



Tai Sin Electric Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 198000057W)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED
30 JUNE 2023

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A. Condensed interim statements of financial position

		GROUP		COMPANY	
		As at 30.06.2023 \$'000	As at 30.06.2022 \$'000	As at 30.06.2023 \$'000	As at 30.06.2022 \$'000
ASSETS					
Current assets:					
Cash and bank balances		32,003	29,196	9,212	8,169
Trade receivables	6	92,427	109,774	45,855	51,072
Other receivables		5,645	3,882	2,077	1,650
Contract assets		2,617	2,919	-	-
Derivative financial instruments	7	2,248	163	2,253	207
Inventories	8	101,168	98,809	52,698	52,955
Assets classified as held for sale		169	-	-	-
Total current assets		236,277	244,743	112,095	114,053
Non-current assets:					
Other receivables		361	482	100	100
Derivative financial instruments	7	3	1,441	3	1,441
Subsidiaries	9	-	-	49,315	48,198
Associates	10	12,040	11,403	-	-
Other investments		6	7	-	-
Property, plant and equipment	11	38,061	38,594	10,595	10,528
Right-of-use assets	12	11,287	14,278	3,770	4,013
Investment properties	13	2,615	2,908	-	-
Goodwill	14	129	-	-	-
Intangible assets	15	-	-	-	-
Deferred tax assets		1,292	1,853	1,200	1,732
Total non-current assets		65,794	70,966	64,983	66,012
Total assets		302,071	315,709	177,078	180,065
LIABILITIES AND EQUITY					
Current liabilities:					
Bank borrowings	16	33,526	31,370	6,016	4,261
Trade payables		23,606	38,695	11,554	16,576
Other payables		10,883	11,519	3,164	3,363
Contract liabilities		3,179	2,483	29	345
Provision for onerous contracts	17	7,886	12,557	7,886	12,557
Lease liabilities		1,203	825	338	317
Income tax payable		3,040	2,750	1,427	858
Total current liabilities		83,323	100,199	30,414	38,277
Non-current liabilities:					
Other payables		195	191	-	-
Lease liabilities		10,991	10,845	3,686	3,901
Deferred tax liabilities		807	907	-	-
Total non-current liabilities		11,993	11,943	3,686	3,901

		GROUP		COMPANY	
		As at 30.06.2023 \$'000	As at 30.06.2022 \$'000	As at 30.06.2023 \$'000	As at 30.06.2022 \$'000
Capital, reserves and non-controlling interests:					
Share capital	18	63,712	63,712	63,712	63,712
Treasury shares	19	(950)	(950)	(950)	(950)
Reserves		142,044	138,927	80,216	75,125
Equity attributable to the shareholders of the Company		204,806	201,689	142,978	137,887
Non-controlling interests		1,949	1,878	-	-
Total equity		206,755	203,567	142,978	137,887
Total liabilities and equity		302,071	315,709	177,078	180,065

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

Group	Note	6 months ended 30.06.2023 \$'000	6 months ended 30.06.2022 \$'000	Change %	12 months ended 30.06.2023 \$'000	12 months ended 30.06.2022 \$'000	Change %
Revenue	20	192,105	204,213	(5.93)	421,726	379,052	11.26
Cost of sales		(160,686)	(155,069)	3.62	(355,072)	(298,998)	18.75
Gross profit		31,419	49,144	(36.07)	66,654	80,054	(16.74)
Other operating income		1,211	1,850	(34.54)	5,000	4,344	15.10
Selling and distribution expenses		(11,869)	(11,858)	0.09	(24,088)	(21,794)	10.53
Administrative expenses		(11,235)	(10,704)	4.96	(21,731)	(20,443)	6.30
Other operating expenses		(2,440)	(11,068)	(77.95)	(2,788)	(14,914)	(81.31)
Finance costs		(1,041)	(590)	76.44	(2,154)	(1,047)	105.73
Share of profit of associates		431	219	96.80	499	1,081	(53.84)
Profit before income tax	21	6,476	16,993	(61.89)	21,392	27,281	(21.59)
Income tax expense	22	(1,696)	(3,430)	(50.55)	(4,582)	(5,089)	(9.96)
Profit for the year		4,780	13,563	(64.76)	16,810	22,192	(24.25)
Other comprehensive (loss) income:							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Exchange difference on translation of foreign operations		(853)	(469)	81.88	(3,004)	(134)	N.M
Changes in share of other comprehensive income (loss) of associates		2	(9)	N.M	23	(13)	N.M
Other comprehensive loss for the period, net of tax		(851)	(478)	78.03	(2,981)	(147)	N.M
Total comprehensive income for the year		3,929	13,085	(69.97)	13,829	22,045	(37.27)
Profit for the year attributable to:							
Shareholders of the Company		4,747	13,511	(64.87)	16,674	22,006	(24.23)
Non-controlling interests		33	52	(36.54)	136	186	(26.88)
		4,780	13,563	(64.76)	16,810	22,192	(24.25)
Total comprehensive income attributable to:							
Shareholders of the Company		3,850	13,031	(70.46)	13,728	21,844	(37.15)
Non-controlling interests		79	54	46.30	101	201	(49.75)
		3,929	13,085	(69.97)	13,829	22,045	(37.27)

N.M denotes Not Meaningful

C. Condensed interim Statements of Changes in Equity

Group	Note	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2022		63,712	(950)	(891)	(1,117)	140,935	201,689	1,878	203,567
Total comprehensive (loss) income for the year									
Profit for the year		-	-	-	-	16,674	16,674	136	16,810
Other comprehensive loss for the year		-	-	(2,946)	-	-	(2,946)	(35)	(2,981)
Total		-	-	(2,946)	-	16,674	13,728	101	13,829
Transactions with owners, recognised directly in equity									
Share of post-acquisition reserve from an associate		-	-	-	205	-	205	-	205
Dividend paid to non-controlling interest		-	-	-	-	-	-	(30)	(30)
Final dividend for the previous year paid	23	-	-	-	-	(7,364)	(7,364)	-	(7,364)
Interim dividend for the year paid	23	-	-	-	-	(3,452)	(3,452)	-	(3,452)
		-	-	-	205	(10,816)	(10,611)	(30)	(10,641)
Balance at 30 June 2023		63,712	(950)	(3,837)	(912)	146,793	204,806	1,949	206,755

Group	Note	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2021		63,712	(950)	(729)	(1,079)	129,285	190,239	1,781	192,020
Total comprehensive (loss) income for the year									
Profit for the year		-	-	-	-	22,006	22,006	186	22,192
Other comprehensive (loss) income for the year		-	-	(162)	-	-	(162)	15	(147)
Total		-	-	(162)	-	22,006	21,844	201	22,045
Transactions with owners, recognised directly in equity									
Share of post-acquisition reserve from an associate		-	-	-	(38)	-	(38)	-	(38)
Dividend paid to non-controlling interest		-	-	-	-	-	-	(104)	(104)
Final dividend for the previous year paid	23	-	-	-	-	(6,904)	(6,904)	-	(6,904)
Interim dividend for the year paid	23	-	-	-	-	(3,452)	(3,452)	-	(3,452)
		-	-	-	(38)	(10,356)	(10,394)	(104)	(10,498)
Balance at 30 June 2022		63,712	(950)	(891)	(1,117)	140,935	201,689	1,878	203,567

Company	Note	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 July 2022		63,712	(950)	75,125	137,887
Profit for the year, representing total comprehensive income for the year		-	-	15,907	15,907
Transactions with owners, recognised directly in equity					
Final dividend for the previous year paid		-	-	(7,364)	(7,364)
Interim dividend for the year paid		-	-	(3,452)	(3,452)
		-	-	(10,816)	(10,816)
Balance at 30 June 2023		63,712	(950)	80,216	142,978

Company	Note	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 July 2021		63,712	(950)	71,545	134,307
Profit for the year, representing total comprehensive income for the year		-	-	13,936	13,936
Transactions with owners, recognised directly in equity					
Final dividend for the previous year paid		-	-	(6,904)	(6,904)
Interim dividend for the year paid		-	-	(3,452)	(3,452)
		-	-	(10,356)	(10,356)
Balance at 30 June 2022		63,712	(950)	75,125	137,887

D. Condensed interim consolidated statement of cash flows

Group	Year ended 30.06.2023 \$'000	Year ended 30.06.2022 \$'000
Operating activities		
Profit before income tax	21,392	27,281
Adjustments for:		
Depreciation of property, plant and equipment	5,087	5,037
Depreciation of investment properties	55	53
Depreciation of right-of-use assets	1,666	1,448
Interest income	(262)	(170)
Interest expense	2,154	1,047
Gain on disposal of property, plant and equipment	(52)	(109)
Gain on disposal of right-of-use assets	-*	(4)
Loss on disposal of an investment property	4	-
Property, plant and equipment written off	63	42
Bad debts (recovered) written off	(8)	1
(Reversal of) Loss allowance for trade and other receivables	(846)	2,426
Reversal of provision for onerous contracts	(4,671)	(10,130)
Inventories written off	223	422
Allowance for (Reversal of) inventories obsolescence	57	(27)
Fair value loss on revaluation of investment in quoted shares	1	1
Impairment loss on assets held for sale	-	164
Impairment loss on right-of-use assets	2,706	-
Fair value adjustments on derivative financial instruments taken to profit or loss	(644)	12,277
Share of profit of associates	(499)	(1,081)
Exchange differences	(202)	-
Operating cash flows before movement in working capital	26,224	38,678
Trade receivables	16,401	(24,746)
Other receivables	(1,667)	640
Contract assets	260	2,812
Inventories	(4,567)	(29,573)
Trade payables	(14,805)	10,197
Other payables	(612)	1,176
Contract liabilities	753	899
Cash generated from operations	21,987	83
Income tax paid	(3,902)	(7,523)
Net cash generated from (used in) operating activities	18,085	(7,440)
Investing activities		
Acquisition of a subsidiary (Note 24)	(795)	-
Purchase of property, plant and equipment	(5,017)	(4,521)
Dividend received from an associate	90	108
Proceeds from disposal of property, plant and equipment	119	377
Proceeds from disposal of investment property	127	-
Interest received	262	170
Net cash used in investing activities	(5,214)	(3,866)

Group	Year ended 30.06.2023 \$'000	Year ended 30.06.2022 \$'000
Financing activities		
Proceeds from bank borrowings	159,727	82,237
Repayment of bank borrowings	(155,830)	(68,685)
Repayment of principal portion of lease liabilities	(935)	(858)
Interest paid	(2,154)	(1,047)
Dividend paid	(10,816)	(10,356)
Dividend paid to non-controlling interests	(30)	(104)
Net cash (used in) from financing activities	(10,038)	1,187
Net increase (decrease) in cash and cash equivalents	2,833	(10,119)
Cash and cash equivalents at beginning of year	29,196	39,329
Effect of exchange rate changes on the balance of cash held in foreign currencies	(26)	(14)
Cash and cash equivalents at end of year	32,003	29,196

* Amount less than \$1,000.

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

The Company (Registration No. 198000057W) is incorporated in Singapore with its principal place of business and registered office at 24 Gul Crescent, Singapore 629531. The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

These condensed interim consolidated financial statements as at and for the six months and full year ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Group and the Company are:

- a) Cable and wire manufacturer and dealer in such products;
- b) Electrical switchboards, feeder pillars and components manufacturer and dealer in such products;
- c) Trading and distributor of electrical products;
- d) Laboratories for tests, experiments and researches and provision of quality consultancy services;
- e) General construction and technical engineering;
- f) Provision of oil and gas, non-construction, testing and analysis services;
- g) Investment holding.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 30 June 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 financial period ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim financial statements have been prepared on a going concern basis, since the directors have verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group's ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

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

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

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 financial year ended 30 June 2022.

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

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

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 for trade receivables

The Group uses an allowance matrix to calculate expected credit losses ("ECL") for trade receivables. The allowance rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The Group determines the ECL of trade receivables by using an allowance matrix that is based on its historical credit loss experience, debtors' ability to pay and any relevant forward-looking information that may be specific to the debtors and economic environment.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant management estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The loss allowance and carrying amounts of the Group's trade receivables at the end of the reporting period are disclosed in Note 6 to the condensed interim financial statements.

- Allowance for inventories

The policy for allowance for inventories for the Group is based on management's judgement and evaluation of the saleability and the aging analysis of the individual inventory item. A considerable amount of judgement is required in assessing the ultimate realisation of these inventories, including the current market price and movement trend of each inventory.

The carrying amount of inventories at the end of the reporting period is disclosed in Note 8 to the condensed interim financial statements.

- Impairment of investment in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost less impairment loss. The Company follows the guidance of SFRS(I) 1-36 *Impairment of Assets* to determine when its investments in subsidiaries and associates are impaired. This determination requires management to evaluate, among other factors, the market and economic environment in which the subsidiaries and associates operate, economic performance of these entities, the duration and extent to which the cost of investments in these entities exceed their net tangible assets values and fair value of investments less cost to sell.

The carrying amount of investments in subsidiaries and associates at the end of the reporting period is disclosed in Notes 9 and 10 to the condensed interim financial statements.

- Impairment of right-of-use assets ("ROUA")

Right-of-use assets are stated at cost less accumulated depreciation. The Company follows the guidance of SFRS(I) 1-36 *Impairment of Assets* to determine whether there is any indication that those assets have suffered an impairment loss at each reporting period.

The recoverable amount of the ROUA is determined based on the value-in-use calculation which uses cash flow projections based on financial budget approved by the directors, projected over the remaining useful life of the underlying asset. Management uses the expected cash flow approach taking into consideration possible variations in the amount or timing of the future cash flows and assigns probabilities to estimates of future cash flows.

The carrying amount of right-of-use assets at the end of the reporting period is disclosed in Notes 12 to the condensed interim financial statements.

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

- Impairment of goodwill

Goodwill is initially recognised and measured as set out in the business combination accounting policy.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The group will review for impairment of goodwill at year end. The carrying amount of the goodwill at the end of the reporting period is disclosed in Note 14 to the condensed interim financial statements.

- Provision for onerous contracts

The policy for provision of onerous contracts for the group is based on management's judgement and evaluation of the estimated losses arising from the differences between (1) the committed selling prices and estimated cost of sales for the unfulfilled sales quantities committed in respect of contracts for which delivery has substantially commenced by the end of the financial year and (2) the committed prices and estimated cost for the services committed in respect of uncompleted contracts.

A considerable amount of judgement is required in assessing the unavoidable costs of meeting the obligations under the contract. This determination requires management to evaluate and estimate, among other factors copper prices, the outstanding quantity of copper for future delivery and the timing of future delivery, the hedged copper quantity, the quantity of finished goods on hand that can be used to fulfil onerous contracts and the percentage of copper costs in cables.

The provision for onerous contracts at the end of the reporting period is disclosed in Note 17 to the condensed interim financial statements.

3. Seasonal operations

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

4. Financial assets and financial liabilities

The following table sets out the financial instruments as at the end of the reporting period.

	Group		Company	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at amortised costs	126,131	140,558	56,360	60,258
Derivative financial instruments	2,251	1,604	2,256	1,648
Financial liabilities				
Financial liabilities at amortised costs	64,351	81,361	20,285	24,143
Lease liabilities	12,194	11,670	4,024	4,218

Fair values of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other current receivables and payables and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of derivative instruments are calculated using quoted prices.

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

The fair value hierarchy of the Group's derivative financial instruments relating to forward foreign exchange contracts and copper contracts are classified as Level 2. There were no movements between different levels during the year.

5. Related Party Transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

During the year, the Group entered into the following significant transactions with related parties:

	Group			
	6 months ended 30.06.2023	6 months ended 30.06.2022	12 months ended 30.06.2023	12 months ended 30.06.2022
	\$'000	\$'000	\$'000	\$'000
Sales to associates	(3,870)	(5,607)	(8,208)	(8,494)
Purchases from associates	-	14	-	14
Services provided by associates	173	126	328	252
Management fees charge to associates	(9)	(9)	(18)	(18)
Rental charge to associates	(94)	(93)	(188)	(187)
Manpower provided to associate	(23)	(22)	(46)	(50)
Manpower supply by associates	31	11	40	20
Expenses paid on behalf for associates	(27)	(19)	(48)	(44)

5. Related Party Transactions (cont'd)

Companies in which key management have interests:

	Group			
	6 months ended 30.06.2023	6 months ended 30.06.2022	12 months ended 30.06.2023	12 months ended 30.06.2022
	\$'000	\$'000	\$'000	\$'000
Sales	(194)	(304)	(424)	(610)
Purchases	52	305	302	368
Consultancy service charges to related party	(26)	(52)	(90)	(201)
Sales of plant and machinery to a related party	-	-	-	(51)
Services provided by related parties	-	-	-	70
Manpower provided to related parties	(8)	(17)	(17)	(17)
Rental provided by related parties	19	26	41	45
Expenses paid on behalf for a related party	(51)	-	(120)	(32)
Expenses paid on behalf to a related party	44	58	95	106

6. Trade receivables

	Group		Company	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	\$'000	\$'000	\$'000	\$'000
Outside parties	93,049	112,011	45,591	49,375
Related parties	662	535	58	62
Subsidiaries	-	-	1,511	953
Associates	3,161	3,252	752	3,176
	96,872	115,798	47,912	53,566
Less: Loss allowance	(4,445)	(6,024)	(2,057)	(2,494)
	92,427	109,774	45,855	51,072

The average credit period is 30 to 120 days (30 June 2022 : 30 to 120 days). No interest is charged on the trade receivables.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using an allowance matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

7. Derivative financial instruments

	Group		Company	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	\$'000	\$'000	\$'000	\$'000
Forward foreign exchange contracts	811	224	816	224
Copper contracts	1,440	1,380	1,440	1,424
Total	2,251	1,604	2,256	1,648
Less : Non-current	(3)	(1,441)	(3)	(1,441)
Current derivative financial instruments	2,248	163	2,253	207

7. Derivative financial instruments (cont'd)

Forward foreign exchange contracts

As at 30 June 2023 and 30 June 2022, the Group and Company had outstanding currency derivatives that were used to hedge significant future transactions. The instruments purchased are primarily denominated in the currencies of the Group's and Company's principal markets.

Details of the Group's and Company's forward foreign currency contracts outstanding as at the end of the reporting period are as follows:

	Foreign currency		Notional contract value		Fair value	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	FC'000	FC'000	\$'000	\$'000	\$'000	\$'000
<u>Group</u>						
Buy United States dollar less than 12 months	38,250	30,000	49,888	39,861	813	224
Buy United States dollar more than 12 months	3,000	-	3,885	-	3	-
Sell United States dollar less than 12 months	1,800	-	3,297	-	(5)	-
<u>Company</u>						
Buy United States dollar less than 12 months	38,250	30,000	49,888	39,861	813	224
Buy United States dollar more than 12 months	3,000	-	3,885	-	3	-

As at 30 June 2023, the fair value of forward foreign exchange contracts for the Group and the Company was \$811,000 (30 June 2022 : \$224,000). These amounts were determined based on observable forward exchange rates, contract forward rates and discounted at a rate that reflected the credit risk of various counterparties at the end of reporting period. Changes in the fair value of the forward foreign exchange contracts were recorded in profit or loss immediately.

Copper contracts

As at 30 June 2023 and 30 June 2022, the Group and the Company had outstanding copper contracts that were used to hedge significant future fluctuations in copper prices. The instruments purchased are primarily copper derivatives where the Group and Company pay or receive the difference in actual market price against price contracted as the copper derivatives contracts mature.

8. Inventories

	Group		Company	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	\$'000	\$'000	\$'000	\$'000
Raw materials	7,972	10,223	5,778	6,940
Work-in-progress	20,898	21,820	13,790	12,575
Finished goods	70,508	59,988	31,843	27,297
Goods-in-transit	1,790	6,778	1,287	6,143
	101,168	98,809	52,698	52,955

As at the end of the reporting period, inventories are stated net of an allowance of \$435,000 (30 June 2022 : \$378,000). In addition, \$223,000 (30 June 2022 : \$422,000) of inventories were written off as they were assessed to be not saleable. During the year, there is an allowance for inventories obsolescence of \$57,000 (30 June 2022 : reversal of allowance for inventories obsolescence of \$27,000).

9. Subsidiaries

	Company	
	30.06.2023	30.06.2022
	\$'000	\$'000
Unquoted equity shares, at cost	38,041	37,567
Deemed investment ^(a)	11,274	10,631
	<u>49,315</u>	<u>48,198</u>

For the year ended 30 June 2023, investment in subsidiaries is recorded net of provision for impairment loss of \$396,000 (30 June 2022 : \$ Nil).

(a) The deemed investment arises from the fair value of corporate guarantees given to subsidiaries to secure the bank facilities.

Fair value of corporate guarantees is the guarantee fee received for issuing the financial guarantee and is approximately 1% (30 June 2022 : 1%) per annum of the sum guaranteed under the financial guarantee contract.

10. Associates

	Group	
	30.06.2023	30.06.2022
	\$'000	\$'000
Unquoted equity shares, at cost	3,188	3,188
Share of post-acquisition results and reserves, net of dividends received	8,852	8,215
	<u>12,040</u>	<u>11,403</u>

11. Property, plant and equipment

During the year, the Group acquired assets amounting to \$5,017,000 (30 June 2022 : \$4,521,000), assets acquired through acquisition of a subsidiary amounting to \$303,000 (30 June 2022: \$Nil), disposed assets amounting to \$67,000 (30 June 2022 : \$268,000) and written-off assets amounting to \$63,000 (30 June 2022 : \$42,000).

12. Right-of-use assets

During the year, the Group acquired right-of use assets amounting to \$1,147,000 (30 June 2022: \$854,000), adjustment due to revision of rental rate amounting to \$388,000 (30 June 2022: \$88,000), de-recognition of assets amounting to \$12,000 (30 June 2022 : \$140,000) and impairment loss of assets amounting to \$2.706 million (30 June 2022 : \$Nil).

13. Investment properties

	Group
	\$'000
Cost:	
At 1 July 2021	3,271
Currency realignment	(76)
At 30 June 2022	3,195
Additions	312
Disposals	(132)
Reclassified as held for sale	(180)
Currency realignment	(269)
At 30 June 2023	2,926
Accumulated depreciation:	
At 1 July 2021	240
Depreciation	53
Currency realignment	(6)
At 30 June 2022	287
Depreciation	55
Disposals	(1)
Reclassified as held for sale	(4)
Currency realignment	(26)
At 30 June 2023	311
Carrying amount:	
At 30 June 2023	2,615
At 30 June 2022	2,908

14. Goodwill

	Goodwill on consolidation
	\$'000
<u>Group</u>	
Cost:	
At 1 July 2021 and 30 June 2022	-
Recognised on acquisition of a subsidiary (Note 24)	129
At 30 June 2023	129
Carrying amount:	
At 30 June 2023	129
At 30 June 2022	-

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated to Cable & Wire Segment.

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

15. Intangible assets

	Customer relationships \$'000
<u>Group</u>	
Cost:	
At 1 July 2021, 30 June 2022 and 30 June 2023	2,114
Accumulated amortisation:	
At 1 July 2021, 30 June 2022 and 30 June 2023	2,114
Carrying amount:	
At 30 June 2023	-
At 30 June 2022	-

16. Borrowings

	Group		Company	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	\$'000	\$'000	\$'000	\$'000
Amount repayable within one year or on demand				
- Secured	28,713	23,720	338	317
- Unsecured	6,016	8,475	6,016	4,261
Amount repayable after one year				
- Secured	10,991	10,845	3,686	3,901

Details of any collateral

The other bank borrowings of the Group are secured by the following:

- i. negative pledge over all assets of a subsidiary; and
- ii. corporate guarantee by the Company.

Lease liabilities are secured over the lessors' title to the leased assets.

17. Provision for onerous contracts

	Group and Company	
	30.06.2023	30.06.2022
	\$'000	\$'000
Balance at beginning of year	12,557	22,687
Credit to profit or loss	(4,671)	(10,130)
Provision for onerous contract	7,886	12,557

Management has made assessment for the fixed price onerous contracts which deliveries are expected to be made over the next 5 years after the year end. During the year, a reversal of provision for onerous contracts of \$4.671 million (30 June 2022 : \$10.130 million) was made based on prevailing copper price. Any fluctuation in copper price subsequent to year end will result in addition or reversal of such provision.

The reversal of provision for onerous contracts for the both periods have been credited to cost of sales.

18. Share capital

	Group and Company	
	Number of ordinary shares	\$'000
Issued and paid up capital: At 1 July 2021, 30 June 2022 and 30 June 2023	462,988,841	63,712

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividend.

19. Treasury shares

	Group and Company	
	Number of ordinary shares	\$'000
At 1 July 2021, 30 June 2022 and 30 June 2023	2,727,000	950

20. Revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major operating segments. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 25).

	Group			
	6 months ended 30.06.2023 \$'000	6 months ended 30.06.2022 \$'000	12 months ended 30.06.2023 \$'000	12 months ended 30.06.2022 \$'000
At a point in time:				
Cable and wire	128,812	128,768	280,228	232,418
Electrical material distribution	47,574	56,738	108,310	109,732
Test and inspections	4,586	5,865	10,301	10,419
Switchboard	2,010	2,689	4,654	5,285
Over time:				
Electrical material distribution	22	88	49	296
Test and inspections	9,101	10,065	18,184	20,902
	192,105	204,213	421,726	379,052

A breakdown of sales

	Group		
	Latest Financial Year \$'000	Previous Financial Year \$'000	Increase/ (Decrease) %
(a) Sales reported for first half year	229,621	174,839	31.33
(b) Operating profit after income tax before deducting non-controlling interests reported for first half year	12,030	8,629	39.41
(c) Sales reported for second half year	192,105	204,213	(5.93)
(d) Operating profit after income tax before deducting non-controlling interests reported for second half year	4,780	13,563	(64.76)

21. Profit before income tax

Profit for the period has been arrived at after charging (crediting):

	Group			
	6 months ended 30.06.2023	6 months ended 30.06.2022	12 months ended 30.06.2023	12 months ended 30.06.2022
	\$'000	\$'000	\$'000	\$'000
Bad debts (recovered) written off	(6)	1	(8)	1
Foreign currency exchange adjustment loss (gain)	97	(46)	(323)	(486)
Fair value adjustments on derivative financial instruments taken to profit or loss	1,352	9,424	(644)	12,277
Fair value loss on revaluation of other investments	1	1	1	1
Gain on disposal of property, plant and equipment	(49)	(16)	(52)	(109)
Gain on disposal of right-of-use assets	-	-	-*	(4)
Loss on disposal of an investment property	4	-	4	-
Government grants	(280)	(787)	(426)	(1,815)
Impairment loss on assets held for sale	-	164	-	164
Impairment loss on right-of-use assets	2,706	-	2,706	-
Interest income	(178)	(83)	(262)	(170)
Inventories written off	223	400	223	422
Allowance for (Reversal of) inventories obsolescence	57	(27)	57	(27)
(Reversal of) Loss allowance for trade and other receivables	(1,173)	1,472	(846)	2,426
Realised (gain) loss on derivative financial instruments included in cost of sales	(2,278)	(3,348)	760	(8,008)
(Reversal of) Provision for onerous contracts	(1,734)	(14,934)	(4,671)	(10,130)
Property, plant and equipment written off	56	8	63	42
Depreciation of property, plant and equipment	2,575	2,515	5,087	5,037
Depreciation of investment properties	27	26	55	53
Depreciation on right-of-use assets	823	738	1,666	1,448

* Amount less than \$1,000.

22. Income 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:

	Group			
	6 months ended 30.06.2023	6 months ended 30.06.2022	12 months ended 30.06.2023	12 months ended 30.06.2022
	\$'000	\$'000	\$'000	\$'000
Income tax:				
Current	1,441	1,395	3,746	3,854
Under (Over)provision in prior years	292	(312)	326	(292)
	1,733	1,083	4,072	3,562
Deferred income tax:				
Current	411	2,258	900	1,432
(Over) Underprovision in prior years	(469)	83	(469)	83
	(58)	2,341	431	1,515
Withholding tax	21	6	79	12
Total income tax expense	1,696	3,430	4,582	5,089

23. Dividends

During the financial year ended 30 June 2023, the Company declared and paid dividends totalling \$10.816 million. Details were as follows:

- (a) Final tax-exempt dividend of 1.60 cent per ordinary share in respect of the financial year ended 30 June 2022 totalling \$7.364 million; and
- (b) Interim tax-exempt dividend of 0.75 cent per ordinary share in respect of the financial year ended 30 June 2023 totalling \$3.452 million.

During the financial year ended 30 June 2022, the Company declared and paid dividends totalling \$10.356 million. Details were as follows:

- (a) Final tax-exempt dividend of 1.50 cent per ordinary share in respect of the financial year ended 30 June 2021 totalling \$6.904 million; and
- (b) Interim tax-exempt dividend of 0.75 cent per ordinary share in respect of the financial year ended 30 June 2022 totalling \$3.452 million.

24. Acquisition of a subsidiary

On 1 July 2022, the Group acquired 100% of the issued and fully paid-up share capital of Nishi Densen Sdn.Bhd. ("NSD") (previously known as Nishiden (Malaysia) Sdn. Bhd.) at a cash consideration of \$870,000.

NSD is incorporated in Malaysia with its principal activities being fabricating of copper wiring, cables and other related parts.

Identifiable assets and liabilities at the date of acquisition

	<u>Fair value</u> <u>\$'000</u>
Cash and bank balances	75
Trade and other receivables	421
Inventories	131
Property, plant and equipment	303
Trade and other payables	(139)
Lease liabilities	(20)
Deferred tax liabilities	(30)
Net assets	<u>741</u>

Goodwill arising on acquisition

	<u>30.06.2023</u> <u>\$'000</u>
Consideration transferred	870
Less: Fair value of identifiable net assets acquired	<u>(741)</u>
Goodwill arising on acquisition	<u>129</u>

Net cash outflow on acquisition

	<u>30.06.2023</u> <u>\$'000</u>
Consideration paid in cash	870
Less: Cash and cash equivalent acquired	<u>(75)</u>
Net cashflows arising from acquisition of a subsidiary	<u>795</u>

25. Segment information

The Group has the following five strategic units, which are its reportable segments. These units offer different products and services, and are managed separately because they sell different products or services and have their own marketing strategies. The Group's CEO (the chief operating decision maker) reviews internal management reports of each unit at least quarterly. The following summary describes the operations in each of the Group's reportable segments:

- *Cable & Wire.* Includes cable and wire manufacturing and dealing in such products.
- *Electrical Material Distribution.* Includes distribution of electrical products.
- *Test & Inspection.* Includes laboratories for tests, experiments and researches and provision of quality consultancy services.
- *Switchboard.* Includes manufacturing and dealing in electrical switchboards, feeders pillars and components.
- *Others.* Investment holding.

Accordingly, the above are the Group's reportable segments under SFRS(I) 8. No operating segments have been aggregated to form the above reportable operating segments. Information regarding the Group's reportable segments is presented below. There is no change to amounts reported for the prior year as the segment information reported internally is provided to the Group's chief operating decision maker on a similar basis.

25. Segment information (cont'd)

Segment revenue and results

	Cable & Wire \$'000	Electrical Material Distribution \$'000	Test & Inspection \$'000	Switch- board \$'000	Others \$'000	Elimination \$'000	Total \$'000
6 months ended 30.06.2023							
Revenue							
External sales	128,812	47,596	13,687	2,010	-	-	192,105
Inter-segment sales	574	577	8	-	-	(1,159)	-
Total revenue	129,386	48,173	13,695	2,010	-	(1,159)	192,105
Results							
Segment result	7,991	2,050	(3,142)	14	(5)	-	6,908
Interest expense	(723)	(80)	(234)	(4)	-	-	(1,041)
Interest income	160	1	17	-	-	-	178
Share of profit of associates	-	433	(2)	-	-	-	431
Income tax expense							(1,696)
Non-controlling interests							(33)
Profit attributable to shareholders of the Company							4,747
6 months ended 30.06.2022							
Revenue							
External sales	128,768	56,826	15,930	2,689	-	-	204,213
Inter-segment sales	891	832	24	-	-	(1,747)	-
Total revenue	129,659	57,658	15,954	2,689	-	(1,747)	204,213
Results							
Segment result	14,205	2,484	544	35	13	-	17,281
Interest expense	(330)	(70)	(184)	(6)	-	-	(590)
Interest income	73	-	10	-	-	-	83
Share of loss of associates	-	214	5	-	-	-	219
Income tax expense							(3,430)
Non-controlling interests							(52)
Loss attributable to shareholders of the Company							13,511

25. Segment information (cont'd)

Segment revenue and results (cont'd)

	Cable & Wire	Electrical Material Distribution	Test & Inspection	Switch- board	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>12 months ended 30.06.2023</u>							
Revenue							
External sales	280,228	108,359	28,485	4,654	-	-	421,726
Inter-segment sales	1,639	838	8	-	-	(2,485)	-
Total revenue	<u>281,867</u>	<u>109,197</u>	<u>28,493</u>	<u>4,654</u>	<u>-</u>	<u>(2,485)</u>	<u>421,726</u>
Results							
Segment result	18,785	7,193	(3,402)	251	(42)	-	22,785
Interest expense	(1,538)	(167)	(441)	(8)	-	-	(2,154)
Interest income	228	3	31	-	-	-	262
Share of profit (loss) of associates	-	498	1	-	-	-	499
Income tax expense							(4,582)
Non-controlling interests							(136)
Profit attributable to shareholders of the Company							<u>16,674</u>
<u>12 months ended 30.06.2022</u>							
Revenue							
External sales	232,418	110,028	31,321	5,285	-	-	379,052
Inter-segment sales	1,861	1,007	24	-	-	(2,892)	-
Total revenue	<u>234,279</u>	<u>111,035</u>	<u>31,345</u>	<u>5,285</u>	<u>-</u>	<u>(2,892)</u>	<u>379,052</u>
Results							
Segment result	18,565	6,774	1,511	229	(2)	-	27,077
Interest expense	(534)	(133)	(370)	(10)	-	-	(1,047)
Interest income	154	-	16	-	-	-	170
Share of profit of associates	-	1,111	(30)	-	-	-	1,081
Income tax expense							(5,089)
Non-controlling interests							(186)
Profit attributable to shareholders of the Company							<u>22,006</u>

25. Segment information (cont'd)

Other segment information

	Cable & Wire \$'000	Electrical Material Distribution \$'000	Test & Inspection \$'000	Switch- board \$'000	Others \$'000	Total \$'000
<u>6 months ended 30.06.2023</u>						
Additions to non-current assets	1,791	1,120	670	5	-	3,586
Depreciation and amortisation	1,410	636	1,339	40	-	3,425
Non-cash items other than depreciation and amortisation	(1,463)	137	2,802	57	-	1,533
<u>6 months ended 30.06.2022</u>						
Additions to non-current assets	928	540	1,157	38	-	2,663
Depreciation and amortisation	1,368	475	1,395	41	-	3,279
Non-cash items other than depreciation and amortisation	(4,341)	641	203	(46)	(10)	(3,553)
<u>12 months ended 30.06.2023</u>						
Additions to non-current assets	3,704	1,674	1,277	5	-	6,660
Depreciation and amortisation	2,836	1,173	2,718	81	-	6,808
Non-cash items other than depreciation and amortisation	(7,057)	368	3,120	57	21	(3,491)
<u>12 months ended 30.06.2022</u>						
Additions to non-current assets	1,138	665	3,531	41	-	5,375
Depreciation and amortisation	2,804	928	2,724	82	-	6,538
Non-cash items other than depreciation and amortisation	3,679	674	258	(24)	(10)	4,577

25. Segment information (cont'd)

Segment assets and liabilities

	Cable & wire	Electrical material distribution	Test & inspection	Switch- board	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30.06.2023						
Segment assets	190,732	63,521	30,428	3,897	37	288,615
Interest in associates	-	11,109	931	-	-	12,040
Unallocated segment assets						1,416
Consolidated total assets						<u>302,071</u>
Segment liabilities	58,748	20,586	11,680	436	19	91,469
Unallocated segment liabilities						3,847
Consolidated total liabilities						<u>95,316</u>
30.06.2022						
Segment assets	190,316	68,908	37,910	4,266	1,026	302,426
Interest in associates	-	10,473	930	-	-	11,403
Unallocated segment assets						1,880
Consolidated total assets						<u>315,709</u>
Segment liabilities	64,477	29,051	13,896	1,044	18	108,486
Unallocated segment liabilities						3,656
Consolidated total liabilities						<u>112,142</u>

Geographical information

The Group's revenue from external by geographical location are detailed below:

	6 months ended 30.06.2023	6 months ended 30.06.2022	12 months ended 30.06.2023	12 months ended 30.06.2022
	\$'000	\$'000	\$'000	\$'000
Singapore	141,604	156,308	320,316	291,592
Malaysia	32,747	29,901	68,455	53,729
Vietnam	6,694	8,424	13,203	13,863
Brunei	2,075	2,807	4,792	5,457
Indonesia	5,264	4,739	8,660	10,110
Cambodia	2,875	729	3,909	2,077
Others	846	1,305	2,391	2,224
	<u>192,105</u>	<u>204,213</u>	<u>421,726</u>	<u>379,052</u>

F. Other information required as set out in Appendix 7.2 of the SGX-ST Listing Manual

- 1(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, subdivision, consolidation, 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 were no changes in the Company's share capital during the 6 months ended 30 June 2023.

The total number of issued ordinary shares excluding treasury shares and subsidiary holdings as at 30 June 2023 was 460,261,841 (30 June 2022: 460,261,841).

The number of ordinary shares held as treasury shares as at 30 June 2023 was 2,727,000 (30 June 2022: 2,727,000), constituting 0.59% of the total number of ordinary shares outstanding (30 June 2022: 0.59%).

As at 30 June 2023, there were no outstanding convertibles and no subsidiary holdings (30 June 2022: Nil).

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

The total number of issued ordinary shares excluding treasury shares as at 30 June 2023 was 460,261,841 (30 June 2022: 460,261,841).

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

There were no sales, transfers, cancellation and/or use of treasury shares during the current financial period reported on.

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings during 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 figures have not been audited nor reviewed.

- 3. Where the figures have been audited or reviewed, the auditor's 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.

Not applicable.

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

The Group and the Company have adopted the same accounting policies and methods of computation in the financial statements for the current reporting year as those of the audited financial statements for the year ended 30 June 2022.

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 new and revised Singapore Financial Standards (International) ("SFRS(I)") issued by the Accounting Standards Council that are relevant to the Group and effective for financial period beginning on 1 July 2022.

The adoption of the new SFRS(I)s, amendments and interpretations of SFRS(I)s did not result in any substantial change to the Group's accounting policies and has no material impact on the financial statements of the Group for the current reporting period or the prior year's 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.

	Group			
	6 months ended 30.06.2023	6 months ended 30.06.2022	12 months ended 30.06.2023	12 months ended 30.06.2022
Earnings per ordinary share for the year after deducting any provision for preference dividends:-				
(i) Based on the weighted average number of ordinary shares in issue; and	1.03 cents	2.94 cents	3.62 cents	4.78 cents
(ii) On a fully diluted basis	1.03 cents	2.94 cents	3.62 cents	4.78 cents

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
 (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group		Company	
	As at 30.06.2023	As at 30.06.2022	As at 30.06.2023	As at 30.06.2022
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	44.50 cents	43.82 cents	31.06 cents	29.96 cents

Net asset value per ordinary share is calculated based on the existing total number of shares in issue (excluding treasury shares) of 460,261,841 (30 June 2022: 460,261,841 shares).

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

Statement of profit or loss

Revenue

For the six months ended 30 June 2023 ("2H23"), the Group reported revenue of \$192.105 million, a decline of 5.93% from \$204.213 million in the corresponding period ended 30 June 2022 ("2H22"). This decline was predominantly driven by the Electrical Material Distribution ("EMD") Segment, which experienced a decrease of \$9.230 million, or 16.24%, from \$56.826 million to \$47.596 million, due to a significant reduction in the Electronic ("ELN") Cluster during 2H23, a result of the global electronics downturn.

For the financial year ended 30 June 2023 ("FY2023"), the Group's revenue increased by 11.26%, up \$42.674 million from the last financial year ("FY2022") of \$379.052 million to \$421.726 million in current financial year.

The Cable & Wire ("C&W") Segment's revenue increased by 20.57%, up \$47.810 million from \$232.418 million to \$280.228 million. The increase in revenue came from Singapore, Malaysia, and Vietnam's C&W segment, primarily driven by higher sales volume as both public and private sector construction activities continued to recover. In addition, FY2023 sales were boosted by revenue contribution from a newly acquired Malaysian subsidiary.

The EMD Segment registered revenue of \$108.359 million, which was a drop of \$1.669 million, 1.52% lower than \$110.028 million in FY2022. This decrease was primarily due to a significant reduction in the ELN Cluster during 2H23 amidst the global electronics downturn. The effects were partially offset by higher revenue in the Chemical, Oil & Gas ("COG") Cluster.

The Test & Inspection ("T&I") Segment revenue declined by \$2.836 million from \$31.321 million to \$28.485 million in FY2023. The decrease in the T&I Segment was largely due to lower revenue from the non-destructive testing and heat treatment services from Indonesia. This was mainly attributable to completion of projects and fewer sizeable new contracts being secured.

Revenue from the Switchboard Segment decreased by 11.94%, a decline of \$631,000 from \$5.285 million to \$4.654 million. The decrease was due to intense competition in the Brunei market.

Gross Profit

Gross profit ("GP") decreased by \$17.725 million from \$49.144 million in 2H22 to \$31.419 million in 2H23. The gross profit margin ("GPM") declined from 24.07% in 2H22 to 16.36% in 2H23 as a result of higher reversal of provision for onerous contracts in 2H22.

The Group's GP for FY2023 decreased 16.74% to \$66.654 million from \$80.054 million in FY2022. GP margin declined by 5.31% from 21.12% in FY2022 to 15.81% in FY2023, attributed mainly to higher reversal of provision for onerous contracts in FY2022 and higher deliveries of loss-making projects during FY2023.

Other operating income

Other operating income decreased by \$639,000 from \$1.850 million in 2H22 to \$1.211 million in 2H23.

For FY2023, the Group recorded other operating income of \$5.000 million, an increase of \$656,000 compared to \$4.344 million in FY2022. This was mainly attributed to higher reversal of allowances for doubtful debts amidst improvements in collections, fair value gains on derivative financial instruments, higher scrap sales and net of the absence of Covid-19 related government grants received in FY2023.

Selling and distribution expenses

Selling and distribution expenses for 2H23 increased by \$11,000, up 0.09% compared to 2H22. For FY2023, selling and distribution expenses increased by \$2.294 million, up 10.53% compared to FY2022. This was mainly due to higher business operation costs and staff costs, which was in tandem with higher revenue.

Administrative expenses

Administrative expenses for 2H23 increased by \$531,000, up 4.96% compared to 2H22. For FY2023, administrative expenses increased by \$1.288 million, up 6.30% compared to FY2022. This was mainly because of higher staff welfare expenses and operating costs incurred by the newly acquired subsidiary in Malaysia.

Other operating expenses

Other operating expenses for 2H23 and FY2023 decreased by \$8.628 million and \$12.126 million respectively, largely attributable to higher fair value loss on derivative financial instruments and higher loss allowance for trade receivables in both 2H22 and FY2022. The effects were however partially offset by the impairment loss on right-of-use assets for a leased building in Cambodia recognised during the current financial year.

Finance costs

Finance costs for 2H23 and FY2023 increased by \$451,000 and \$1.107 million respectively, mainly due to higher borrowings and higher interest rates for short-term bank borrowings.

Share of profit of associates

Lower share of profit from associates was mainly due to the lower profit reported by Nylect Group during the current financial year.

Profit before income tax

The Group's profit before income tax ("PBT") declined by \$10.517 million to \$6.476 million in 2H23 from \$16.993 million in 2H22, in tandem with lower revenue and lower GPM achieved in 2H23.

PBT for FY2023 decreased by \$5.889 million to \$21.392 million from \$27.281 million in FY2022, primarily due to lower GPM achieved in FY2023 and higher operating costs, which offset the effects of fair value adjustment on derivative instruments and allowances for doubtful debts being reversed.

The C&W Segment's PBT for FY2023 decreased by \$710,000 from \$18.185 million to \$17.475 million, mainly driven by lower GPM, lower reversal of provision for onerous contracts, fair value gains on derivative financial instruments and reversal of allowances for doubtful debts due to improvements in collections during the current financial year.

The EMD Segment's PBT declined by \$225,000 from \$7.752 million to \$7.527 million, in tandem with lower revenue.

The T&I Segment's PBT for FY2023 decreased by \$4.939 million from PBT of \$1.127 million to loss before tax of \$3.811 million, due to lower revenue achieved in Indonesia in FY2023, and impairment loss on right-of-use assets recognised for a leased building in Cambodia during the current financial year.

PBT from Switchboard Segment increased by \$24,000 or 10.96% compared to FY2022.

Income tax expense

Income tax expense for 2H23 and FY2023 decreased by \$1.734 million and \$507,000 respectively. The decrease was in tandem with lower taxable profit reported during the current financial year.

Statement of financial position

The cash and bank balance increased by \$2.807 million due to higher collections from customers towards the end of the current financial year.

Trade receivables decreased by \$17.347 million, as a result of improved collections from customers and lower sales towards the end of the current financial year.

Other receivables in total increased by \$1.642 million primarily due to higher advances paid for purchase of goods and higher down payments made for the purchase of plant and equipment.

Contract assets decreased by \$302,000, largely attributable to unbilled revenue and retention sum receivables for those revenue recognised over time for on-going contracts.

Derivative financial instruments in total increased by \$647,000, mainly due to fair value adjustments on foreign currency forward contracts and copper contracts towards the end of the current financial year.

Inventories increased by \$2.359 million, mainly due to higher inventories held to cater to deliveries in the C&W Segment for the coming months.

Property, plant and equipment decreased by \$533,000 due to depreciation charges of \$5.087 million, as well as the disposal and write-off of property, plant, and equipment with a net book value of \$130,000. These reductions were offset by the additions of property, plant, and equipment amounting to \$5.017 million and property and plant equipment acquired through acquisition of a subsidiary amounting to \$303,000.

Net decrease in right-of-use ("ROU") assets of \$2.991 million was mainly due to impairment loss of \$2.706 million, depreciation charges of \$1.666 million, de-recognition of ROU with net book value of \$12,000 against additions of ROU amounting to \$1.147 million and ROU adjustments of \$388,000.

Deferred tax assets decreased by \$561,000, mainly due to timing differences arising from reversal of provision for onerous contracts during the current financial year.

Bank borrowings increased by \$2.156 million, as a result of higher bank borrowings by the C&W Segment for copper purchases. Conversely, bank borrowings by the EMD and T&I Segments decreased due to higher repayments made toward the end of the current financial year.

Trade payables decreased by \$15.089 million, primarily driven by lower purchases and prompt payments to suppliers by the C&W and EMD Segments toward the end of the current financial year.

Other payables in total decreased by \$632,000, because of lower provision for staff costs towards the end of the current financial year.

Provision for onerous contracts amounted to \$7.886 million, reduced by \$4.671 million from the end of the previous financial year, caused by the decrease in copper price towards the end of FY2023 and partial delivery of the contracts during the current financial year.

Statement of cash flows

The cash and cash equivalents as at 30 June 2023 increased to \$32.003 million compared with \$29.196 million at the end of the previous financial year.

The Group's net cash from operating activities of \$18.085 million was attributable to operating profit before working capital changes, decrease in trade receivables, contract assets, as well as increase in advances received from customers, offset by increase in other receivables and inventories, decrease in trade and other payables, as well as payment of income tax.

The net cash used in investing activities of \$5.214 million was mainly for purchase of plant and equipment, acquisition of a subsidiary, net of interest received, proceeds from disposal of an investment property, proceeds from disposal of plant and equipment, and dividend received from an associate.

The net cash used in financing activities of \$10.038 million was mainly attributable to repayment of bank borrowings, dividends paid, lease liabilities and interest paid, net of proceeds from short-term bank borrowings.

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

No forecast or a 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.

The business environment is expected to remain challenging, with global growth projected to slow amid ongoing geopolitical tensions, persistently high inflation and elevated interest rates. This confluence of headwinds may amplify the volatility in commodity prices and exacerbate supply chain disruptions which would contribute to rising cost pressures.

Notwithstanding these challenges, the Group remains vigilant in managing the ongoing price tension arising from the volatile copper prices as well as growing wage pressures.

The Group will continue to focus on executing its strategy and is constantly on the lookout for suitable business opportunities in South East Asian region where demand is expected to remain resilient. The growing investment in digital infrastructure and rapid adoption of emerging technologies, such as artificial intelligence, will present opportunities for the Group to support the growth of the digital economy. Furthermore, the collective commitment of industry participants to decarbonise transportation has fueled the growth of the electric vehicle ecosystem. The Group believes that this will pave the way to strengthen its involvement in the sustainable economy.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared (recommended) for the current financial period reported on? **Yes**

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.60 cents per ordinary share
Tax Rate	Exempt One-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared (recommended) for the corresponding period of the immediately preceding financial year? **Yes**

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.60 cents per ordinary share
Tax Rate	Exempt One-tier

(c) Date payable

The proposed final one-tier tax exempt dividend of \$0.016 per ordinary share in respect of the financial year ended 30 June 2023, subject to shareholders' approval at the forthcoming Annual General Meeting scheduled to be held on 25 October 2023, will be paid on 9 November 2023.

(d) Record date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 2 November 2023 for the purpose of preparing dividend warrants.

Duly completed registrable transfers received by the Share Registrars of the Company, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 up to 5.00 p.m. on 1 November 2023 will be registered to determine shareholders' entitlements to the proposed final dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said final dividend will be paid by the Company to CDP which will distribute the dividend to holders of the securities accounts.

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

Not applicable.

13. 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.

No IPT mandate has been obtained from shareholders.

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

Not applicable.

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

The Company has procured undertakings from all its directors and executive officer(s) required under Rule 720(1) of the Listing Manual of the SGX-ST.

16. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.

		Latest Full Year (S\$)	Previous Full Year (S\$)
(a)	Ordinary	10,816,153	10,816,153
(b)	Preference	-	-
(c)	Total:	10,816,153	10,816,153

17. 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(13) 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 held	Details of changes in duties and position held, if any, during the year
Mr. Lim Boon Hock Bernard	53	See below	Chief Executive Officer of the Company – 2013 (i) Overall responsible for the development and implementation of the Group’s vision, strategic agenda, and business plan together with Key Management. (ii) Achieve targets and standards for financial and trading performance, quality, culture and legislative adherence as established by the Board.	Nil

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr. Lim Chai Lai @ Louis Lim Chai Lai	77	See below	Chairman of Lim Kim Hai Electric Co. (S) Pte. Ltd. ("LKH") – 2008 (i) Formulating strategic decisions relating to business. (ii) Setting LKH Group policies. (iii) General administration of the LKH Group.	Nil
Mr. Chia Ah Heng	80	See below	Deputy Chairman of Lim Kim Hai Electric Co. (S) Pte. Ltd. – 2013 Overall responsible for the development and implementation of the Lim Kim Hai Group's vision, strategic agenda and business plan together with the CEO, including formulating business strategies and policies to achieve established goals and objectives determined by its Board of Directors.	Nil
Mr. Lim Chye Kwee	68	See below	Manager - Logistics of Lim Kim Hai Electric Co. (S) Pte. Ltd. – 2008 (i) Responsible for the operations of all warehousing and stock control. (ii) Responsible for the day to day running of warehouse. (iii) Ensure efficient and reliable delivery of products and goods.	Nil
Mr. Lim Boon Hoh Benedict (Lin Wenhe Benedict)	43	See below	General Manager – Operations of Cast Laboratories Pte Ltd - 2021 (i) Oversee the entire laboratory operations to support the achievement of budgeted annual sales and Profit Before Tax targets in alignment with the direction as agreed with the CEO of Cast Lab. (ii) Collaborate with the Management of Cast Lab in developing and driving the operational strategy of Cast Lab, including key management change and business transformation initiatives, in line with the organisational vision of Cast Lab. (iii) Drive laboratory operations which include activities across the Logistics, Purchasing, Human Resource and Administration functions in Cast Lab. (iv) Set and monitor achievement of goals for laboratory operations' performance	Nil

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
			<p>and growth in Logistics, Purchasing, Human Resource and Administration functions so as to fall in line with the goals set for the business.</p> <p>(v) Promote and deploy best practices in the laboratory operations' Logistics, Purchasing, Human Resource and Administration.</p> <p>(vi) Exercise control over the functions of Logistics, Purchasing, Human Resource and Administration of the laboratory operations.</p> <p>(vii) Chart clear succession plans and talent development programmes.</p> <p>(viii) Build high-performing teams for testing and inspection with high integrity.</p> <p>(ix) Build a culture in which individuals can thrive, in tandem with the growth of the business.</p> <p>(x) Enforce good corporate governance and sustainability in Cast Lab.</p> <p>(xi) Oversee and lead the departments in continual improvement activities.</p> <p>(xii) Manage company facilities for operation effectiveness.</p>	
Mr. Lim Boon San Lionel (Lin Wenshan, Lionel)	46	See below	<p>Senior Manager - Business Development of Lim Kim Hai Electric Co. Pte. Ltd. - 2021</p> <p>(i) Explore and create new business to augment existing services, products and solutions to achieve company profitability, liquidity, continuity and growth.</p> <p>(ii) Prepare business development plan for business needs and growth.</p> <p>(iii) Research, source and develop new products, solutions and markets to complement and grow existing business.</p> <p>(iv) Create new leads and customers to increase market reach and customer base.</p> <p>(v) Establish and strengthen business partnership with new or existing brands to improve company image and position in local market.</p> <p>(vi) Work autonomously and collaboratively with stakeholders to achieve the company sales targets.</p>	Nil

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
			<p>(vii) Evaluate viability and propose for management decision-making, new business market and solutions to meet the business needs.</p> <p>(viii) Report on business development outcomes/results related to sales for management review meetings.</p> <p>(ix) Provide staff coaching, mentoring and on-the-job training for product and marketing teams.</p>	

Name	Family relationship with any director and/or substantial shareholder
Mr. Lim Boon Hock Bernard	Mdm. Pang Yoke Chun - Wife Mr. Lim Chye Huat @ Bobby Lim Chye Huat - Father Mr. Lim Chai Lai @ Louis Lim Chai Lai - Uncle Mdm. Chan Kum Lin - Aunt-in-law Mr. Lim Boon Chin Benjamin - Brother Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Brother Mdm. Guah Li Mei Joanna - Sister-in-law
Mr. Lim Chai Lai @ Louis Lim Chai Lai	Mdm. Chan Kum Lin - Wife Mr. Lim Chye Huat @ Bobby Lim Chye Huat - Brother Mr. Lim Boon Hock Bernard - Nephew Mdm. Pang Yoke Chun - Niece-in-law Mr. Lim Boon Chin Benjamin - Nephew Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Nephew Mdm. Guah Li Mei Joanna - Niece-in-law
Mr. Chia Ah Heng	Mr. Lim Chye Huat @ Bobby Lim Chye Huat - Brother-in-law Mr. Lim Chai Lai @ Louis Lim Chai Lai - Brother-in-law Mdm. Chan Kum Lin - Sister-in-law Mr. Lim Boon Hock Bernard - Nephew Mdm. Pang Yoke Chun - Niece-in-law Mr. Lim Boon Chin Benjamin - Nephew Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Nephew Mdm. Guah Li Mei Joanna - Niece-in-law
Mr. Lim Chye Kwee	Mr. Lim Chye Huat @ Bobby Lim Chye Huat - Brother Mr. Lim Chai Lai @ Louis Lim Chai Lai - Brother Mdm. Chan Kum Lin - Sister-in-law Mr. Lim Boon Hock Bernard - Nephew Mdm. Pang Yoke Chun - Niece-in-law Mr. Lim Boon Chin Benjamin - Nephew Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Nephew Mdm. Guah Li Mei Joanna - Niece-in-law
Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict)	Mdm. Guah Li Mei Joanna - Wife Mr. Lim Chye Huat @ Bobby Lim Chye Huat - Father Mr. Lim Chai Lai @ Louis Lim Chai Lai - Uncle Mdm. Chan Kum Lin - Aunt-in-law Mr. Lim Boon Hock Bernard - Brother Mdm. Pang Yoke Chun - Sister-In-Law Mr. Lim Boon Chin Benjamin - Brother

Name	Family relationship with any director and/or substantial shareholder
Mr. Lim Boon San Lionel (Lin Wenshan, Lionel)	Mr. Lim Chye Huat @ Bobby Lim Chye Huat - Uncle Mr. Lim Chai Lai @ Louis Lim Chai Lai – Father Mdm. Chan Kum Lin – Mother Mr. Lim Boon Hock Bernard – Cousin Mdm. Pang Yoke Chun – Cousin-In-Law Mr. Lim Boon Chin Benjamin – Cousin Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Cousin Ms Guah Li Mei Joanna - Cousin-In-Law

BY ORDER OF THE BOARD

Hazel Chia / Juliana Tan
Company Secretaries

Singapore, 28 August 2023