
**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE (“HY”) 2022**

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

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group	
		<u>HY2022</u> (Unaudited) S\$'000	<u>HY2021</u> (Unaudited) S\$'000
Revenue	4	38,215	23,665
Cost of sales		(25,831)	(18,319)
Gross profit		12,384	5,346
Other income and gains		54	287
Distribution costs		(430)	(280)
Administrative expenses		(2,944)	(2,537)
Finance costs		(184)	(196)
(Allowance) / Reversal of impairment loss on trade receivables, net		(396)	17
Other losses		(584)	-
Profit before tax	6	7,900	2,637
Income tax expense	7	(1,385)	(346)
Profit for the period		6,515	2,291
<u>Other comprehensive (loss) income</u>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		(316)	145
Other comprehensive (loss) income for the period, net of tax		(316)	145
Total comprehensive income for the period		6,199	2,436
Profit attributable to owners of the Company, net of tax		6,515	2,291
Profit net of tax		6,515	2,291
Total comprehensive income attributable to owners of the Company		6,199	2,436
Total comprehensive income		6,199	2,436
Earnings per share		Cents	Cents
Basic		6.03	2.12
Diluted		6.03	2.12

* Both basic and diluted earnings per share are the same as there are no dilutive ordinary share equivalents outstanding during the respective reporting periods.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 30.06.2022 (Unaudited) S\$'000	As at 31.12.2021 (Audited) S\$'000	As at 30.06.2022 (Unaudited) S\$'000	As at 31.12.2021 (Audited) S\$'000
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	9	6,490	6,823	—	—
Right-of-use assets		153	470	—	—
Land use right		2,236	2,303	—	—
Investments in subsidiaries		—	—	11,283	11,283
Deferred tax assets		335	338	—	—
Total non-current assets		9,214	9,934	11,283	11,283
<u>Current assets</u>					
Inventories		39,281	27,441	—	—
Trade and other receivables		19,507	14,854	2,110	2,018
Prepayments		2,381	1,326	28	28
Restricted cash		100	12	—	—
Cash and cash equivalents		4,179	7,294	299	721
Total current assets		65,448	50,927	2,437	2,767
Total assets		74,662	60,861	13,720	14,050
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	11	10,579	10,579	10,579	10,579
Retained earnings		31,836	25,321	2,484	2,722
Other reserves		398	714	—	—
Total equity		42,813	36,614	13,063	13,301
<u>Non-current liabilities</u>					
Lease liabilities		108	211	—	—
Borrowings		6,449	7,273	—	—
Total non-current liabilities		6,557	7,484	—	—
<u>Current liabilities</u>					
Income tax payable		1,324	591	—	—
Lease liabilities		142	434	—	—
Borrowings		2,189	1,707	—	—
Trade and other payables		21,637	14,031	657	749
Total current liabilities		25,292	16,763	657	749
Total liabilities		31,849	24,247	657	749
Total equity and liabilities		74,662	60,861	13,720	14,050

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

GROUP

	<u>Total equity</u> S\$'000	<u>Attributable to parent sub-total</u> S\$'000	<u>Share capital</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Foreign currency translation reserve</u> S\$'000	<u>Statutory reserve</u> S\$'000
Current period:						
Opening balance at 1 January 2022	36,614	36,614	10,579	25,321	267	447
Changes in equity:						
Total comprehensive income (loss) for the period	6,199	6,199	–	6,515	(316)	–
Closing balance at 30 June 2022	42,813	42,813	10,579	31,836	(49)	447
Previous period:						
Opening balance at 1 January 2021	30,146	30,146	10,579	19,307	17	243
Changes in equity:						
Total comprehensive income for the period	2,436	2,436	–	2,291	145	–
Closing balance at 30 June 2021	32,582	32,582	10,579	21,598	162	243

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

COMPANY

	Total equity S\$'000	Share capital S\$'000	Retained earnings S\$'000
Current period:			
Opening balance at 1 January 2022	13,301	10,579	2,722
Changes in equity:			
Total comprehensive loss for the period	(238)	—	(238)
Closing balance at 30 June 2022	<u>13,063</u>	<u>10,579</u>	<u>2,484</u>
Previous period:			
Opening balance at 1 January 2021	13,688	10,579	3,109
Changes in equity:			
Total comprehensive loss for the period	(73)	—	(73)
Closing balance at 30 June 2021	<u>13,615</u>	<u>10,579</u>	<u>3,036</u>

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	<u>Group</u>	
	<u>HY2022</u> (Unaudited) S\$'000	<u>HY2021</u> (Unaudited) S\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	7,900	2,637
Adjustments for:		
Interest income	(2)	(1)
Interest expense	184	196
Depreciation of property, plant and equipment	395	414
Depreciation of right-of-use assets	210	177
Amortisation of land use right	67	68
Impairment on plant and equipment	212	–
Allowance / (Reversal) of impairment loss on trade receivables, net	396	(17)
Reversal of impairment on inventories, net	(179)	(217)
Bad debts recovered	–	(14)
Loss / (Gains) on disposal of plant and equipment	6	(9)
Net effect of exchange rate changes in consolidating foreign operations	(364)	137
Operating cash flows before changes in working capital	8,825	3,371
Inventories	(11,661)	(223)
Trade and other receivables	(5,049)	(2,208)
Prepayments	(1,055)	196
Trade and other payables	3,162	3,314
Restricted cash	(88)	–
Net cash flows (used in) from operations	(5,866)	4,450
Income taxes paid	(632)	(138)
Net cash flows (used in) from operating activities	(6,498)	4,312
<u>Cash flows from investing activities</u>		
Disposal of plant and equipment	–	20
Purchase of plant and equipment	(293)	(224)
Interest received	2	1
Net cash flows used in investing activities	(291)	(203)
<u>Cash flows from financing activities</u>		
Repayment of borrowings	(2,981)	(3,782)
Proceeds from borrowings	7,114	1,050
Lease liabilities	(289)	(210)
Interest paid	(170)	(177)
Net cash flows from (used in) financing activities	3,674	(3,119)
Net (decrease) / increase in cash and cash equivalents	(3,115)	990
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	7,294	6,003
Cash and cash equivalents, consolidated statement of cash flows, ending balance	4,179	6,993

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General

Soon Lian Holdings Limited (the “Company”) is incorporated in Singapore with limited liability. The Company is an investment holding company. It is listed on the Catalist, which is a shares market on Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Group consist of the sale and supply of aluminium alloy materials.

The latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

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 (S\$) which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

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

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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.

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the six months ended 30 June 2022.

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 the following main strategic operating segments according to the industry in which their customers operate:

- Segment 1: Precision Engineering
- Segment 2: Marine
- Segment 3: Stockists and traders
- Segment 4: Other customers

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Profit or loss from operations and reconciliations

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
1 January 2022 to 30 June 2022						
Revenue by segment						
Total revenue by segment	24,777	8,418	4,145	875	–	38,215
Recurring earnings before interest, taxes, depreciation, and amortisation (“EBITDA”)						
Finance costs	–	–	–	–	(184)	(184)
Depreciation and amortisation	–	–	–	–	(672)	(672)
Operating result before income taxes and other unallocated items	9,240	1,935	1,014	498	(677)	12,010
Other unallocated items					(4,110)	(4,110)
Profit before tax from continuing operations						7,900
Income tax expense						(1,385)
Profit from operations						6,515
1 January 2021 to 30 June 2021						
Revenue by segment						
Total revenue by segment	15,202	4,096	3,833	534	–	23,665
Recurring EBITDA						
Finance costs	–	–	–	–	(196)	(196)
Depreciation and amortisation	–	–	–	–	(659)	(659)
Operating result before income taxes and other unallocated items	4,023	718	517	249	(638)	4,869
Other unallocated items					(2,232)	(2,232)
Profit before tax from continuing operations						2,637
Income tax expense						(346)
Profit from operations						2,291

The above revenue is mainly from sale of aluminium alloy products.

4. Segment and revenue information (cont'd)

4.2 Assets and reconciliations

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
<u>As at 30 June 2022:</u>						
Total assets for reportable segments	11,460	2,769	3,953	83	–	18,265
Unallocated:						
Property, plant and equipment	–	–	–	–	6,490	6,490
Right-of-use assets	–	–	–	–	153	153
Land use right	–	–	–	–	2,236	2,236
Deferred tax assets	–	–	–	–	335	335
Inventories	–	–	–	–	39,281	39,281
Restricted cash	–	–	–	–	100	100
Cash and cash equivalents	–	–	–	–	4,179	4,179
Other unallocated amounts	–	–	–	–	3,623	3,623
Total group assets	11,460	2,769	3,953	83	56,397	74,662
<u>As at 31 December 2021:</u>						
Total assets for reportable segments	9,885	613	3,405	331	–	14,234
Unallocated:						
Property, plant and equipment	–	–	–	–	6,823	6,823
Right-of-use assets	–	–	–	–	470	470
Land use right	–	–	–	–	2,303	2,303
Deferred tax assets	–	–	–	–	338	338
Inventories	–	–	–	–	27,441	27,441
Restricted cash	–	–	–	–	12	12
Cash and cash equivalents	–	–	–	–	7,294	7,294
Other unallocated amounts	–	–	–	–	1,946	1,946
Total group assets	9,885	613	3,405	331	46,627	60,861

The assets are not allocated to operating segments because they are not directly attributable to the segment or cannot be allocated to the segment on a reasonable basis.

4. Segment and revenue information (cont'd)

4.3 Liabilities and reconciliations

	Precision engineering	Marine	Stockists and traders	Other customers	Unallocated	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 30 June 2022:						
Unallocated:						
Income tax payable	-	-	-	-	1,324	1,324
Borrowings	-	-	-	-	8,638	8,638
Lease liabilities	-	-	-	-	250	250
Trade and other payables	-	-	-	-	21,637	21,637
Total group liabilities	-	-	-	-	31,849	31,849
As at 31 December 2021:						
Unallocated:						
Income tax payable	-	-	-	-	591	591
Borrowings	-	-	-	-	8,980	8,980
Lease liabilities	-	-	-	-	645	645
Trade and other payables	-	-	-	-	14,031	14,031
Total group liabilities	-	-	-	-	24,247	24,247

The liabilities are not allocated to operating segments because they are not directly attributable to the segment or cannot be allocated to the segment on a reasonable basis.

4.4 Other material items and reconciliations

	Precision engineering	Marine	Stockists and traders	Other customers	Unallocated	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Impairment (reversal) of plant and equipment, receivables and inventories and bad debts recovered (net)						
HY2022	236	217	(49)	(8)	32	428
HY2021	(5)	(23)	(3)	-	(217)	(248)
Expenditure for non-current assets						
HY2022	-	-	-	-	293	293
HY2021	-	-	-	-	224	224

4.5 Geographical information

	Revenue		Non-current assets	
	HY2022	HY2021	As at 30.06.2022	As at 31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	9,997	4,961	8,342	8,891
Malaysia	13,012	6,774	144	204
China	5,232	5,240	225	311
Taiwan	4,246	3,689	168	190
Indonesia	731	364	-	-
Other countries	4,997	2,637	-	-
Total operations	38,215	23,665	8,879	9,596

4. Segment and revenue information (cont'd)

4.5 Geographical information (cont'd)

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 non-current assets exclude any financial instruments and deferred tax assets.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	<u>Group</u>		<u>Company</u>	
	<u>2022</u> S\$'000	<u>2021</u> S\$'000	<u>2022</u> S\$'000	<u>2021</u> S\$'000
<u>Financial assets:</u>				
Trade and other receivables	19,507	14,854	2,110	2,018
Restricted cash	100	12	–	–
Cash and cash equivalents	4,179	7,294	299	721
Financial assets at amortised cost	<u>23,786</u>	<u>22,160</u>	<u>2,409</u>	<u>2,739</u>
<u>Financial liabilities:</u>				
Trade and other payables	21,637	14,031	657	749
Lease liabilities	250	645	–	–
Borrowings	8,638	8,980	–	–
Financial liabilities at amortised cost	<u>30,525</u>	<u>23,656</u>	<u>657</u>	<u>749</u>

6. Profit before tax

6.1 Significant items

	<u>Group</u>	
	<u>HY2022</u> S\$'000	<u>HY2021</u> S\$'000
Foreign exchange adjustment (loss) / gain	(366)	169
Depreciation of property, plant and equipment	(395)	(414)
Amortisation of land use right	(67)	(68)
Depreciation of right-of-use assets	(210)	(177)
(Loss) / Gains on disposal of plant and equipment, net	(6)	9
(Allowance) / Reversal of impairment loss on trade receivables, net	(396)	17
Reversal of impairment on inventories, net	179	217
Bad debt recovered	–	14
Impairment on plant and equipment	(212)	–
Interest expense	(184)	(196)
Interest income	2	1
Government grant income	46	87

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

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

	<u>Group</u>	
	<u>HY2022</u>	<u>HY2021</u>
	S\$'000	S\$'000
Current income tax expense	(1,382)	(351)
Deferred tax movement	(3)	5
Income tax expense	<u>(1,385)</u>	<u>(346)</u>

8. Net asset value

	<u>Group</u>		<u>Company</u>	
	<u>30.06.2022</u>	<u>31.12.2021</u>	<u>30.06.2022</u>	<u>31.12.2021</u>
	S\$	S\$	S\$	S\$
Net asset value per ordinary share (cents)	<u>39.6</u>	<u>33.9</u>	<u>12.1</u>	<u>12.3</u>

9. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to S\$292,748 (30 June 2021: S\$224,288) and disposed of assets amounting to S\$6,628 (30 June 2021: S\$10,826).

10. Borrowings and debt securities

	<u>Group</u>		<u>Company</u>	
	<u>30.06.2022</u>	<u>31.12.2021</u>	<u>30.06.2022</u>	<u>31.12.2021</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	7,000	2,565	–	–
Unsecured	1,851	1,360	–	–
	<u>8,851</u>	<u>3,925</u>	<u>–</u>	<u>–</u>
<u>Amount repayable after one year</u>				
Secured	3,948	4,125	–	–
Unsecured	2,603	3,268	–	–
	<u>6,551</u>	<u>7,393</u>	<u>–</u>	<u>–</u>

Details of any collaterals

The Group's borrowings consist of term loans, bank loans, bills payables and finance leases.

Certain of the Group's term loans, bank loans and other credit facilities are secured by the legal mortgages on the Group's leasehold property, land use right and inventories. The finance leases are secured by the leased assets.

11. Share Capital

	<u>Number of shares issued</u> '000	<u>Share capital</u> S\$'000
<u>Group and Company</u> Ordinary shares of no par value: Balance as at 30 June 2022 and 31 December 2021	<u>108,000</u>	<u>10,579</u>

There has been no change in the Company's share capital since 31 December 2021.

The Company do not hold any treasury shares or convertible instruments as at 30 June 2022, 31 December 2021 and 30 June 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022, 31 December 2021 and 30 June 2021.

12. Subsequent events

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

13. Changes in contingent liabilities or contingent assets

There were no material changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2021.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

1. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business.

The condensed consolidated statement of financial position of Soon Lian Holdings Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

Statement of Comprehensive Income

The Group has registered a significant improvement in net profit from S\$2.3 million in HY2021 to S\$6.5 million in HY2022.

The Group's revenue increased by S\$14.5 million or 61.2%, from S\$23.7 million in HY2021 to S\$38.2 million in HY2022. There were increase in sales to our customers in all four segments, i.e. the precision engineering segment, marine segment, stockists and traders segment and other customers segment.

Gross profit increased by S\$7.1 million or 134.0%, from S\$5.3 million in HY2021 to S\$12.4 million in HY2022. Gross profit margin increased by 9.8 percentage points, from 22.6% in HY2021 to 32.4% in HY2022. The increase in both gross profit and gross profit margin is mainly due to higher selling price for aluminium products in HY2022 compared to HY2021.

Other income and gains decreased by S\$0.2 million or 66.7%, from S\$0.3 million in HY2021 to S\$0.1 million in HY2022, mainly due to a decrease of S\$0.2 million in foreign exchange adjustment gain.

Distribution costs increased by S\$0.1 million or 33.3%, from S\$0.3 million in HY2021 to S\$0.4 million in HY2022, mainly due to an increase in commission expenses as a result of the increase in overseas sales made through agents.

Administrative expenses increased by S\$0.4 million or 16.0%, from S\$2.5 million in HY2021 to S\$2.9 million in HY2022, mainly due to the increase in staff costs.

Finance costs remained fairly constant in both HY2022 and HY2021.

The Group reported a total allowance of impairment loss on trade receivable of S\$0.4 million in HY2022 as compared to a reversal of impairment loss on trade receivables of S\$0.02 million in HY2021.

Other losses increased by S\$0.6 million, from S\$0.02 million in HY2021 to S\$0.6 million in HY2022, mainly due to the impairment on plant and equipment and foreign exchange adjustment loss.

As a result of the above, the Group recorded a profit before tax of S\$7.9 million in HY2022, as compared to a profit before tax of S\$2.6 million in HY2021.

- 1. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. (cont'd)**

Statement of Financial Position

Non-current assets decreased by S\$0.7 million, from S\$9.9 million as at 31 December 2021 to S\$9.2 million as at 30 June 2022, mainly due to decrease in property, plant and equipment of S\$0.3 million, decrease in right-of-use assets of S\$0.3 million and decrease in land use right of S\$0.1 million as a result of depreciation and impairment charges, partially offset by purchase of property, plant and equipment of S\$0.3 million in HY2022.

Current assets increased by S\$14.5 million, from S\$50.9 million as at 31 December 2021 to S\$65.4 million as at 30 June 2022. This was mainly due to an increase in inventories of S\$11.9 million, trade and other receivables of S\$4.6 million, prepayments of S\$1.1 million, partially offset by decrease in cash and cash equivalents of S\$3.1 million. Please refer to the section on "Statement of Cash Flows" below for the reasons for the decrease in cash and cash equivalents.

Non-current liabilities decreased by S\$0.9 million, from S\$7.5 million as at 31 December 2021 to S\$6.6 million as at 30 June 2022, mainly due to net decrease in long-term bank loans of S\$0.8 million after repayment and decrease in lease liability (non-current portion) of S\$0.1 million.

Current liabilities increased by S\$8.5 million, from S\$16.8 million as at 31 December 2021 to S\$25.3 million as at 30 June 2022, mainly due to an increase in trade and other payables of S\$7.6 million, an increase in income tax payable of S\$0.7 million and an increase in borrowings of S\$0.5 million, partially offset by decrease in lease liability (current portion) of S\$0.3 million.

The Group reported a positive working capital position of S\$40.1 million as at 30 June 2022, as compared to S\$34.1 million as at 31 December 2021.

Total equity increased by S\$6.2 million, from S\$36.6 million as at 31 December 2021 to S\$42.8 million as at 30 June 2022, mainly as a result of the net profit for the period.

Statement of Cash Flows

Net cash flows used in operating activities amounted to S\$6.5 million in HY2022, mainly due to net cash flows used in operations of S\$5.9 million and income taxes paid of S\$0.6 million.

Net cash flows used in investing activities amounted to S\$0.3 million in HY2022, mainly due to the purchase of property, plant and equipment.

Net cash flows from financing activities amounted to S\$3.7 million in HY2022, mainly due to a net increase in borrowings of S\$4.1 million, partially offset by interest payment of S\$0.1 million and repayment of lease liabilities of S\$0.3 million.

- 2. 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.

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

Even though the COVID-19 pandemic has been entering endemic stage since early 2022, the global economy is still experiencing uncertainties due to the Russia-Ukraine war which started in late February 2022. On top of that, the global business environment is also faced with further logistics and supply chain disruptions, energy and commodity prices hikes, as well as the soaring global inflation and interest rates. These continue to cause disruptions and market volatility globally, including countries where the Group has presence in.

Amidst the challenges and uncertainties in the global economy, the Group was still able to deliver strong positive growth in both its top and bottom lines. For the rest of the year, the macroeconomic landscape is expected to remain challenging.

The Group is cautiously optimistic that the demand for both our precision engineering and marine segments will remain stable, in view of the positive outlook for the global semiconductor and shipbuilding industry.

The Group will continue to remain agile in addressing challenges and opportunities as they arise, and exercise prudence in the management of its working capital.

4. Dividend information

a. Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on?

No.

b. Corresponding Period of the Immediately Preceding Financial Year

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

No.

c. Date payable

Not applicable.

d. The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

No dividend has been declared or recommended for HY2022 as the Board of Directors of the Company deems it appropriate to conserve funds for the Group's business activities.

5. Interested person transactions

The Company does not have a mandate from its shareholders for any interested person transactions. There are no interested person transactions of S\$100,000 or more during the financial period under review.

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

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

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

There were no acquisition or realisation of shares in any of the Group's subsidiary or associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during HY2022.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

TAN YEE HO
Executive Chairman

TAN YEE LEONG
Chief Executive Officer and
Executive Director

Singapore
11 August 2022