



**GDS**  
Global Limited

**GDS GLOBAL LIMITED**

(Company Registration No.: 201217895H)  
(Incorporated in the Republic of Singapore on 19 July 2012)

**GDS GLOBAL LIMITED**  
**(Registration No. 201217895H)**

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED**  
**31 MARCH 2024**

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This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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

	Note	<b>Group</b>		<b>Increase / (Decrease) %</b>
		<b>Six months ended 31 March</b>		
		<b>2024</b> S\$'000 Unaudited	<b>2023</b> S\$'000 Unaudited	
<b>Revenue</b>	4.1	5,534	6,036	(8.3%)
Cost of sales		<u>(3,674)</u>	<u>(4,392)</u>	(16.3%)
Gross profit		1,860	1,644	13.1%
Other operating income		67	105	(36.2%)
Marketing and distribution expenses		(141)	(169)	(16.6%)
Administrative expenses		(2,499)	(2,309)	8.2%
Other operating expenses		(143)	(169)	(15.4%)
Interest revenue		-	-*	n.m.
Other gains and losses		(22)	(157)	(86.0%)
Finance costs		<u>(78)</u>	<u>(90)</u>	(13.3%)
<b>Loss before tax</b>	6	(956)	(1,145)	(16.5%)
Income tax expense	7	<u>(29)</u>	<u>(27)</u>	7.4%
<b>Loss for the period</b>		<u>(985)</u>	<u>(1,172)</u>	(16.0%)
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of foreign operations		<u>17</u>	<u>114</u>	(85.1%)
<b>Other comprehensive income for the period, net of tax</b>		<u>17</u>	<u>114</u>	(85.1%)
<b>Total comprehensive loss for the period</b>		<u>(968)</u>	<u>(1,058)</u>	(8.5%)
<b>(Loss) income attributable to:</b>				
Owners of the Company		(1,148)	(1,274)	(9.9%)
Non-controlling interests		<u>163</u>	<u>102</u>	59.8%
		<u>(985)</u>	<u>(1,172)</u>	(16.0%)
<b>Total comprehensive (loss) income attributable to:</b>				
Owners of the Company		(1,131)	(1,160)	(2.5%)
Non-controlling interests		<u>163</u>	<u>102</u>	59.8%
		<u>(968)</u>	<u>(1,058)</u>	(8.5%)
<b>Basic and diluted loss per share (cents)</b>	8	<u>(1.03)</u>	<u>(1.14)</u>	(9.6%)

### Note:

n.m. denotes not meaningful.

\* denotes less than S\$1,000

## B. Condensed interim statements of financial position

	Note	Group		Company	
		As at		As at	
		31.03.2024	30.09.2023	31.03.2024	30.09.2023
		S\$'000	S\$'000	S\$'000	S\$'000
		Unaudited	Audited	Unaudited	Audited
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		4,397	5,876	736	1,922
Trade and other receivables		1,306	1,998	4,582	3,454
Contract assets		435	391	-	-
Inventories		2,153	1,669	-	-
<b>Total current assets</b>		<b>8,291</b>	<b>9,934</b>	<b>5,318</b>	<b>5,376</b>
<b>Non-current assets</b>					
Property, plant and equipment	11	1,551	1,593	-	-
Right-of-use assets		5,697	6,354	-	-
Intangible assets	12	1,207	1,271	-	-
Subsidiaries		-	-	4,240	4,240
<b>Total non-current assets</b>		<b>8,455</b>	<b>9,218</b>	<b>4,240</b>	<b>4,240</b>
<b>Total assets</b>		<b>16,746</b>	<b>19,152</b>	<b>9,558</b>	<b>9,616</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade and other payables		1,265	1,254	207	177
Contract liabilities		303	649	-	-
Lease liabilities		1,454	1,374	-	-
Income tax payable		111	119	-	-
<b>Total current liabilities</b>		<b>3,133</b>	<b>3,396</b>	<b>207</b>	<b>177</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		4	4	-	-
Lease liabilities		5,085	5,738	-	-
Other payables		157	189	-	-
<b>Total non-current liabilities</b>		<b>5,246</b>	<b>5,931</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>8,379</b>	<b>9,327</b>	<b>207</b>	<b>177</b>
<b>Capital, reserves and non-controlling interests</b>					
Share capital	13	5,245	5,245	5,245	5,245
Reserves		1,467	2,598	4,106	4,194
Equity attributable to owners of the Company		6,712	7,843	9,351	9,439
Non-controlling interests		1,655	1,982	-	-
<b>Total equity</b>		<b>8,367</b>	<b>9,825</b>	<b>9,351</b>	<b>9,439</b>
<b>Total liabilities and equity</b>		<b>16,746</b>	<b>19,152</b>	<b>9,558</b>	<b>9,616</b>

### C. Condensed interim statements of changes in equity

	Attributable to owners of the Company						Non-controlling interests	Total Equity
	Share capital	Translation reserve	Capital reserves	Merger reserve	Retained earnings	Total equity attributable to owners of the Company		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>								
<u>Unaudited</u>								
<b>Balance at 1 October 2023</b>	5,245	(53)	277	19	2,355	7,843	1,982	9,825
<b>Total comprehensive (loss) income for the period</b>								
(Loss) profit for the period	-	-	-	-	(1,148)	(1,148)	163	(985)
Other comprehensive income for the period	-	17	-	-	-	17	-	17
<b>Total</b>	-	17	-	-	(1,148)	(1,131)	163	(968)
<b>Transactions with owners, recognised directly in equity</b>								
Dividends paid to non-controlling shareholders by subsidiary	-	-	-	-	-	-	(490)	(490)
<b>Total</b>	-	-	-	-	-	-	(490)	(490)
<b>Balance at 31 March 2024</b>	5,245	(36)	277	19	1,207	6,712	1,655	8,367

### C. Condensed interim statements of changes in equity

	Attributable to owners of the Company						Non-controlling interests	Total Equity
	Share capital	Translation reserve	Capital reserves	Merger reserve	Retained earnings	Total equity attributable to owners of the Company		
The Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Unaudited</u>								
<b>Balance at 1 October 2022</b>	5,245	(127)	277	19	4,696	10,110	2,053	12,163
<b>Total comprehensive (loss) income for the period</b>								
(Loss) profit for the period	-	-	-	-	(1,274)	(1,274)	102	(1,172)
Other comprehensive income for the period	-	114	-	-	-	114	-	114
<b>Total</b>	-	114	-	-	(1,274)	(1,160)	102	(1,058)
<b>Transactions with owners, recognised directly in equity</b>								
Dividends paid to non-controlling shareholders by subsidiary	-	-	-	-	-	-	(294)	(294)
<b>Total</b>	-	-	-	-	-	-	(294)	(294)
<b>Balance at 31 March 2023</b>	5,245	(13)	277	19	3,422	8,950	1,861	10,811

### C. Condensed interim statements of changes in equity

<b>The Company</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	S\$'000	S\$'000	S\$'000
<u>Unaudited</u>			
<b>Balance at 1 October 2023</b>	5,245	4,194	9,439
Profit for the period, representing total comprehensive income for the period	-	(88)	(88)
<b>Balance at 31 March 2024</b>	<u>5,245</u>	<u>4,106</u>	<u>9,351</u>
<u>Unaudited</u>			
<b>Balance at 1 October 2022</b>	5,245	4,406	9,651
Profit for the period, representing total comprehensive income for the period	-	354	354
<b>Balance at 31 March 2023</b>	<u>5,245</u>	<u>4,760</u>	<u>10,005</u>

## D. Consolidated interim statement of cash flows

	<b>Group</b>	
	<b>Six months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	S\$'000	S\$'000
	Unaudited	Unaudited
<b>Operating activities</b>		
Loss before tax	(956)	(1,145)
Adjustments for:		
Interest income	-	-*
Interest expense	78	90
Depreciation of property, plant and equipment	257	246
Depreciation of right-of-use assets	685	684
Amortisation of intangible assets	64	47
Amortisation of deferred grant income	(34)	(28)
Net foreign exchange loss	7	103
Operating cash flows before movements in working capital	101	(3)
Inventories	(484)	112
Trade and other receivables	692	733
Contract assets	(44)	(23)
Trade and other payables	30	(497)
Contract liabilities	(346)	(260)
Cash (used in) / generated from operations	(51)	62
Income tax paid	(37)	(91)
Interest paid on lease liabilities	(78)	(90)
Net cash (used in) / generated from operating activities	(166)	(119)
<b>Investing activities</b>		
Purchase of property, plant and equipment	(127)	(114)
Interest received	-	-*
Net cash used in investing activities	(127)	(114)
<b>Financing activities</b>		
Dividends paid to non-controlling shareholders by subsidiary	(490)	(294)
Repayment of lease liabilities	(689)	(671)
Net cash used in financing activities	(1,179)	(965)
Net decrease in cash and cash equivalents	(1,472)	(1,198)
Cash and cash equivalents at beginning of period	5,876	7,177
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(7)	(103)
Cash and cash equivalents at end of period	4,397	5,876

\* Less than S\$1,000



## E. Notes to the condensed interim consolidated financial statements

### 1. Corporate information

GDS Global Limited (the "Company") is incorporated and domiciled in Singapore. The Company was listed on the Catalyst, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 19 April 2013. These condensed interim consolidated financial statements as at and for the six months ended 31 March 2024 comprise the Company and its subsidiaries (collectively, the "Group").

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

The principal activities of the Group are manufacture, supply, install, service and maintain industrial doors & shutters, trading of production components and retail sale of metal doors via the internet.

### 2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 March 2024 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 annual financial statements for the year ended 30 September 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 financial statements are expressed in Singapore dollars, and all values are rounded to the nearest thousand (\$'000) except where otherwise stated.

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

On 1 October 2023, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new / revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

#### 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 applied to the consolidated financial statements as at and for the year ended 30 September 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.

In the process of applying the Group's accounting policies, management has not made any judgements that will have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations as discussed below.

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.

#### Loss allowance

The Group measures allowance based on an assessment of the recoverability of trade and other receivables and contract assets where events or changes in circumstances indicate that the balances may not be collectible with supportable forward-looking information. The estimation of loss allowance requires the use of judgement and estimates. Where the expectation is different from the original estimate, such differences will impact the carrying value of trade and other receivables, contract assets and loss allowance expenses in the period in which such estimate has been changed.

Management monitors outstanding receivables and the financial health of customers, particularly those of larger debtors. Where there are indications that raises doubt about the financial health of customers, management takes proactive steps to recover outstanding debts. Management assesses and determines the loss allowance by calculating the expected future receipts from customers based on past payment trends, relative age of the debtors, knowledge of the customers' business and its financial condition, and forward-looking adjustments based on macroeconomic factors.

As at 31 March 2024, the Group has trade receivables amounting to S\$988,000 (30 September 2023: S\$1,508,000) and contract assets amounting to S\$435,000 (30 September 2023: S\$391,000). There is no loss allowance for trade receivables and contract assets as at 31 March 2024 and 30 September 2023.

#### Impairment of goodwill

The impairment assessment is assessed and reviewed annually. The recoverable amount is based on the value in use of the cash-generating unit. The value in use methodology that is based on cash flow forecasts requires significant management's judgement about future market conditions, including growth rates and discount rates. The carrying amount of goodwill at the end of the reporting period was S\$659,000 (30 September 2023: S\$659,000). Details of the impairment assessment are provided in Note 12.

#### Allowance for inventory obsolescence

At the end of each reporting period, management assesses and determines whether allowance for inventory obsolescence is required, taking into consideration the usability, market demand and market value of the inventory. For spare parts that are in usable condition but market value and demand are diminishing, allowance for inventory obsolescence will be made over time.

Arising from the reviews, management sets up the necessary allowance for obsolete and slow-moving inventories for any shortfall in the net realisable value of the inventories. Based on management's assessment, there was no allowance for inventory obsolescence and inventory written-off during the current reporting period.

#### Impairment of non-current assets

The recoverable amount is based on the value in use of the cash-generating unit, to which the assets belong to. The value in use methodology that is based on cash flow forecasts requires significant management's judgement about future market conditions, including growth rates and discount rates.

The impairment assessment is assessed and reviewed annually where the estimates and underlying assumptions will be reviewed. Revisions to accounting estimates, if any, are recognised at end of the year.

### **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**

#### **By business segment**

The Group operates and manages its business primarily as a single operating segment in the manufacture and supply of doors and shutter systems, provision of service and maintenance works and trading of production component products. As such, no operating segmental revenue and results have been prepared. The Group's chief operating decision maker reviews the consolidated results prepared based on the Group's accounting policies when making decisions, including the allocation of resources and assessment of performance of the Group.

#### 4.1. Disaggregation of Revenue

A disaggregation of the Group's revenue for the period is as follows:

	<b>Group</b>	
	<b>Six months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	S\$'000	S\$'000
	Unaudited	Unaudited
<b>Type of revenue</b>		
Sale of doors and shutter systems	1,866	2,145
Service and maintenance works	1,557	1,549
Trading of production components	2,111	2,342
	<u>5,534</u>	<u>6,036</u>

	<b>Group</b>	
	<b>Six months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	S\$'000	S\$'000
	Unaudited	Unaudited
<b>Revenue recognised at a point in time</b>		
Sale of doors and shutter systems	1,866	2,145
Service and maintenance works	1,557	1,549
Trading of production components	2,111	2,342
	<u>5,534</u>	<u>6,036</u>

#### By geographical segment

The Group operates mainly in Singapore and in geographical areas of Europe, Asia Pacific, North America, Middle East and East Asia. The Group's revenue from external customers by geographical locations are as follows:

	<b>Group</b>	
	<b>Six months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	S\$'000	S\$'000
	Unaudited	Unaudited
<b>Revenue from external customers (based on location of products delivered)</b>		
Singapore	3,038	3,386
Europe	1,700	1,792
Asia Pacific	651	720
North America	96	111
Middle East	43	27
Others*	6	-
Total	<u>5,534</u>	<u>6,036</u>

\*Others includes Mauritius.

	<b>Group</b>	
	<b>As at</b>	
	<b>31.03.2024</b>	<b>30.09.2023</b>
	S\$'000	S\$'000
	Unaudited	Audited
<b>Non-current assets</b>		
<b>(based on location of assets)</b>		
Singapore*	8,455	9,218

\*All non-current assets for the Group and Company are located in Singapore.

## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2024 and 30 September 2023:

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>31.03.2024</b>	<b>30.09.2023</b>	<b>31.03.2024</b>	<b>30.09.2023</b>
	Unaudited	Audited	Unaudited	Audited
<b>Financial assets:</b>				
At amortised cost (including cash and cash equivalents)	5,896	7,879	5,285	5,359
<b>Financial liabilities:</b>				
At amortised cost	1,197	1,183	207	177
Lease liabilities	6,539	7,112	-	-

## 6. Loss before taxation

### 6.1. Significant items

	<b>Group</b>	
	<b>Six months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	S\$'000	S\$'000
	Unaudited	Unaudited
Other operating income:		
Sundry income	25	19
Grant income	42	86
	67	105
Interest revenue:		
Interest income from bank deposits	-	-*
Interest expense on lease liabilities	(78)	(90)
Depreciation of property, plant and equipment	(257)	(246)
Depreciation of right-of-use assets	(685)	(684)
Amortisation of intangible assets	(64)	(47)
Net foreign exchange losses	(22)	(157)

\* Less than S\$1,000

## 7. Taxation

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

	<b>Group</b>	
	<b>Six months ended 31 March 2024</b>	<b>31 March 2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
Income tax expense comprises:		
- Current tax expense	29	27
Total income tax expense	<u>29</u>	<u>27</u>

## 8. Loss per Share ("LPS")

	<b>Group</b>	
	<b>Six months ended 31 March 2024</b>	<b>31 March 2023</b>
	<b>Unaudited</b>	<b>Unaudited</b>
Loss attributable to owners of the Company (S\$'000)	(1,148)	(1,274)
Weighted average number of ordinary shares ('000)	112,000	112,000
LPS - Basic and diluted (cents)	<u>(1.03)</u>	<u>(1.14)</u>

LPS is calculated based on loss attributable to owners of the Company divided by the weighted average number of ordinary shares in issue. There were no dilutive equity instruments for six months ended 31 March 2024 and 31 March 2023.

## 9. Dividends

There was no dividend paid by the Company during the six months ended 31 March 2024 and 31 March 2023.

## 10. Net Asset Value ("NAV")

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>31.03.2024</b>	<b>30.09.2023</b>	<b>31.03.2024</b>	<b>30.09.2023</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
NAV per ordinary share (cents)	5.99	7.00	8.35	8.43
Number of ordinary shares used in computation of NAV per ordinary share ('000)	<u>112,000</u>	<u>112,000</u>	<u>112,000</u>	<u>112,000</u>

## 11. Property, Plant and Equipment

During the six months ended 31 March 2024, the Group acquired S\$215,000 (31 March 2023: S\$114,000) of property, plant and equipment at cost of which S\$88,000 was acquired under hire purchase. There were no disposal of property, plant and equipment for periods ended 31 March 2024 and 31 March 2023.

## 12. Intangible assets

Intangible assets comprise of patent, goodwill and other intangible assets acquired where other intangible assets relate to a subsidiary's website.

As at 31 March 2024, the carrying amount of patent, goodwill and other intangible assets are S\$464,000 (30 September 2023: S\$513,000), S\$659,000 (30 September 2023: S\$659,000), S\$84,000 (30 September 2023: S\$99,000) respectively.

The patent has a finite useful life. Amortisation is charged using the straight-line method over its estimated useful life of 18 years.

Goodwill acquired in a business combination is allocated to the cash generating units ("CGUs") that are expected to benefit from that business combination.

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. On an annual basis, the Group prepares cash flow forecasts approved by management for the next five years based on estimated revenue and growth rate.

## 13. Share capital

### Group and Company

	Number of ordinary shares		Issued and paid up	
	As at	As at	As at	As at
	31.03.2024	30.09.2023	31.03.2024	30.09.2023
	'000	'000	S\$'000	S\$'000
	Unaudited	Audited	Unaudited	Audited
Issued and paid up:				
At the beginning and end of the interim period	112,000	112,000	5,245	5,245

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

The Company has no treasury shares as at 31 March 2024 and 31 March 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2024 and 31 March 2023.

There were no changes to the Company's share capital as at 31 March 2024 and 30 September 2023. There were no outstanding convertibles as at 31 March 2024 and 31 March 2023.

**Other Information Required by Catalist Rule  
Appendix 7C**

## F. OTHER INFORMATION

### 1. Review

The condensed consolidated statement of financial position of the GDS Global Limited and its subsidiaries as at 31 March 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-month period then ended and certain explanatory notes have not been audited or reviewed.

The Group's latest audited financial statements for the financial year ended 30 September 2023 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

### 2. Review of performance of the Group

#### **Review of the Group's Financial Performance**

##### **Revenue**

For the sales of doors and shutter systems, the Group typically experiences a fluctuation in revenue contribution from its customers from period to period due to the project-based nature of its business. The Group's projects differ in their scope and size and are typically non-recurring.

The Group's revenue for the six-month period ended 31 March 2024 ("1H2024") was S\$5.53 million, a decrease of S\$0.51 million or 8.3% as compared to S\$6.04 million for the corresponding six-month period ended 31 March 2023 ("1H2023").

The decrease of S\$0.51 million was mainly due to projects completion timing and slower demand for trading components.

##### **Cost of sales**

Cost of sales decreased by S\$0.72 million or 16.3% mainly due to lower sub-contractor cost ((S\$0.15 million) due to absence of a one-off project in 1H2023 which required specialised sub-contractor work), fewer spare parts purchased for special application shutters (S\$0.24 million) and decrease in material purchased, which is in line with the decrease in revenue.(S\$0.21 million).

##### **Gross profit**

Gross profit increased by S\$0.22 million or 13.1% mainly from door and shutter systems business, due to decrease in materials purchased and lower sub-contractor cost. Gross profit margin increased from 27.24% in 1H2023 to 31.61% in 1H2024 due to decreased material and sub-contractor costs as elaborated above.

##### **Other operating income**

Other operating income decreased by S\$0.04 million or 36.2% mainly due to the absence of government grants and lower government incentives received in 1H2024.

##### **Marketing and distribution expenses**

Marketing and distribution expenses decreased by S\$0.03 million or 16.6% due to decrease in local logistics transport cost (less demand by clients for usage of suppliers' cranes to transport forklift and scissor lift to site) and freight & storage costs (cessation of storage of our products at overseas warehouse).

##### **Administrative expenses**

Administrative expenses increased by S\$0.19 million or 8.2% due to higher professional fees (S\$0.10 million), salaries cost (S\$0.03 million), depreciation and amortisation (S\$0.03 million) and onboarding of a new contract staff (S\$0.02 million).



**Other operating expenses**

Other operating expenses decreased by S\$0.03 million or 15.4%. The decrease mainly due to lower research and development expense incurred.

**Interest revenue**

Interest revenue comprised interest income from flexi-yield deposits placed with bank. We have closed the flexi-yield account in FY2023, thus no interest was received in 1H2024.

**Other gains and losses**

Other gains and losses decreased by S\$0.14 million or 86% due to revaluation of foreign currencies in a subsidiary's assets (mainly US-denominated trade receivables and bank balances).

**Finance costs**

Finance costs decreased by S\$0.01 million or 13.3% due to lower interest for Right-of-use ("ROU") assets in 1H2024.

**Income tax expense**

The income tax expense increased by S\$2,000 from S\$27,000 to S\$29,000. The increase in income tax expense was mainly due to higher taxable profit from a subsidiary in 1H2024.

**Loss for the period**

As a result of the above, the Group reported a loss of S\$0.99 million for 1H2024 as compared to a loss of S\$1.17 million in 1H2023.

**Review of the Group's Financial Position****Current assets**

Current assets decreased by S\$1.64 million from S\$9.93 million as at 30 September 2023 to S\$8.29 million as at 31 March 2024. The decrease in current assets was mainly due to:

- (i) a decrease in cash and cash equivalents of S\$1.48 million;
- (ii) a decrease in trade and other receivables of S\$0.69 million due to lower revenue generated; which was offset by;
- (iii) an increase in inventories of S\$0.48 million to maintain stock levels for certain components;

### **Non-current assets**

Non-current assets decreased by S\$0.76 million from S\$9.22 million as at 30 September 2023 to S\$8.46 million as at 31 March 2024. The decrease in non-current assets was mainly due to current year depreciation and amortisation of property, plant & equipment, ROU asset, and intangible assets.

### **Current liabilities**

Current liabilities decreased by S\$0.27 million from S\$3.40 million as at 30 September 2023 to S\$3.13 million as at 31 March 2024. The decrease in current liabilities was mainly due to:

- (i) decrease in contract liabilities (deposit received from customers) of S\$0.35 million:  
partially offset by;
- (ii) increase in lease liabilities (ROU asset) of S\$0.08 million.

### **Non-current liabilities**

Non-current liabilities decreased by S\$0.68 million from S\$5.93 million as at 30 September 2023 to S\$5.25 million as at 31 March 2024. The decrease in non-current liabilities was mainly due to a decrease in lease liabilities (ROU asset) of S\$0.65 million.

### **Capital, reserves and non-controlling interests**

Total equity decreased by S\$1.46 million from S\$9.83 million as at 30 September 2023 to S\$8.37 million as at 31 March 2024, mainly from current year losses.

### **Review of the Group's Cash Flows**

#### **Net cash from operating activities**

In 1H2024, the Group generated cash from operating activities before movement in working capital of S\$101,000. The Group's cash used from operations amounted to S\$0.05 million due to:

- (i) increase in inventories of S\$0.48 million
- (ii) increase in contract assets (accrued revenue) of S\$0.04 million
- (iii) increase in trade and other payables of S\$0.03 million  
offset by;
- (iv) decrease in trade and other receivables of S\$0.69 million
- (v) decrease in contract liabilities (deposit received from customers) of S\$0.35 million.

#### **Net cash used in investing activities**

Net cash used in investing activities amounted to S\$0.13 million, due to the purchase of property, plant and equipment.

#### **Net cash used in financing activities**

Net cash used in financing activities was S\$1.18 million which was mainly due to the repayment of lease liabilities (ROU asset) of S\$0.69 million and payment of dividend to non-controlling shareholders of S\$0.49 million.

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

The Group's financial results for 1H2024 are in line with the Company's trends and competitive conditions previously disclosed in the Company's announcement dated 25 November 2023 in relation to its full year results for year ended 30 September 2023.

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

The doors and shutters industry is expected to remain challenging and competitive as most economies are still recovering from Covid-19 pandemic aftermath and higher cost worsened by heightened tensions in the Middle East and the Russia – Ukraine conflict.

For our doors and shutters business, the Group still expects to experience some delays in scheduled installations due to higher material and labour costs delaying progress in construction projects where the Group is one of the end-process contractors.

For our trading of production components segment, the Group expects soft demand in the next 6 -12 months with the prolonged Russia – Ukraine conflict affecting the European bloc where most of our customers are.

Nevertheless, the Group, under a new leadership structure from November 2023, is cautiously optimistic of some recovery in the next 12 months in light of local public project opportunities in the building and construction sector and Group's own strategic initiatives. In Singapore, public projects have propped up growth in the building and construction industry in the first quarter of this year. The Group had recently intensified its sales and marketing efforts to increase local and overseas sales and market share. Concurrently, the Group will focus on improving its products offering, service and maintenance resources and operational efficiencies to stay competitive. We will continually evaluate strategies to navigate industry challenges.

**5. Dividend information**

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No

Name of Dividend	Not applicable
Dividend type Dividend per share Tax rate	Not applicable

5b. Corresponding Period of the Immediate Preceding Financial Year

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

No

Name of Dividend	Not applicable
Dividend type Dividend per share Tax rate	Not applicable

5c. Date Payable

Not applicable

5d. Book Closure Date

Not applicable

5e. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared / recommended for the current financial period reported on, as it is the Company's practice to consider dividend declaration / recommendation (if any) during the full year financial period.

**6. Interested person transactions**

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions. There were no interested person transactions during the period.

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

The Company has received undertaking from all its directors and executive officers in the format as set out Appendix 7H under Rule 720(1) of the Catalist Rules.

**8. Disclosure pursuant to Rule 706A of the Catalist Rules**

There were no acquisitions or realization of shares in any of the Group's subsidiaries or associated companies nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities in 1H2024.

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 financial statements for the six months period ended 31 March 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

**Lee Pei Fang**

**Executive Director**

**Aw Eng Hai**

**Lead Independent Non-Executive Director**

Singapore

10 May 2024