



# Natural Cool Holdings Limited

Company Registration Number: 200509967G

Announcement of Unaudited Condensed Interim  
Financial Statements for the Six Months Ended  
30 June 2024

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**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR RESULT**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Note	Group		Variance	
		6 months ended	6 months ended	\$'000	%
		30 June 2024	30 June 2023		
		\$'000	\$'000		
Revenue	5	67,833	68,950	(1,117)	-1.6
Cost of sales		(53,928)	(55,470)	(1,542)	-2.8
<b>Gross profit</b>		<b>13,905</b>	<b>13,480</b>	425	3.2
Other income	6	676	786	(110)	-14.0
Distribution expenses		(1,363)	(1,446)	(83)	-5.7
Administrative expenses		(11,828)	(11,038)	790	7.2
(Impairment loss)/reversal on trade receivables and contract assets, including bad debts written-off		(4)	28		NM
Share of losses of joint venture, net of tax		(4)	–	4	100.0
Other expenses		(23)	(21)	2	9.5
<b>Results from operating activities</b>		<b>1,359</b>	<b>1,789</b>	(430)	-24.0
Finance costs	7	(873)	(579)	294	50.8
<b>Profit before tax</b>		<b>486</b>	<b>1,210</b>	(724)	-59.8
Tax expense	8	(350)	(326)	24	7.4
<b>Profit for the period</b>	9	<b>136</b>	<b>884</b>	(748)	-84.6
<b>Profit attributable to:</b>					
Owners of the Company		501	693	(192)	-27.7
Non-controlling interests		(365)	191	NM	
<b>Profit for the period</b>		<b>136</b>	<b>884</b>	(748)	-84.6
<b>Other comprehensive income</b>					
Items that are or may be reclassified subsequently to profit or loss:					
Foreign currency translation differences from translation of foreign operations		(7)	48		NM
<b>Other comprehensive (loss)/income for the period</b>		<b>(7)</b>	<b>48</b>		NM
<b>Total comprehensive income for the period</b>		<b>129</b>	<b>932</b>	(803)	-86.2
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		491	729	(238)	-32.6
Non-controlling interests		(362)	203		NM
<b>Total comprehensive income for the period</b>		<b>129</b>	<b>932</b>	(803)	-86.2

NM: denotes not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**Condensed Interim Consolidated Statement of Financial Position**

	Note	Group		Company	
		30 June 2024	31 December 2023	30 June 2024	31 December 2023
		Unaudited \$'000	Audited \$'000	Unaudited \$'000	Audited \$'000
<b>Assets</b>					
Property, plant and equipment	10	36,404	36,304	19	25
Intangible assets and goodwill	11	4,680	4,963	120	171
Investment property	12	881	895	–	–
Subsidiaries		–	–	9,760	9,760
Joint venture		6	10	–	–
Trade and other receivables	15	762	762	1,499	1,651
<b>Non-current assets</b>		<b>42,733</b>	<b>42,934</b>	<b>11,398</b>	<b>11,607</b>
Asset held for sale		550	550	–	–
Inventories	14	11,156	9,671	–	–
Contract assets		5,123	4,963	–	–
Trade and other receivables	15	22,151	21,568	1,401	1,726
Other investments	13	1,493	793	1,493	793
Cash and cash equivalents		6,358	8,118	27	608
<b>Current assets</b>		<b>46,831</b>	<b>45,663</b>	<b>2,921</b>	<b>3,127</b>
<b>Total assets</b>		<b>89,564</b>	<b>88,597</b>	<b>14,319</b>	<b>14,734</b>
<b>Equity</b>					
Share capital	16	36,412	36,412	36,412	36,412
Reserves		(2,965)	(2,955)	300	300
Accumulated losses		(17,026)	(17,527)	(34,049)	(33,660)
<b>Equity attributable to owners of the Company</b>		<b>16,421</b>	<b>15,930</b>	<b>2,663</b>	<b>3,052</b>
Non-controlling interests		(305)	57	–	–
<b>Total equity</b>		<b>16,116</b>	<b>15,987</b>	<b>2,663</b>	<b>3,052</b>
<b>Liabilities</b>					
Loans and borrowings	17	26,300	27,974	214	859
Deferred tax liabilities		215	250	–	–
Provision		140	140	–	–
<b>Non-current liabilities</b>		<b>26,655</b>	<b>28,364</b>	<b>214</b>	<b>859</b>
Loans and borrowings	17	12,045	9,719	1,286	1,273
Contract liabilities		8,786	9,434	–	–
Trade and other payables	18	25,289	24,536	10,156	9,550
Current tax liabilities		673	557	–	–
<b>Current liabilities</b>		<b>46,793</b>	<b>44,246</b>	<b>11,442</b>	<b>10,823</b>
<b>Total liabilities</b>		<b>73,448</b>	<b>72,610</b>	<b>11,656</b>	<b>11,682</b>
<b>Total equity and liabilities</b>		<b>89,564</b>	<b>88,597</b>	<b>14,319</b>	<b>14,734</b>

**1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Condensed Interim Consolidated Statement of Cash Flows**

	Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit for the period	136	884
Adjustments for:		
Amortisation of intangible assets	308	304
Depreciation of property, plant and equipment	2,000	1,938
Depreciation of investment property	14	13
Gain on disposal of property, plant and equipment	(19)	–
Interest expenses	873	579
Interest income	(1)	(1)
Property, plant and equipment written-off	–	2
Impairment loss/(reversal) on trade receivables and contract assets, including bad debts written-off	4	(28)
Share of losses of joint venture, net of tax	4	–
Tax expense	350	326
	3,669	4,017
Changes in:		
Inventories	(1,485)	(102)
Trade and other receivables	(587)	824
Contract assets	(160)	1,363
Trade and other payables	753	(536)
Contract liabilities	(648)	1,193
Cash generated from operations	1,542	6,759
Tax paid	(269)	(247)
<b>Net cash from operating activities</b>	1,273	6,512
<b>Cash flows from investing activities</b>		
Interest received	1	1
Investment in other investments	(700)	243
Proceeds from disposal of property, plant and equipment	60	–
Purchase of intangible assets	(25)	(30)
Purchase of property, plant and equipment	(516)	(222)
<b>Net cash used in investing activities</b>	(1,180)	(8)
<b>Cash flows from financing activities</b>		
Interest paid	(873)	(579)
Changes in bills payable	1,794	300
Payment of lease liabilities	(843)	(866)
Proceeds from borrowings	200	450
Repayment of borrowings	(2,124)	(1,916)
<b>Net cash used in financing activities</b>	(1,846)	(2,611)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,753)	3,893
Cash and cash equivalents at beginning of period	8,118	8,169
Effect of foreign exchange fluctuations on cash held	(7)	53
<b>Cash and cash equivalents at end of period</b>	6,358	12,115

1(d)(i) A statement (for issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Condensed Interim Consolidated Statement of Changes in Equity**

	Share capital	Capital reserve	Translation reserve	Accumulated losses	Total attributable to owners of the Company	Non- controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>							
At 1 January 2024	36,412	(3,078)	123	(17,527)	15,930	57	15,987
<b>Total comprehensive income for the period</b>							
Profit for the period	–	–	–	501	501	(365)	136
<b>Other comprehensive income</b>							
Foreign currency translation differences from translation of foreign operations	–	–	(10)	–	(10)	3	(7)
<b>Total comprehensive income for the period</b>	–	–	(10)	501	491	(362)	129
<b>At 30 June 2024</b>	<b>36,412</b>	<b>(3,078)</b>	<b>113</b>	<b>(17,026)</b>	<b>16,421</b>	<b>(305)</b>	<b>16,116</b>
At 1 January 2023	36,412	(3,078)	63	(18,134)	15,263	264	15,527
<b>Total comprehensive income for the period</b>							
Profit for the period	–	–	–	693	693	191	884
<b>Other comprehensive income</b>							
Foreign currency translation differences from translation of foreign operations	–	–	36	–	36	12	48
<b>Total comprehensive income for the period</b>	–	–	36	693	729	203	932
<b>At 30 June 2023</b>	<b>36,412</b>	<b>(3,078)</b>	<b>99</b>	<b>(17,441)</b>	<b>15,992</b>	<b>467</b>	<b>16,459</b>

**Condensed Interim Statement of Changes in Equity**

	<b>Share capital</b>	<b>Capital reserve</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>Company</u></b>				
<b>At 1 January 2024</b>	<b>36,412</b>	<b>300</b>	<b>(33,660)</b>	<b>3,052</b>
<b>Total comprehensive loss for the period</b>				
Loss for the period	–	–	(389)	(389)
<b>At 30 June 2024</b>	<b>36,412</b>	<b>300</b>	<b>(34,049)</b>	<b>2,663</b>
<b>At 1 January 2023</b>	<b>36,412</b>	<b>300</b>	<b>(33,697)</b>	<b>3,015</b>
<b>Total comprehensive loss for the period</b>				
Loss for the period	–	–	(288)	(288)
<b>At 30 June 2023</b>	<b>36,412</b>	<b>300</b>	<b>(33,985)</b>	<b>2,727</b>

## Notes of the Condensed Interim Financial Statements

### 1. Corporate information

Natural Cool Holdings Limited (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist Board of the Singapore Exchange. These condensed interim financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are as follows:

- a. Aircon and engineering: trading of air-conditioning units and spare parts, installation services for commercial air-conditioning systems and mechanical ventilation, plumbing and sanitary works and maintenance services;
- b. Paint and coatings: manufacturing, and trading of paint and basic chemicals;
- c. Food and beverages (“F&B”): operator of restaurants and stalls, manufacture and wholesale of F&B products; and
- d. Technology: installation of building automated systems for remote monitoring and maintenance services.

### 2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“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, 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.

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

On 1 January 2024, the Group adopted new and amended SFRS(I) and interpretations to SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial period. The adoption of these new or amended SFRS(I) and INT SFRS(I) did not have a material effect on the financial statements.

#### 2.2. Use of estimates and judgements

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 as at and for the year ended 31 December 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.

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 included in the following notes:

- Note 5 – revenue recognition: estimate of total contract costs to complete and allocation of the contract value to the performance obligations; and
- Notes 10 and 11 – impairment assessment of property, plant and equipment, intangible assets and goodwill: key assumptions underlying the recoverable amounts.

### **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 has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Executive Chairman and Executive Director and Group Chief Executive Officer ("CEO") review internal management reports on at least a quarterly basis. The following summary describes the operations in each Group's reportable segments:

Aircon and engineering	:	trading of air-conditioning units and spare parts, installation services for commercial air-conditioning systems and mechanical ventilation, plumbing and sanitary works and maintenance services.
Paint and coatings	:	manufacturing and distribution of paints and chemicals.
F&B	:	operator of restaurants, manufacture and wholesale of F&B products.
Technology	:	installation of building automated systems for remote monitoring and maintenance services.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports review by the Executive Chairman and Executive Director and Group CEO. Segment profit before income tax 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.

**Information about reportable segments**

	<b>Aircon and Engineering</b>	<b>Paint and Coatings</b>	<b>F&amp;B</b>	<b>Technology</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>6 months ended 30 June 2024</b>					
External revenue	59,446	2,807	3,419	2,161	67,833
Inter-segment revenue	99	17	44	–	160
Total revenue of reportable segments	<u>59,545</u>	<u>2,824</u>	<u>3,463</u>	<u>2,161</u>	<u>67,993</u>
Interest income	(9)	–	–	–	(9)
Finance costs	830	2	51	2	885
Depreciation and amortisation	1,376	102	530	244	2,252
Reportable segment profit before tax	<u>158</u>	<u>253</u>	<u>248</u>	<u>216</u>	<u>875</u>
Other material non-cash items:					
Impairment loss on trade receivables and contract assets, including bad debts written-off	4	–	–	–	4
Reportable segment assets	84,755	2,630	4,266	6,005	97,656
Capital expenditure	1,441	7	4	1	1,453
Reportable segment liabilities	<u>64,616</u>	<u>7,280</u>	<u>8,647</u>	<u>4,092</u>	<u>84,635</u>
<b>6 months ended 30 June 2023</b>					
External revenue	61,519	2,333	2,882	2,216	68,950
Inter-segment revenue	133	12	41	–	186
Total revenue of reportable segments	<u>61,652</u>	<u>2,345</u>	<u>2,923</u>	<u>2,216</u>	<u>69,136</u>
Interest income	(9)	–	–	–	(9)
Finance costs	536	5	34	1	576
Depreciation and amortisation	1,349	102	489	244	2,184
Reportable segment profit before tax	<u>968</u>	<u>138</u>	<u>6</u>	<u>386</u>	<u>1,498</u>
Other material non-cash items:					
Reversal of impairment loss on trade receivables and contract assets, including bad debts written-off	(28)	–	–	–	(28)
Reportable segment assets	89,714	2,626	4,253	6,026	102,619
Capital expenditure	225	7	1	3	236
Reportable segment liabilities	<u>68,389</u>	<u>7,605</u>	<u>8,237</u>	<u>4,406</u>	<u>88,637</u>

**Reconciliations of reportable segment revenues, profit or loss, assets and liabilities**

	Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$'000	\$'000
<b>Revenue</b>		
Total revenue for reportable segments	67,993	69,136
Elimination of inter-segment revenue	(160)	(186)
Consolidated revenue	67,833	68,950
<b>Profit before tax</b>		
Total profit before tax for reportable segments	875	1,498
Unallocated amounts	(389)	(288)
Consolidated profit before tax	486	1,210
<b>Assets</b>		
Total assets for reportable segments	97,656	102,619
Unallocated amounts	1,839	1,428
Elimination of inter-segment assets	(9,931)	(10,070)
Consolidated total assets	89,564	93,977
<b>Liabilities</b>		
Total liabilities for reportable segments	84,635	88,637
Unallocated amounts	1,797	3,021
Elimination of inter-segment liabilities	(12,984)	(14,140)
Consolidated total liabilities	73,448	77,518

**Reconciliations of reportable segment other material items**

	Reportable segment totals	Unallocated amounts	Consolidated totals
	\$'000	\$'000	\$'000
<b>6 months ended 30 June 2024</b>			
Interest income	(9)	8	(1)
Finance costs	885	(12)	873
Depreciation and amortisation	2,252	69	2,321
Impairment loss on trade receivables and contract assets, including bad debts written-off	4	–	4
Capital expenditure	1,453	12	1,465 <sup>#</sup>
<b>6 months ended 30 June 2023</b>			
Interest income	(9)	8	(1)
Finance costs	576	3	579
Depreciation and amortisation	2,184	71	2,255
Reversal of impairment loss on trade receivables and contract assets, including bad debts written-off	(28)	–	(28)
Capital expenditure	236	36	272 <sup>#</sup>

<sup>#</sup> Exclude right-of-use properties

**Geographical information**

The Group operates primarily in Singapore. The reportable revenue and segment assets are primarily generated and based in Singapore.

**5. Revenue**

	<b>Group</b>	
	<b>6 months ended 30 June 2024</b>	<b>6 months ended 30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue from contracts with customers	67,402	68,526
Rental income	431	424
	<b>67,833</b>	<b>68,950</b>

**Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by revenue streams and timing of revenue recognition.

	<b>Paint and Coatings</b>		<b>Aircon and Engineering</b>		<b>F&amp;B</b>		<b>Technology</b>		<b>Total</b>	
	<b>6 months ended 30 June</b>									
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>										
<b>Revenue streams</b>										
Trading	2,807	2,333	40,196	39,453	3,419	2,882	–	–	46,422	44,668
Installation	–	–	10,038	14,465	–	–	766	428	10,804	14,893
Servicing	–	–	8,781	7,177	–	–	1,019	1,480	9,800	8,657
System development	–	–	–	–	–	–	376	308	376	308
	<b>2,807</b>	<b>2,333</b>	<b>59,015</b>	<b>61,095</b>	<b>3,419</b>	<b>2,882</b>	<b>2,161</b>	<b>2,216</b>	<b>67,402</b>	<b>68,526</b>
<b>Timing of revenue recognition</b>										
Products transferred at a point in time	2,807	2,333	48,977	46,630	3,419	2,882	766	428	55,969	52,273
Products and services transferred over time	–	–	10,038	14,465	–	–	1,395	1,788	11,433	16,253
	<b>2,807</b>	<b>2,333</b>	<b>59,015</b>	<b>61,095</b>	<b>3,419</b>	<b>2,882</b>	<b>2,161</b>	<b>2,216</b>	<b>67,402</b>	<b>68,526</b>

***Sources of estimation uncertainty***

Revenue recognition on installation is dependent on estimating the total completion cost of the installation contract. Actual total costs may be higher or lower than estimated at the reporting date, which would affect the revenue recognised in future years. As at the reporting date, management considered that all costs to complete and revenue can be reliably estimated.

**6. Other income**

	<b>Group</b>	
	<b>6 months ended 30 June 2024</b>	<b>6 months ended 30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income	1	1
Dividend income	–	4
Net gain on foreign exchange rates	17	11
Gain on disposal of property, plant and equipment	19	–
Government grants:		
- Development grants	138	220
- Other government grants	139	336
Others	362	214
	<u>676</u>	<u>786</u>

**7. Finance costs**

	<b>Group</b>	
	<b>6 months ended 30 June 2024</b>	<b>6 months ended 30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expenses:		
- Bank loans and bills payable	617	347
- Lease liability interests	256	232
	<u>873</u>	<u>579</u>

**8. Tax expense**

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:

	<b>Group</b>	
	<b>6 months ended 30 June 2024</b>	<b>6 months ended 30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current tax expense</b>		
Current year	384	361
<b>Deferred tax credit</b>		
Origination and reversal of temporary differences	(34)	(35)
Tax expense	350	326

**9. Profit for the period**

The following items have been included in arriving at profit for the period:

		<b>Group</b>	
	<b>Note</b>	<b>6 months ended 30 June 2024</b>	<b>6 months ended 30 June 2023</b>
		<b>\$'000</b>	<b>\$'000</b>
Amortisation of intangible assets	11	308	304
Audit fees paid/payable to:			
- Auditors of the Company and other firms affiliated with KPMG International Limited		154	105
- Other auditors		23	23
Non-audit fees paid/payable to auditors of the Company and other firms affiliated with KPMG International Limited		10	10
Depreciation of property, plant and equipment	10	2,000	1,938
Depreciation of investment property	12	14	13
Property, plant and equipment written-off		-	2
Staff costs		12,958	12,492
Contributions to defined contribution plans, included in staff costs		533	531

**10. Property, plant and equipment**

	Leasehold properties	Computers	Furniture, fittings and office equipment	Motor vehicles	Tools and machineries	Renovation	Right-of-use – motor vehicles	Right-of-use – properties	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>									
<b>Cost</b>									
At 1 January 2023	26,210	953	1,033	2,923	3,477	6,613	3,519	10,567	55,295
Additions	–	56	109	–	72	108	219	177	741
Disposals	–	–	–	(112)	–	–	–	–	(112)
Write-offs	–	(35)	(11)	–	–	(162)	–	–	(208)
Lease modification	–	–	–	–	–	–	–	1,077	1,077
Effect of movements in exchange rates	–	(1)	(1)	–	(1)	(2)	(2)	(12)	(19)
At 31 December 2023	26,210	973	1,130	2,811	3,548	6,557	3,736	11,809	56,774
Additions	–	16	50	–	68	163	1,143	225	1,665
Disposals	–	–	–	(713)	–	–	–	(117)	(830)
Write-offs	–	(1)	–	–	–	–	–	–	(1)
Lease modification	–	–	–	–	–	–	–	481	481
Effect of movements in exchange rates	–	–	–	–	–	–	–	1	1
At 30 June 2024	26,210	988	1,180	2,098	3,616	6,720	4,879	12,399	58,090
<b>Accumulated depreciation and impairment losses</b>									
At 1 January 2023	4,785	828	471	1,700	2,096	2,777	1,108	2,963	16,728
Depreciation	805	82	171	442	459	305	658	1,095	4,017
Disposals	–	–	–	(59)	–	–	–	–	(59)
Write-offs	–	(34)	(10)	–	–	(162)	–	–	(206)
Effect of movements in exchange rates	–	(1)	(1)	–	–	(1)	–	(7)	(10)
At 31 December 2023	5,590	875	631	2,083	2,555	2,919	1,766	4,051	20,470
Depreciation	403	34	49	197	170	161	362	624	2,000
Disposals	–	–	–	(672)	–	–	–	(112)	(784)
Write-offs	–	(1)	–	–	–	–	–	–	(1)
Effect of movements in exchange rates	–	–	–	–	–	–	–	1	1
At 30 June 2024	5,993	908	680	1,608	2,725	3,080	2,128	4,564	21,686
<b>Carrying amounts</b>									
At 1 January 2023	21,425	125	562	1,223	1,381	3,836	2,411	7,604	38,567
At 31 December 2023	20,620	98	499	728	993	3,638	1,970	7,758	36,304
At 30 June 2024	20,217	80	500	490	891	3,640	2,751	7,835	36,404

	<b>Computers</b>	<b>Office equipment</b>	<b>Furniture and fittings</b>	<b>Renovations</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Company</b>					
<b>Cost</b>					
At 1 January 2023	40	8	4	–	52
Additions	–	–	12	16	28
At 31 December 2023 and 30 June 2024	40	8	16	16	80
<b>Accumulated depreciation</b>					
At 1 January 2023	37	5	4	–	46
Depreciation	2	2	3	2	9
At 31 December 2023	39	7	7	2	55
Depreciation	1	1	2	2	6
At 30 June 2024	40	8	9	4	61
<b>Carrying amounts</b>					
At 1 January 2023	3	3	–	–	6
At 31 December 2023	1	1	9	14	25
At 30 June 2024	–	–	7	12	19

### Depreciation

The depreciation charge of the Group is recognised in the following line items of the statement of profit or loss:

	<b>Group</b>	
	<b>6 months ended 30 June 2024</b>	<b>6 months ended 30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cost of sales	406	411
Administrative expenses	1,594	1,527
	2,000	1,938

### Securities

At 30 June 2024, several leasehold properties are pledged as security to secure bank loans (see Note 17).

### Sources of estimation uncertainty

In estimating the recoverable amounts of the CGUs using value in use from the respective cash flow forecasts or its fair value less costs of disposal, the Group assumed revenue growth rates throughout the cash flow forecast periods, and discount rate applied to the cash flow projections. The determination requires judgement. The Group evaluates, amongst other factors, the near-term business outlook, including factors such as industry and sector performance, and changes in technology.



**11. Intangible assets and goodwill**

	<b>Goodwill</b>	<b>Order backlogs</b>	<b>Customer relationships</b>	<b>Trademark</b>	<b>Computer software</b>	<b>Others</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>							
<b>Cost</b>							
At 1 January 2023	5,452	1,189	668	383	1,015	100	8,807
Additions	–	–	–	–	44	–	44
At 31 December 2023	5,452	1,189	668	383	1,059	100	8,851
Additions	–	–	–	–	25	–	25
At 30 June 2024	5,452	1,189	668	383	1,084	100	8,876
<b>Accumulated amortisation and impairment losses</b>							
At 1 January 2023	1,758	522	124	222	623	36	3,285
Amortisation	–	334	61	19	169	20	603
At 31 December 2023	1,758	856	185	241	792	56	3,888
Amortisation	–	167	30	10	91	10	308
At 30 June 2024	1,758	1,023	215	251	883	66	4,196
<b>Carrying amounts</b>							
At 1 January 2023	3,694	667	544	161	392	64	5,522
At 31 December 2023	3,694	333	483	142	267	44	4,963
At 30 June 2024	3,694	166	453	132	201	34	4,680
							<b>Computer software</b>
							<b>\$'000</b>
<b>Company</b>							
<b>Cost</b>							
At 1 January 2023							489
Additions							12
At 31 December 2023							501
Additions							12
At 30 June 2024							513
<b>Accumulated amortisation</b>							
At 1 January 2023							201
Amortisation							129
At 31 December 2023							330
Amortisation							63
At 30 June 2024							393
<b>Carrying amounts</b>							
At 1 January 2023							288
At 31 December 2023							171
At 30 June 2024							120

### Amortisation

The amortisation of order backlogs, customer relationships, trademark, computer software and others are included in 'administrative expenses' in profit or loss.

### Sources of estimation uncertainty

In estimating the recoverable amounts of the CGUs using value in use from the respective cash flow forecasts, the Group assumed revenue growth rates throughout the cash flow forecast periods, terminal values at the end of the cash flow forecast period and discount rate applied to the cash flow projections. The determination requires judgment. The Group evaluates, amongst other factors, the near-term business outlook, including factors such as industry and sector performance, and changes in technology.

## 12. Investment property

<u>Group</u>	<b>Leasehold property \$'000</b>
<b>Cost</b>	
At 1 January 2023, 31 December 2023 and 30 June 2024	950
<b>Accumulated depreciation</b>	
At 1 January 2023	28
Depreciation	27
At 31 December 2023	55
Depreciation	14
At 30 June 2024	69
<b>Carrying amounts</b>	
At 1 January 2023	922
At 31 December 2023	895
At 30 June 2024	881

### Depreciation

The depreciation of investment property is included in 'administrative expenses' in profit or loss.

### Securities

At 30 June 2024, the investment property is pledged as security to secure bank loans (see Note 17).

## 13. Other investments

	<b>Group and Company</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Money market funds – at fair value through profit or loss	1,493	793

**14. Inventories**

	Group	
	30 June 2024	31 December 2023
	\$'000	\$'000
Raw materials	82	143
Finished goods	11,074	9,528
	11,156	9,671

As at 30 June 2024, inventories of \$42,441,000 (30 June 2023: \$43,422,000) were recognised as an expense during the financial period and included in 'cost of sales'.

As at 30 June 2024, the inventories are stated after allowance for inventory obsolescence of \$63,000 (31 December 2023: \$63,000).

**15. Trade and other receivables**

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	\$'000	\$'000	\$'000	\$'000
Trade receivables:				
- Third parties	16,457	15,766	–	–
- Subsidiaries	–	–	1,694	1,787
Impairment losses	(363)	(363)	(891)	(891)
Net trade receivables	16,094	15,403	803	896
Unbilled trade receivables	2,950	2,540	–	–
	19,044	17,943	803	896
Non-trade amounts due from subsidiaries	–	–	7,137	7,539
Impairment loss	–	–	(5,227)	(5,227)
	–	–	1,910	2,312
Accrued discount receivables	472	752		–
Amount due from a joint venture	7	–	7	–
Deposits	1,892	1,967	106	126
Other receivables	444	648	11	15
Financial assets	21,859	21,310	2,837	3,349
Prepayments	1,054	1,020	63	28
	22,913	22,330	2,900	3,377
Non-current	762	762	1,499	1,651
Current	22,151	21,568	1,401	1,726
	22,913	22,330	2,900	3,377

The Group's non-current receivables consist of an insurance payment of \$762,000 (31 December 2023: \$762,000) for its executive director.

Non-trade balances due from subsidiaries are unsecured, interest-free and repayable on demand. As \$1,499,000 (31 December 2023: \$1,651,000) of the non-trade amounts due from subsidiaries are not expected to be recalled within the next 12 months, the amounts have been classified as non-current.

***Sources of estimation uncertainty***

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates to be applied for the respective category of the financial assets and contract assets. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation including evaluation of the Group's historical loss rates, existing market conditions as well as forward looking estimates at the end of each reporting period.

**16. Share capital**

	<b>Group and Company</b>			
	<b>30 June 2024</b>		<b>31 December 2023</b>	
	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>
	<b>'000</b>	<b>\$'000</b>	<b>'000</b>	<b>\$'000</b>
At beginning and end of interim period	250,448	36,412	250,448	36,412

All issued shares are fully paid, with no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

**17. Loans and borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current liabilities</b>				
Bank loans (Secured)	17,051	19,217	214	859
Lease liabilities (Secured)	9,249	8,757	–	–
	<b>26,300</b>	<b>27,974</b>	<b>214</b>	<b>859</b>
<b>Current liabilities</b>				
Bank loans (Secured)	5,352	5,110	1,286	1,273
Lease liabilities (Secured)	1,871	1,581	–	–
Bills payable (Secured)	4,822	3,028	–	–
	<b>12,045</b>	<b>9,719</b>	<b>1,286</b>	<b>1,273</b>
<b>Total loans and borrowings</b>	<b>38,345</b>	<b>37,693</b>	<b>1,500</b>	<b>2,132</b>

**Details of collateral:**

- (a) Bank loans and bills payable are secured by:
- i) Leasehold properties and investment property amounted to \$20,195,000 and \$881,000, respectively as at 30 June 2024 (31 December 2023: \$20,578,000 and \$895,000); and
  - ii) Corporate guarantees by Natural Cool Holdings Limited and Natural Cool Airconditioning & Engineering Pte Ltd.
- (b) Lease liabilities are secured by:
- i) Motor vehicles amounted to \$2,751,000 as at 30 June 2024 (31 December 2023: \$1,970,000);
  - ii) Security deposits amounted to \$229,000 as at 30 June 2024 (31 December 2023: \$196,000); and
  - iii) Corporate guarantees by Natural Cool Holdings Limited.

**18. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade payables	13,710	12,262	92	2
Amount due to subsidiaries:				
- Trade	–	–	1,686	1,404
- Non-trade	–	–	8,164	7,699
Amount due to joint venture	–	6	–	–
Deposits received	560	631	1	1
Accrued expenses	8,329	9,066	198	419
Other payables	1,976	1,883	10	9
Financial liabilities	24,575	23,848	10,151	9,534
GST payable	714	688	5	16
	<u>25,289</u>	<u>24,536</u>	<u>10,156</u>	<u>9,550</u>

Non-trade balances due to subsidiaries are unsecured, interest-free and repayable on demand.

**19. Related party transactions**
**Key management personnel compensation**

Key management personnel of the Group and the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company. The Directors and senior management of the Group and the Company are considered as key management personnel.

Key management personnel compensation comprised:

	<b>Group</b>	
	<b>6 months ended 30 June 2024</b>	<b>6 months ended 30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	1,276	1,072
Post-employment benefits (including CPF)	58	38
	<u>1,334</u>	<u>1,110</u>

Included in the above is the total compensation to the Directors of the Company which amount to \$566,000 (30 June 2023: \$587,000).

**20. Financial assets and financial liabilities**

	Note	Carrying amount				Fair value			
		Mandatorily at fair value through profit or loss \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group</b>									
<b>30 June 2024</b>									
<b>Financial assets measured at fair value</b>									
Other investments	13	1,493	–	–	1,493	–	1,493	–	1,493
<b>Financial assets not measured at fair value</b>									
Trade and other receivables#	15	–	21,859	–	21,859				
Cash and cash equivalents		–	6,358	–	6,358				
		–	28,217	–	28,217				
<b>Financial liabilities not measured at fair value</b>									
Variable interest rate loans	17	–	–	15,839	15,839				
Fixed interest rate loans	17	–	–	6,564	6,564	–	6,259	–	6,259
Bills payable	17	–	–	4,822	4,822				
Trade and other payables*	18	–	–	24,575	24,575				
		–	–	51,800	51,800				
<b>31 December 2023</b>									
<b>Financial assets measured at fair value</b>									
Other investments	13	793	–	–	793	–	793	–	793
<b>Financial assets not measured at fair value</b>									
Trade and other receivables#	15	–	21,310	–	21,310				
Cash and cash equivalents		–	8,118	–	8,118				
		–	29,428	–	29,428				
<b>Financial liabilities not measured at fair value</b>									
Variable interest rate loans	17	–	–	16,388	16,388				
Fixed interest rate loans	17	–	–	7,939	7,939	–	7,622	–	7,622
Bills payable	17	–	–	3,028	3,028				
Trade and other payables*	18	–	–	23,848	23,848				
		–	–	51,203	51,203				

# Exclude prepayments

\* Exclude deferred revenue and GST payable

	Note	Carrying amount			Fair value				
		Mandatorily at fair value through profit or loss \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Company</b>									
<b>30 June 2024</b>									
<b>Financial assets measured at fair value</b>									
Other investments	13	1,493	–	–	1,493	–	1,493	–	1,493
<b>Financial assets not measured at fair value</b>									
Trade and other receivables#	15	–	2,837	–	2,837				
Cash and cash equivalents		–	27	–	27				
		–	2,864	–	2,864				
<b>Financial liabilities not measured at fair value</b>									
Fixed interest rate loans	17	–	–	1,500	1,500	–	1,343	–	1,343
Trade and other payables^	18	–	–	10,151	10,151				
		–	–	11,651	11,651				
<b>31 December 2023</b>									
<b>Financial assets measured at fair value</b>									
Other investments	13	793	–	–	793	–	793	–	793
<b>Financial assets not measured at fair value</b>									
Trade and other receivables#	15	–	3,349	–	3,349				
Cash and cash equivalents		–	608	–	608				
		–	3,957	–	3,957				
<b>Financial liabilities not measured at fair value</b>									
Fixed interest rate loans	17	–	–	2,132	2,132	–	1,950	–	1,950
Trade and other payables^	18	–	–	9,534	9,534				
		–	–	11,666	11,666				

# Exclude prepayments

^ Exclude GST payable

## **Other Information Required by Listing Rule Appendix 7C**

1. **1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's share capital from 31 December 2023 to 30 June 2024.

The Company did not have any outstanding options or convertibles as at 30 June 2024 and 30 June 2023.

There were also no treasury shares or subsidiary holdings as at 30 June 2024 and 30 June 2023.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at end of immediately preceding year.**

The total numbers of issued shares (excluding treasury shares) were 250,447,985 as at 30 June 2024 and 31 December 2023.

There were no treasury shares as at 30 June 2024 and 31 December 2023.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

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

The condensed consolidated statement of financial position of Natural Cool Holdings Limited and its subsidiaries as at 30 June 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.



**3A. 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.

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

Not applicable. The latest financial statements as at 31 December 2023 have an unmodified opinion.

**4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.**

Except as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation adopted in the financial statements for the current reporting period as those of the most recent audited financial statements for the financial year ended 31 December 2023.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)”) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are relevant to its operations and effective for annual periods beginning on 1 January 2024. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group’s accounting policies and has no material impact on the financial statements for the current financial reporting period.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

- (a) Based on the weighted average number of ordinary shares on issue; and
- (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
Net profit attributable to shareholders (S\$’000)	501	693
Weighted average number of ordinary shares in issue (No. of shares)	250,447,985	250,447,985
Earnings per share (Singapore cents) – basic and diluted	0.20	0.28

The Company does not have any potential dilutive ordinary shares in existence for HY2024 and HY2023.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Net assets attributable to shareholders (S\$'000)	16,421	15,930	2,663	3,052
Net asset value per share as at the end of the financial period/year (Singapore cents)	6.56	6.36	1.06	1.22

The total numbers of issued shares (excluding treasury shares) were 250,447,985 as at 30 June 2024 and 31 December 2023.

8. 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, cost, 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.

**Review of Income Statement**

The Group generated revenue of S\$67.8 million for the half year ended 30 June 2024 (“HY2024”), a decrease of S\$1.1 million, or 1.6% compared to S\$69.0 million in the half year ended 30 June 2023 (“HY2023”) due to the following:

- Our Aircon and Engineering Division reported a decrease in revenue of S\$2.1 million or 3.4% compared to HY2023. This is due mainly to a decline of S\$3.1 million from our Commercial Installation Department as the business unit continued to be selective in accepting smaller sized projects with faster turnaround. Our critical environment business also saw a revenue decline of S\$1.8 million mainly due to the projects delays. Meanwhile, our plumbing and sanitary business saw an increase in a revenue of S\$1.8 million while our trading business reported a S\$1.2 million increase in revenue;
- Our Paint and Coatings Division recorded an increase in revenue of S\$0.5 million or 20.3% due to sales growth to its retail stores customers;
- Our Food and Beverages (“F&B”) Division’s revenue improved by S\$0.5 million or 18.6% compared to HY2023 as a result of a change in our product mix and sales channels. This has also led to improved utilisation of our central kitchen.
- Our Technology Division’s revenue remained largely unchanged at S\$2.2 million in HY2024.

Gross profit margins (“GPM”) increased slightly by 0.9 percentage point from 19.6% in HY2023 to 20.5% in HY2024. The increase in GPM from our Aircon and Engineering Division was mainly contributed by lower subcontractor costs. Our Paint and Coatings Division improved its GPM as a result of better cost management measures in place. At the F&B Division, the increase in GPM was mainly driven by the change in our product mix. However, at Technology Division, the reduction of GPM was mainly due to increase in direct labour costs.

The decrease in other income was primarily resulted from a decrease in government grants received in HY2024.

Administrative expenses increased by S\$0.8 million or 7.2% mainly due to higher staff salaries of S\$0.4 million. The increases were from Aircon and Engineering, Paint and Coatings and F&B Divisions. We have also experienced an increase in the workers’ dormitory costs of S\$0.2 million and utility costs of S\$0.1 million.

Finance costs increased by S\$0.3 million or 50.8% mainly due to the increase in bank borrowing rates.

The slight increase in income tax expense despite a lower profit before tax was mainly due to higher taxable income from profitable entities.

Resulting from the above, the Group reported a profit after tax of S\$0.1 million in HY2024, a decline of S\$0.7 million as compared to HY2023.

#### **Review of Statement of Financial Position**

Property, plant and equipment increased by S\$0.1 million in HY2024 mainly due to the acquisition of the property, plant and equipment of S\$1.4 million and new and renewal of lease contracts for operation use of S\$0.7 million. This was offset by the depreciation incurred for the period amounting to S\$2.0 million.

Intangible assets and goodwill decreased by S\$0.3 million mainly due to the amortisation of order backlogs, computer software and others.

Inventories have been stocked up due to competitive price offered by the suppliers in the Aircon and Engineering Division.

Trade and other receivables (current and non-current) increased by S\$0.6 million mainly due to higher sales contributed towards the end of HY2024 amounting to S\$0.7 million and the services rendered to customers but not billed yet of S\$0.4 million in Aircon and Engineering Division. This was offset by the realisation of accrued discount receivables of S\$0.3 million in HY2024.

Other investments increased by S\$0.7 million due to investments in money market funds.

Loans and borrowings (current and non-current) increased by S\$0.7 million mainly as a result of the utilisation of invoice financing liabilities of S\$1.8 million and new loan drawdown of S\$0.2 million in the Aircon & Engineering Division. Furthermore, we have also recognised lease liabilities relating to the new and renewal of lease contracts of S\$0.7 million and hire purchase for motor vehicles of S\$0.9 million, mainly for the Aircon and Engineering Division. These were offset by the repayments of lease liabilities and loans amounting to S\$3.0 million.

Contract liabilities decreased by S\$0.6 million due to work progress during HY2024.

Trade and other payables increased by S\$0.8 million in HY2024 mainly due to higher purchases made by our Aircon and Engineering Division towards the end of HY2024. This has been offset by the payments made for bonuses accrued in FY2023.

### **Review of Statement of Cash Flows**

In HY2024, we recorded a net cash inflow of S\$3.7 million before changes in working capital.

We recorded working capital outflows of S\$2.1 million mainly attributed to (i) increase in inventories of S\$1.5 million and trade and other receivables of S\$0.6 million (ii) decrease in contract liabilities of S\$0.7 million. These were offset by the increase in trade and other payables of S\$0.8 million.

We have also made tax payment of S\$0.3 million.

We recorded net cash used in investing activities of S\$1.2 million in HY2024 mainly due to the investment in money market funds of S\$0.7 million and purchase of property, plant and equipment of S\$0.5 million.

We recorded net cash used in financing activities of S\$1.8 million in HY2024 mainly due to the repayments of lease liabilities, interests and loans amounting to S\$3.8 million. These were offset by the utilisation of invoice financing facilities of S\$1.8 million.

As a result, our cash and cash equivalents decreased by S\$1.8 million in HY2024.

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

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

### **10. 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.**

While some of the business units at our Aircon and Engineering Division have performed admirably, other business units have not. We expect the stresses on the built environment sector still remain in second half of 2024 and remain cautious on the outlook of this division.

The Paint and Coatings Division contributed positively to our business performance in HY2024 and will work towards continual growth while managing ongoing raw material cost increase challenges as well as stiff competition. As noted in our announcement dated 7 July 2024, we have entered into a settlement agreement with the liquidators of Natural Cool Investments Pte. Ltd. (“NCI”) to settle intercompany balances owed by certain of the group companies and by Cougar Paint Industries Sdn. Bhd. (“CPISB”) to NCI and at the same time, reacquire control of CPISB. Upon completion of this agreement which is expected to take place in second half of 2024, CPISB will return to the Group as the Paint and Coating Division’s manufacturing arm.

The Technology Division continues to contribute to the Group’s performance, and there have been some inroads into the new markets that the division is targeting, some of them being in collaboration with our other business divisions within the Group.

Our F&B Division turned in a decent performance as the efforts in growing the wholesale sales channel is showing results. Nonetheless, this division will not have the benefit of any sales from festive promotions in second half of 2024, and will have to rely on its existing retail and wholesale sales channels to deliver its performance.

**11. Dividend information.**

**If a decision regarding dividend has been made:**

- a. Whether an interim (final) dividend has been declared (recommended) for current financial period reported on;**

No.

- b. Amount per share;**

Not applicable.

- c. Previous corresponding period;**

Not applicable.

- d. Whether the dividend is before tax, net of tax or tax exempted. If before tax or net of tax, state the tax and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated);**

Not applicable.

**If a decision regarding dividend has been made:**

- e. Whether an interim (final) dividend has been declared (recommended) for current financial period reported on;**

No.

- f. Amount per share;**

Not applicable.

- g. Previous corresponding period;**

Not applicable.

- h. Whether the dividend is before tax, net of tax or tax exempted. If before tax or net of tax, state the tax and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated);**

Not applicable.

- i. The date the dividend is payable; and**

Not applicable.

- j. The date on which Registrable Transfers received by the Company (up to 5:00 PM) will be registered before entitlement to the dividend are determined.**

Not applicable.

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

No dividend has been declared for HY2024 as the profits were retained for business use.

**13. If the Group has obtained a general mandate from shareholders for Interested Party Transactions (“IPT”), the aggregated value of such transactions as required under Rule 920(1)(a)(ii) of Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.**

The Company has not obtained a general mandate from shareholders for IPTs. There were no IPTs of S\$100,000 and above being entered into by the Group during HY2024.

**14. Confirmation that the Issuer has procured undertakings from all its Directors and executive officers under Rule 720(1) of the Catalist Rules.**

The Company confirms that it has procured all the required undertaking from all its Directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

**15. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules.**

Not applicable.

**Confirmation by the Board pursuant to Catalist Rule 705 (5)**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the Group’s unaudited condensed interim financial statements for the six-month period ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

By Order of the Board

Choy Bing Choong  
Executive Chairman

Tsng Joo Peng  
Executive Director and Group CEO

Singapore  
9 August 2024

*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 Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg).*

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