



POWERMATIC DATA SYSTEMS LIMITED
 Incorporated in the Republic of Singapore
 Co. Reg. No. 198900414E

Condensed interim financial statements
For the six months ended 30 September 2023

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

THE GROUP				
	Note	6 month ended 30 September 2023 S\$'000	6 month ended 30 September 2022 S\$'000	Increase/ (Decrease) %
Revenue	4; F2.1.1	17,647	18,332	(4)
Cost of sales		(8,322)	(10,453)	(20)
Gross profit	F2.1.2	9,325	7,879	18
Other items of income				
Property income - gross		672	567	19
Property expenses		(382)	(378)	1
Profit from property	5; F2.1.3	290	189	53
Other gains	6; F2.1.4	865	1,005	(14)
Other items of expenses				
Marketing and distribution costs	F2.1.5	(773)	(801)	(3)
Administration expenses	F2.1.5	(1,290)	(1,310)	(2)
Other operating expenses		(8)	(5)	60
Other losses	7; F2.1.6	(9)	(75)	(88)
Profit before tax		8,400	6,882	22
Income tax expense		(1,268)	(1,203)	5
Profit for the financial period, net of tax		7,132	5,679	26
Other comprehensive loss :				
Items that will not be reclassified to profit or loss:				
Fair value changes on equity instruments at FVTOCI, net of tax		(191)	(85)	125
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations		(250)	(386)	(35)
Total other comprehensive loss, net of tax		(441)	(471)	(6)
Total comprehensive income		6,691	5,208	28
Profit attributable to owners of parent, net of tax		6,706	5,679	18
Total comprehensive income attributable to owners of parent		6,265	5,208	20
Earnings per share for profit for the period attributable to the owners of the Company during the year				
Basic (SGD in cent)	10	20.40	16.25	
Diluted (SGD in cent)		20.40	16.25	

B. Condensed interim statements of financial position

	Note	THE GROUP		THE COMPANY	
		30-Sep-23 S\$'000	31-Mar-23 S\$'000	30-Sep-23 S\$'000	31-Mar-23 S\$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	9	4,648	4,770	1,776	1,791
Investment property	10	16,205	16,317	16,205	16,317
Intangible assets		1	1	-	-
Investments in subsidiaries		-	-	10,759	10,759
Construction in progress		147	-	147	-
Other financial assets	12; F2.2.1	331	523	331	523
Rights of use lease assets	11	279	411	-	-
Deferred tax asset		127	128	-	-
Total Non-Current Assets		21,738	22,150	29,218	29,390
Current Assets					
Inventories	13; F2.2.2	2,947	6,043	-	-
Trade and other receivables	14; F2.2.3	2,351	1,684	11,905	8,155
Other financial assets	12	113	117	113	117
Other non-financial assets	15	262	270	95	78
Cash and bank balances	16	58,843	55,037	29,185	27,735
Total Current Assets		64,516	63,151	41,298	36,085
Total Assets		86,254	85,301	70,516	65,475
LIABILITIES					
Non-Current Liabilities					
Lease liability	11	181	181	-	-
Total Non-Current Liabilities		181	181	-	-
Current Liabilities					
Income tax payable		2,565	2,367	80	30
Trade and other payables	17; F2.2.4	3,635	4,070	254	315
Other non-financial liabilities	18	2,809	4,692	371	362
Lease liability	11	116	239	-	-
Total Current Liabilities		9,125	11,368	705	707
Total Liabilities		9,306	11,549	705	707
Net Assets		76,948	73,752	69,811	64,768
EQUITY					
Share capital	19	24,562	24,562	24,562	24,562
Retained earnings		53,641	50,004	44,889	39,655
Other reserves		(1,255)	(814)	360	551
Total Equity		76,948	73,752	69,811	64,768

C. Condensed interim statements of changes in equity

	Share capital	Treasury Shares	Equity shares at FVOCI reserve	Reserve on consolidation	Foreign currency translation reserve	Retained earnings	Total equity attributable to parent
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group							
2023							
Balance as at 1 April 2023	25,352	(790)	551	88	(1,453)	50,004	73,752
Profit, net of tax for the year	-	-	-	-	-	7,132	7,132
Exchange difference arising from translation of operation	-	-	-	-	(250)	-	(250)
Fair value changes on equity instruments	-	-	(191)	-	-	-	(191)
Other comprehensive (loss) income for the year	-	-	(191)	-	(250)	-	(441)
Total comprehensive income for the year	-	-	(191)	-	(250)	7,132	6,691
Dividends paid	-	-	-	-	-	(3,495)	(3,495)
Balance as at 30 September 2023	25,352	(790)	360	88	(1,703)	53,641	76,948
2022							
Balance at 1 April 2022	25,352	(790)	583	88	(818)	44,011	68,426
Profit, net of tax for the year	-	-	-	-	-	5,679	5,679
Exchange difference arising from translation of operation	-	-	-	-	(386)	-	(386)
Fair value changes on equity instruments	-	-	(85)	-	-	-	(85)
Other comprehensive (loss) income for the year	-	-	(85)	-	(386)	-	(471)
Total comprehensive income for the year	-	-	(85)	-	(386)	5,679	5,208
Dividends paid	-	-	-	-	-	(3,495)	(3,495)
Balance as at 30 September 2022	25,352	(790)	498	88	(1,204)	46,195	70,139
The Company							
2023							
Balance as at 1 April 2023	25,352	(790)	551	-	-	39,655	64,768
Profit, net of tax for the year	-	-	-	-	-	8,729	8,729
Fair value changes on equity instruments	-	-	(191)	-	-	-	(191)
Total comprehensive income for the year	-	-	(191)	-	-	8,729	8,538
Dividends paid	-	-	-	-	-	(3,495)	(3,495)
Balance as at 30 September 2023	25,352	(790)	360	-	-	44,889	69,811
2022							
Balance as at 1 April 2022	25,352	(790)	-	583	-	37,902	63,047
Profit, net of tax for the year	-	-	-	-	-	(8)	(8)
Fair value changes on equity instruments	-	-	-	(85)	-	-	(85)
Total comprehensive income for the year	-	-	-	(85)	-	(8)	(93)
Dividends paid	-	-	-	-	-	(3,495)	(3,495)
Balance as at 30 September 2022	25,352	(790)	-	498	-	34,399	59,459

D. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended 30 September 2023 S\$'000	6 months ended 30 September 2022 S\$'000
Cash flows from operating activities:		
Profit before income tax	8,400	6,882
Depreciation of property, plant and equipment	212	209
Depreciation of right-of-use assets	120	106
Depreciation of investment property	112	112
Loss on disposal of property, plant and equipment	6	-
Amortisation of intangible assets	1	1
Fair value loss on financial instruments at FVTPL	4	22
Dividend income	(13)	(14)
Interest Income	(657)	(282)
Interest expense	8	-
Foreign exchange adjustment unrealized gains	(306)	(727)
Operating cash flows before changes in working capital	7,887	6,309
Changes in :		
Inventories	3,096	36
Trade and other receivables	(667)	(1,201)
Other non-financial assets	-	7
Other financial assets	9	(22)
Trade and other payables	(435)	(102)
Other non-financial liabilities	(1,883)	27
Other liabilities -current	-	-
Cash generated from operations	8,007	5,054
Income tax paid	(1,223)	(664)
Net cash flows from operating activities	6,784	4,390
Cash flows from investing activities:		
Construction in progress	(147)	-
Purchase of property, plant and equipment	(53)	(285)
Disposal of plant and equipment	6	-
Increase of cash restricted In use over 3 months	(2,870)	(2,535)
Interest income received	802	154
Dividend income received	13	14
Net cash flows used in investing activities	(2,249)	(2,652)
Cash flows from financing activities:		
Dividend paid	(3,495)	(3,495)
Lease liabilities- interest and principal portion paid	(136)	(107)
Net cash flows used in financing activities	(3,631)	(3,602)
Net increase / (decrease) in cash and cash equivalents	904	(1,864)
Effect of exchange rate changes on the balances of cash held in foreign currencies	32	82
Cash and cash equivalents, beginning balance	55,037	29,686
Cash and cash equivalents at the end of the period	55,973	27,904

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Powermatic Data Systems Limited is incorporated and domiciled in Singapore and whose shares are quoted and traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements for the six months ended 30 September 2023 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are manufacturing and sale of owned made wireless connectivity products and the provision of sale /products related services.

The principal activities of the Group are:

- (a) manufacturing, marketing and trading wireless connectivity products which include wireless modules, embedded board, antenna, and Qualcomm reference design.
- (b) providing sale and products related services
- (c) leasing and maintaining the investment property;
- (d) provision of corporate support and services to subsidiaries.

2. Basis of Preparation

These condensed consolidated interim financial statements for the six months ended 30 September 2023 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS (I) s") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. They are also in compliance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and the provisions of the SGX Mainboard Listing Rules.

The accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those of the latest audited annual financial statements. However, the typical notes and information included in the latest audited annual financial statements are not included in these interim financial statements except for the selected explanatory notes included to explain events and transactions that are significant to an understanding of the changes in the performance and financial position of the group since the latest audited annual financial statements.

The financial information contained in this announcement has neither been audited nor reviewed by the auditors.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

(i) Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(ii) Fair value measurement

The Group classifies financial assets and liabilities measured at fair value using a fair value hierarchy that prioritises the inputs used to measure fair value.

The three levels of the fair value input hierarchy are as follows:

Level 1 – Fair values are measured based on quoted prices (unadjusted) from active markets for identical financial instruments.

Level 2 – Fair values are measured using inputs, other than those used for Level 1, that are observable for the financial instruments either directly (prices) or indirectly (derived from prices).

Level 3 – Fair values are measured using inputs which are not based on observable market data (unobservable input)

Group and Company

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
At 30 September 2023				
<u>Other financial assets - non-current:</u>				
Quoted equity shares which are designated as fair value through Other	331	-	-	331
<u>Other financial assets - current:</u>				
Quoted equity shares which are designated as fair value through profit or	113	-	-	113
At 31 March 2023				
<u>Other financial assets - non-current:</u>				
Quoted equity shares which are designated as fair value through Other	523	-	-	523
<u>Other financial assets - current:</u>				
Quoted equity shares which are designated as fair value through profit or	117	-	-	117

3. Seasonal operations

The constraints in securing the supplies of key components for its wireless connectivity products has since eased. Service income derived from sourcing and procuring these key components from open-market sources " OM" to mitigate the delay in customers' required delivery time-line has been realized in the current reporting period, which has resulted in the increase in service income. Other than the above, the Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Revenue

Type of goods or services	Group		Increase/ (Decrease) %
	6 month ended 30 September 2023 S\$'000	6 month ended 30 September 2022 S\$'000	
Sale of goods	16,235	17,142	(5)
Sale and product related service income	1,412	1,190	19
Total revenue	17,647	18,332	(4)

Disaggregation of Revenue

Timing of revenue recognition

	17,047	18,246	(7)
Point in time			
Over time	600	86	N.M
Total revenue	17,647	18,332	(4)

Geographical information - to update

	1H ended 30 September 2023		1H ended 30 September 2022	
	S\$'000	%	S\$'000	%
USA	2,072	12	3,473	19
Asia	6,921	39	5,438	30
Europe	7,859	44	9,406	51
Others	795	5	15	0
Total revenue as per Condensed interim consolidated statement of profit or loss and other comprehensive income	17,647	100	18,332	100

5. Property profit

	Group		Increase/ (Decrease) %
	6 month ended 30 September 2023 S\$'000	6 month ended 30 September 2022 S\$'000	
Property income			
Rental Income from investment property	672	567	19
Property expenses			
Building maintenance expenses	(232)	(212)	9
Depreciation of investment property	(113)	(112)	1
Utilities , property tax and others	(37)	(54)	(31)
	(382)	(378)	1
Property profit	290	189	53

6. Other gains

	Group		Increase/ (Decrease) %
	6 month ended 30 September 2023 S\$'000	6 month ended 30 September 2022 S\$'000	
Sundry income	2	33	(94)
Gain in foreign exchange	193	676	(71)
Interest income	657	282	133
Dividend income	13	14	(7)
	865	1,005	(14)

7. Other losses

	Group		Increase/ (Decrease) %
	6 month ended 30 September 2023 S\$'000	6 month ended 30 September 2022 S\$'000	
Loss on disposal of plant & equipment	(5)	-	N.M
Losses on fair value changes of investments at FVTPL	(4)	(22)	(82)
Allowance for impairment of trade receivable	-	(53)	N.M
	(9)	(75)	(88)

N.M. denotes Not Meaningful

8. Earnings per share

	Group	
	1H ended 30 September 34,953,156	1H ended 30 September 34,953,156
No of Ordinary Share		
Earnings per Ordinary Share for the year based on net gain attributable to shareholders:-		
(i) Based on weighted average number of ordinary shares on issue	20.40 cents	16.25 cents
(ii) On a fully diluted basis	20.40 cents	16.25 cents

9. Property, plant and equipment

Group	Furniture, fittings, equipment and motor vehicle				Total
	Renovations	Freehold office unit	Freehold land and factory		
<u>Cost</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2022	331	5,507	2,082	1,847	9,767
Foreign exchange adjustments	(25)	(364)	-	(119)	(508)
Additions	30	542	-	-	572
Disposal	-	(192)	-	-	(192)
At 31 March 2023	336	5,493	2,082	1,728	9,639
Addition	-	53	-	-	53
Disposal	-	(48)	-	-	(48)
Foreign exchange adjustments	1	(23)	-	(59)	(81)
At 30 September 2023	337	5,475	2,082	1,669	9,563
<u>Accumulated depreciation</u>					
At 1 April 2022	284	4,267	291	61	4,903
Foreign exchange adjustments	(1)	(368)	-	(4)	(373)
Depreciation for the year	16	360	23	19	418
Disposal	-	(79)	-	-	(79)
At 31 March 2023	299	4,180	314	76	4,869
Foreign exchange adjustments	(1)	(121)	-	(2)	(124)
Depreciation for the period	6	185	12	9	212
Disposal	-	(42)	-	-	(42)
At 30 September 2023	304	4,202	326	83	4,915
<u>Carrying value</u>					
At 1 April 2022	47	1,240	1,791	1,786	4,864
At 31 March 2023	37	1,313	1,768	1,652	4,770
At 30 September 2023	33	1,273	1,756	1,586	4,648

Company	Furniture, fittings and equipment				Total
	Renovations	Freehold office unit	Freehold land and factory		
<u>Cost</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2022	272	109	2,082	-	2,463
Addition	-	25	-	-	25
At 31 March 2023 and 30 September 2023	272	134	2,082	-	2,488
<u>Accumulated depreciation</u>					
At 1 April 2022	269	107	291	-	667
Depreciation for the year	3	4	23	-	30
At 31 March 2023	272	111	314	-	697
Depreciation for the period	-	3	12	-	15
At 30 September 2023	272	114	326	-	712
<u>Carrying value</u>					
At 1 April 2022	3	2	1,791	-	1,796
At 31 March 2023	-	20	1,756	-	1,776
At 30 September 2023	-	20	1,756	-	1,776

10. Investment property

Group and Company	Furniture, fittings and equipment			Total
	Freehold land	Freehold building	Building improvement	
<u>Cost</u>	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2022, 31 March 2023 and 30 September 2023	10,804	6,612	1,566	18,982
<u>Accumulated depreciation</u>				
At 1 April 2022	-	2,159	281	2,440
Depreciation for the year	-	174	51	225
At 31 March 2023	-	2,333	332	2,665
Depreciation for the period	-	87	25	112
At 30 September 2023	-	2,420	357	2,777
<u>Carrying value</u>				
At 1 April 2022	10,804	4,453	1,285	16,542
At 31 March 2023	10,804	4,279	1,234	16,317
At 30 September 2023	10,804	4,192	1,209	16,205

Fair value of Investment Property (excluding the office unit which was classified as PPE) as at 31 March 2023 for disclosure purposes only

41,689

	Group and Company	
	1H to 30 September 2023	1H to 30 September 2022
	S\$'000	S\$'000
Rental and service income from investment property	672	567
Direct operating expenses (including repairs and maintenance)	(382)	(378)
Property profit as shown in Condensed interim consolidated statement of profit or loss and other comprehensive income	290	189

The depreciation expense is charged under property expense

The investment property is a two-adjointing six-storey semi-detached industrial buildings located at No.7 and 9 Harrison Road, Singapore 369650/1.

Other than an office unit in one of the buildings which is used by the Group as its corporate head office and classified under property, plant and equipment, the remaining units in the two buildings are leased out under operating leases.

The investment property is recorded at cost less accumulated depreciation in the statement of financial positions.

For disclosure purposes only the fair values are measured periodically on a systematic basis at least once yearly by external independent professional valuers.

11. Right-of-use assets and lease liabilities

Group	Right-of-use assets S\$'000
Cost	
At 1 April 2022	684
Additions	493
At 31 March 2023 and 30 September 2023	<u>1,177</u>
Accumulated depreciation	
At 1 April 2022	535
Foreign exchange adjustments	(6)
Depreciation for the year	237
At 31 March 2023	<u>766</u>
Foreign exchange adjustments	12
Depreciation for the year	120
At 30 September 2023	<u>898</u>
Carrying value	
At 1 April 2022	<u>149</u>
At 31 March 2023	<u>411</u>
At 30 September 2023	<u>279</u>

Lease liabilities are presented in the statement of financial position as follows:

Group	30 September 2023 S\$'000	31 March 2023 S\$'000
Lease liabilities, current	116	239
Lease liabilities, non-current	181	181
Total	<u>297</u>	<u>420</u>

12. Other financial assets

	Group		Company	
	30 September 2023 S\$'000	31 March 2023 S\$'000	30 September 2023 S\$'000	31 March 2023 S\$'000
Non-Current				
Investment in quoted equity shares which are designated as Fair Value Through Other Comprehensive Income (FVTOCI):				
Quoted equity in corporation	<u>331</u>	<u>523</u>	<u>331</u>	<u>523</u>
Current				
Investment in quoted equity shares which are designated as Fair Value Through Profit or Loss (FVTPL):				
Quoted equity in corporation	<u>113</u>	<u>117</u>	<u>113</u>	<u>117</u>

13. Inventories

	Group		Company	
	30 September 2023 S\$'000	31 March 2023 S\$'000	30 September 2023 S\$'000	31 March 2023 S\$'000
Raw Materials	620	1,858	-	-
Work-in-progress	2,098	2,979	-	-
Finished goods	229	1,206	-	-
	<u>2,947</u>	<u>6,043</u>	<u>-</u>	<u>-</u>

14. Trade and other receivables

	Group		Company	
	30 September 2023 S\$'000	31 March 2023 S\$'000	30 September 2023 S\$'000	31 March 2023 S\$'000
Trade receivables:				
Outside parties	1,871	1,108	118	128
Less: allowance for impairment	-	(53)	-	-
Net trade receivable - subtotal	<u>1,871</u>	<u>1,055</u>	<u>118</u>	<u>128</u>
Other receivables:				
Outside parties	480	629	75	183
Subsidiaries	-	-	15,875	12,007
Less: allowance for impairment	-	-	(4,163)	(4,163)
	<u>-</u>	<u>-</u>	<u>11,712</u>	<u>7,844</u>
Net other receivables - subtotal	<u>480</u>	<u>629</u>	<u>11,787</u>	<u>8,027</u>
Total trade and other receivables	<u>2,351</u>	<u>1,684</u>	<u>11,905</u>	<u>8,155</u>

15. Other non-financial assets

	Group		Company	
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Prepayment	188	195	45	28
Deposits to secure services	74	75	50	50
	262	270	95	78

16. Cash and bank balances

	Group		Company	
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed deposits	32,600	36,780	25,000	25,700
Fixed deposits (maturity of over 3 months)	2,870	-	-	-
Cash and bank balances	23,373	18,257	4,185	2,035
Cash and cash equivalents in the statements of financial position	58,843	55,037	29,185	27,735
Less: Cash restricted in use over 3 months	(2,870)	-	-	-
Cash and cash equivalents in consolidated statement of cash flows	55,973	55,037	29,185	27,735

17. Trade and other payables

	Group		Company	
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables				
Outside parties and accrued liabilities	3,596	4,027	254	315
Other payables				
Outside parties	39	43	-	-
	3,635	4,070	254	315

18. Other non-financial liabilities

	Group		Company	
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Advance rental received	87	77	86	77
Deferred revenue	39	11	-	-
Deposits received	2,606	4,452	285	285
Provision for warranty costs	77	152	-	-
	2,809	4,692	371	362

19. Share capital

	No of shares including treasury shares	No. of treasury shares	Total number of shares excluding treasury shares	Total number of shares held by subsidiaries	Share capital - amount	Treasury shares - amount	Share capital excluding treasury shares - amount
					S\$ '000	S\$ '000	S\$ '000
As at 31 March 2023 and 30 September 2023	35,802,796	849,640	34,953,156	-	25,352	(790)	24,562

	Number of treasury shares		Fair value	
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
			S\$'000	S\$'000
At 1 April 2023 and 30 September 2023	849,640	849,640	(790)	(790)

No option was granted during 1HFY2024. As at 30 September 2023, there was no unexercised Employees' share option.

20. A Statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial Reported on

There were no sales, transfers, cancellation and/or use of subsidiary holdings at the end of 30 September 2023

21. Net Asset per share

	Group		Company	
	30-Sep-23	31-Mar-23	30-Sep-23	31-Mar-23
	S\$	S\$	S\$	S\$
Net Asset Value per Ordinary Share based on issued share capital at the end of the reporting year	2.20	2.11	2.00	1.85
The calculation of the net asset value per ordinary share was based on total number of 34,953,156 (31 March 2023 : 34,953,156) ordinary shares				

22. Aggregate amount of group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

As at 30.09.2023 (S\$'000)		As at 31.03.23 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

(b) Amount repayable after one year

As at 30.09.2023 (S\$'000)		As at 31.03.23 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

23. Operating Segment

The Group is organised into the following main business segments

1. Wireless Connectivity Products Segment- manufacturing, marketing and trading of wireless connectivity products; provision of sale and products related services.
2. Property segment : lease of Investment Property for rental income, upkeep and maintain property.
3. Corporate holding and supports - Provision of corporate management and administrative supports to subsidiaries

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management by the Group's senior management.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Reportable segments

	Wireless Connectivity Products			
	Products S\$'000	Property S\$'000	Corporate holding S\$'000	Consolidated S\$'000
1 April 2023 to 30 September 2023				
Revenue by segment	17,647	-	-	17,647
Cost of sales	(8,322)	-	-	(8,322)
Gross profit	9,325	-	-	9,325
Other items of income				
Property income	-	672	-	672
Property expense	-	(382)	-	(382)
Profit from property	-	290	-	290
Other income and gains	426	-	439	865
Other items of expenses				
Marketing and distribution cost	(773)	-	-	(773)
Administration cost	(962)	-	(328)	(1,290)
Other operating expenses	(8)	-	-	(8)
Other losses	(5)	-	(4)	(9)
Profit before tax	8,003	290	107	8,400
Income tax expense	(1,229)	-	(39)	(1,268)
Profit, net of tax attributable to the parent	6,774	290	68	7,132

Other segment information

Provision for write down of inventory charged against cost of sales	(292)	-	-	(292)
Depreciation of property, plant and equipment	(197)	-	(15)	(212)
Depreciation of right-of-use assets	(120)	-	-	(120)
Depreciation of investment property	-	(112)	-	(112)
Amortisation of intangible assets	(1)	-	-	(1)

	Wireless Connectivity Products			
	Products S\$'000	Property S\$'000	Corporate holding S\$'000	Consolidated S\$'000
1 April 2022 to 30 September 2022				
Revenue by segment	18,332	-	-	18,332
Cost of sales	(10,453)	-	-	(10,453)
Gross profit	7,879	-	-	7,879
Other items of income				
Property income	-	567	-	567
Property expense	-	(378)	-	(378)
Profit from property	-	189	-	189
Other income and gains	826	-	179	1,005
Other items of expenses				
Marketing and distribution cost	(801)	-	-	(801)
Administration cost	(966)	-	(344)	(1,310)
Other operating expenses	(5)	-	-	(5)
Finance costs	(53)	-	(22)	(75)
Profit / (loss) before tax	6,880	189	(187)	6,882
Income tax expense	(1,191)	-	(12)	(1,203)
Profit / (loss), net of tax	5,689	189	(199)	5,679

Other segment information

Provision for write down of inventory charged against cost of sales	(2,013)	-	-	(2,013)
Depreciation of property, plant and equipment	(197)	-	(15)	(212)
Depreciation of right-of-use assets	(120)	-	-	(120)
Depreciation of investment property	-	(112)	-	(112)
Amortisation of intangible assets	(1)	-	-	(1)

F. Other Information Required by Listing Rule Appendix 7.2

1. Review

The consolidated statement of financial position of Powermatic Data Systems and its subsidiaries as at 30 September 2023 and the related profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the auditor.

2. Review of performance of the Group

2.1 Review of the Group's condensed interim consolidated statement of profit or loss and other comprehensive income

2.1.1 Revenue

The Group's core focus is the Wireless Connectivity business, encompassing research and development, manufacturing, and the sale of wireless connectivity products and related services.

The Group presently produces a diverse range of wireless connectivity products, including Wi-Fi modules, embedded boards, access points, and antennas. These products, designed by our in-house research and development team, are then acquired by customers who integrate them into their end products. For instance, our customers utilize our products to construct Wi-Fi routers for applications in the transportation industry, such as trains, buses, and taxis. As the company grows, our business model has evolved, positioning the Group as an industrial supplier to customers in the transportation, enterprise network, retail, and education sectors.

Beyond manufacturing our proprietary designed wireless connectivity hardware, the Group extends its services to provide original equipment manufacturing (OEM), original design manufacturing (ODM) solutions, and other sales-related services to our valued customers.

Revenue experienced a 4% year-on-year decline, primarily attributed to the accelerated product delivery in 1HFY2023, prompted by the easing of key component availability and disruptions caused by the ongoing Covid-19 pandemic.

Our key market remains in Europe, contributing 44% of the Group's revenue (1HFY2023: 51%), followed by Asia at 39% (1HFY2023: 30%), the USA at 12% (1HFY2023: 19%), and other regions at 5% (1HFY2023: Nil %)

2.1.2 Gross profit / gross profit margin

Despite a revenue reduction in 1HFY2024 compared to 1HFY2023, our gross profit increased. This can be largely attributed to improvement of gross profit margin from 43% in 1HFY2023 to 53% in 1HFY2024. The increase in gross profit margin is, in turn, due to :

- a) the realisation of the service income; and
- b) lower provision for inventory impairments.

2.1.3 Property profit

Rental income experienced a 19% year-on-year increase, rising from S\$0.567 million in 1HFY2023 to S\$0.672 million in 1HFY2024. The increase in property income is attributed to improved rental rates upon the renewal of leases and an improvement in occupancy rate. As of September 30, 2023, with the exception of the unit at Harrison 9, #05-01 utilized by the Group for its Singapore operations, all other units were fully leased out to third-party tenants. In contrast, during 1HFY2023, two units remained vacant for three months.

Property expenses for 1HFY2024 increased by 1% as compared to 1HFY2023, attributable to higher cost of repair and maintenance.

The rise in property income, coupled with a slight uptick in property expenses, has resulted in a growth of property profit from S\$0.189 for 1HFY2024 million to S\$0.289 million for 1HFY2023.

2.1.4 Other gains

Other gains experienced a dip, decreasing from S\$1.005 million in 1H FY2023 to S\$0.865 million in 1HFY2024. On the positive side, interest income saw an increase of S\$0.375 million, rising from S\$0.282 million in 1HFY2023 to S\$0.657 million in FY2024, aligning with the upward trend in fixed deposit interest rates. However, the positive impact of higher interest income was somewhat mitigated by a reduction in foreign exchange gain. In 1HFY2024, foreign exchange gain amounted to S\$0.193 million (comprising unrealized gain of S\$0.372 million and realized loss of S\$0.179 million), in contrast to a gain of S\$0.767 million in 1HFY2023 (including unrealized gain of S\$0.206 million and realized gain of S\$0.470 million).

2.1.5 Marketing, distribution and administration expenses

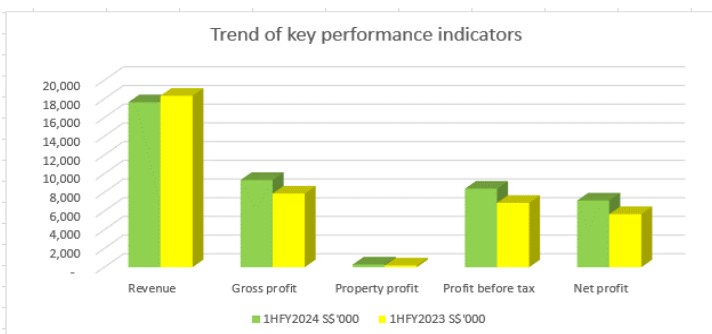
Year-on-year, we achieved a 2.3% reduction in marketing, distribution, and administration expenses. This positive outcome is primarily attributed to strategic cost management initiatives, including a decrease in staff-related costs resulting from unfilled positions, adjustment in incentive/bonus provisions, and a streamlined organizational restructuring geared towards efficiency and cost savings.

2.1.6 Other losses

In the 1HF 2023, the Group established a specific provision for doubtful debt amounting to S\$0.053 million. No such provision was deemed necessary in 1HFY2024. This absence of provision contributed to a reduction in other losses.

2.1.7 Trend of key performance indicators

The trend of revenue, gross profit, profit before tax and net profit is shown in the below chart (in S\$'000)



2.2 Review of the condensed interim statements of financial position

2.2.1 Other financial assets

Other financial assets - non current relates to quoted shares at FVTOCI.

The decrease in value was attributable to lower market value as at 30 September 2023 as compared to 31 March 2023.

2.2.2 Inventories

The inventory carry value experienced a decline, dropping from S\$6.043 million as of 31 March 2023, to S\$2.947 million as of 30 September 2023. This decrease can be attributed primarily to the following factors:

- i) A reduction in the acquisition of raw materials, facilitated by the normalization of supply-chain issues and the alleviation of shortages in key production components.
- ii) Ongoing provisions for impairment to offset potential financial impacts resulting from customers deferring product uptake or the risk of order cancellations.
- iii) Implementation of stringent control measures in inventory management, transitioning from a one-time delivery model by suppliers to multiple delivery dates aligned with production schedules.

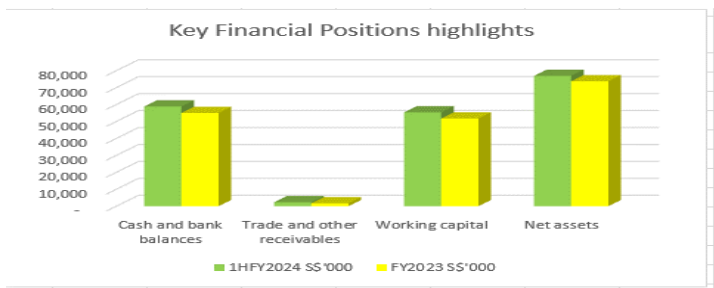
2.2.3 Trade and other receivables

Trade and other receivables increased from S\$1.684 million as at 31 March 2023 to S\$2.351 million as at 30 September 2023. The average debtors collection period for both 1HFY2024 and FY2023 was comparable, with 38 days and 36 days, respectively. The higher balances as at 30 September 2023 can be attributed to sales made nearing 30 September 2023. As at 10 November 2023, we have successfully collected all the amount due on 30 September 2023.

2.2.4 Trade and other payables

As at 30 September 2023 and 31 March 2023 the balances were \$3.635 million and \$4.07 million respectively. The decrease is mainly due to decrease in inventory holdings.

2.2.5 Key Financial Positions highlights



2.3. Condensed interim consolidated statement of cash flows

The Group's core wireless connectivity business and its net rental profit from the investment property continue to generate profits, contributing to the net cash flows of S\$6.784 million from operating activities.

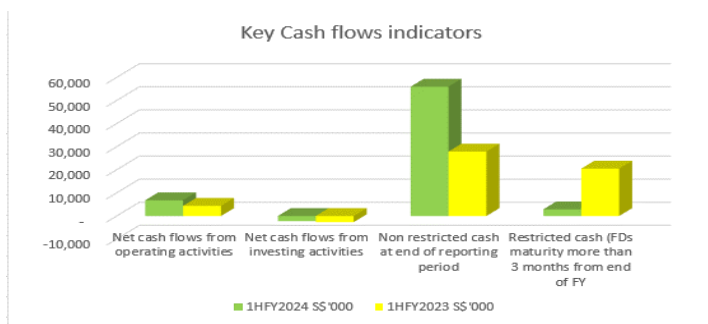
Cash was used mainly for the payment of dividends to shareholders and the acquisition of equipment.

The continual profitability and positive cash flow have contributed to the increase in cash and cash balance from \$55.037 million as at 31 March 2023 to S\$58.843 million as at 30 September 2023.

Cash restricted in use over 3 months in the Condensed interim consolidated statement of cash flows are fixed deposits with maturity dates of 3 months and beyond as at 30 September of the respective reporting periods.

Working capital (current asset less current liabilities) was \$55.391 million and \$51.783 million as 30 September 2023 and 31 March 2023 respectively. In both periods, cash and bank balances constitutes 91.21% (as at 30 September 2023) and 87.15% (as at 31 March 2023) of the total current assets. The increase in cash and cash equivalent balances is attributed to profitability of the core wireless connectivity business.

2.3.1 Key cashflow indicators



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

Not applicable

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern)

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not Applicable.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The Group has benefited from the growth in the wireless connectivity market. Between FY2019 and FY2023, during and post-Covid-19, our revenue and profit before taxation grew at a compounded growth rate of 11.5% and 12.2% respectively. We have increased our reach, both customers and industries, through our ability to customise (design, features and performances) our products to meet customers' details and specifications. Helping a number of our customers to move over from wi-fi 5 to wi-fi 6 has helped us to remain relevant and further our business relationships. Recently, ahead of some of our competitors, the Group has commenced introducing wi-fi 7 to its customers. These strategies have helped the Group to be resilient in a competitive market.

Despite current negative sentiments affecting the overall electronic industries, the Group continues to execute orders from customers and has added new customers and industries to its portfolio. A significant portion of the Group's current revenue (including those of the previous financial year) was from orders placed as far back as 3 years ago. Key suppliers/manufacturers, including our customers, then believe that the demand (for consumer's products and capital equipment) would continue to outpace their supply and this will continue into post-Covid-19 – a recovery phase for many major economies. However, this expectation did not materialise and resulted in a significant build-up of finished inventories. We believe a number of our customers are experiencing this and have started to take steps to reduce inventory holdings. They have now started to review their orders to us.

Inflationary pressure continues to be a key concern to major central banks and governments. Despite a number of steep increases in key interest rates over a short period of time to relieve inflationary pressures, it continues to persist and together with high interest rates has increase the cost of living. Both high interest rates and the cost of living have dampened consumer's confidence and demand and capital commitment towards investments. Regional conflicts (between Russia and Ukraine and Israel and its neighbours) have also caused disruptions and delays to economic recovery post-Covid-19.

Since mid-FY2022, arising from the above factors, the Group has received requests from customers wanting to defer their orders or have them cancelled. Management has taken steps to tighten procurement and holdings of raw material inventories which have resulted in a decline in the value of inventory holdings.

For the 6 months ending 30 September 2023, we have reviewed our orders and made specific impairments (by customers and products) in light of such uncertainties. As at 30 September 2023, impairment to inventories was \$1.105 million which was 27.27% of our inventories holding. Comparing this to 31 March 2023 and 30 September 2022, the impairments made were \$0.969 million and \$1.477 million respectively, or 13.81% and 15.87% respectively of our then total inventories holdings.

The acute shortages of supplies of key components (like microchips) have subsided in recent months and they have now become readily available. In the coming months, service income which contributed to our past profitability will be significantly reduced.

We have continued to receive orders however the crystallization of such orders into revenue is dependent on our customers not deferring or cancelling their orders.

5. Dividend information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? **No**

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately **No**

5c. Date Payable

Not applicable

5d. Record date

Not applicable

6. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

There was no reportable interested person transactions during the 6 months ended 30 September 2023.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

8. Negative confirmation pursuant to Rule 705(5).

The Board of Directors of Powermatic Data Systems Limited has confirmed that, to the best of their knowledge, nothing has come to their attention which may render the interim financial statements for the half year ended 30 September 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chen Mun

Chairman, CEO

Ang Bee Yan

Executive Director

BY ORDER OF THE BOARD

Wong Yoen Har

Company Secretary

Date : 14 November 2023