



COSMOSTEEL

COSMOSTEEL HOLDINGS LIMITED

Condensed Interim Financial Statements
For the First Half Year Ended 31 March 2024
("1HY2024")



COSMOSTEEL HOLDINGS LIMITED
Co. Reg. No. 200515540Z

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CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

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

	Notes	1HY2024 \$'000	Group 1HY2023 \$'000	% + / (-)
Revenue	4	35,540	52,009	(31.7)
Cost of Sales		(30,605)	(43,603)	(29.8)
Gross Profit		4,935	8,406	(41.3)
Interest Income		202	119	69.7
Finance Costs		(433)	(385)	12.5
Marketing and Distribution Costs		(1,668)	(1,579)	5.6
Administrative Expenses		(2,305)	(2,081)	10.8
Depreciation of Property, Plant and Equipment		(1,431)	(1,349)	6.1
Depreciation of Right-of-Use Assets		(139)	(323)	(57.0)
Other Losses (Net)		(642)	(85)	655.3
(Loss)/ Profit Before Tax	5	(1,481)	2,723	(154.4)
Income Tax Benefit	6	143	111	28.8
(Loss)/ Profit for The Period		(1,338)	2,834	(147.2)
Other Comprehensive (Loss)/ Income:				
Items That Will Not Be Reclassified To Profit or Loss:				
Gains on Property Revaluation, Net of Tax		56	541	(89.6)
Items That May Be Reclassified Subsequently To Profit or Loss:				
Exchange Differences on Translating Foreign Operations, Net of Tax		(114)	42	(371.4)
Other Comprehensive (Loss)/ Income for The Period, Net of Tax		(58)	583	(109.9)
Total Comprehensive (Loss)/ Income for The Period, Net of Tax		(1,396)	3,417	(140.9)
(Loss)/ Earnings Per Share:				
Basic and Diluted (In Cents)	7	(0.51)	1.08	



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B. Condensed Interim Statements of Financial Position

	Notes	Group		Company	
		As at 31 Mar 2024 \$'000	As at 30 Sep 2023 \$'000	As at 31 Mar 2024 \$'000	As at 30 Sep 2023 \$'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	9	27,775	22,697	-	-
Right-of-Use Assets		2,139	2,278	-	-
Investments in Subsidiaries		-	-	60,107	60,107
Trade and Other Receivables		4,825	951	-	-
Total Non-Current Assets		34,739	25,926	60,107	60,107
Current Assets					
Inventories		25,173	25,647	-	-
Trade and Other Receivables		29,801	30,290	276	826
Financial Assets	10	163	154	-	-
Other Non-Financial Assets		313	962	50	30
Cash and Cash Equivalents		14,959	18,948	306	1,173
Total Current Assets		70,409	76,001	632	2,029
Total Assets		105,148	101,927	60,739	62,136
EQUITY AND LIABILITIES					
Equity					
Share Capital	12	56,325	56,325	56,325	56,325
Treasury Shares	12	(4,238)	(4,238)	(4,238)	(4,238)
Retained Earnings		19,462	21,595	8,439	9,511
Other Reserves		6,189	6,759	-	-
Total Equity		77,738	80,441	60,526	61,598
Non-Current Liabilities					
Provisions		719	719	-	-
Deferred Tax Liabilities		40	195	-	-
Loans and Borrowings	11	7,593	4,122	-	-
Lease Liabilities		2,028	2,159	-	-
Total Non-Current Liabilities		10,380	7,195	-	-
Current Liabilities					
Income Tax Payable		45	159	44	155
Trade and Other Payables		6,857	5,314	169	383
Loans and Borrowings	11	9,593	8,332	-	-
Lease Liabilities		259	253	-	-
Other Non-Financial Liabilities		276	233	-	-
Total Current Liabilities		17,030	14,291	213	538
Total Liabilities		27,410	21,486	213	538
Total Equity and Liabilities		105,148	101,927	60,739	62,136



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C. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	1HY2024	1HY2023
	\$'000	\$'000
Cash Flows From Operating Activities :		
(Loss)/ Profit Before Tax	(1,481)	2,723
Adjustments for :		
Interest Income	(202)	(119)
Interest Expense	433	385
Depreciation of Property, Plant and Equipment	1,431	1,349
Depreciation of Right-of-Use Assets	139	323
Loss on Disposal of Property, Plant and Equipment	3	-
Operating Cash Flows before Changes in Working Capital	323	4,661
Inventories	474	4,229
Trade and Other Receivables	(3,361)	(24,174)
Financial Assets	(9)	(7)
Other Non-Financial Assets	649	(537)
Trade and Other Payables	1,543	7,472
Other Non-Financial Liabilities	43	101
Net Cash Flows Used in Operations	(338)	(8,255)
Income Taxes Paid	(141)	(126)
Net Cash Flows Used in Operating Activities	(479)	(8,381)
Cash Flows From Investing Activities :		
Purchase of Property, Plant and Equipment	(6,441)	(855)
Proceeds From Disposal of Property, Plant and Equipment	-	-
Cash Restricted in Use	439	-
Interest Received	64	119
Net Cash Flows Used in Investing Activities	(5,938)	(736)
Cash Flows From Financing Activities :		
Increase in Loan and Borrowings	429	9,357
Increase from New Borrowings	4,303	325
Payment of Lease Liabilities (Principal Portion)	(125)	(312)
Payment of Lease Liabilities (Interest Portion)	(44)	(38)
Provisions, Non-Current	-	(182)
Dividends Paid	(1,307)	(1,307)
Interest Paid	(389)	(347)
Net Cash Flows From Financing Activities	2,867	7,496
Net Decrease in Cash and Cash Equivalents	(3,550)	(1,621)
Cash and Cash Equivalents at Beginning of The Period	18,509	24,895
Cash and Cash Equivalents at End of The Period	14,959	23,274



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C. Condensed Interim Consolidated Statement of Cash Flows (cont'd)

	Group	
	As at 31-Mar-24 \$'000	As at 31-Mar-23 \$'000
Cash and Cash Equivalents	14,959	23,274
Cash Restricted in Use Over 3 Months	-	-
Cash and Cash Equivalents at End of The Period	14,959	23,274

D. Condensed Interim Statements of Changes in Equity

Group	Share Capital \$'000	Treasury Shares \$'000	Currency		Retained Earnings \$'000	Total Equity \$'000
			Translation Reserve \$'000	Revaluation Reserve \$'000		
Balance at 1 October 2022	56,325	(4,238)	342	6,288	19,167	77,884
Total Comprehensive Income for 1HY2023	-	-	42	541	2,834	3,417
Dividends Paid (Note 8)	-	-	-	-	(1,307)	(1,307)
Transfer to Retained Earnings of Difference Between Depreciation on Revalued Carrying Amount and Depreciation Based on Original Cost	-	-	-	(450)	450	-
Balance at 31 March 2023	56,325	(4,238)	384	6,379	21,144	79,994
Balance at 1 October 2023	56,325	(4,238)	291	6,468	21,595	80,441
Total Comprehensive Income for 1HY2024	-	-	(114)	56	(1,338)	(1,396)
Dividends Paid (Note 8)	-	-	-	-	(1,307)	(1,307)
Transfer to Retained Earnings of Difference Between Depreciation on Revalued Carrying Amount and Depreciation Based on Original Cost	-	-	-	(512)	512	-
Balance at 31 March 2024	56,325	(4,238)	177	6,012	19,462	77,738
Company	Share Capital \$'000	Treasury Shares \$'000	Retained Earnings \$'000	Total Equity \$'000		
Balance at 1 October 2022	56,325	(4,238)	10,084	62,171		
Total Comprehensive Income for 1HY2023	-	-	916	916		
Dividends Paid (Note 8)	-	-	(1,307)	(1,307)		
Balance at 31 March 2023	56,325	(4,238)	9,693	61,780		
Balance at 1 October 2023	56,325	(4,238)	9,511	61,598		
Total Comprehensive Income for 1HY2024	-	-	235	235		
Dividends Paid (Note 8)	-	-	(1,307)	(1,307)		
Balance at 31 March 2024	56,325	(4,238)	8,439	60,526		



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E. Notes to the Condensed Interim Consolidated Financial Statements
31 March 2024

1. General

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the company (referred to as “parent”) and the subsidiaries. The registered office is: 14 Lok Yang Way, Singapore 628633. The company is situated in Singapore.

The board of directors approved and authorised these condensed interim financial statements for issue on the date of this announcement. The directors have the power to amend and reissue the financial statements.

The company is an investment holding company. It is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The principal activities of the group are disclosed in Note 3 on segment information.

The financial information contained in this announcement has neither been audited nor reviewed by the auditors.

The latest audited annual financial statements (“AAFS”) were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

Uncertainties relating to the current macroeconomic conditions

Management has considered the uncertain and challenging macroeconomic and geopolitical environment that have caused widespread increase in interest rates and a significant rise in inflation, affecting the cost of many of the goods and services for customers and suppliers. Management reviewed the probable impact and plausible downside scenarios. No material uncertainties were identified in connection with the reporting entity’s ability to continue in operational existence for the near future.

Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS (I) s”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. They are also in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and the provisions of the SGX Mainboard Listing Rules.



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1. General (cont'd)

Basis of presentation (cont'd)

The accounting policies and methods of computation applied in these condensed interim consolidated financial statements are consistent with those of the latest audited annual financial statements for the reporting year ended 30 September 2023. However, the typical notes and information included in the latest audited annual financial statements are not included in these financial statements except for the selected explanatory notes included to explain events and transactions that are significant to an understanding of the changes in the performance and financial position the group since the latest audited annual financial statements.

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.

Critical judgements, assumptions and estimation uncertainties

These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates. The nature and the carrying amount of such significant assets and liabilities are disclose with further details in the relevant Notes to these condensed interim consolidated financial statements.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2023.

2. Seasonality of operations

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

3. Financial information by operating segments

3A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 *Operating Segments*. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

Revenue generated is derived from the sale, supply and machining of flanges, steel fittings, tubing and pipes for the following main industries which form the basis on which the group reports its primary segment information.



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3. Financial information by operating segments (cont'd)

3A. Information about reportable segment profit or loss, assets and liabilities (cont'd)

The main industries of the customers are as follows:

- Energy – Oil and gas, engineering and construction, petrochemical and power
- Marine – Shipbuilding and repair
- Trading – Traders that purchase goods and on-sell to end-user customers
- Others – Other industries such as the manufacturing and pharmaceutical sectors

Unallocated items comprise cash and cash equivalents, trade and other receivables, property, plant and equipment, right-of-use assets, other financial liabilities, trade and other payables, other non-financial liabilities, current tax recoverable (payable), deferred tax liabilities, interest income, depreciation expenses, marketing and distribution costs, administrative expenses, finance costs, other gains (losses) and income tax benefit (expense). It is not meaningful to allocate these amounts by business segments.

3B. Profit or loss from continuing operations and reconciliations

	<u>Energy</u> \$'000	<u>Marine</u> \$'000	<u>Trading</u> \$'000	<u>Others</u> \$'000	<u>Group</u> \$'000
<u>1HY2024</u>					
Revenue by segment					
Total revenue	24,256	3,692	5,543	2,049	35,540
Segment results	3,338	739	561	297	4,935
Unallocated expenses					(5,543)
Loss from operations					(608)
Interest income					202
Finance costs					(433)
Other losses (net)					(642)
Loss before tax					(1,481)
Income tax benefit					143
Loss from continuing operations					(1,338)
<u>1HY2023</u>					
Revenue by segment					
Total revenue	42,314	2,182	6,845	668	52,009
Segment results	5,462	625	2,164	155	8,406
Unallocated expenses					(5,332)
Profit from operations					3,074
Interest income					119
Finance costs					(385)
Other losses (net)					(85)
Profit before tax					2,723
Income tax benefit					111
Profit from continuing operations					2,834



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3. Financial information by operating segments (cont'd)

3C. Assets, liabilities and reconciliations

Assets and liabilities of the group are considered impracticable to allocate to segments.

3D. Other material items and reconciliations

	<u>Group</u>	
	<u>1HY2024</u>	<u>1HY2023</u>
	\$'000	\$'000
Expenditures for non-current assets	(6,441)	(855)
Allowance for impairment of trade receivables – reversal/ (loss)	12	(263)
Bad debts recovered on trade receivables (net)	–	34
Reversal of write-down of inventories	8	1,575
	<u>8</u>	<u>1,575</u>

3E. Geographical information

The following table provides an analysis of the revenue and non-current assets by geographical market, irrespective of the origin of the goods/services:

	<u>Group</u>			
	<u>Revenue</u>		<u>Non-current assets</u>	
	<u>1HY2024</u>	<u>1HY2023</u>	<u>31 Mar 24</u>	<u>30 Sep 23</u>
	\$'000	\$'000	\$'000	\$'000
Singapore	13,033	42,063	28,126	25,750
Vietnam	15,417	1,699	–	–
Other countries	7,090	8,247	6,613	176
	<u>35,540</u>	<u>52,009</u>	<u>34,739</u>	<u>25,926</u>

Other than Singapore and Vietnam (1HY2023: Singapore), no single country accounted for 10% or more of the Group's revenue.

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located.

The group has not identified profit before tax by industries or by geographical markets as the allocation of costs cannot be allocated in a similar manner with reasonable accuracy. This is because the operating expenses and administrative expenses incurred for industries or geographical markets such as marketing expenses, remuneration and facilities-related costs are general costs which are accounted for on a group-wide basis. It is not meaningful to track operating costs and administrative expenses by industries or geographical markets.



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4. Disaggregation of revenue

	<u>1HY2024</u> \$'000	<u>Group</u>	<u>1HY2023</u> \$'000
Sale of goods	35,487		51,995
Other	53		14
Total revenue	<u>35,540</u>		<u>52,009</u>

The revenue is primarily from sale of goods, which is recognised based on point in time. The customers are mainly from the energy sector with a large portion from Vietnam (1HY2023: Singapore).

5. (Loss)/ Profit before tax is arrived after crediting/ (charging) the following:

	<u>1HY2024</u> \$'000	<u>Group</u>	<u>1HY2023</u> \$'000
<u>Finance costs</u>			
Interest on borrowings	(389)		(347)
<u>Marketing and distribution costs</u>			
Employee benefits expense	(1,495)		(1,358)
<u>Administrative expenses</u>			
Employee benefits expense	(1,119)		(925)
<u>Other gains and (other losses)</u>			
Allowance for impairment of trade receivables – reversal/ (loss)	12		(263)
Bad debts recovered on trade receivables (net)	–		34
Fair value gains on financial assets at FVTPL	9		7
Foreign exchange transaction and translation losses	(668)		(1,438)
Loss on disposal of property, plant and equipment	(3)		–
Reversal of write-down of inventories	8		1,575
	<u>8</u>		<u>1,575</u>



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6. Income tax

Components of tax expense/ (benefit) recognised in profit or loss include:

	<u>Group</u>	
	<u>1HY2024</u> \$'000	<u>1HY2023</u> \$'000
<u>Current tax</u>		
Current tax expense	27	–
	<u>27</u>	<u>–</u>
<u>Deferred tax</u>		
Deferred tax benefit	(170)	(111)
	<u>(170)</u>	<u>(111)</u>
	<u>(143)</u>	<u>(111)</u>

7. (Loss)/ Earnings per share

The (loss)/ earnings per share is calculated by dividing the group's profit attributable to shareholders by the weighted number of shares of no par value in issue during the period.

	<u>Group</u>	
	<u>1HY2024</u> \$'000	<u>1HY2023</u> \$'000
The calculation of the earnings per share is based on the following:		
(Loss)/ Profit for the year attributable to the equity holders of the company for the purposes of basic and diluted earnings per share	<u>(1,338)</u>	<u>2,834</u>
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u>261,360,097</u>	<u>261,360,097</u>
(Loss)/ Profit figures are calculated as follows:		
(Loss)/ Earnings per share – cents	<u>(0.51)</u>	<u>1.08</u>

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting period.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. It is after the neutralisation by the treasury shares.

The fully diluted (loss)/ profit per ordinary share is the same as the basic (loss)/ profit per ordinary share as there were no options granted or outstanding during the reporting period.



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8. Dividends on equity shares

	<u>Group and Company</u>			
	<u>Rate per share – cents</u>			
	<u>1HY2024</u>	<u>1HY2023</u>	<u>1HY2024</u>	<u>1HY2023</u>
		<u>\$'000</u>	<u>\$'000</u>	
Final tax exempt (1-1.tier) dividend paid	0.50	0.50	1,307	1,307
Total dividends paid in the period	0.50	0.50	1,307	1,307

9. Property, plant and equipment

<u>Group</u>	<u>Land and building</u>	<u>Plant and equipment</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Cost or valuation</u>			
At 1 October 2022			
Cost	1,859	7,811	9,670
Valuation	20,500	–	20,500
	22,359	7,811	30,170
Foreign exchange adjustments	–	(6)	(6)
Additions	720	1,003	1,723
Disposals	(306)	(1,403)	(1,709)
Adjustment to provision	86	–	86
Revaluation	(800)	–	(800)
At 30 September 2023			
Cost	2,359	7,405	9,764
Valuation	19,700	–	19,700
	22,059	7,405	29,464
Additions	6,418	23	6,441
Disposals	(4)	(7)	(11)
Revaluation	(1,062)	–	(1,062)
At 31 March 2024	27,411	7,421	34,832
<u>Represented by</u>			
Cost	2,368	7,421	9,789
Valuation	25,043	–	25,043
	27,411	7,421	34,832



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9. Property, plant and equipment (cont'd)

<u>Group</u>	<u>Land and building</u> \$'000	<u>Plant and equipment</u> \$'000	<u>Total</u> \$'000
<u>Accumulated depreciation and impairment losses</u>			
At 1 October 2022	1,134	6,573	7,707
Foreign exchange adjustments	–	(6)	(6)
Depreciation for the year	2,305	448	2,753
Disposals	(306)	(1,243)	(1,549)
Elimination of depreciation on revaluation	(2,138)	–	(2,138)
At 30 September 2023	995	5,772	6,767
Depreciation for the period	1,210	221	1,431
Disposals	(2)	(6)	(8)
Elimination of depreciation on revaluation	(1,133)	–	(1,133)
At 31 March 2024	1,070	5,987	7,057
<u>Carrying value</u>			
At 1 October 2022	21,225	1,238	22,463
At 30 September 2023	21,064	1,633	22,697
At 31 March 2024	26,341	1,434	27,775

9.1 Valuation

The fair value of properties located in Singapore and Malaysia were measured in March 2024 based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting period. The fair value was based on valuations made firm of independent valuers on a systematic basis at least once yearly. The independent valuers hold recognised and relevant professional qualifications with sufficient recent experience in the location and category of the properties being valued. There has been no change to the valuation techniques during the year. Management determined that the highest and best use of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

The fair value measurements for the properties are categorised within Level 2 of the fair value hierarchy. The valuation was based on the comparison method that considers the sales or rental income of similar properties that have been transacted in the open market with adjustment made for differences in factors that affect value.

The surplus net of applicable deferred income tax on revaluation of \$56,000 (1HY2023: surplus of \$541,000) has been credited to asset revaluation reserve in other comprehensive income.



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9. Property, plant and equipment (cont'd)

9.1 Valuation (cont'd)

Valuation policies and procedures

It is the group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS (I) 13: Fair Value Measurement.

10. Financial assets

	<u>31 Mar 24</u>	<u>Group</u>	<u>30 Sep 23</u>
	\$'000		\$'000
Key men insurance	163		154

The fair value of the financial assets is not based on observable market data (Level 3). Also see Note 13A.

11. Aggregate amount of the Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 Mar 24		As at 30 Sep 23	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
9,593	-	8,332	-

Amount repayable after one year

As at 31 Mar 24		As at 30 Sep 23	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
7,593	-	4,122	-

Details of any collateral

As at 31 March 2024, the Group's borrowings and debt securities consist of bills payable and loan for the properties in Singapore and Malaysia.



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11. Aggregate amount of the Group's borrowings and debt securities (cont'd)

Details of any collateral (cont'd)

The bank agreements for certain of the bank loans and other credit facilities provide among other matters for the following:

1. Legal mortgage on the Group's a leasehold property in Singapore and a freehold property in Malaysia;
2. Corporate guarantee from the Company;
3. Corporate guarantee from a subsidiary;
4. Subject to certain financial covenants;
5. Negative pledge over the assets of the Group;

12. Share capital

	Number of shares <u>issued</u>	<u>Group and Company</u>		<u>Total</u> \$'000
		<u>Share capital</u> \$'000	<u>Treasury shares</u> \$'000	
Ordinary shares of no par value: Balance at 1 October 2022, at 30 September 2023 and 31 March 2024	261,360,097	56,325	(4,238)	52,087

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2024 and 30 September 2023.



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13. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting period:

	<u>Group</u>	
	<u>31 Mar 24</u>	<u>30 Sep 23</u>
	\$'000	\$'000
<u>Financial assets:</u>		
Financial assets at amortised cost	49,446	47,659
Financial assets at fair value through profit or loss	163	154
At end of the year	<u>49,609</u>	<u>47,813</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	26,330	20,180
At end of the year	<u>26,330</u>	<u>20,180</u>
	<u>Company</u>	
	<u>31 Mar 24</u>	<u>30 Sep 23</u>
	\$'000	\$'000
<u>Financial assets:</u>		
Financial assets at amortised cost	582	1,999
At end of the year	<u>582</u>	<u>1,999</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	169	383
At end of the year	<u>169</u>	<u>383</u>

13A. Fair value of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

	<u>Group</u>	
	<u>Level 3</u>	
	<u>31 Mar 24</u>	<u>30 Sep 23</u>
	\$'000	\$'000
Financial assets at fair value through profit or loss	<u>163</u>	<u>154</u>



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13. Categories of financial assets and liabilities (cont'd)

13A. Fair value of financial instruments (cont'd)

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy

	<u>Group</u>	
	<u>31 Mar 24</u>	<u>30 Sep 23</u>
	\$'000	\$'000
Balance at beginning of the year	154	142
Gains recognised in profit or loss under other gains	9	12
Balance at end of the year	<u>163</u>	<u>154</u>

The fair value of the financial assets is not based on observable market data (Level 3) (Note 10).

14. Net assets value

	<u>Group</u>		<u>Company</u>	
	<u>31 Mar 24</u>	<u>30 Sep 23</u>	<u>31 Mar 24</u>	<u>30 Sep 23</u>
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the financial period (in cents)	29.74	30.78	23.16	23.57
Total number of issued shares excluding treasury shares	<u>261,360,097</u>	<u>261,360,097</u>	<u>261,360,097</u>	<u>261,360,097</u>



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15. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	<u>1HY2024</u> \$'000	<u>Group</u>	<u>1HY2023</u> \$'000
<u>Other related parties</u>			
Revenue from sales of goods to a controlling shareholder and its subsidiaries ^(a)	88 ^(b)		(2,592)
Purchases of goods and services from a controlling shareholder and its subsidiaries ^(a)	1,002		1,181
Revenue from sale of goods	–		(73)
Purchases of goods and services	48		48
Legal expenses	84		84
	<hr/>		<hr/>

^(a) Hanwa Co., Ltd is a controlling shareholder of the company. It has significant influence over the company.

^(b) The total revenue was \$10,000, netting of credit note of \$98,000.

16. Capital commitments

Estimated amounts committed at the end of the financial period for future capital expenditure but not recognised in the condensed interim unaudited financial statements are as follows:

	<u>31 Mar 24</u> \$'000	<u>Group</u>	<u>30 Sep 23</u> \$'000
Commitments to purchase property, plant and equipment	–		5,504
	<hr/>		<hr/>

17. Events after the end of the reporting period

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



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18. Changes and adoption of financial reporting standards

The same accounting policies and methods of computation used in the latest audited annual financial statements have been applied.

F. Other Information Required by Listing Rule Appendix 7.2

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

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

	As at 31 Mar 24	As at 31 Mar 23
Treasury shares	29,039,900	29,039,900
% of treasury shares of the total number of issued ordinary shares	10.00%	10.00%

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

- 2. 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.**

As at 31 Mar 24	As at 30 Sep 23
261,360,097	261,360,097

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

Not applicable.



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

Not applicable.

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

The figures have not been audited or reviewed.

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

Not applicable.

- 6A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- (a) **Updates on the efforts taken to resolve each outstanding audit issue.**
(b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

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

Not applicable.

7. **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 has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as in the most recently audited financial statements for the financial year ended 30 September 2023.

8. **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.**

There were no changes in the accounting policies and methods of computation.



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9. 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 and Other Comprehensive Income Review

Revenue

Revenue had decreased by \$16.5 million or 31.7% from \$52.0 million in 1HY2023 to \$35.5 million in 1HY2024. The decrease was mainly due to the decrease in revenue from Energy and Trading Sectors, partly offset by increase in revenue from the Marine and Other Sectors. Revenue from Energy Sector had decreased by \$18.0 million or 42.7% from \$42.3 million in 1HY2023 to \$24.3 million in 1HY2024. Revenue from Trading Sector had decreased by \$1.3 million or 19.0% from \$6.8 million in 1HY2023 to \$5.5 million in 1HY2024. On the other hand, revenue from Marine Sector had increased by \$1.5 million or 69.2% from \$2.2 million in 1HY2023 to \$3.7 million in 1HY2024. Revenue from Other Sector had increased by \$1.3 million or 206.7% from \$0.7 million in 1HY2023 to \$2.0 million in 1HY2024.

Geographically, Vietnam market was the main contributor at 43.4% of the revenue generated in 1HY2024. Revenue from Vietnam market had increased by \$13.7 million or 807.4% from \$1.7 million in 1HY2023 to \$15.4 million in 1HY2024.

Gross Profit and Gross Profit Margin

In tandem to the decrease in revenue, gross profit decreased by \$3.5 million or 41.3% from \$8.4 million in 1HY2023 to \$4.9 million in 1HY2024 while gross profit margin decreased by 2.3 percentage points to 13.9% from 16.2% over the same period.

Interest Income and Finance Costs

Interest income had increased by \$0.1 million or 69.7% from \$0.1 million in 1HY2023 to \$0.2 million in 1HY2024 mainly from the notional interest income arising from the instalment payment plan to the customers.

Finance costs remained relatively stable at \$0.4 million.

Operating Expenses

Marketing and distribution costs had increased by \$0.1 million or 5.6% from \$1.6 million in 1HY2023 to \$1.7 million in 1HY2024 mainly from higher employee benefits expense.

Administrative expenses had increased by \$0.2 million or 10.8% from \$2.1 million in 1HY2023 to \$2.3 million in 1HY2024 mainly from higher employee benefits expense and repair and maintenance expenses, partly offset by lower legal and professional fees.



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9. 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. (cont'd)

Statement of Profit or Loss and Other Comprehensive Income Review (cont'd)

Operating Expenses (cont'd)

Depreciation of property, plant and equipment had increased by \$0.1 million or 6.1% from \$1.3 million in 1HY2023 to \$1.4 million in 1HY2024 mainly from the increase in depreciation of land and building.

Depreciation of right-of-use assets had decreased by \$0.2 million or 57.0% from \$0.3 million in 1HY2023 to \$0.1 million in 1HY2024 as the lease at 21A Neythal Road was expired on 30 November 2022.

Other Losses (Net)

Other losses had increased by \$0.6 million or 655.3% from \$85 thousand in 1HY2023 to \$0.6 million in 1HY2024 mainly due to decrease in reversal of write-down of inventories, partly offset by decrease in foreign exchange transaction and translation losses.

(Loss)/ Profit Before Tax

Profit before tax had decreased by \$4.2 million or 154.4% from a profit of \$2.7 million in 1HY2023 to a loss of \$1.5 million in 1HY2024 due to the aforementioned reasons.

Other Comprehensive (Loss)/ Income

Other comprehensive income had decreased by \$0.6 million or 109.9% from an income of \$0.6 million in 1HY2023 to a loss of \$58 thousand in 1HY2024 mainly from the exchange differences on translating foreign operations and revaluation of the properties.

Statement of Financial Position Review

Non-Current Assets

Non-current assets had increased by \$8.8 million or 34.0% from \$25.9 million as at 30 September 2023 to \$34.7 million as at 31 March 2024 mainly from the acquisition of warehouse in Malaysia and increase in non-current portion of trade and other receivables, partly offset by the depreciation charged in the current financial period.



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9. 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. (cont'd)

Statement of Financial Position Review (cont'd)

Current Assets

Current assets had decreased by \$5.6 million or 7.4% from \$76.0 million as at 30 September 2023 to \$70.4 million as at 31 March 2024. The decrease was mainly due to decrease in non-financial assets and cash and cash equivalents. Non-financial assets had decreased by \$0.7 million or 67.5% from \$1.0 million as at 30 September 2023 to \$0.3 million as at 31 March 2024. Cash and cash equivalents had decreased by \$3.9 million or 21.1% from \$18.9 million as at 30 September 2023 to \$15.0 million as at 31 March 2024.

Non-Current Liabilities

Non-current liabilities had increased by \$3.2 million or 44.3% from \$7.2 million as at 30 September 2023 to \$10.4 million as at 31 March 2024 mainly from the new borrowing arising from the acquisition of warehouse in Malaysia.

Current Liabilities

Current liabilities had increased by \$2.7 million or 19.2% from \$14.3 million as at 30 September 2023 to \$17.0 million as at 31 March 2024. The increase was mainly due to increase in trade and other payables and loans and borrowings. Trade and other payables had increased by \$1.6 million or 29.0% from \$5.3 million as at 30 September 2023 to \$6.9 million as at 31 March 2024. Loan and borrowings had increased by \$1.3 million or 15.1% from \$8.3 million as at 30 September 2023 to \$9.6 million as at 31 March 2024.

Equity

Total equity had decreased by \$2.7 million or 3.4% from \$80.4 million as at 30 September 2023 to \$77.7 million as at 31 March 2024 mainly from the loss generated in 1HY2024 and the dividend paid to shareholders.

Statement of Cash Flows Review

Cash Flows Used in Operating Activities

Cash used in operating activities had decreased by \$7.9 million from \$8.4 million in 1HY2023 to \$0.5 million in 1HY2024 mainly from loss generated in 1HY2024 and the working capital changes.



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9. **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. (cont'd)**

Statement of Cash Flows Review (cont'd)

Cash Flows Used in Investing Activities

Cash used in investing activities had increased by \$5.2 million from \$0.7 million in 1HY2023 to \$5.9 million in 1HY2024 mainly from the capital expenditure arising from the acquisition of warehouse in Malaysia.

Cash Flows from Financing Activities

Cash from financing activities had decreased by \$4.6 million from \$7.5 million in 1HY2023 to \$2.9 million in 1HY2024 mainly from lesser loan and borrowings in the current financial period.

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

No forecast or prospect statement was previously disclosed.

11. **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 revenue generation to remain challenging in view of ongoing macroeconomic uncertainty and geopolitical conflicts, which could lead to fewer projects being available in the market. Meanwhile, profit margin pressure is expected to continue as competition intensifies amid a slowing market.

The Group takes a prudent and cautious approach in its business activities but remains watchful for new potential markets or suitable opportunities for growth. Alongside this, the Group continues to uphold tight cost controls as cost management is a critical component of success, particularly in a competitive market.



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12. Dividend

(a) Current Financial Period Reported On

No dividend is declared by the Company for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend has been declared by the Company for the corresponding period of the immediately preceding financial year.

(c) Date Payable

Not applicable.

(d) Record Date

Not applicable.

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

See paragraph above.

14. If the Group has obtained a general mandate from shareholders for 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.

		1HY2024	
Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the IPT Mandate)	Aggregate value of all interested person transactions conducted under the IPT Mandate (excluding transactions less than S\$100,000)
		\$'000	\$'000
Hanwa Group *	Controlling Shareholder	–	1,047

* Hanwa Co., Ltd and its subsidiaries, and (where applicable) its associated companies.



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15. Confirmation by the Board of Directors

Pursuant to Rule 705 (5) of the Listing Manual, we, the undersigned, on behalf of the Board of Directors of the Company, 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 financial statements for 1HY2024 to be false or misleading in any material aspect.

16. Confirmation pursuant to Rule 720 (1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720 (1) of the Listing Manual.

17. Disclosures on Acquisition and Realisation of Shares pursuant to Rule 706A of the Listing Manual

Pursuant to Rule 706A of the Listing Manual, the Company wishes to announce that the Group had not undertaken any acquisitions and/or realisations of shares in the subsidiaries and/or associated companies (as the case may be) during 1HY2024.

By order of the Board

Tan Siok Chin
Chairman

13 May 2024

Ong Tong Hai
Chief Executive Officer