

NEW WAVE HOLDINGS LTD.

Unaudited Full Year Financial Statement and Dividend Announcement for the Financial Year Ended 31/03/2024

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months and full year ended 31 March 2024

	Note	Group Six months ended 31 March			Group Year ended 31 March		
		2024 S\$'000	2023 S\$'000	Change %	2024 S\$'000	2023 S\$'000	Change %
Revenue	4	7,433	10,257	(27.5)	15,159	23,433	(35.3)
Cost of sales		(6,594)	(8,576)	(23.1)	(13,263)	(18,204)	(27.1)
Gross profit		839	1,681	(50.1)	1,896	5,229	(63.7)
Interest income		3	4	(25.0)	6	6	-
Other income		121	86	40.7	211	220	(4.1)
Distribution costs		(139)	(152)	(8.6)	(282)	(353)	(20.1)
Administrative expenses		(1,898)	(2,014)	(5.8)	(3,759)	(4,070)	(7.6)
Loss allowance made for trade receivables	12	(12)	(78)	(84.6)	(75)	(21)	257.1
Other operating expenses		(1,278)	(67)	1807.5	(1,986)	(998)	99.0
Finance costs		(162)	(224)	(27.7)	(347)	(390)	(11.0)
Loss before income tax	5	(2,526)	(764)	230.6	(4,336)	(377)	1050.1
Income tax expense	6	(171)	99	(272.7)	(145)	(128)	NM
Loss for the period/year		(2,697)	(665)	305.6	(4,481)	(505)	787.3
Other comprehensive income							
Items that may subsequently be reclassified to profit or loss:							
Foreign currency translation		(284)	(538)	(47.2)	(427)	(1,046)	(59.2)
Total comprehensive income for the period/year		(2,981)	(1,203)	147.8	(4,908)	(1,551)	216.4
Loss after tax attributable to:							
Owners of the parent		(2,629)	(601)	337.4	(4,334)	(591)	633.3
Non-controlling interest		(68)	(64)	6.3	(147)	86	NM
		(2,697)	(665)	305.6	(4,481)	(505)	787.3
Total comprehensive income attributable to:							
Owners of the parent		(2,909)	(1,120)	159.7	(4,727)	(1,618)	192.2
Non-controlling interest		(72)	(83)	(13.3)	(181)	67	NM
		(2,981)	(1,203)	147.8	(4,908)	(1,551)	216.4
Loss per share (Cents)							
- Basic and diluted	7	(0.15)	(0.03)		(0.25)	(0.03)	

NM = Not Meaningful

B. Condensed Interim Consolidated Statement of Financial Position as at 31 March 2024

	Note	Group		Company	
		As at 31/3/2024 (Unaudited) S\$'000	As at 31/3/2023 (Audited) S\$'000	As at 31/3/2024 (Unaudited) S\$'000	As at 31/3/2023 (Audited) S\$'000
Non-current assets					
Property, plant and equipment		1,914	1,933	-	-
Right-of-use assets		609	523	-	-
Investment properties	10	5,170	5,170	-	-
Intangible assets	11	-	1,257	-	-
Investments in subsidiaries		-	-	10,390	18,040
Deferred tax asset		5	266	-	-
		<u>7,698</u>	<u>9,149</u>	<u>10,390</u>	<u>18,040</u>
Current assets					
Inventories		8,905	13,328	-	-
Trade and other receivables	12	3,574	4,238	495	4,410
Prepayments		183	182	11	10
Income tax recoverable		333	393	-	-
Cash and cash equivalents		1,030	1,628	23	119
		<u>14,025</u>	<u>19,769</u>	<u>529</u>	<u>4,539</u>
Less:-					
Current liabilities					
Trade and other payables		4,328	3,843	3,251	3,172
Lease liabilities		413	294	-	-
Interest-bearing liabilities	13	4,068	5,682	-	-
		<u>8,809</u>	<u>9,819</u>	<u>3,251</u>	<u>3,172</u>
Net current assets		<u>5,216</u>	<u>9,950</u>	<u>(2,722)</u>	<u>1,367</u>
Non-current liabilities					
Interest-bearing liabilities	13	757	1,939	-	-
Lease liabilities		257	201	-	-
Deferred tax liabilities		-	117	-	-
		<u>1,014</u>	<u>2,257</u>	<u>-</u>	<u>-</u>
Net assets		<u>11,900</u>	<u>16,842</u>	<u>7,668</u>	<u>19,407</u>
Capital and reserves					
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		(2,923)	(2,496)	-	-
Accumulated losses		<u>(13,132)</u>	<u>(8,798)</u>	<u>(19,823)</u>	<u>(8,084)</u>
Equity attributable to owners of the parent		11,751	16,512	7,668	19,407
Non-controlling interest		149	330	-	-
Total equity		<u>11,900</u>	<u>16,842</u>	<u>7,668</u>	<u>19,407</u>

C. Condensed Interim Consolidated Statement of Cash Flows for the financial year ended 31 March 2024

	Group	
	Year ended 31 March	
	2024	2023
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Operating activities		
Loss before income tax	(4,336)	(377)
Adjustments for:-		
Loss allowance made for trade receivables	75	21
Amortisation of intangible asset	228	228
Amortisation of right-of-use assets	440	410
Bad trade receivables written off	6	-
Depreciation of property, plant and equipment	111	121
Gain on disposal of plant and equipment	(8)	(20)
Impairment of intangible assets	1,030	-
Plant and equipment written off	1	-
Loss from lease modification	-	1
Interest expense	347	390
Interest income	(6)	(6)
(Write back)/Write down of inventories	(1)	54
Unrealised foreign exchange loss/(gain)	13	(103)
Operating cash flows before working capital changes	<u>(2,100)</u>	<u>719</u>
Working capital changes:-		
Inventories	4,076	(1,173)
Trade and other receivables	455	2,359
Trade and other payables	560	351
Prepayments	(3)	(31)
Cash from operations	<u>2,988</u>	<u>2,225</u>
Interest received	6	6
Interest paid	(347)	(390)
Income taxes refunded/(paid), net	<u>38</u>	<u>(427)</u>
Net cash from operating activities	<u>2,685</u>	<u>1,414</u>
Investing activities		
Proceeds from disposal of plant and equipment	8	31
Purchase of property, plant and equipment (Note B)	<u>(81)</u>	<u>(69)</u>
Net cash used in investing activities	<u>(73)</u>	<u>(38)</u>
Financing activities		
Proceeds from trust receipts	6,410	13,386
Repayment of trust receipts	(8,297)	(14,046)
Repayment of term loans	(1,115)	(1,088)
Repayments of principal of lease liabilities	<u>(434)</u>	<u>(425)</u>
Net cash used in financing activities	<u>(3,436)</u>	<u>(2,173)</u>
Net change in cash and cash equivalents	(824)	(797)
Cash and cash equivalents at the beginning of the financial year	1,620	2,506
Effects of currency translation on cash and cash equivalents	<u>(38)</u>	<u>(89)</u>
Cash and cash equivalents at the end of the financial year (Note A)	<u>758</u>	<u>1,620</u>

Note A:

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

	S\$'000	S\$'000
Fixed deposits with banks	257	337
Cash and bank balances	773	1,291
Total as per statement of financial position	1,030	1,628
Less: bank overdrafts	272	8
Total as per cash flow statement	758	1,620

Note B:

Additions to plant and equipment comprised the following:

	S\$'000	S\$'000
Additions to plant and equipment (including leased assets)	81	160
Acquired under finance lease agreements	-	(91)
	81	69

D. Condensed Interim Consolidated Statements of Changes in Equity for the financial year ended 31 March 2024

	← Equity attributable to owners of the parent →							Total Equity S\$'000
	Share capital S\$'000	Asset revaluation reserve S\$'000	Share-based payment reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	NCI S\$'000	
The Group								
Balance at 1 April 2023	27,460	315	31	(2,496)	(8,798)	16,512	330	16,842
Loss for the financial year	-	-	-	-	(4,334)	(4,334)	(147)	(4,481)
Other comprehensive income for the financial year								
Exchange differences on translating foreign operations	-	-	-	(427)	-	(427)	(34)	(461)
Total comprehensive income for the financial year	-	-	-	(427)	(4,334)	(4,761)	(181)	(4,942)
Balance at 31 March 2024	27,460	315	31	(2,923)	(13,132)	11,751	149	11,900
Balance at 1 April 2022	27,460	315	31	(1,469)	(8,207)	18,130	264	18,394
(Loss)/Profit for the financial year	-	-	-	-	(591)	(591)	86	(505)
Other comprehensive income the financial year								
Exchange differences on translating foreign operations	-	-	-	(1,027)	-	(1,027)	(20)	(1,047)
Total comprehensive income for the financial year	-	-	-	(1,027)	(591)	(1,618)	66	(1,552)
Balance at 31 March 2023	27,460	315	31	(2,496)	(8,798)	16,512	330	16,842

D. Condensed Interim Consolidated Statements of Changes in Equity for the financial year ended 31 March 2024 (Continued)

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 year, representing total comprehensive income for the financial year	-	-	(11,739)	(11,739)
Balance at 31 March 2024	<u>27,460</u>	<u>31</u>	<u>(19,823)</u>	<u>7,668</u>
Balance at 1 April 2022	27,460	31	(4,005)	23,486
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(4,079)	(4,079)
Balance at 31 March 2023	<u>27,460</u>	<u>31</u>	<u>(8,084)</u>	<u>19,407</u>

E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate Information

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

These condensed interim consolidated financial statements as at and for the six months ended 31 March 2024 comprise the Company and its subsidiaries (collectively, the Group).

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

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 March 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the half year period ended 30 September 2023.

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

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

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

2. Basis of preparation (Continued)

2.1 New and amended standards adopted by the Group

The Group has adopted the new or revised SFRS(I) and Interpretations to SFRS(I) (“SFRS(I) INT”) that are relevant to its operations and are effective in the financial year ended 31 March 2024 (“FY2024”). The impact of adoption of these new or revised SFRS(I) and SFRS(I) INT is as follows:

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Disclosure of Accounting Policies and SFRS(I) Practice Statement 2

The amendments change the disclosure requirements with respect to accounting policies from “significant accounting policies” to “material accounting policy information”. The amendments provide guidance on when accounting policy is likely to be considered material.

Management has followed the guidance in the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 in determining which accounting policy information is material. For the preparation of financial statements for the financial year ended 31 March 2024, the material accounting policy information has been included in the respective notes to the financial statements.

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 2024 (“FY2024”).

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

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

(i) Fair value of investment properties

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

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

(ii) Intangible assets

Goodwill arising from business combination is allocated to the CGUs that are expected to benefit from that business combination. The carrying amount of goodwill was allocated to MSC Aluminium Holdings Pte. Ltd. and its subsidiaries (“MSC Group”) and Alutech Metals Asiatic Pte. Ltd. and its subsidiary (“Alutech Group”) as 2 single CGUs respectively. The recoverable amount of the CGUs is determined from value-in-use calculations.

Customer relationships were acquired in the financial years ended 31 March 2011 and 31 March 2019 as part of the acquisition of MSC Group and 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 and was amortised over its useful life.

During the financial year, the Group carried out a review of the recoverable amount of the two CGUs as there were indications of impairment. The recoverable amount of the CGUs were determined

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

2. Basis of preparation (Continued)

2.2 Use of judgements and estimates (Continued)

(ii) Intangible assets (Continued)

based on value-in-use calculations. Following the review, the CGUs were not expected to realise the capabilities of the underlying assets to produce the expected returns. The Group has made an impairment loss of \$1.03 million so as to write off fully the carrying values of goodwill and customer relationships.

(iii) Allowance for inventories obsolescence

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

The management has provided an allowance for inventories obsolescence for the components distribution division of approximately S\$4,000 for the six months period under review. No allowance for inventories obsolescence was recorded for the aluminium products distribution division. On a regular basis, the division will identify certain stock items that may ultimately be sold as scrap metal and will write down the value of these items to an approximate scrap value. The write-off amount will not be shown as inventories obsolescence but will be treated as cost adjustment and included in cost of sales. This is because these items will remain in stock and can be sold at regular selling prices whenever there is a demand for them.

(iv) Loss allowance for impairment of trade receivables

Management determines the expected loss arising from default for trade receivables, by categorising them based on its historical loss pattern, historical payment profile, geographical risk as well as credit risk profile of customers. In addition, the Management separately evaluates the expected credit impaired losses of slow-paying customers where possibility of default may be higher. A total loss allowance amounting to approximately S\$12,000 was recognised for the six months period to 31 March 2024 (31 March 2023: S\$78,000).

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

Group	Current	Past due for 1 to 90 days	Past due for 91 to 180 days	Past due for 181 to 365 days	Past due for more than 1 year	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 March 2024						
Trade receivables						
Gross carrying amount	1,781	1,234	120	57	128	3,320
Loss allowance:						
Non-credit impaired	(41)	(25)	(3)	(1)	-	(70)
Credit impaired	-	-	(14)	(38)	(121)	(173)
	<u>1,740</u>	<u>1,209</u>	<u>103</u>	<u>18</u>	<u>7</u>	<u>3,077</u>
As at 31 March 2023						
Trade receivables						
Gross carrying amount	2,166	1,142	194	335	63	3,900
Loss allowance:						
Non-credit impaired	(28)	(14)	(3)	(1)	-	(46)
Credit impaired	-	-	(39)	(52)	(61)	(152)
	<u>2,138</u>	<u>1,128</u>	<u>152</u>	<u>282</u>	<u>2</u>	<u>3,702</u>

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

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.

Business Segments

Six months ended 31 Mar 2024

	Components Distribution S\$'000	Aluminium Products Distribution S\$'000	Unallocated S\$'000	Consolidated S\$'000
Revenue				
External revenue	954	6,479	-	7,433
Results				
Segment results	13	(614)	(326)	(927)
Interest income	-	3	-	3
Finance costs	(16)	(146)	-	(162)
Impairment of intangible assets	-	(1,030)	-	(1,030)
Amortisation of intangible assets	-	(114)	-	(114)
Amortisation of ROU assets	-	(241)	-	(241)
Depreciation expense	(14)	(41)	-	(55)
Loss before income tax	(17)	(2,183)	(326)	(2,526)
Income tax expense	(31)	(140)	-	(171)
Loss after income tax	(48)	(2,323)	(326)	(2,697)
Capital expenditure				
- Additions to non-current assets	12	1	-	13

Six months ended 31 Mar 2023

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

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

4. Segment and revenue information (Continued)

Business Segments (Continued)

Year ended 31 March 2024

	Components Distribution S\$'000	Aluminium Products Distribution S\$'000	Unallocated S\$'000	Consolidated S\$'000
Revenue				
External revenue	1,869	13,290	-	15,159
Results				
Segment results	(7)	(1,422)	(757)	(2,186)
Interest income	-	6	-	6
Finance costs	(27)	(320)	-	(347)
Impairment of intangible assets	-	(1,030)	-	(1,030)
Amortisation of intangible assets	-	(228)	-	(228)
Amortisation of ROU assets	-	(440)	-	(440)
Depreciation expense	(28)	(83)	-	(111)
Loss before income tax	(62)	(3,517)	(757)	(4,336)
Income tax expense	(31)	(114)	-	(145)
Loss after income tax	(93)	(3,631)	(757)	(4,481)
Capital expenditure				
- Additions to non-current assets	12	69	-	81
Assets and Liabilities				
Segment assets	6,704	14,647	34	21,385
Current income tax recoverable and deferred tax asset	6	332	-	338
Total assets	6,710	14,979	34	21,723
Segment liabilities	1,521	7,982	320	9,823
Deferred tax liabilities and current income tax payable	-	-	-	-
Total liabilities	1,521	7,982	320	9,823

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

4. Segment and revenue information (Continued)

Business Segments (Continued)

Year ended 31 March 2023

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

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

4. Segment and revenue information (Continued)

Geographical information

The Group's business segments operate in three main geographical areas, namely, Singapore, Malaysia and the People's Republic of China ("PRC"). Non-current assets consist primarily of property, plant and equipment, investment properties and intangible assets. Non-current assets are shown by the geographical area in which the assets are located.

	Singapore	Malaysia	PRC	Others	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY2024					
Non-current assets	6,284	1,278	131	-	7,693
FY2023					
Non-current assets	7,190	1,431	262	-	8,883

Disaggregation of revenue

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

	Components Distribution		Aluminium Products Distribution		Total	
	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Six months ended 31 March						
<u>Primary Geographical market</u>						
Singapore	847	801	1,162	1,542	2,009	2,343
Malaysia	75	169	3,769	4,257	3,844	4,426
People's Republic of China	-	-	1,528	3,400	1,528	3,400
Others	32	31	20	57	52	88
	954	1,001	6,479	9,256	7,433	10,257
<u>Timing of transfer of goods</u>						
- Over time	192	163	-	-	192	163
- Point in time	762	838	6,479	9,256	7,241	10,094

	Components Distribution		Aluminium Products Distribution		Total	
	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 March						
<u>Primary Geographical market</u>						
Singapore	1,658	1,563	2,784	3,489	4,442	5,052
Malaysia	163	315	6,719	12,055	6,882	12,370
People's Republic of China	-	-	3,639	5,800	3,639	5,800
Others	48	124	148	87	196	211
	1,869	2,002	13,290	21,431	15,159	23,433
<u>Timing of transfer of goods</u>						
- Over time	372	315	-	-	372	315
- Point in time	1,497	1,687	13,290	21,431	14,787	23,118

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

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

Loss before income tax is arrived at	Group Six months ended 31 March			Group Year ended 31 March		
	2024 S\$'000	2023 S\$'000	Change %	2024 S\$'000	2023 S\$'000	Change %
After charging:						
Impairment of intangible assets	1,030	-	NM	1,030	-	NM
Amortisation of intangible assets	114	114	-	228	228	-
Amortisation of right-of-use assets	241	201	19.9	440	410	7.3
Depreciation of property, plant and equipment	56	60	(6.7)	111	121	(8.3)
Write-down of inventories	4	54	(92.6)	4	54	(92.6)
Foreign exchange loss, net	-	-	-	166	182	(8.8)
and crediting:						
Gain on disposal of plant and equipment	-	-	-	8	20	(60.0)
Government grants	25	22	13.6	52	52	-
Operating lease income – investment properties	30	30	-	60	60	-

NM = Not Meaningful

6. Taxation

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

	Six months ended 31 March		Year ended 31 March	
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Current income tax:				
Current year	-	(51)	2	204
Over provision in prior years	(1)	(3)	(1)	(3)
Deferred income tax liability:				
Current year	255	(23)	255	(23)
Over provision in prior years	(83)	(22)	(111)	(50)
	<u>171</u>	<u>(99)</u>	<u>145</u>	<u>128</u>

7. Earnings/(Loss) Per Share

	Six months ended 31 March		Year ended 31 March	
	2024	2023	2024	2023
Loss attributable to owners of the parent (S\$'000)	(2,629)	(601)	(4,334)	(591)
Loss per ordinary share after deducting any provision for preference dividends:-				
(a) Based on the weighted average number of ordinary shares in issue (Singapore cents)	(0.15)	(0.03)	(0.25)	(0.03)
(b) On a fully diluted basis (Singapore cents)	(0.15)	(0.03)	(0.25)	(0.03)

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

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

Loss per ordinary share for the six months ended 31 March 2024 (“2HFY24”) and 31 March 2023 (“2HFY23”) and for the year ended 31 March 2024 and 31 March 2023 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 per ordinary share on a fully diluted basis for the six months and the full year ended 31 March 2024 and 31 March 2023 in Item 7(b) are the same as the basic loss per ordinary share because the Company did not have any potentially dilutive ordinary shares during and as at the end of the said financial periods.

8. Net Asset Value

	Group		Company	
	As at 31/03/2024	As at 31/03/2023	As at 31/03/2024	As at 31/03/2023
Net asset value per ordinary share based on issued share capital (Singapore cents)	0.69	0.97	0.44	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 31 March 2024 and 31 March 2023.

9. Share capital

	Group and Company			
	As at 01/04/2023	As at 31/03/2024	As at 01/04/2023	As at 31/03/2024
	Number of ordinary shares		S\$'000	S\$'000
Issued and fully paid up:				
As at the beginning and end of the financial year	1,727,469,695	1,727,469,695	27,460	27,460

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

There were no outstanding convertible instruments which may be converted to shares as at 31 March 2024 and 31 March 2023.

There were no subsidiary holdings as at 31 March 2024 and 31 March 2023.

The Company did not have any treasury shares as 31 March 2024 and 31 March 2023.

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 2024 were determined based on the valuation carried out by an independent valuer having an appropriate recognised professional qualification.

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

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

11. Intangible Assets

	Goodwill	Customer relationships	Total
	\$'000	\$'000	\$'000
Six months to 31.3.2024			
Group			
Cost			
Balance as at 1.10.2023 and 31.3.2024	4,359	3,108	7,467
Accumulated amortisation			
Balance as at 1.10.2023	-	2,767	2,767
Amortisation for the financial period	-	114	114
Balance as at 31.03.2024	-	2,881	2,881
Accumulated impairment			
Balance as at 1.10.2023 and 31.3.2024	3,556	-	3,556
Impairment for the financial period	803	227	1030
Balance as at 31.03.2024	4,359	227	4,586
Carrying amount			
Balance as at 31.3.2024	-	-	-
Year to 31.3.2024			
Cost			
Balance as at 1.4.2023 and 31.3.2024	4,359	3,108	7,467
Accumulated amortisation			
Balance as at 1.4.2023	-	2,653	2,653
Amortisation for the financial year	-	228	228
Balance as at 31.03.2024	-	2,881	2,881
Accumulated impairment			
Balance as at 1.4.2023 and 31.3.2024	3,556	-	3,556
Impairment for the financial year	803	227	1030
Balance as at 31.03.2024	4,359	227	4,586
Carrying amount			
Balance as at 31.3.2024	-	-	-

Customer relationships were acquired in the financial years ended 31 March 2011 and 31 March 2019 as part of the acquisition of MSC Group and 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 and was amortised over its useful life. Both goodwill and customer relationships were fully impaired this financial year after a review of the recoverable amounts based on value-in-use calculations (please refer to Note E2.2(ii)).

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

12. Trade and Other Receivables

	Group	
	As at 31/03/2024 S\$'000	As at 31/03/2023 S\$'000
Trade receivables	3,320	3,900
Loss allowance	(243)	(198)
	3,077	3,702
Notes receivables	6	6
Other receivables	491	530
	3,574	4,238

Movements in loss allowance for trade receivables were as follows:

	Group	
	As at 31/03/2024 S\$'000	As at 31/03/2023 S\$'000
Balance at the beginning of the financial year	198	191
Write-off against allowance	(20)	-
Write back allowance no longer required	(68)	(74)
Loss allowance made during the financial year	143	95
Foreign currency translation differences	(10)	(14)
Balance at the end of the financial year	243	198

A net loss allowance of S\$0.01 million and S\$0.08 million were estimated for the six months period and full year ended 31 March 2024 respectively. Please refer to Note E.2.2 (iii).

13. Interest-bearing Liabilities

	Group	
	As at 31/03/2024 S\$'000	As at 31/03/2023 S\$'000
<u>Current liabilities</u>		
Bank overdrafts	272	8
Term loans – secured	48	50
Term loans – unsecured	1,101	1,068
Trust receipts – unsecured	2,647	4,556
	4,068	5,682
<u>Non-current liabilities</u>		
Term loans – secured	533	614
Term loans – unsecured	224	1,325
	757	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 are supported by corporate guarantees provided by the Company.

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

14. Subsequent events

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

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

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

The condensed interim consolidated financial statements of the Group for the six months and full year ended 31 March 2024 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

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

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

Not applicable. The Group's latest financial statements for the year ended 31 March 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 and full year ended 31 March 2024 (“2HFY24” and “FY2024”) vs. Six months and full year ended 31 March 2023 (“2HFY23” and “FY2023”)

Turnover and Gross Profit

Group sales fell 35.3% during FY2024 as the operating environment remained challenging. Demand continued to be depressed throughout the year; however there was indication of gradual improvement over the period as the decrease in sales in the second half year was 27.5% compared to a steeper decrease of 41.4% in the first half year. The Malaysia segment especially showed the improvement as segment sales, which fell 61.8% in the first half year, recorded a lower decrease of 13.1% in the second half year. The other two segments did not do as well and we observed lesser projects secured by the local manufacturers and thus less business activities in the Singapore segment which in turn led to lower demand for our products. For the PRC segment, the lingering geopolitical tensions and trade restrictions, as well as the country's real estate challenges, have slowed the economic growth of the PRC and affected the pace of recovery for the industries serviced by our PRC subsidiaries. Our revenue from this segment declined as major projects were delayed or cancelled.

Overall, revenue of the aluminium products distribution division decreased 38.0% in FY2024, whereas revenue of the components distribution division decreased 6.6%. The decrease in sales of the aluminium products distribution division may mainly be attributed to the depressed electronics market sector, with which most of our customers are closely interdependent. The

reduction in manufacturing activities related to the electronics market sector affected many of our customers' production levels and sales, and has in turn affected our revenue.

Sales of the components distribution division remained fairly constant as the infocomm media industry was dynamic and active throughout the period, enabling the division to maintain demand for our test instruments and technical support.

Gross margins decreased from 22.3% in FY2023 to 12.5% in FY2024. The weak demand for our aluminium products during FY2024 necessitated adjustments of our products margin in order to stay competitive. Our customers faced continued and intensified cost pressures to secure their orders as their operating costs were elevated.

Profit Before Income Tax

Other income for FY2024 was fairly constant compared to FY2023 as our sources of other income have remained unchanged. The slight decrease was partly due to lesser gains on disposal of plant and equipment of approximately S\$8,000 compared to S\$20,000 in FY2023.

All categories of expenses decreased in FY2024 as compared to FY2023 in tandem with decreased sales, with the exception of loss allowance made for trade receivables and other operating expenses. As the economic environment within which the Group entities operate has remained challenging, the Management has provided for appropriate loss allowance.

Other operating expenses increased two fold due mainly to an impairment of intangible assets of S\$1.03 million after a review of the recoverable amounts using value-in-use calculations. No impairment was done in the previous financial year. The Group also recorded an increase in amortisation of right-of-use assets of 7.3% due to the renewal of lease agreement for the Singapore factory at increased lease rates during 2HFY24. Decreases under other operating expenses included decreased depreciation charges as certain assets were fully depreciated by the end of FY2023 and decreased exchange losses due to the moderate softening of the Malaysian ringgit and the Renminbi against the Singapore dollar during FY2024, as compared to more pronounced differentials in FY2023.

Administrative expenses, distribution costs and finance costs decreased in line with decreased sales volume and operating activities. Distribution costs recorded the highest decrease of 20.1% in FY2024 as sales commission, freight and transport costs decreased in proportion with decreased sales.

Assets and Liabilities

Assets

Property, plant and equipment decreased through a depreciation charge of S\$0.11 million offset by additions of S\$0.08 million which were incurred mainly for upgrading of our ERP software and the purchase of a demonstration test instrument set for the components division.

Right-of-use assets, which included capitalised lease rentals as well as leased plant and equipment, increased due to renewal of lease agreement for the Singapore factory at increased lease rates in October 2023.

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

Intangible assets decreased through an amortisation charge. However, after a review of the recoverable amounts, the intangible assets which comprised goodwill and customer

relationships arising from the acquisition of the MSC Group and the Alutech Group, were fully impaired (please refer to Notes E2.2(ii) and 11).

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

The marginal increase in prepayments was due to a certain prepayment of stocks to a supplier which was offset by the removal of progress payments made during FY2023 for the upgrading of the ERP system as these were capitalised upon completion of the project during FY2024.

Liabilities

Trade creditors decreased from S\$2.37 million as at the end of FY2023 to S\$1.97 million as at the end of FY2024, due to the lower levels of purchases. Other payables increased from S\$1.48 million as at the end of FY2023 to S\$2.35 million as at the end of FY2024 mainly due to deposits received from customers at the PRC subsidiaries.

Total lease liabilities (after aggregating current and non-current liabilities) increased from S\$0.50 million to S\$0.67 million. Finance lease liabilities decreased from S\$0.09 million to S\$0.06 million through payment of lease instalments. Right-of-use lease liabilities however increased due to the renewal of the lease agreement for the Singapore factory during FY2024. The renewal was done at higher lease rates.

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

The Group had a positive working capital of S\$5.22 million as at the end of the year.

Cash Flow and Working Capital

The Group recorded a loss before tax of S\$4.34 million; however, after adjustments for non-cash items and working capital changes, there was a net cash inflow from operations of S\$2.69 million. Working capital changes arose mainly from a significant decrease in inventories of S\$4.08 million. Trade and other receivables also recorded a decrease of S\$0.46 million, while trade and other payables increased S\$0.56 million, thus further contributing to the positive working capital changes.

Net cash used in investing activities was mainly incurred for the upgrade of our ERP system recorded as additions to plant and equipment. There was an offset from the proceeds received from disposal of used assets.

Net cash used in financing activities amounted to S\$3.44 million, and was utilised for repayments of matured trust receipts, repayments of term loans, payments of finance lease instalments and other lease payments.

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

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

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

The Group expects the market environment in which it operates to continue to be challenging. The lingering geopolitical tensions and trade restrictions have caused low domestic consumption and slow export growth in the region and this has in turn caused the pace of economic recovery to remain slow.

The Group will continue to focus on managing our products portfolio and operating costs as we continue to strengthen our market coverage to grow our revenue.

The Board observed that the Group's sales have stabilised in recent months and the Group has also secured a new banking facility after the financial year ended 31 March 2024. Barring unforeseen circumstances, the Group will be able to meet its obligations, financial and otherwise, in the next twelve months, as it continues to strive for improved revenues and overall results.

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 FY2024 as the Company has accumulated losses.

9. A breakdown of sales as follows:

	Group S\$'000		%
	FY2024	FY2023	Change
(a) Sales reported for first half year	7,726	13,176	(41.4)
(b) Operating (loss)/profit after income tax before deducting NCI reported for first half year	(1,784)	160	NM
(c) Sales reported for second half year	7,433	10,257	(27.5)
(d) Operating loss after income tax before deducting NCI reported for second half year	(2,697)	(665)	305.6

NM - Not meaningful

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

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

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

The Group does not have a general mandate for interested person transactions. There was no interested person transaction with a value of S\$100,000 or more during FY2024.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Yeat Cheong ("Yeat Cheong")	40	Yeat Cheong is the son of Mdm Choo Tung Kheng, Non-Executive Director and substantial shareholder of the Company.	Business Development Manager. Yeat Cheong was appointed on 18 January 2012, and is responsible for the development of aluminium products distribution business in Malaysia and China.	Not applicable.
Tan Yeat Chun ("Yeat Chun")	35	Yeat Chun is the son of Mdm Choo Tung Kheng, Non-Executive Director and substantial shareholder of the Company.	Sales Manager, aluminium products distribution business in Singapore, overseeing the sales and distribution of our products from Singapore. He first joined the Group as Assistant Corporate Services Manager on 1 April 2014 and was appointed as Sales Manager on 1 January 2023.	Not applicable.

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

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

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

There were no acquisitions or realisation of shares by the Company or any of the Group entities during FY2024. The Company and the Group entities did not incorporate any new subsidiary or associated company during FY2024.

BY ORDER OF THE BOARD

Ong Kian Soon
Chief Executive Officer
30 May 2024

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

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