



CO REG NO: 200403029E

**Unaudited Condensed Interim Consolidated Financial Statements
For The Half Year Ended 30 June 2024**

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Condensed Interim Consolidated Income Statement and Consolidated Statement of Comprehensive Income

	Note	Group	
		Half Year ended 30/6/2024 (Unaudited) S\$'000	Half Year ended 30/6/2023 (Unaudited) S\$'000
Revenue	4.2	37,673	33,765
Cost of sales		(29,417)	(26,536)
Gross profit		8,256	7,229
Other income		676	470
Selling and distribution expenses		(2,235)	(1,657)
Administrative expenses		(4,281)	(3,860)
Other expenses		(1,306)	(1,491)
Loss allowance (made)/reversed on third party trade receivables		(119)	68
Finance costs		(191)	(261)
Profit before income tax	6	800	498
Income tax expense	7	(221)	(194)
Profit for the financial period		579	304
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		3	(359)
Other comprehensive income/(loss) for the financial period, net of tax		3	(359)
Total comprehensive income/(loss) for the financial period		582	(55)
Profit attributable to:			
Owners of the parent		589	314
Non-controlling interests		(10)	(10)
		579	304
Total comprehensive income/(loss) attributable to:			
Owners of the parent		599	(44)
Non-controlling interests		(17)	(11)
		582	(55)
Earnings per share			
Basic and diluted (in cents)	9	0.18	0.10

Condensed Interim Statements of Financial Position

	Note	Group		Company	
		As at 30/6/2024 (Unaudited) S\$'000	As at 31/12/2023 (Audited) S\$'000	As at 30/6/2024 (Unaudited) S\$'000	As at 31/12/2023 (Audited) S\$'000
Non-current assets					
Property, plant and equipment	11	17,116	17,359	-	-
Intangible asset	12	112	143	-	-
Investments in subsidiaries		-	-	11,851	11,408
Financial assets, at fair value through profit or loss		97	96	-	-
Financial assets, at fair value through other comprehensive income	13	-	-	-	-
Deferred tax assets		38	38	-	-
		<u>17,363</u>	<u>17,636</u>	<u>11,851</u>	<u>11,408</u>
Current assets					
Inventories		14,121	15,794	-	-
Trade and other receivables		10,314	12,763	9,894	10,970
Other current assets		306	882	-	-
Financial assets, at fair value through profit or loss		2	3	-	-
Fixed deposits		32	31	-	-
Cash and bank balances		7,386	5,408	27	57
		<u>32,161</u>	<u>34,881</u>	<u>9,921</u>	<u>11,027</u>
Less:					
Current liabilities					
Trade and other payables		6,601	6,788	134	200
Refund liabilities		813	1,660	-	-
Current income tax payable		215	295	19	33
Lease liabilities		85	106	-	-
Bank borrowings		4,691	6,424	-	-
		<u>12,405</u>	<u>15,273</u>	<u>153</u>	<u>233</u>
Net current assets		<u>19,756</u>	<u>19,608</u>	<u>9,768</u>	<u>10,794</u>
Less:					
Non-current liabilities					
Other payable[s]?		384	384	-	-
Lease liabilities		2,414	2,426	-	-
Bank borrowings		630	675	-	-
Deferred tax liabilities		313	313	24	24
		<u>3,741</u>	<u>3,798</u>	<u>24</u>	<u>24</u>
Net assets		<u>33,378</u>	<u>33,446</u>	<u>21,595</u>	<u>22,178</u>
Equity					
Share capital	15	24,777	24,777	24,777	24,777
Foreign currency translation account		(585)	(595)	-	-
Fair value reserve		(49)	(49)	-	-
Retained earnings/(Accumulated loss)		9,551	9,612	(3,182)	(2,599)
Equity attributable to owners of the parent		<u>33,694</u>	<u>33,745</u>	<u>21,595</u>	<u>22,178</u>
Non-controlling interests		(316)	(299)	-	-
Total equity		<u>33,378</u>	<u>33,446</u>	<u>21,595</u>	<u>22,178</u>

Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		Half Year ended 30/6/2024 (Unaudited) S\$'000	Half Year ended 30/6/2023 (Unaudited) S\$'000
Operating activities			
Profit before income tax		800	498
Adjustments for:			
Loss allowance made/(reversed) on third party trade and other receivables		119	(68)
Bad debt written off		-	25
Write-down of inventories	6.1	408	413
Amortisation of intangible asset		31	31
Depreciation of property, plant and equipment	6.1	545	554
Fair value loss arising from financial assets, at fair value through profit or loss		-	9
Property, plant and equipment written off		8	-
Gain on disposal of property, plant and equipment		(12)	-
Interest expense	6.1	191	261
Interest income		(34)	(16)
Unrealised exchange gain		(101)	(797)
Operating cash flows before working capital changes		1,955	910
Working capital changes:			
Inventories		1,264	1,968
Trade and other receivables		2,507	6,399
Trade and other payables		(285)	208
Other current assets		576	760
Refund liabilities		(847)	(1,305)
Cash generated from operations		5,170	8,940
Income tax paid		(302)	(409)
Interest received		34	16
Net cash from operating activities		4,902	8,547
Investing activities			
Proceeds from disposal of property, plant and equipment		12	-
Purchase of property, plant and equipment		(279)	(123)
Financial assets, at fair value through profit or loss		-	(100)
Net cash used in investing activities		(267)	(223)
Financing activities			
Dividend paid	8	(650)	(650)
Fixed deposit		(1)	100
Interest paid		(191)	(261)
Repayment of lease liabilities		(59)	(69)
Repayment of bank borrowings		(1,792)	(5,382)
Net cash used in financing activities		(2,693)	(6,262)
Net change in cash and cash equivalents		1,942	2,062
Cash and cash equivalents at beginning of financial period		5,408	5,416
Net effect of exchange rate changes on cash and cash equivalents		36	(340)
Cash and cash equivalents at end of financial period		7,386	7,138

Condensed Interim Consolidated Statement of Changes in Equity

Group	Share capital S\$'000	Foreign currency translation account S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non- controlling interests S\$'000	Total S\$'000
(Unaudited)							
Balance at 1 January 2024	24,777	(595)	(49)	9,612	33,745	(299)	33,446
Profit for the financial period	-	-	-	589	589	(10)	579
Exchange differences on translating foreign operations	-	10	-	-	10	(7)	3
Total comprehensive loss for the financial period	-	10	-	589	599	(17)	582
Transactions with owners:							
Dividends	-	-	-	(650)	(650)	-	(650)
Balance at 30 June 2024	<u>24,777</u>	<u>(585)</u>	<u>(49)</u>	<u>9,551</u>	<u>33,694</u>	<u>(316)</u>	<u>33,378</u>
(Unaudited)							
Balance at 1 January 2023	24,777	(114)	(49)	9,276	33,890	(286)	33,604
Profit for the financial period	-	-	-	314	314	(10)	304
Exchange differences on translating foreign operations	-	(358)	-	-	(358)	(1)	(359)
Total comprehensive income for the financial period	-	(358)	-	314	(44)	(11)	(55)
Transactions with owners:							
Dividends	-	-	-	(650)	(650)	-	(650)
Balance at 30 June 2023	<u>24,777</u>	<u>(472)</u>	<u>(49)</u>	<u>8,940</u>	<u>33,196</u>	<u>(297)</u>	<u>32,899</u>

Condensed Interim Statement of Changes in Equity

Company	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
(Unaudited)			
Balance at 1 January 2024	24,777	(2,599)	22,178
Total comprehensive loss for the financial period:			
Loss for the financial period	-	67	67
Transactions with owners:			
Dividends	-	(650)	(650)
Balance at 30 June 2024	<u>24,777</u>	<u>(3,182)</u>	<u>21,595</u>
(Unaudited)			
Balance at 1 January 2023	24,777	(2,670)	22,107
Total comprehensive income for the financial period:			
Profit for the financial period	-	(1,317)	(1,317)
Transactions with owners:			
Dividends	-	(650)	(650)
Balance at 30 June 2023	<u>24,777</u>	<u>(4,637)</u>	<u>20,140</u>

Notes to Condensed Interim Consolidated Financial Statements

1. General corporate information

Hosen Group Ltd. (the “Company”) (Registration Number: 200403029E) is a public company limited by shares incorporated and domiciled in Singapore with its principal place of business and registered office at 267 Pandan Loop, Singapore 128439. The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (the “Group”).

The principal activity of the Company is that of investment holding.

The principal activities of the Group are:

- (a) import, distribution, wholesale of fast moving consumer goods; and
- (b) develop, process, trade and distribute house brand and new chocolate products.

2. Basis of preparation

The condensed interim financial statements for the half year ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention and SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim 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 annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s. There was no change in the accounting policies and methods of computation for the current financial period reported on.

The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The condensed interim consolidated financial statements of the Group and the condensed interim statement of financial position of the Company are presented in Singapore dollar (“\$”) which is the functional currency of the Company and the presentation currency for the condensed interim consolidated financial statements and all values presented are rounded to the nearest thousand (“\$’000”), unless otherwise stated.

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholder value.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, treasury shares (if any), foreign currency translation account and retained earnings. The Group’s management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividend, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt. The Group’s overall strategy remains unchanged from the previous financial year.

2.1 Use of judgements and estimates

The preparation of condensed interim financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

In the application of the Group's accounting policies, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

The significant judgments 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 condensed interim consolidated financial statements as at and for the year ended 31 December 2023.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Seasonal operations

Management uses the expected value method which analyses the historical purchasing patterns and product returns of customers, including seasonal trends, to develop its estimation of refund liabilities for return of goods and the assets recognised from rights to the recovered goods. The trend is dependent on market and economic factors which may affect customers' behaviour.

4. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

The Group is primarily engaged in two reportable segments, namely, house brands and non-house brands.

Principal activities of each business segment are as follows:

- House brands – Development, trading and distribution of canned seafood, canned fruits and vegetables and canned meat products, and chocolate products.
- Non-house brands – Importation, distribution, wholesaling and retailing of canned food and household consumable goods.

4.1 Reportable segments

Operating segment

Half year ended 30 June 2024	Group		
	House Brands (Unaudited) S\$'000	Non-House Brands (Unaudited) S\$'000	Total (Unaudited) S\$'000
External revenue	32,826	4,847	37,673
Inter-segment revenue	2,168	10	2,178
Total revenue	34,994	4,857	39,851
Interest expense	(170)	(21)	(191)
Depreciation of property, plant and equipment	(409)	(56)	(465)
Amortisation of intangible asset	(25)	(6)	(31)
Loss allowance made on third party trade receivables	(111)	(8)	(119)
Write-down of inventories	(370)	(38)	(408)
Segment profit	540	347	887
Assets			
Segment assets	32,347	6,820	39,167
Capital expenditure	254	51	305
Liabilities			
Segment liabilities	13,427	1,643	15,070

Half year ended 30 June 2023	Group		
	House Brands (Unaudited) S\$'000	Non-House Brands (Unaudited) S\$'000	Total (Unaudited) S\$'000
External revenue	28,235	5,530	33,765
Inter-segment revenue	2,460	11	2,471
Total revenue	30,695	5,541	36,236
Interest expense	(224)	(37)	(261)
Depreciation of property, plant and equipment	(439)	(85)	(524)
Amortisation of intangible asset	(23)	(8)	(31)
Loss allowance reversed/(made) on third party trade receivables	77	(9)	68
Bad debt written off	(25)	-	(25)
Write-down of inventories	(366)	(47)	(413)
Segment profit	657	9	666
Assets			
Segment assets	34,983	7,446	42,429
Capital expenditure	136	21	157
Liabilities			
Segment liabilities	15,359	837	16,196

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

	Group	
	Half Year ended 30/6/2024 (Unaudited) S\$'000	Half Year ended 30/6/2023 (Unaudited) S\$'000
Revenue		
Total revenue for reportable segments	39,851	36,236
Elimination of inter-segment revenue	(2,178)	(2,471)
Consolidated revenue	37,673	33,765
Profit or loss		
Total segment profit	887	666
Unallocated corporate income	105	93
Other expenses	(192)	(261)
Consolidated profit before income tax	800	498
Assets		
Segment assets	39,167	42,429
Other unallocated assets	10,357	7,680
Consolidated total assets	49,524	50,109
Liabilities		
Segment liabilities	15,070	16,196
Other unallocated liabilities	1,076	1,014
Consolidated total liabilities	16,146	17,210

Geographical segment

	Group	
	Half Year ended 30/6/2024 (Unaudited) S\$'000	Half Year ended 30/6/2023 (Unaudited) S\$'000
Total revenue from external customers		
Singapore	16,843	15,796
Malaysia	13,148	11,403
Others ⁽¹⁾	7,682	6,566
	37,673	33,765
Non-current assets		
Singapore	13,361	13,673
Malaysia	4,002	4,162
Others ⁽¹⁾	-	1
	17,363	17,836

⁽¹⁾ "Others" include countries in Africa, Europe and Asia other than Malaysia and Singapore of which none of these countries contributes individually more than 10 percent of the Group's revenue.

4.2 Disaggregation of revenue

Half year ended 30 June 2024			
	House Brands (Unaudited) S\$'000	Group Non-House Brands (Unaudited) S\$'000	Total (Unaudited) S\$'000
Type of good or service:			
Goods	32,771	4,832	37,603
Services	56	14	70
	<u>32,827</u>	<u>4,846</u>	<u>37,673</u>

Half year ended 30 June 2023			
	House Brands (Unaudited) S\$'000	Group Non-House Brands (Unaudited) S\$'000	Total (Unaudited) S\$'000
Type of good or service:			
Goods	28,169	5,509	33,678
Services	66	21	87
	<u>28,235</u>	<u>5,530</u>	<u>33,765</u>

5. Financial assets and financial liabilities

	Group		Company	
	As at 30/6/2024 (Unaudited) S\$'000	As at 31/12/2023 (Audited) S\$'000	As at 30/6/2024 (Unaudited) S\$'000	As at 31/12/2023 (Audited) S\$'000
Financial assets				
Cash and bank balances, fixed deposits and trade and other receivables ⁽¹⁾	<u>16,321</u>	<u>16,734</u>	<u>9,921</u>	<u>11,024</u>
Financial liabilities				
Trade and other payables and borrowings ⁽²⁾	<u>(13,411)</u>	<u>(15,870)</u>	<u>(134)</u>	<u>(200)</u>

⁽¹⁾ Excludes advance payment to suppliers, goods and services tax and prepayments.

⁽²⁾ Excludes advance receipts from customers and goods and services tax.

6. Profit before taxation

6.1 Significant items

	Group	
	Half Year ended 30/6/2024 (Unaudited) S\$'000	Half Year ended 30/6/2023 (Unaudited) S\$'000
Expenses		
Write-down of inventories	408	413
Depreciation of property, plant and equipment	545	554
Interest expense	191	261
Forex exchange (gain)/loss (net)	(216)	130

6.2 Related party transactions

	Group	
	Half Year ended 30/6/2024 (Unaudited) S\$'000	Half Year ended 30/6/2023 (Unaudited) S\$'000
Sales to related parties	9	21
Purchases from related parties	10	32

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	Half Year ended 30/6/2024 (Unaudited) S\$'000	Half Year ended 30/6/2023 (Unaudited) S\$'000
Current income tax expense	221	194
Deferred income tax expense relating to origination and reversal of temporary differences	-	-
	221	194

8. Dividends

	Group	
	Half Year ended 30/6/2024 (Unaudited) S\$'000	Half Year ended 30/6/2023 (Unaudited) S\$'000
First and final tax-exempt dividend paid in respect of the previous financial year		
- Per share	S\$0.002	S\$0.002
- Value	650	650

9. Earnings per ordinary share

	Group	
	Half Year ended 30/6/2024 (Unaudited)	Half Year ended 30/6/2023 (Unaudited)
Earnings per ordinary share of the Group attributable to owners of the parent for the period on the net profit after income tax:		
(Singapore cents)		
(a) Based on the weighted average number of shares	0.18	0.10
(b) On a fully diluted basis	0.18	0.10

Basic earnings per share are computed based on the weighted average number of issued shares excluding treasury shares of 324,900,846 for the financial period ended 30 June 2024 and 30 June 2023.

The basic and diluted earnings per share are the same as there were no potentially dilutive securities for the period ended 30 June 2024 and 30 June 2023.

10. Net asset value

	Group		Company	
	As at 30/6/2024 (Unaudited)	As at 31/12/2023 (Audited)	As at 30/6/2024 (Unaudited)	As at 31/12/2023 (Audited)
(Singapore cents)				
Net asset value per ordinary share	10.37	10.39	6.65	6.83

The net asset value per share is calculated based on the total number of issued shares excluding treasury shares of 324,900,846 as at 30 June 2024 and 31 December 2023.

11. Property, plant and equipment

The Group's addition of assets amounted to S\$305,000 and disposal of assets with net book value of S\$Nil in the half year ended 30 June 2024 as compared to addition of assets amounted to S\$157,000 and no disposal of assets in the half year ended 30 June 2023.

12. Intangible asset

	Group Computer Software S\$'000
As at 31 December 2023 (Audited)	
Cost	676
Accumulated amortisation	(533)
Net carrying amount	<u>143</u>
Half year ended 30 June 2024 (Unaudited)	
Balance as at 1 January 2024	143
Additions	-
Amortisation charge	(31)
Balance as at 30 June 2024	<u>112</u>
As at 30 June 2024 (Unaudited)	
Cost	676
Accumulated amortisation	(564)
Net carrying amount	<u>112</u>

13. Financial assets, at fair value through other comprehensive income

The Group has designated its unlisted equity investment in Singapore of S\$49,000 to be measured at FVOCI. The Group intends to hold this investment for long-term and strategic investment purposes.

The fair value of unlisted equity investment was derived using adjusted net assets of the unlisted equity investment which approximated the carrying amount of S\$Nil as at 30 June 2024 (31 December 2023: S\$Nil).

14. Borrowings

	Group			
	As at 30/6/2024 (Unaudited)		As at 31/12/2023 (Audited)	
	(2)Secured S\$'000	(1)Unsecured S\$'000	(2)Secured S\$'000	(1)Unsecured S\$'000
Repayable within one year or less or on demand	109	4,601	120	6,336
Repayable after one year	656	-	685	-
Total	<u>765</u>	<u>4,601</u>	<u>805</u>	<u>6,336</u>

(1) The unsecured borrowings comprise unsecured short term bank loans of the Group amounting to S\$0.19 million (31 December 2023: S\$2.00 million) and bills payable amounting to S\$4.41 million (31 December 2023: S\$4.34 million).

(2) The secured borrowings include term loan amounting to S\$0.72 million (31 December 2023: S\$0.76 million) and finance lease of the Group amounting to S\$0.05 million (31 December 2023: S\$0.04 million).

Details of any collateral

Term loan is secured by legal mortgage over a property in Malaysia. Finance lease payables are secured by the underlying assets acquired.

15. Share capital

	Group and Company			
	As at 30/6/2024 (Unaudited)		As at 31/12/2023 (Audited)	
	Number of shares	Amount S\$'000	Number of shares	Amount S\$'000
Total number/amount of Ordinary Shares	<u>324,900,846</u>	<u>24,777</u>	<u>324,900,846</u>	<u>24,777</u>

There were no changes in the Company's share capital since the end of the previous period reported on which was as at 31 December 2023.

There were no outstanding convertibles as at 30 June 2024 and 30 June 2023.

There were no treasury shares as at 30 June 2024 and 30 June 2023. As such, there was no sale, transfer, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

There were no subsidiary holdings as at 30 June 2024 and 30 June 2023. As such, there was no sale, transfer, cancellation and/or use of subsidiary holdings during and as at the end of the current financial year reported on.

16. Subsequent events

There is no known subsequent events which have led to adjustments to the condensed interim financial statements for the half year ended 30 June 2024.

Other Information Required by Appendix 7C of the Catalyst Rules

1. Review

The half year ended 30 June 2024 condensed interim financial statements and certain explanatory notes have not been audited or reviewed by the Company's auditor.

The Group's latest financial statements for the year ended 31 December 2023 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Condensed Interim Consolidated Statement of Comprehensive Income

The Group recorded a higher revenue of S\$37.67 million in the half year ended 30 June 2024 ("1H2024") compared to S\$33.77 million in the half year ended 30 June 2023 ("1H2023"). The increase of S\$3.90 million or 11.6% in revenue was primarily due to higher sales volume and adjustments in selling price to cover rising costs.

Gross profit increased by S\$1.03 million to S\$8.26 million in 1H2024 from S\$7.23 million in 1H2023 mainly due to increase in revenue. There is a slight increase of gross profit margin from 21.41% in 1H2023 to 21.91% in 1H2024.

Other income increased by S\$0.21 million to S\$0.68 million in 1H2024 from S\$0.47 million in 1H2023 mainly due to the forex exchange gain in 1H2024.

Selling and distribution expenses increased by S\$0.58 million to S\$2.24 million in 1H2024 from S\$1.66 million in 1H2023 mainly due to more expenses spent on advertisement, promotion and logistic costs which commensurate with higher sales in 1H2024.

Administrative expenses increased by S\$0.42 million to S\$4.28 million in 1H2024 from S\$3.86 million in 1H2023 mainly due to increase in staff cost and higher provision of potential employees' bonus in line with higher profit in 1H2024.

Other expenses decreased by S\$0.18 million to S\$1.31 million in 1H2024 from S\$1.49 million in 1H2023. This decrease was mainly due to absence of foreign exchange loss, bad debt written off and lower repairs and maintenance incurred in 1H2024 as compared to 1H2023.

S\$0.12 million was provisioned for loss allowance on third party trade receivables in 1H2024 as compared to loss allowance reversed in 1H2023 of S\$0.07 million mainly due to higher provision for expected credit loss allowance due to higher sales in 1H2024.

Finance costs decreased by S\$0.07 million to S\$0.19 million in 1H2024 due to lesser borrowings in 1H2024.

As a result of the abovementioned, the Group recorded a net profit attributable to owners of the parent of S\$0.59 million for 1H2024 as compared to net profit of S\$0.31 million for 1H2023.

Condensed Interim Statement of Financial Position

The Group's net assets were S\$33.38 million as at 30 June 2024, compared to S\$33.45 million as at 31 December 2023. The net decrease of S\$0.07 million was largely attributable to profit earned in 1H2024 offset by the FY2023 final dividend paid in 1H2024, and the effect of exchange differences on translating foreign operations.

The significant changes to the Condensed Interim Statement of Financial Position were as follows:-

Property, plant and equipment as at 30 June 2024 and as at 31 December 2023 were respectively recorded at S\$17.12 million and S\$17.36 million. The decrease of S\$0.24 million was mainly due current period depreciation in 1H2024 partially offset by some addition of assets.

Inventories decreased by S\$1.67 million to S\$14.12 million as at 30 June 2024 from S\$15.79 million as at 31 December 2023 mainly due to lower inventory level as at 30 June 2024 as compared to 31 December 2023 that were maintained by the Group to meet the sales demand during Chinese New Year in 2024 ("CNY2024").

Trade and other receivables decreased by S\$2.45 million to S\$10.31 million as at 30 June 2024 from S\$12.76 million as at 31 December 2023 which resulted from prompt collection of debts.

Other current assets, representing the right to the recovered goods for sales returns by customers, reduced to S\$0.31 million as at 30 June 2024 from S\$0.88 million as at 31 December 2023 mainly due to the lower expected return of goods as of 30 June 2024 as compared to the end of FY2023 in connection with CNY2024

Trade and other payables in current liabilities decreased by S\$0.19 million to S\$6.60 million as at 30 June 2024 mainly due to the increase in advance of receipt from customers in 1H2024; also accrual of profit sharing and employees' bonus for 1H2024 as compared with the accrual of the same related expenses for a full-year period in FY2023 which was paid in 1H2024.

Refund liabilities represents the liabilities for return of goods and sales rebates. It dropped to S\$0.81 million as at 30 June 2024 from S\$1.66 million as at 31 December 2023 in line with the reduction in other current assets.

Lease liabilities in current liabilities and non-current liabilities in aggregate decreased by S\$0.03 million to S\$2.50 million as at 30 June 2024 mainly due to additional hire purchase of motor vehicle offset with repayment of lease obligations.

Bank borrowings in current liabilities, mainly comprised bills payable and short term unsecured loans, decreased by S\$1.73 million to S\$4.69 million as at 30 June 2024 from S\$6.42 million as at 31 December 2023 which was in line with the lower inventory kept by the Group and more collection from trade and other receivables

Bank borrowings in non-current liabilities decreased by S\$0.05 million to S\$0.63 million as at 30 June 2024 from S\$0.68 million as at 31 December 2023 mainly due to repayment of term loan for the Group's property in Malaysia.

Condensed Interim Consolidated Statement of Cash Flows

Cash and cash equivalents was recorded at S\$7.39 million as at 30 June 2024. Out of the cash and cash equivalents, S\$4.90 million was generated from operating activities, S\$0.27 million used in investing activities and S\$2.69 million used in financing activities.

The net cash generated from operating activities mainly comprised the operating cash flows before working capital changes of S\$1.96 million, decrease in inventories by S\$1.26 million, decrease in trade and other receivables by S\$2.51 million and decrease in refund liabilities by S\$0.85 million.

The net cash used in investing activities was mainly attributable to the acquisition of property, plant and equipment of S\$0.28 million.

The net cash used in financing activities mainly consisted of repayment of bank borrowings of S\$1.79 million and payment of the FY2023 final dividend of S\$0.65 million.

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

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 reporting period and the next 12 months

The group remains cautious about the outlook due to several factors. These include inflationary pressures leading to higher raw material and operating costs, slower economic growth, and ongoing global political uncertainties. The Group will continue to manage its cost and enhance its operation efficiencies while exploring potential expansion of production capacities and new business opportunities.

5. Dividend information

5.1 If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Not applicable.

(b) (i) Amount per share cents

Nil

(ii) Previous corresponding period cents

Nil

(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 hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

No applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended for the half year ended 30 June 2024 as the Group intends to conserve funds for working capital purposes.

6. Interested person transactions

The Company does not have a general mandate for IPT from shareholders. There was no IPT with value of S\$100,000 and more entered into during the financial period.

7. Disclosure of acquisition (including incorporations) and sale of shares under Rule 706A

The Company did not carry out any acquisition or sale of shares during the current financial period.

The Company announced on 13 June 2024 that the Company's wholly-owned subsidiary, Hock Seng Food Pte Ltd., has entered into Share Transfer Agreement ("SPA") to dispose of its entire 100% owned subsidiary, Hock Seng Food (Shanghai) Co. Ltd. for a nominal sum of S\$1.00 in cash. The completion date for the disposal, previously set to occur within 60 days from the SPA, has been extended to 30 September 2024.

8. 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 confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

BY ORDER OF THE BOARD

Lim Hock Chye Daniel
Chief Executive Officer

08 August 2024

Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited

On behalf of the Board of Directors, we hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of Hosen Group Ltd which may render the unaudited condensed interim consolidated financial statements for the half year ended 30 June 2024 to be false or misleading in any material aspects.

For and on behalf of the Board of Hosen Group Ltd.

Lim Hock Chye Daniel
Executive Director and Chief Executive Officer

Lim Hai Cheok
Executive Director

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.