of plant and equipment	29,090	2,656
Fair value gain on other financial liability at FVTPL	126,808	584,820
Other income	10,012	7,753
Net	<u>(52,564)</u>	<u>464,721</u>
Presented in profit or loss as:		
Other income and gains	176,609	609,044
Other losses	(229,173)	(144,323)
	<u>(52,564)</u>	<u>464,721</u>

Note 5. Administrative and operating expenses

The major components include the following:

	Group
	30 Jun 2023
	\$
Advertising expenses	33,273
Depreciation expense	86,856
Salaries and other short-term employee benefits	2,278,379
Subscription fees	62,562
Professional fees	159,642
Travelling expenses	25,321
	124,737
	\$

Note 6. Employee benefit expense

	Group
	30 Jun 2023
	\$
Short term employee benefits expense	1,900,978
Contributions to defined contribution plan	179,354
Share options expense relating to employees	126,282
Other benefits	71,765
Total employee benefits expense	2,278,379
	1,695,047
	\$

Note 7. Financial asset at FVTOCI

	Group
	30 Jun 2023
	\$
Unquoted investment at FVTOCI:	
Unquoted equity shares in a corporation	30,871
Balance at end of the half year	30,871
	97,700
	\$
Movements during the period:	
Fair value at beginning of the half year	97,700
(Loss) / gain recognised in other comprehensive income	(66,829)
Fair value at end of the half year	30,871
	78,000
	\$

On 26 May 2021, the Group acquired a 5% shareholding interest in Innovatic Commerce Solution Sdn Bhd for a consideration of RM1,551,872 (S\$521,513). The Group has no significant influence and the unquoted equity shares are measured at fair value through other comprehensive income ("FVTOCI"). A fair value loss of S\$66,829 (2022: gain of S\$19,700) was recorded in other comprehensive income during the period ended 30 June 2023 (See Note 12).

Note 8. Cash and cash equivalents

	Group
	30 Jun 2023
	\$
Not restricted in use	3,446,209
Cash at end of the half year	3,446,209
	4,307,791
	\$

The interest earning balances are not significant.

Note 8. Cash and cash equivalents (cont'd)

Reconciliation of liabilities arising from financing activities:

The group does not have any external borrowings except for finance leases that are not significant.

Note 9. Share capital

	<u>Number of shares issued</u>	<u>Share capital \$</u>
<u>Group and company</u>		
<u>Ordinary shares of no par value:</u>		
Balance at 1 January 2022, 31 December 2022 and 30 June 2023	<u>283,011,666</u>	<u>14,112,365</u>

Note 10. Dividends

There were no dividends paid during the six month reporting period ended 30 June 2023 (2022: \$Nil).

Note 11. Share option reserve

	<u>Group</u>	
	<u>30 Jun 2023</u>	<u>31 Dec 2022</u>
	<u>\$</u>	<u>\$</u>
As at 1 January 2023, 1 January 2022	2,847,919	2,285,712
Share options expense	126,282	665,486
Transfer to capital reserve	(36,428)	(29,329)
Forfeited share options	—	(73,950)
As at 30 June 2023, 31 December 2022 – included in share option reserve	<u>2,937,773</u>	<u>2,847,919</u>

The expense is allocated in the profit or loss as follows:

Administrative expenses	<u>126,282</u>	<u>591,536</u>
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The outstanding number of options at the end of the half year was:

<u>Exercise price outstanding</u>	<u>Grant date</u>	<u>Exercise period</u>	<u>Number of options</u>	
			<u>30 Jun 2023</u>	<u>31 Dec 2022</u>
AUD 0.18 (\$0.19)	3 March 2021	From 3 March 2021 to 1 September 2023	<u>6,500,000</u>	<u>6,500,000</u>
AUD 0.0145 (\$0.0149)	27 May 2021	From 1 January 2022 to 1 January 2024	<u>10,550,000</u>	<u>11,141,666</u>

During the reporting period on 14 April 2023, 550,000 options were exercised by non-executive directors of the company and 41,666 options were exercised by a non-key management personnel of the Group respectively. These were settled by way of a transfer of shares from the majority shareholder of the company. Accordingly, the company did not receive any cash consideration and did not issue any new shares.

Note 11. Share option reserve (cont'd)

The estimate of the grant date fair value of each option issued was based on the Black-Scholes option pricing model (Level 3). In order to approximate the expectations that would be reflected in a current market or negotiated exchange price for these options, this model took into account several factors and assumptions.

The following assumptions were used:

	<u>2021</u>
Range of share price	\$0.14 - \$0.31
Range of exercise price	\$0.015 - \$0.187
Risk-free annual interest rates	0.12% to 0.40%
Volatility expected	79% - 113%
Expected option term of years	<u>1.7 – 3.8</u>

Note 11a. Capital reserve

The capital reserve represents the accumulation of the value of employee services received by the company, in respect of share options granted and exercised to date.

Note 12. Fair value reserve

	<u>Group</u>	
	<u>30 Jun 2023</u>	<u>31 Dec 2022</u>
	\$	\$
As at 1 January 2023 and 1 January 2022	(423,813)	(443,513)
Fair value (loss) / gain on financial asset at FVTOCI (Note 7)	(66,829)	19,700
As at 30 June 2023 and 31 December 2022	<u>(490,642)</u>	<u>(423,813)</u>

Note 13. Other financial liability

This relates to a derivative liability that arose on the issuance of free attached warrants issued as part of the fund raising exercise in financial year ended 31 December 2021. The fair value of the derivative liability on initial recognition was \$2,680,224 and the derivative liability was subsequently carried at fair value through profit or loss (Note 14) as at 31 December 2022 and 30 June 2023.

As at 30 June 2023, an amount of \$4 (31 December 2022: \$41,872) was recorded as other financial liability in the statement of financial position and a fair value gain of \$41,868 was recorded in the profit or loss statement for the period ended 30 June 2023.

Note 14: Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Consolidated - 30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Ordinary shares at fair value through other comprehensive income (Note 7) #A	-	-	30,871	30,871
Total assets	-	-	30,871	30,871
<i>Liabilities</i>				
Derivative liabilities at fair value through profit or loss (Note 13) #B	-	4	-	4
Total liabilities	-	4	-	4

#A. For fair value recurrent measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Level 3:

Unquoted equity shares through FVTOCI:

E-commerce industry, Malaysia

Fair Value: \$30,871 (2022: \$97,700).

Valuation technique: Market comparable companies.

#B. For the fair value recurrent measurements categorised within Level 2 of the fair value hierarchy, a description of the valuation techniques and information about the significant unobservable inputs used in the fair value measurement are as follows:

Level 2:

Instrument: Derivative liability at FVTPL

Fair Value: \$4 (2022: \$41,872).

Valuation technique: Black-Scholes option pricing model.

The following assumptions were used:

	30 Jun 2023	31 Dec 2022
Range of share price	\$0.035	\$0.07
Range of exercise price	\$0.162	\$0.164
Risk-free annual interest rates	3%	3.25% to 4.50%
Volatility expected	74% - 100%	74% - 100%
Expected option term of years	0.173	0.669

There were no transfers between levels during the reporting period.

Note 15. Loss per share

The following table illustrates the numerators and denominators used to calculate basic and diluted (loss)/earnings per share of no par value:

	Group	
	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	\$	\$
A. Numerator: loss attributable to equity:		
Continuing operations:		
Total basic and diluted loss attributable to owners of the parent	<u>(1,002,883)</u>	<u>(144,148)</u>
B. Denominator: weighted average number of equity shares		
Basic and diluted	<u>281,561,481</u>	<u>280,592,036</u>
	<u>Cents</u>	<u>Cents</u>
Basic and diluted	<u>(0.36)</u>	<u>(0.05)</u>

The weighted average number of equity shares refers to shares in circulation during the reporting period.

The basic loss per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. There is no material difference between the basic and diluted weighted average number of shares.

Xamble Group Limited
Directors' declaration
30 June 2023

The Directors declare that:

- (a) in the directors' opinion, the attached consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group as at 30 June 2023 and of the results and cash flows of the Group and changes in equity of the Group for the reporting six-month period then ended; and
- (b) in the directors' opinion, at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of Board of Directors.

On behalf of the Board of Directors



Ganesh Kumar Bangah
Director

31 August 2023



Joanne Khoo Su Nee
Director

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**Independent Auditor's Report on Review of Interim Financial Information
to the Members of
XAMBLE GROUP LIMITED (Registration No: 200612086W)**

Introduction

We have reviewed the accompanying condensed interim consolidated financial information of Xamble Group Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 4 to 15.

- Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Singapore Financial Reporting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial information does not give a true and fair view of the financial position of the entity as at 30 June 2023, and of its financial performance and its cash flows for the six month period then ended in accordance with Singapore Financial Reporting Standard 34 Interim Financial Reporting.



RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

31 August 2023

Partner in charge: Naveen Sasidaran