

**NEW WAVE HOLDINGS LTD.**

**Unaudited Half Year Financial Statement and Dividend Announcement for the Period Ended 30/09/2023**

**A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 30 September 2023**

	Note	Group Half year ended 30 September		Increase/ (Decrease) %
		2023 S\$'000	2022 S\$'000	
Revenue	4	7,726	13,176	(41.4)
Cost of sales		(6,669)	(9,628)	(30.7)
Gross profit		1,057	3,548	(70.2)
Interest income		3	2	50.0
Other income		90	134	(32.8)
Distribution costs		(143)	(201)	(28.9)
Administrative expenses		(1,861)	(2,056)	(9.5)
Loss allowance (made)/reversed for trade receivables	12	(63)	57	NM
Other expenses		(708)	(931)	(24.0)
Finance costs		(185)	(166)	11.4
(Loss)/Profit before income tax	5	(1,810)	387	NM
Income tax expense	6	26	(227)	NM
<b>(Loss)/Profit for the financial period</b>		<b>(1,784)</b>	<b>160</b>	<b>NM</b>
<b><i>Other comprehensive income for the financial period that may subsequently be reclassified to profit or loss:</i></b>				
Foreign currency translation		(143)	(508)	(71.9)
<b>Total comprehensive income for the financial period</b>		<b>(1,927)</b>	<b>(348)</b>	<b>453.7</b>
<b>(Loss)/Profit after tax attributable to:</b>				
Owners of the parent		(1,705)	10	NM
Non-controlling interest		(79)	150	NM
		<b>(1,784)</b>	<b>160</b>	<b>NM</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent		(1,818)	(498)	265.1
Non-controlling interest		(109)	150	NM
		<b>(1,927)</b>	<b>(348)</b>	<b>453.7</b>
Earnings per share (Cents)				
- Basic and diluted	7	(0.099)	0.001	

NM = Not Meaningful

## B. Condensed Interim Consolidated Statements of Financial Position as at 30 September 2023

	Note	Group		Company	
		As at 30/09/2023 S\$'000	As at 31/03/2023 S\$'000	As at 30/09/2023 S\$'000	As at 31/03/2023 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment		1,907	1,933	-	-
Right-of-use assets		908	523	-	-
Investment properties	10	5,170	5,170	-	-
Intangible assets	11	1,143	1,257	-	-
Investments in subsidiaries		-	-	18,040	18,040
Deferred tax asset		266	266	-	-
		<u>9,394</u>	<u>9,149</u>	<u>18,040</u>	<u>18,040</u>
<b>Current assets</b>					
Inventories		10,711	13,328	-	-
Trade and other receivables	12	3,533	4,238	4,160	4,410
Prepayments		81	182	13	10
Income tax recoverable		329	393	-	-
Cash and cash equivalents		1,350	1,628	47	119
		<u>16,004</u>	<u>19,769</u>	<u>4,220</u>	<u>4,539</u>
Less:-					
<b>Current liabilities</b>					
Trade and other payables		4,357	3,843	3,284	3,172
Lease liabilities		466	294	-	-
Interest-bearing liabilities	13	3,816	5,682	-	-
		<u>8,639</u>	<u>9,819</u>	<u>3,284</u>	<u>3,172</u>
Net current assets		<u>7,365</u>	<u>9,950</u>	<u>936</u>	<u>1,367</u>
<b>Non-current liabilities</b>					
Interest-bearing liabilities	13	1,336	1,939	-	-
Lease liabilities		419	201	-	-
Deferred tax liabilities		89	117	-	-
		<u>1,844</u>	<u>2,257</u>	<u>-</u>	<u>-</u>
Net assets		<u>14,915</u>	<u>16,842</u>	<u>18,976</u>	<u>19,407</u>
<b>Capital and reserves</b>					
Share capital	9	27,460	27,460	27,460	27,460
Asset revaluation reserve		315	315	-	-
Share-based payment reserve		31	31	31	31
Foreign currency translation reserve		(2,609)	(2,496)	-	-
Accumulated losses		(10,503)	(8,798)	(8,515)	(8,084)
Equity attributable to owners of the parent		<u>14,694</u>	<u>16,512</u>	<u>18,976</u>	<u>19,407</u>
Non-controlling interest		221	330	-	-
Total equity		<u>14,915</u>	<u>16,842</u>	<u>18,976</u>	<u>19,407</u>

**C. Condensed Interim Consolidated Statement of Cash Flows for the half year ended 30 September 2023**

	Group	
	Half year ended 30 September 2023 S\$'000	2022 S\$'000
<b>Operating activities</b>		
(Loss)/Profit before income tax	(1,810)	387
Adjustments for:-		
Loss allowance made/(reversed) for trade receivables	63	(57)
Amortisation of intangible assets	114	114
Amortisation of right-of-use assets	199	209
Depreciation of property, plant and equipment	56	61
Gain on disposal of plant and equipment	(8)	(20)
Gain on lease modification	-	(2)
Interest expense	185	166
Interest income	(3)	(2)
Unrealised foreign exchange loss	188	154
Operating cash flows before working capital changes	<u>(1,016)</u>	<u>1,010</u>
Working capital changes:-		
Inventories	2,375	(1,510)
Trade and other receivables	566	476
Trade and other payables	570	561
Prepayments	99	(4)
Cash from operations	<u>2,594</u>	<u>533</u>
Interest received	3	2
Interest paid	(185)	(166)
Income taxes refunded/(paid), net	37	(227)
Net cash generated from operating activities	<u>2,449</u>	<u>142</u>
<b>Investing activities</b>		
Proceeds from disposal of plant and equipment	8	31
Purchase of property, plant and equipment (Note B)	<u>(68)</u>	<u>(62)</u>
Net cash used in investing activities	<u>(60)</u>	<u>(31)</u>
<b>Financing activities</b>		
Proceeds from trust receipts	3,044	7,013
Repayment of trust receipts	(4,992)	(6,972)
Repayment of term loans	(558)	(542)
Repayment of principal of lease liabilities	<u>(203)</u>	<u>(209)</u>
Net cash used in financing activities	<u>(2,709)</u>	<u>(710)</u>
Net change in cash and cash equivalents	(320)	(599)
Cash and cash equivalents at the beginning of the financial period	1,620	2,506
Effect of currency translation on cash and cash equivalents	<u>(26)</u>	<u>(53)</u>
Cash and cash equivalents at the end of the financial period (Note A)	<u>1,274</u>	<u>1,854</u>

**C. Condensed Interim Consolidated Statement of Cash Flows for the half year ended 30 September 2023 (Continued)**

Note A:

Cash and cash equivalents comprised:

	As at 30/09/2023 S\$'000	As at 30/09/2022 S\$'000
Fixed deposits with banks	258	390
Cash and bank balances	1,092	1,576
	<u>1,350</u>	<u>1,966</u>
Less: Bank overdraft	(76)	(112)
	<u><u>1,274</u></u>	<u><u>1,854</u></u>

Note B:

Additions to property, plant and equipment comprised the following:

	Half year ended 30 September	
	2023 S\$'000	2022 S\$'000
Additions to plant and equipment	68	24
Additions to right-of-use plant and equipment	-	129
Acquired under finance lease agreements	-	(91)
	<u>68</u>	<u>62</u>

**D. Condensed Interim Consolidated Statements of Changes in Equity for the half year ended 30 September 2023**

	← Equity attributable to owners of the parent →					Total S\$'000	NCI S\$'000	Total Equity S\$'000
	Share capital S\$'000	Asset revaluation reserve S\$'000	Share- based payment reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000			
The Group								
Balance at 1 April 2023	27,460	315	31	(2,496)	(8,798)	16,512	330	16,842
<b>Loss for the financial period</b>	-	-	-	-	(1,705)	(1,705)	(79)	(1,784)
<b>Other comprehensive income for the financial period</b>								
Exchange differences on translating foreign operations	-	-	-	(113)	-	(113)	(30)	(143)
<b>Total comprehensive income for the financial period</b>	-	-	-	(113)	(1,705)	(1,818)	(109)	(1,927)
Balance at 30 September 2023	<u>27,460</u>	<u>315</u>	<u>31</u>	<u>(2,609)</u>	<u>(10,503)</u>	<u>14,694</u>	<u>221</u>	<u>14,915</u>

**D. Condensed Interim Consolidated Statements of Changes in Equity for the half year ended 30 September 2023 (Continued)**

The Group	Equity attributable to owners of the parent					Total S\$'000	NCI S\$'000	Total Equity S\$'000
	Share capital S\$'000	Asset revaluation reserve S\$'000	Share- based payment reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000			
Balance at 1 April 2022	27,460	315	31	(1,469)	(8,207)	18,130	264	18,394
<b>Profit for the financial period</b>	-	-	-	-	10	10	150	160
<b>Other comprehensive income for the financial period</b>								
Exchange differences on translating foreign operations	-	-	-	(508)	-	(508)	-	(508)
<b>Total comprehensive income for the financial period</b>	-	-	-	(508)	10	(498)	150	(348)
Balance at 30 September 2022	27,460	315	31	(1,977)	(8,197)	17,632	414	18,046

The Company	Share capital S\$'000	Share- based payment reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance at 1 April 2023	27,460	31	(8,084)	19,407
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(431)	(431)
Balance at 30 September 2023	27,460	31	(8,515)	18,976
Balance at 1 April 2022	27,460	31	(4,004)	23,487
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(422)	(422)
Balance at 30 September 2022	27,460	31	(4,426)	23,065

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

### 1. Corporate Information

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

These condensed interim consolidated financial statements as at and for the half year ended 30 September 2023 comprise the Company and its subsidiaries (collectively, the “**Group**”).

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

### 2. Basis of preparation

The condensed interim financial statements for the half year ended 30 September 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 audited financial statements for the year ended 31 March 2023.

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

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

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

The Group has adopted the new or revised SFRS(I) and Interpretations to SFRS(I) (“**SFRS(I) INT**”) that are relevant to its operations and are effective in the financial year ending 31 March 2024 (“**FY2024**”). The adoption of these new or revised SFRS(I) and SFRS(I) INT where relevant has no material impact on the Group’s accounting policies or the financial statements for the current financial period reported on.

#### 2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual consolidated financial statements as at 31 March 2023.

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

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

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

### **2. Basis of preparation (Continued)**

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

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

The Group's investment properties comprise freehold shop units that are held for long-term rental yields and for capital appreciation. As at 31 March 2023, the fair value of the investment properties as determined by an independent professional valuer was S\$5,170,000. The management has made an estimate that the fair value remained unchanged at S\$5,170,000 as at 30 September 2023. In making that decision, the management has assessed that market conditions have not changed much since the end of the previous year and has taken into consideration that the assumptions and valuation techniques used as at the previous year end are still appropriate. The management deems it appropriate to seek expert advice in six months' time, at the next year end.

##### **(ii) Loss allowance for impairment of trade receivables**

Management determines the expected loss arising from default for trade receivables by categorising them based on its historical loss pattern, historical payment profile, geographical risk as well as credit risk profile of customers. When Management deems that there could be difficulties recovering past due amounts from customers, additional credit impaired loss allowances are made. The management has reviewed the outstanding debts and decided to make a credit impaired loss allowance for the half year ended 30 September 2023 of S\$100,000 (30 September 2022: S\$Nil).

### **3. Seasonal operations**

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

### **4. Segment and revenue information**

The Group is organised into two main business segments namely:

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

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

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

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

#### Business Segments

Half year ended 30 Sep 2023

	Components Distribution S\$'000	Aluminium Products Distribution S\$'000	Unallocated S\$'000	Consolidated S\$'000
<b>Revenue</b>				
External revenue	915	6,811	-	7,726
<b>Results</b>				
Segment results	(20)	(808)	(431)	(1,259)
Interest income	-	3	-	3
Finance costs	(11)	(174)	-	(185)
Amortisation of intangible assets	-	(114)	-	(114)
Amortisation of ROU assets	-	(199)	-	(199)
Depreciation expense	(14)	(42)	-	(56)
Loss before income tax	(45)	(1,334)	(431)	(1,810)
Income tax expense	-	26	-	26
Loss after income tax	(45)	(1,308)	(431)	(1,784)
Capital expenditure				
- Additions to non-current assets	-	68	-	68
<b>Assets and Liabilities</b>				
Segment assets	7,034	17,709	60	24,803
Current income tax recoverable and deferred tax asset	37	558	-	595
Total assets	7,071	18,267	60	25,398
Segment liabilities	1,720	8,338	336	10,394
Deferred tax liabilities and current income tax payable	-	89	-	89
Total liabilities	1,720	8,427	336	10,483

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

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

#### Business Segments

Half year ended 30 September 2022

	Components Distribution S\$'000	Aluminium Products Distribution S\$'000	Unallocated S\$'000	Consolidated S\$'000
<b>Revenue</b>				
External revenue	1,001	12,175	-	13,176
<b>Results</b>				
Segment results	49	1,308	(422)	935
Interest income	-	2	-	2
Finance costs	(10)	(156)	-	(166)
Amortisation of intangible assets	-	(114)	-	(114)
Amortisation of right-of-use assets	-	(209)	-	(209)
Depreciation of property, plant and equipment	(14)	(47)	-	(61)
Profit/(Loss) before income tax	25	784	(422)	387
Income tax expense	-	(227)	-	(227)
Profit/(Loss) after income tax	25	557	(422)	160
Capital expenditure				
- Additions to non-current assets	1	152	-	153
<b>Assets and Liabilities</b>				
Segment assets	7,278	24,045	118	31,441
Current income tax recoverable and deferred tax asset	50	418	-	468
Total assets	7,328	24,463	118	31,909
Segment liabilities	1,751	11,664	234	13,649
Deferred tax liabilities and current income tax payable	-	214	-	214
Total liabilities	1,751	11,878	234	13,863

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

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

#### Geographical information

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

	Singapore	Malaysia	PRC	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Half year ended 30 September 2023</b>				
Non-current assets	7,604	1,331	193	9,128
<b>Half year ended 30 September 2022</b>				
Non-current assets	7,437	1,450	122	9,009

#### Disaggregation of revenue

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

	<b>Components Distribution</b>		<b>Aluminium Products Distribution</b>		<b>Total</b>	
	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Half year ended 30 September</b>						
<u>Primary Geographical market</u>						
Singapore	811	762	1,622	1,947	2,433	2,709
Malaysia	88	146	2,950	7,798	3,038	7,944
People's Republic of China ("PRC")	-	-	2,111	2,400	2,111	2,400
Others	16	93	128	30	144	123
	915	1,001	6,811	12,175	7,726	13,176
<u>Timing of transfer of goods</u>						
- Point in time	915	1,001	6,811	12,175	7,726	13,176

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

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

	Group Half year ended 30 September		Increase/ (Decrease) %
	2023 S\$'000	2022 S\$'000	
(Loss)/Profit before income tax is arrived at:			
<b>After charging:</b>			
Amortisation of intangible assets	114	114	-
Amortisation of right-of-use assets	199	209	(4.8)
Depreciation of property, plant and equipment	56	61	(8.2)
Interest expense	185	166	11.4
Foreign exchange loss, net	340	547	(37.8)
<b>and crediting:</b>			
Gain on disposal of property, plant and equipment	8	20	(60.0)
Government grants	27	30	(10.0)
Rental income	30	30	-

### 6. Taxation

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

	Group Half year ended 30 September	
	2023 S\$'000	2022 S\$'000
Current income tax	2	255
Deferred income tax - over provision in prior periods reversed	(28)	(28)
	(26)	227

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

	Group Half year ended 30 September	
	2023	2022
(Loss)/Profit attributable to owners of the parent (SGD'000)	(1,705)	10
(Loss)/Earnings per ordinary share after deducting any provision for preference dividends:-		
(a) Based on the weighted average number of ordinary shares in issue (SGD cents)	(0.099)	0.001
(b) On a fully diluted basis (SGD cents)	(0.099)	0.001

(Loss)/Earnings per ordinary share for the financial period ended 30 September 2023 ("1HFY24") and for the financial period ended 30 September 2022 ("1HFY23") in Item 7(a) are computed based on the profit or loss attributable to the owners of the parent for each respective financial period divided by the weighted average number of ordinary shares in issue of 1,727,469,695 shares.

(Loss)/Earnings per ordinary share on a fully diluted basis for 1HFY24 and for 1HFY23 in Item 7(b) are the same as the basic earnings per ordinary share because the Company did not have any potentially dilutive ordinary securities during and as at the end of the said financial periods.

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

### 8. Net Asset Value

	Group		Company	
	As at 30/09/2023	As at 31/03/2023	As at 30/09/2023	As at 31/03/2023
Net asset value per ordinary share based on issued share capital (SGD cents)	0.86	0.97	1.10	1.12

Net asset value per ordinary share of the Group and the Company are computed based on the net assets of the Group and the Company respectively, divided by the number of issued ordinary shares of 1,727,469,695 shares as at 30 September 2023 and 31 March 2023.

### 9. Share capital

	Group and Company			
	As at 30/09/2023	As at 31/03/2023	As at 30/09/2023	As at 31/03/2023
	Number of ordinary shares		S\$'000	S\$'000
Issued and fully paid up:				
As at the beginning and end of the interim period	1,727,469,695	1,727,469,695	27,460	27,460

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

There were no outstanding convertible instruments which may be converted to shares as at 30 September 2023 and 30 September 2022.

There were no subsidiary holdings as at 30 September 2023 and 30 September 2022.

The Company did not have any treasury shares as at 30 September 2023, 31 March 2023 and 30 September 2022.

### 10. Investment Properties

The Group's investment properties comprise freehold shop units that are held for long-term rental yields and for capital appreciation. The fair values of the Group's investment properties as at 31 March 2023 have been determined on the basis of valuation carried out by independent valuers. The estimation of the fair values of the properties is based on the highest and best use of the properties, which is in line with their current use. The management reviews the appropriateness of the valuation methodologies and assumptions adopted and also evaluates the appropriateness and reliability of the inputs used in the valuations. Significant changes in fair value measurements from period to period are evaluated by the management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

The management has made an estimate that the fair value remained unchanged at S\$5,170,000 as at 30 September 2023. In making that decision, the management has assessed that market conditions have not changed much since 31 March 2023, and have taken into consideration that the assumptions and valuation techniques used as at the previous year end are still appropriate. The management deems it appropriate to seek expert advice in six months' time, at the upcoming year end.

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

### 11. Intangible Assets

	Goodwill \$'000	Customer relationships \$'000	Total \$'000
<b>Group Cost</b>			
Balance as at 31.3.2023 and 30.9.2023	4,358	3,108	7,466
<b>Accumulated amortisation</b>			
Balance as at 1.4.2023	-	2,653	2,653
Amortisation for the financial period	-	114	114
Balance as at 30.9.2023	-	2,767	2,767
<b>Accumulated impairment</b>			
Balance as at 1.4.2023 and 30.9.2023	3,556	-	3,556
<b>Carrying amount</b>			
Balance as at 30.9.2023	802	341	1,143

Customer relationships were acquired in the financial years ended 31 March 2011 and 31 March 2019 as part of the acquisitions of MSC Aluminium Holdings Pte. Ltd. and its subsidiaries (the “**MSC Group**”) and Alutech Metals Asiatic Pte. Ltd. and its subsidiary (the “**Alutech Group**”) respectively. The fair value on the date of initial recognition was based on its intended use and the expected future economic benefit to be derived from the future operating cash inflows from products associated with the acquired customer relationships. The remaining useful life for customer relationships is 1.5 years.

### 12. Trade and Other Receivables

	Group	
	As at 30/09/2023 S\$'000	As at 31/03/2023 S\$'000
Trade receivables	3,165	3,900
Loss allowance	(254)	(198)
	2,911	3,702
Notes receivables	21	6
Other receivables	601	530
	3,533	4,238

Movements in loss allowance for trade receivables were as follows:

	Group	
	As at 30/09/2023 S\$'000	As at 31/03/2023 S\$'000
Balance at the beginning of the period/year	198	191
Loss allowance reversed during the period/year	(37)	(9)
Loss allowance made during the period/year	100	30
Foreign currency translation differences	(7)	(14)
Balance at the end of the period/year	254	198

Reversal of loss allowance of S\$37,000 was recorded during the half year period ended 30 September 2023 upon collection of previously impaired debts. A loss allowance of S\$100,000 (30 September 2022: S\$Nil) was estimated for this half year period ended 30 September 2023. Please refer to Note E.2.2 (iii).

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

### 13. Interest-bearing Liabilities

	Group	
	As at 30/09/2023 S\$'000	As at 31/03/2023 S\$'000
<u>Amount repayable within one year or on demand</u>		
Bank overdraft - unsecured	76	8
Term loan – secured	56	50
Term loans – unsecured	1,085	1,068
Trust receipts – unsecured	2,599	4,556
	3,816	5,682
<u>Amount repayable after one year</u>		
Term loan – secured	557	614
Term loans – unsecured	779	1,325
	1,336	1,939

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

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

### 14. Subsequent events

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

## **F. Other information required by Appendix 7C of the Catalyst Rules**

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

The condensed interim consolidated financial statements of the Group for the half year ended 30 September 2023 and the accompanying explanatory notes have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

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

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

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

### **4. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, asset or liabilities of the group during the current financial period reported on.**

#### **Review of the Financial Performance of the Group – Six months ended 30 September 2023 (“1HFY24”) vs. Six months ended 30 September 2022 (“1HFY23”)**

##### **Turnover and Gross Profit**

During 1HFY24, the Group had to contend with challenging market conditions arising from unstable global economies, trade tensions, inflationary trends and rising interest rates. The Group's revenue decreased 41.4% when compared to 1HFY23. The decrease was reflected across all the three countries within which the Group operates, with Malaysia being the worst off, suffering a decrease of 61.8% as compared to 1HFY23. Malaysia's sliding exports have adversely affected its electronics market sector, with which the bulk of our customers are closely interdependent. The consequent reduction in manufacturing activities and shrinking production levels of our customers have in turn affected our revenue. These factors were further exacerbated by falling Malaysian Ringgit rates against the Singapore Dollar. Sales from the PRC segment fell 12.0% due to reduced project orders, as projects were either being delayed or transferred out of the PRC. Revenue generated through Singapore fell 10.2% attributed to reduced demand especially from our key customers who experienced lower production volume when their projects were delayed or scaled down.

Decrease in revenue from the aluminium products distribution division and the components distribution division was 44.1% and 8.6% respectively. Group gross margin also decreased from 26.9% to 13.7%. Demand for our products was slowing and the Group had to make adjustments to its pricing strategy to maintain its competitiveness.

## **Profit Before Income Tax**

Other income decreased by 32.8% in 1HFY24 as compared to 1HFY23 due mainly to a decrease in gain on disposal of plant and equipment as well as reduced income collection from disposal of recycled materials, from approximately S\$45,000 to approximately S\$23,000.

All categories of expenses decreased in 1HFY24 when compared to 1HFY23, as a direct consequence of the decrease in sales and production levels, with the exception of finance costs which increased 11.4% due to higher interest and lease rates. The decrease in expenses was especially pronounced for distribution costs which decreased by 28.9% as freight costs, transport and travel expenses and sales commission fell in tandem with sales. Administrative expenses fell due mainly to the decrease of 8.4% in employment costs for less overtime payments and attrition of certain staff.

Other expenses decreased 24.0% as compared to 1HFY23 due to reduction in exchange loss from S\$0.55 million in 1HFY23 to S\$0.34 million in 1HFY24. While Ringgit Malaysia and Renminbi continued to weaken during 1HFY24, the slide for the Renminbi over this half year period was not as steep as compared to 1HFY23. Depreciation of property, plant and equipment fell by 8.2% when compared to 1HFY23 as certain assets were fully depreciated at the end of 1HFY23.

## **Assets and Liabilities**

Additions to property, plant and equipment amounted to S\$0.07 million and were mainly incurred for upgrading of our ERP software which was partially offset against a depreciation charge of S\$0.06 million.

Right-of-use assets, which included capitalised lease rentals as well as leased plant and equipment, increased due to a renewal of lease for the Singapore factory, with a partial offset against an amortisation charge of S\$0.20 million.

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

Intangible assets decreased due to an amortisation charge. Intangible assets comprised goodwill and customer relationships arising from the acquisitions of MSC Group and Alutech Group.

Inventories decreased in conjunction with decreased sales. Similarly, trade and other receivables decreased in line with the reduction of sales.

Trade payables decreased due to reduction in purchases. Other payables increased due to increased advance billings recorded by the components distribution division of S\$0.56 million as at the end of 1HFY24 as compared to S\$0.39 million as at the end of FY2023, as well as deposits received from customers of our PRC subsidiaries of S\$0.35 million as at the end of 1HFY24 compared to nil balance as at the end of FY2023. In addition, certain large expense bills were paid just after the period end, contributing to the higher balance of other payables as at the end of 1HFY24. As such, trade and other payables increased by approximately S\$0.57 million in 1HFY24.

Lease liabilities, both current and non-current portion, increased due mainly to the renewal of a lease contracted during this period.

Current interest-bearing liabilities decreased as less trust receipts were utilised when purchases decreased. Non-current interest-bearing liabilities decreased as the term loans and finance leases were paid down during the period.

The Group had a positive working capital of S\$7.37 million as at the end of 1HFY24.

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

After adjustments were made to the loss before tax for non-cash items, the operating cash outflow before working capital changes was S\$1.02 million. This outflow was more than the amount offset by working capital changes from the decrease in inventories of S\$2.37 million resulting from curtailed purchases as the Group's revenue decreased. There were further offsets from a decrease in trade and other receivables and increase in trade and other payables that resulted in a final net cash inflow from operating activities of S\$2.45 million.

Cash outflow from investing activities was mainly incurred for the upgrade of our ERP system recorded as additions to plant and equipment.

Net cash outflow from financing activities was due mainly to the repayments of matured trust receipts exceeding the new proceeds from the utilisation of trust receipts to finance purchases. Other outflows from financing activities were for instalment payments of term loans and finance leases.

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

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

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

The Group continues to face a challenging market environment as the manufacturing activities and production volume from the Group's customers were affected by global uncertainties.

The geopolitical tensions and the consequent trade restrictions imposed, high interest rates and inflationary pressures are the headwinds for the major economies. The electronics industry was affected particularly by the resultant global supply chain issues, however, there seems to be early signs of improvement. Our customers who have been making adjustments to sustain through this difficult period are also showing signs of positive anticipation to be ready to embrace opportunities going forward.

**7. Dividend**

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

Any dividend declared for the current financial period reported on?

None.

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

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

None.

**(c) Date payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

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

No dividend has been declared or recommended for 1HFY24 as the Company has accumulated losses.

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

The Group does not have a general mandate for interested person transactions. There was no interested person transaction during 1HFY24.

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

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

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

There were no acquisitions or realisation of shares by the Company or any of the Group entities during 1HFY24. The Company and the Group entities did not incorporate any new subsidiary or associated company during 1HFY24.

BY ORDER OF THE BOARD

Ong Kian Soon  
Chief Executive Officer  
10 November 2023

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

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

## **Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited half year results for the financial period ended 30 September 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ong Kian Soon  
Chief Executive Officer

Choo Tung Kheng  
Non-Executive Director

Singapore  
10 November 2023