

**NEW WAVE HOLDINGS LTD.**

**Unaudited Full Year Financial Statement and Dividend Announcement for the Financial Year Ended 31/03/2023**

**A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months and full year ended 31 March 2023**

	Note	Group Six months ended 31 March			Group Year ended 31 March		
		2023 S\$'000	2022 S\$'000	Change %	2023 S\$'000	2022 S\$'000	Change %
Revenue	4	10,257	15,196	(32.5)	23,433	27,167	(13.7)
Cost of sales		(8,576)	(11,003)	(22.1)	(18,204)	(19,911)	(8.6)
Gross profit		1,681	4,193	(59.9)	5,229	7,256	(27.9)
Interest income		4	2	100.0	6	5	20.0
Other income		87	152	(42.8)	221	276	(19.9)
Distribution costs		(152)	(242)	(37.2)	(353)	(423)	(16.5)
Administrative expenses		(2,014)	(2,044)	(1.5)	(4,070)	(3,937)	3.4
Loss allowance made for trade receivables	12	(78)	(78)	0.0	(21)	(102)	(79.4)
Other operating expenses		(68)	(470)	(85.5)	(999)	(817)	22.3
Finance costs		(224)	(140)	60.0	(390)	(254)	53.5
(Loss)/Profit before income tax	5	(764)	1,373	NM	(377)	2,004	NM
Income tax expense	6	99	(37)	NM	(128)	(242)	(47.1)
<b>(Loss)/Profit for the period/year</b>		<b>(665)</b>	<b>1,336</b>	<b>NM</b>	<b>(505)</b>	<b>1,762</b>	<b>NM</b>
<b>Other comprehensive income</b>							
<b>Items that may subsequently be reclassified to profit or loss:</b>							
Foreign currency translation		(519)	12	NM	(1,027)	86	NM
<b>Total comprehensive income for the period/year</b>		<b>(1,184)</b>	<b>1,348</b>	<b>NM</b>	<b>(1,532)</b>	<b>1,848</b>	<b>NM</b>
<b>(Loss)/Profit after tax attributable to:</b>							
Owners of the parent		(601)	1,170	NM	(591)	1,480	NM
Non-controlling interest		(64)	166	NM	86	282	(69.5)
		<b>(665)</b>	<b>1,336</b>	<b>NM</b>	<b>(505)</b>	<b>1,762</b>	<b>NM</b>
<b>Total comprehensive income attributable to:</b>							
Owners of the parent		(1,100)	1,182	NM	(1,598)	1,566	NM
Non-controlling interest		(84)	166	NM	66	282	(76.6)
		<b>(1,184)</b>	<b>1,348</b>	<b>NM</b>	<b>(1,532)</b>	<b>1,848</b>	<b>NM</b>
(Loss)/Earnings per share (Cents)							
- Basic and diluted	7	(0.03)	0.07		(0.03)	0.09	

NM = Not Meaningful

## B. Condensed Interim Consolidated Statement of Financial Position as at 31 March 2023

	Note	Group		Company	
		As at 31/3/2023 (Unaudited) S\$'000	As at 31/3/2022 (Audited) S\$'000	As at 31/3/2023 (Unaudited) S\$'000	As at 31/3/2022 (Audited) S\$'000
<b>Non-current assets</b>					
Property, plant and equipment		1,933	2,106	-	-
Right-of-use assets		523	572	-	-
Investment properties	10	5,170	5,170	-	-
Intangible assets	11	1,257	1,485	-	-
Investments in subsidiaries		-	-	18,040	21,278
Other non-current asset		93	-	-	-
Deferred tax asset		266	266	-	-
		<u>9,242</u>	<u>9,599</u>	<u>18,040</u>	<u>21,278</u>
<b>Current assets</b>					
Inventories		13,328	12,945	-	-
Trade and other receivables	12	4,145	6,919	4,410	5,207
Prepayments		182	160	10	9
Income tax recoverable		393	203	-	-
Cash and cash equivalents		1,628	2,550	119	119
		<u>19,676</u>	<u>22,777</u>	<u>4,539</u>	<u>5,335</u>
Less:-					
<b>Current liabilities</b>					
Trade and other payables		3,734	3,627	3,172	3,127
Lease liabilities		294	394	-	-
Interest-bearing liabilities	13	5,682	6,478	-	-
Current income tax payable		-	17	-	-
		<u>9,710</u>	<u>10,516</u>	<u>3,172</u>	<u>3,127</u>
Net current assets		<u>9,966</u>	<u>12,261</u>	<u>1,367</u>	<u>2,208</u>
<b>Non-current liabilities</b>					
Interest-bearing liabilities	13	1,939	3,097	-	-
Lease liabilities		201	177	-	-
Deferred revenue		109	-	-	-
Deferred tax liabilities		117	192	-	-
		<u>2,366</u>	<u>3,466</u>	<u>-</u>	<u>-</u>
Net assets		<u><u>16,842</u></u>	<u><u>18,394</u></u>	<u><u>19,407</u></u>	<u><u>23,486</u></u>
<b>Capital and reserves</b>					
Share capital	9	27,460	27,460	27,460	27,460
Asset revaluation reserve		315	315	-	-
Share-based payment reserve		31	31	31	31
Foreign currency translation reserve		(2,496)	(1,469)	-	-
Accumulated losses		(8,798)	(8,207)	(8,084)	(4,005)
Equity attributable to owners of the parent		<u>16,512</u>	<u>18,130</u>	<u>19,407</u>	<u>23,486</u>
Non-controlling interest		330	264	-	-
Total equity		<u><u>16,842</u></u>	<u><u>18,394</u></u>	<u><u>19,407</u></u>	<u><u>23,486</u></u>

**C. Condensed Interim Consolidated Statement of Cash Flows for the financial year ended 31 March 2023**

	Group	
	Year ended 31 March	
	2023 (Unaudited) S\$'000	2022 (Audited) S\$'000
<b>Operating activities</b>		
(Loss)/Profit before income tax	(377)	2,004
Adjustments for:-		
Loss allowance made for trade receivables	21	102
Amortisation of intangible asset	228	228
Amortisation of right-of-use assets	410	366
Bad trade receivables written off	-	14
Depreciation of property, plant and equipment	121	140
Gain on disposal of plant and equipment	(20)	(1)
Loss/(Gain) from lease modifications	1	(3)
Interest expense	390	254
Interest income	(6)	(5)
Write down of inventories	54	34
Unrealised foreign exchange gains	(103)	(12)
Operating cash flows before working capital changes	719	3,121
Working capital changes:-		
Inventories	(1,173)	(4,255)
Trade and other receivables	2,359	(2,154)
Trade and other payables	351	477
Prepayments	(31)	(37)
Cash from/(used in) operations	2,225	(2,848)
Interest received	6	5
Interest paid	(390)	(254)
Income taxes paid, net	(427)	(538)
Net cash from/(used in) operating activities	1,414	(3,635)
<b>Investing activities</b>		
Proceeds from disposal of plant and equipment	31	4
Purchase of property, plant and equipment (Note B)	(69)	(97)
Net cash used in investing activities	(38)	(93)
<b>Financing activities</b>		
Proceeds from trust receipts	13,386	15,494
Repayment of trust receipts	(14,046)	(12,264)
Repayment of term loans	(1,088)	(1,059)
Repayments of principal of lease liabilities	(425)	(379)
Net cash (used in)/from financing activities	(2,173)	1,792
Net change in cash and cash equivalents	(797)	(1,936)
Cash and cash equivalents at the beginning of the financial year	2,506	4,444
Effects of currency translation on cash and cash equivalents	(89)	(2)
Cash and cash equivalents at the end of the financial year (Note A)	1,620	2,506

Note A:

Cash and cash equivalents comprise fixed deposit and cash and bank balances less bank overdrafts:-

	S\$'000	S\$'000
Fixed deposits with banks	337	399
Cash and bank balances	1,291	2,151
Total as per statement of financial position	1,628	2,550
Less: bank overdrafts	8	44
Total as per cash flow statement	1,620	2,506

Note B:

Additions to plant and equipment comprised the following:

	S\$'000	S\$'000
Additions to plant and equipment (including leased assets)	160	97
Acquired under finance lease agreements	(91)	-
	69	97

#### D. Condensed Interim Consolidated Statements of Changes in Equity for the financial year ended 31 March 2023

	Equity attributable to owners of the parent							Total Equity S\$'000
	Share capital S\$'000	Asset revaluation reserve S\$'000	Share-based payment reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	NCI S\$'000	
The Group								
Balance at 1 April 2022	27,460	315	31	(1,469)	(8,207)	18,130	264	18,394
<b>(Loss)/Profit for the financial year</b>	-	-	-	-	(591)	(591)	86	(505)
<b>Other comprehensive income for the financial year</b>								
Exchange differences on translating foreign operations	-	-	-	(1,027)	-	(1,027)	(20)	(1,047)
<b>Total comprehensive income for the financial year</b>	-	-	-	(1,027)	(591)	(1,618)	66	(1,552)
Balance at 31 March 2023	27,460	315	31	(2,496)	(8,798)	16,512	330	16,842
Balance at 1 April 2021	27,460	315	31	(1,555)	(9,687)	16,564	(18)	16,546
<b>Profit for the financial year</b>	-	-	-	-	1,480	1,480	282	1,762
<b>Other comprehensive income for the financial year</b>								
Exchange differences on translating foreign operations	-	-	-	86	-	86	-	86
<b>Total comprehensive income for the financial year</b>	-	-	-	86	1,480	1,566	282	1,848
Balance at 31 March 2022	27,460	315	31	(1,469)	(8,207)	18,130	264	18,394

**D. Condensed Interim Consolidated Statements of Changes in Equity for the financial year ended 31 March 2023 (Continued)**

The Company	Share capital S\$'000	Share-based payment reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance at 1 April 2022	27,460	31	(4,005)	23,486
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(4,079)	(4,079)
Balance at 31 March 2023	<u>27,460</u>	<u>31</u>	<u>(8,084)</u>	<u>19,407</u>
Balance at 1 April 2021	27,460	31	(8,361)	19,130
Loss for the financial year, representing total comprehensive income for the financial year	-	-	4,356	4,356
Balance at 31 March 2022	<u>27,460</u>	<u>31</u>	<u>(4,005)</u>	<u>23,486</u>

**E. Notes to the Condensed Interim Consolidated Financial Statements**

**1. Corporate Information**

New Wave Holdings Ltd. (the “Company”) is a public company limited by shares, incorporated and domiciled in the Republic of Singapore. The Company is listed on Catalist of the Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements as at and for the six months ended 31 March 2023 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of an investment holding company. The subsidiaries’ operations are primarily divided into two divisions, the principal activities of which are (i) the sale and distribution of aluminium alloy products and (ii) trading in cabling products, electrical and electronic equipment and components, hardware and software engineering in micro-computer and communication systems.

**2. Basis of preparation**

The condensed interim financial statements for the six months ended 31 March 2023 have been prepared in accordance with 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 interim financial statements for the half year period ended 30 September 2022.

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

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

## E. Notes to the Condensed Interim Consolidated Financial Statements (Continued)

### 2. Basis of preparation (Continued)

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

The Group has adopted the new or revised SFRS(I) and Interpretations to SFRS(I) ("SFRS(I) INT") that are relevant to its operations and are effective in the financial year ended 31 March 2023 ("FY2023"). The adoption of these new or revised SFRS(I) and SFRS(I) INT where relevant has no material impact on the Group's accounting policies or the financial statements for the current financial period reported on.

#### 2.2 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 were applied to the audited annual consolidated financial statements as at 31 March 2022 ("FY2022").

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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are as discussed below:

##### (i) Fair value of investment properties

The Group's investment properties comprise freehold shop units that are held for long-term rental yields and for capital appreciation. The fair value of the investment properties have been determined to be S\$5,170,000 based on the valuation carried out by an independent valuer having an appropriate recognised professional qualification.

The management has reviewed the appropriateness of the valuation methodologies and assumptions adopted and the appropriateness and reliability of the inputs used in the valuations and is satisfied that the fair value is reflective of current market situation.

##### (ii) Allowance for inventories obsolescence

Inventories are stated at the lower of cost and net realisable value. The management primarily determines cost of inventories using the "first-in, first-out" and "weighted average" method. The management provides for obsolete inventories based on historical usage, estimated future demand and related pricing. In determining inventories obsolescence, the management considers recent sales activities, related margin and market positioning of its products. However, factors beyond its control, such as demand levels, technological advances and pricing competition, could change from period to period. Such factors may require the Group to reduce the value of its inventories.

The management has provided an allowance for inventories obsolescence for the components distribution division of approximately S\$54,000 for the six months period under review. No allowance for inventories obsolescence was recorded for the aluminium products distribution division. However, on a regular basis, the division will identify certain stock items that may ultimately be sold as scrap metal and will write down the value of these items to an approximate scrap value. The write-off amount will not be shown as inventories obsolescence but will be treated as cost adjustment and included in cost of sales. This is because these items will remain in stock and can be sold at regular selling prices whenever there is a demand for them.

## E. Notes to the Condensed Interim Consolidated Financial Statements (Continued)

### 2. Basis of preparation (Continued)

#### 2.2 Use of judgements and estimates (Continued)

##### (iii) Loss allowance for impairment of trade receivables

Management determines the expected loss arising from default for trade receivables, by categorising them based on its historical loss pattern, historical payment profile, geographical risk as well as credit risk profile of customers. In addition, the Management separately evaluates the expected credit impaired losses of slow-paying customers where possibility of default may be higher. A total loss allowance amounting to approximately S\$78,000 was recognised for the six months to 31 March 2023 (31 March 2022: S\$78,000).

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 are set out in the provision matrix as follows:

Group	Current	Past due for 1 to 90 days	Past due for 91 to 180 days	Past due for 181 to 365 days	Past due for more than 1 year	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 31 March 2023</b>						
<b>Trade receivables</b>						
Gross carrying amount	2,166	1,142	194	335	63	3,900
Loss allowance:						
Non-credit impaired	(28)	(14)	(3)	(1)	-	(46)
Credit impaired	-	-	(39)	(52)	(61)	(152)
	<u>2,138</u>	<u>1,128</u>	<u>152</u>	<u>282</u>	<u>2</u>	<u>3,702</u>
<b>As at 31 March 2022</b>						
<b>Trade receivables</b>						
Gross carrying amount	3,858	2,462	233	24	80	6,657
Loss allowance:						
Non-credit impaired	(34)	(21)	(3)	-	(1)	(59)
Credit impaired	-	-	(39)	(24)	(69)	(132)
	<u>3,824</u>	<u>2,441</u>	<u>191</u>	<u>-</u>	<u>10</u>	<u>6,466</u>

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment and revenue information

The Group is organised into two main business segments namely:

- (i) Components distribution; and
- (ii) Aluminium products distribution

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

## E. Notes to the Condensed Interim Consolidated Financial Statements (Continued)

### 4. Segment and revenue information (Continued)

#### Business Segments

##### Six months ended 31 Mar 2023

	Components Distribution	Aluminium Products Distribution	Unallocated	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>				
External revenue	1,001	9,256	-	10,257
<b>Results</b>				
Segment results	(12)	187	(344)	(169)
Interest income	-	4	-	4
Finance costs	(12)	(212)	-	(224)
Amortisation of intangible assets	-	(114)	-	(114)
Amortisation of ROU assets	-	(201)	-	(201)
Depreciation expense	(14)	(46)	-	(60)
Loss before income tax	(38)	(382)	(344)	(764)
Income tax expense	-	99	-	99
Loss after income tax	(38)	(283)	(344)	(665)
Capital expenditure				
- Additions to non-current assets	2	5	-	7

##### Six months ended 31 Mar 2022

	Components Distribution	Aluminium Products Distribution	Unallocated	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>				
External revenue	855	14,341	-	15,196
<b>Results</b>				
Segment results	(57)	2,300	(336)	1,907
Interest income	-	2	-	2
Finance costs	(11)	(129)	-	(140)
Amortisation of intangible assets	-	(114)	-	(114)
Amortisation of ROU assets	-	(212)	-	(212)
Depreciation expense	(17)	(53)	-	(70)
Profit/(Loss) before income tax	(85)	1,794	(336)	1,373
Income tax expense	-	(37)	-	(37)
Profit/(Loss) after income tax	(85)	1,757	(336)	1,336
Capital expenditure				
- Additions to non-current assets	10	41	-	51



## E. Notes to the Condensed Interim Consolidated Financial Statements (Continued)

### 4. Segment and revenue information (Continued)

#### Business Segments (Continued)

Year ended 31 March 2023

	Components Distribution	Aluminium Products Distribution	Unallocated	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>				
External revenue	2,002	21,431	-	23,433
<b>Results</b>				
Segment results	37	1,495	(766)	766
Interest income	-	6	-	6
Finance costs	(22)	(368)	-	(390)
Amortisation of intangible assets	-	(228)	-	(228)
Amortisation of ROU assets	-	(410)	-	(410)
Depreciation expense	(28)	(93)	-	(121)
Profit/(Loss) before income tax	(13)	402	(766)	(377)
Income tax expense	-	(128)	-	(128)
Profit/(Loss) after income tax	(13)	274	(766)	(505)
<b>Capital expenditure</b>				
- Additions to non-current assets	3	157	-	160
<b>Assets and Liabilities</b>				
Segment assets	6,864	21,267	128	28,259
Current income tax recoverable and deferred tax asset	49	610	-	659
Total assets	6,913	21,877	128	28,918
Segment liabilities	1,436	10,298	225	11,959
Deferred tax liabilities and and current income tax payable	-	117	-	117
Total liabilities	1,436	10,415	225	12,076

## E. Notes to the Condensed Interim Consolidated Financial Statements (Continued)

### 4. Segment and revenue information (Continued)

#### Business Segments (Continued)

Year ended 31 March 2022

	Components Distribution S\$'000	Aluminium Products Distribution S\$'000	Unallocated S\$'000	Consolidated S\$'000
<b>Revenue</b>				
External revenue	1,779	25,388	-	27,167
<b>Results</b>				
Segment results	(40)	3,752	(725)	2,987
Interest income	-	5	-	5
Finance costs	(24)	(230)	-	(254)
Amortisation of intangible assets	-	(228)	-	(228)
Amortisation of ROU assets	-	(366)	-	(366)
Depreciation expense	(36)	(104)	-	(140)
Profit/(Loss) before income tax	(100)	2,829	(725)	2,004
Income tax expense	-	(242)	-	(242)
Profit/(Loss) after income tax	(100)	2,587	(725)	1,762
<b>Capital expenditure</b>				
- Additions to non-current assets	12	85	-	97
<b>Assets and Liabilities</b>				
Segment assets	7,097	24,681	129	31,907
Current income tax recoverable and deferred tax asset	49	420	-	469
Total assets	7,146	25,101	129	32,376
Segment liabilities	1,330	12,281	162	13,773
Deferred tax liabilities and and current income tax payable	-	209	-	209
Total liabilities	1,330	12,490	162	13,982

## E. Notes to the Condensed Interim Consolidated Financial Statements (Continued)

### 4. Segment and revenue information (Continued)

#### Geographical information

The Group's business segments operate in three main geographical areas. Non-current assets consist primarily of property, plant and equipment, investment properties and intangible assets. Non-current assets are shown by the geographical area in which the assets are located.

	Singapore	Malaysia	PRC	Consolidated
FY2023	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets	7,283	1,431	262	8,976
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FY2022				
Non-current assets	7,585	1,524	224	9,333
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#### Disaggregation of revenue

The Group has disaggregated revenue by business segment and in accordance to the country in which goods are delivered:

	Components Distribution		Aluminium Products Distribution		Total	
	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Six months ended 31 March						
<u>Primary Geographical market</u>						
Singapore	801	642	1,542	2,849	2,343	3,491
Malaysia	169	116	4,257	7,902	4,426	8,018
People's Republic of China	-	-	3,400	3,525	3,400	3,525
Others	31	97	57	65	88	162
	1,001	855	9,256	14,341	10,257	15,196
	<hr/>					
<u>Timing of transfer of goods</u>						
- Point in time	1,001	855	9,256	14,341	10,257	15,196

	Components Distribution		Aluminium Products Distribution		Total	
	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 March						
<u>Primary Geographical market</u>						
Singapore	1,563	1,479	3,489	4,676	5,052	6,155
Malaysia	315	179	12,055	14,162	12,370	14,341
People's Republic of China	-	-	5,800	6,425	5,800	6,425
Others	124	121	87	125	211	246
	2,002	1,779	21,431	25,388	23,433	27,167
	<hr/>					
<u>Timing of transfer of goods</u>						
- Point in time	2,002	1,779	21,431	25,388	23,433	27,167

## E. Notes to the Condensed Interim Consolidated Financial Statements (Continued)

### 5. Profit/(Loss) before tax – significant items

(Loss)/Profit before income tax is arrived at	Group			Group		
	Six months ended 31 March			Year ended 31 March		
	2023 S\$'000	2022 S\$'000	Change %	2023 S\$'000	2022 S\$'000	Change %
<b>After charging:</b>						
Amortisation of intangible assets	114	114	-	228	228	-
Amortisation of right-of-use assets	201	212	(5.2)	410	358	14.5
Bad trade receivables written off	-	14	NM	-	14	NM
Depreciation of property, plant and equipment	60	70	(14.3)	121	146	(17.1)
Write-down of inventories	54	34	58.8	54	34	58.8
Foreign exchange loss, net	-	23	NM	182	35	420.0
<b>and crediting:</b>						
Gain on disposal of plant and equipment	-	-	-	20	1	NM
Government grants	22	53	(58.5)	52	98	(46.9)
Operating lease income – investment properties	30	30	-	60	60	-

NM = Not Meaningful

### 6. 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:

	Six months ended 31 March		Year ended 31 March	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Current income tax:				
Current year	(51)	311	204	543
Over provision in prior years	(3)	(23)	(3)	(23)
Deferred income tax liability:				
Current year	(23)	19	(23)	19
Over provision in prior years	(22)	(40)	(50)	(67)
Deferred tax asset recognised	-	(230)	-	(230)
	<u>(99)</u>	<u>37</u>	<u>128</u>	<u>242</u>

### 7. Earnings/(Loss) Per Share

	Six months ended 31 March		Year ended 31 March	
	2023	2022	2023	2022
Profit/(Loss) attributable to owners of the parent (SGD'000)	(601)	1,170	(591)	1,480
Earnings/(Loss) per ordinary share after deducting any provision for preference dividends:-				
(a) Based on the weighted average number of ordinary shares in issue (SGD cents)	(0.03)	0.07	(0.03)	0.09
(b) On a fully diluted basis (SGD cents)	(0.03)	0.07	(0.03)	0.09

## E. Notes to the Condensed Interim Consolidated Financial Statements (Continued)

### 7. Earnings/(Loss) Per Share (Continued)

Earnings/(Loss) per ordinary share for the six months ended 31 March 2023 (“2HFY23”) and 31 March 2022 (“2HFY22”) and for the year ended 31 March 2023 and 31 March 2022 in Item 7(a) are computed based on the profit or loss attributable to the owners of the parent for each respective financial period divided by the weighted average number of ordinary shares in issue of 1,727,469,695 shares.

Earnings/(Loss) per ordinary share on a fully diluted basis for the six months and the full year ended 31 March 2023 and 31 March 2022 in Item 7(b) are the same as the basic earnings/(loss) per ordinary share because the Company did not have any potentially dilutive ordinary shares during and as at the end of the said financial periods.

### 8. Net Asset Value

	Group		Company	
	As at 31/03/2023	As at 31/03/2022	As at 31/03/2023	As at 31/03/2022
Net asset value per ordinary share based on issued share capital (SGD cents)	0.97	1.06	1.12	1.36

Net asset value per ordinary share of the Group and the Company are computed based on the net assets of the Group and the Company respectively, divided by the number of issued ordinary shares of 1,727,469,695 shares as at 31 March 2023 and 31 March 2022.

### 9. Share capital

	Group and Company			
	As at 01/04/2022	As at 31/03/2023	As at 01/04/2022	As at 31/03/2023
	Number of ordinary shares		S\$'000	
Issued and fully paid up: As at the beginning and end of the financial year	1,727,469,695	1,727,469,695	27,460	27,460

There was no change in the issued and paid-up share capital of the Company since the end of the previous period reported on.

There were no outstanding convertible instruments which may be converted to shares as at 31 March 2023 and 31 March 2022.

There were no subsidiary holdings as at 31 March 2023 and 31 March 2022.

The Company did not have any treasury shares as 31 March 2023 and 31 March 2022.

### 10. Investment Properties

The Group’s investment properties comprise freehold shop units that are held for long-term rental yields and for capital appreciation. The fair values of the Group’s investment properties as at 31 March 2023 were determined based on the valuation carried out by an independent valuer having an appropriate recognised professional qualification.

## E. Notes to the Condensed Interim Consolidated Financial Statements (Continued)

### 10. Investment Properties (Continued)

The valuations were arrived at by using the “Direct Comparison Method” by making reference to market evidence of transaction prices per square foot for similar properties, and were performed in accordance with International Valuation Standards. The estimation of the fair values of the properties is based on the highest and best use of the properties, which is in line with their current use. The management has reviewed the appropriateness of the valuation methodologies and assumptions adopted and also evaluated the appropriateness and reliability of the inputs used in the valuations. Significant changes in fair value measurements from period to period were evaluated by the management for reasonableness. Key drivers of the changes if any were identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

### 11. Intangible Assets

	<b>Goodwill</b>	<b>Customer relationships</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>			
<b>Cost</b>			
Balance as at 30.9.2022	4,359	3,108	7,467
<b>Accumulated amortisation</b>			
Balance as at 1.10.2022	-	2,540	2,540
Amortisation for the financial period	-	114	114
Balance as at 31.03.2023	-	2,654	2,654
<b>Accumulated impairment</b>			
Balance as at 1.10.2022 and 31.3.2023	3,556	-	3,556
<b>Carrying amount</b>			
Balance as at 31.3.2023	803	454	1,257

Customer relationships were acquired in the financial years ended 31 March 2011 and 31 March 2019 as part of the acquisition of MSC Aluminium Holdings Pte. Ltd. and its subsidiaries (the “MSC Group”) and Alutech Metals Asiatic Pte. Ltd. and its subsidiary (the “Alutech Group”) respectively. The fair value on the date of initial recognition was based on its intended use and the expected future economic benefit to be derived from the future operating cash inflows from products associated with the acquired customer relationships. The remaining useful lives for customer relationships is 2 years.

### 12. Trade and Other Receivables

	<b>Group</b>	
	As at 31/03/2023	As at 31/03/2022
	S\$'000	S\$'000
Trade receivable	3,900	6,657
Notes receivable	6	-
Loss allowance	(198)	(191)
	3,708	6,466
Other receivables	437	453
	4,145	6,919

## E. Notes to the Condensed Interim Consolidated Financial Statements (Continued)

### 12. Trade and Other Receivables (Continued)

Movements in loss allowance for trade receivables were as follows:

	Group	
	As at 31/03/2023 S\$'000	As at 31/03/2022 S\$'000
Balance at the beginning of the year	191	108
Write-off against allowance	-	(18)
Write back allowance no longer required	(74)	-
Loss allowance made during the year	95	102
Foreign currency translation differences	(14)	(1)
Balance at the end of the year	<u>198</u>	<u>191</u>

A net loss allowance of S\$0.08 million and S\$0.02 million were estimated for the six months period and full year ended 31 March 2023 respectively. Please refer to Note E.2.2 (iii).

### 13. Interest-bearing Liabilities

	Group	
	As at 31/03/2023 S\$'000	As at 31/03/2022 S\$'000
<u>Current liabilities</u>		
Bank overdrafts	8	44
Term loans – secured	50	59
Term loans – unsecured	1,068	1,035
Trust receipts – unsecured	4,556	5,340
	<u>5,682</u>	<u>6,478</u>
<u>Non-current liabilities</u>		
Term loans – secured	614	704
Term loans – unsecured	1,325	2,393
	<u>1,939</u>	<u>3,097</u>

The term loan to finance the purchase of the Malaysian factory is secured by a legal charge against the property as well as a corporate guarantee provided by the Company. Other term loans are supported by corporate guarantees provided by the Company.

Trust receipts and bank overdrafts of the subsidiaries are supported by corporate guarantees provided by the Company.

### 14. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim consolidated financial statements.

**F. OTHER INFORMATION REQUIRED BY APPENDIX 7C AND RULE 706A OF THE CATALIST RULES**

- 1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The condensed interim consolidated financial statements of the Group for the six months and full year ended 31 March 2023 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

- 2. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

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

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

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

Not applicable. The Group's latest financial statements for the year ended 31 March 2022 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

- 4. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, asset or liabilities of the group during the current financial period reported on.**

**Review of the Financial Performance of the Group – Six months and full year ended 31 March 2023 (“2HFY23” and “FY2023”) vs. Six months and full year ended 31 March 2022 (“2HFY22” and “FY2022”)**

**Turnover and Gross Profit**

Against a backdrop of a global economy fragmented by geopolitical tensions and inflationary trends, the sales momentum began its slowdown in the first half of FY2023 and fell further in the second half, and the Group recorded a decrease of 32.5% in sales over 2HFY23, from S\$15.2 million in 2HFY22 to S\$10.3 million in 2HFY23. This decrease eliminated the increase in sales in the first half, such that for the full year of FY2023, revenue fell by 13.7% to S\$23.4 million as compared to S\$27.2 million recorded in FY2022. The other contributing factor to the decrease in revenue for our Group was the deteriorating value of the Malaysian Ringgit against the Singapore dollar. The segmental report showed that the Malaysian segment contributed to more than half of the Group revenue, and the effect of the currency conversion magnified the effect of decrease in sales from that segment.

However, revenue from the components distribution division for 2HFY23 compared to 2HFY22 increased by 17.1%, and averaged to an increase of 12.5% for the full year of FY2023 as compared against FY2022. The increase in sales was primarily due to more purchases of test instruments from our customers.



Gross margin decreased from 26.7% in FY2022 to 22.3% in FY2023. When the level of activities decreased over the financial year, and especially over the second half year period, adjustments had to be made to match our level of stockholding to the lower operational level. Lower gross margins were recorded due to the weak demand from customers and the adjustments we made to our products margin.

### **Profit Before Income Tax**

Other income decreased 42.8% and 19.9% respectively in 2HFY23 and FY2023 when compared to the corresponding periods of 2HYFY22 and FY2022 due mainly to decreased Governmental grants as the various supports to mitigate the adverse effects of the COVID-19 pandemic were gradually phased out. During FY2023, there was a gain made from disposal of plant and equipment totalling approximately S\$20,000.

All categories of expenses decreased in 2HFY23 as compared to 2HFY22 in tandem with the decreased sales, with the exception of finance costs. Finance costs for both 2HFY23 and FY2023 increased 60.0% and 53.5% respectively due mainly to increased bank interest rates.

Similarly, distribution costs and loss allowance made for trade receivables decreased in FY2023 when compared to FY2022, moving in tandem with the decreased revenue. However, administrative expenses increased marginally as reduction in consumable expenses were offset by increased professional fees incurred for improving compliance standards as well as increased bank charges and utilities due to increased charge out rates. Other operating expenses in FY2023 exceeded that in FY2022 by 22.3% due mainly to higher exchange difference losses incurred in FY2023 as both the Malaysian Ringgit and Renminbi deteriorated against the Singapore dollar, used as the reporting currency. There was also an increased provision for stock obsolescence as sales decreased and stock movement slowed down. Depreciation expense decreased 17.1% in FY2023 as compared to FY2022 as some older assets were fully depreciated during FY2022. Amortisation of right-of-use assets increased 14.5% in FY2023 as compared to FY2022 due mainly to the extension of leases of the factories in Penang and in Kunshan.

### **Assets and Liabilities**

Property, plant and equipment decreased through a depreciation charge of S\$0.12 million and disposals and write-offs of S\$0.01 million. Additions of S\$0.03 million were for desktops and software used at various locations, as well as additional CCTV installation at the Malaysian and Singapore factories.

Right-of-use assets, which included capitalized lease rentals as well as leased plant and equipment decreased due to depreciation charge of S\$0.41 million. Additions included capitalized lease rentals from new leases contracted for the Penang and Kunshan factories totalling S\$0.30 million and two new leased lorries for Singapore and Malaysia operations with a total cost of S\$0.13 million.

Investment properties maintained at S\$5.17 million with no fair value adjustments made.

Intangible assets decreased through an amortization charge. Intangible assets comprised goodwill and customer relationships arising from the acquisition of MSC Aluminium Holdings Pte. Ltd. and its subsidiaries (the "MSC Group") and Alutech Metals Asiatic Pte. Ltd. (the "Alutech Group").

Other non-current asset comprised purchases made in advance which would be consumed only in periods beyond one year.

Inventories held by the components distribution division increased to support increased sales. Inventories of the aluminium products distribution division increased despite lower sales volume especially in the last few months of the financial year due to weakened demand. The Group is making efforts to adjust the level of inventories to match demand.

Trade receivables decreased as a direct result of decreased sales volume in 2HFY23. Other receivables decreased too, due to lesser advanced purchases that would be consumed within a one year period, and those that would be consumed in periods above one year were classified to non-current asset.

Prepayments increased mainly due to progress payments made for an ongoing project for upgrading of the ERP system in Singapore. Once completed the progress payments totalling S\$0.06 million currently under prepayments will be capitalized accordingly.

Trade creditors decreased from S\$2.48 million as at the end of FY2022 to S\$2.37 million as at the end of FY2023, due to the lower levels of purchases. Other payables increased from S\$1.15 million as at the end of FY2022 to S\$1.37 million as at the end of FY2023 mainly due to increased deposits received from customers at the PRC subsidiaries.

Total lease liabilities (after aggregating current and non-current liabilities) decreased from S\$0.57 million to S\$0.50 million. Finance lease liabilities increased by S\$0.06 million due to the hire purchase of two leased lorries for the Singapore and Malaysian operations. However this increase was more than offset by the reduction in right-of-use lease liabilities as additions of new capitalized leases were lesser than payments made for the various existing leases.

Current interest-bearing liabilities decreased as less trust receipts were utilized for the purchase of stocks, while non-current interest-bearing liabilities decreased as the term loans and finance leases were paid down during the financial year.

Non-current deferred revenue referred to deferred sales that would materialize only in periods beyond one year.

The Group had a positive working capital of S\$9.97 million as at the end of the year.

### **Cash Flow and Working Capital**

The Group suffered a loss before tax of S\$0.38 million; however, after adjustments for non-cash items and working capital changes, there was a net cash inflow from operations of S\$1.41 million. Working capital changes arose mainly from the significant decrease in trade and other receivables, after offsetting with an increase in inventories.

Net cash used in investing activities was mainly for the purchases of new plant and equipment, after deduction of the proceeds received from disposal of used assets.

Net cash used in financing activities amounted to S\$2.17 million, and was utilized for repayments of matured trust receipts, repayments of term loans, payments of finance lease instalments and other lease payments.

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

Not applicable as no forecast or prospect statement has been disclosed previously to shareholders.

**6. 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.**

Escalation of geopolitical tensions, elevated cost pressures and high interest rates continue to weaken demand from back-end customers, causing the pace of recovery post COVID-19 reopening to be slow. The down-stream impact of these factors is a slowdown in demand for our products from the Group's customers.

The Group expects that the market environment will continue to be challenging as external demand conditions remained lacklustre. In the face of global economic challenges and a slowing pace of recovery, the Group will focus on managing costs as we continue to strengthen our market coverage.

**7. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

**(c) Date payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

**8. 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 FY2023 as the Company has accumulated losses.

**9. A breakdown of sales as follows:**

	Group S\$'000		%
	FY2023	FY2022	Change
(a) Sales reported for first half year	13,176	11,971	10.1
(b) Operating profit after income tax before deducting NCI reported for first half year	160	426	(62.4)
(c) Sales reported for second half year	10,257	15,196	(32.5)
(d) Operating (loss)/profit after income tax before deducting NCI reported for second half year	(665)	1,336	NM

NM - Not meaningful

**10. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year as follows:-**

- (a) Ordinary - Nil
- (b) Preference - Nil
- (c) Total - Nil

**11. If the group has obtained a general mandate from shareholders for Interested Person Transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate for interested person transactions. There was no interested person transaction with a value of S\$100,000 or more during FY2023.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Yeat Cheong (“Mr Tan”)	39	Mr Tan is the son of Mdm Choo Tung Kheng, Non-Executive Director and substantial shareholder of the Company.	Business Development Manager. Mr Tan was appointed on 18 January 2012, and is responsible for the development of aluminium products distribution business in Malaysia and China.	Not applicable.

**13. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the form set out in Appendix 7H) under Rule 720(1) of the Catalist Rules**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the form set out in Appendix 7H) under Rule 720(1).

**14. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A**

There were no acquisitions or realisation of shares by the Company or any of the Group entities during FY2023. The Company and the Group entities did not incorporate any new subsidiary or associated company during FY2023.

BY ORDER OF THE BOARD

Ong Kian Soon  
Chief Executive Officer  
30 May 2023

*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.*

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