



**PNE INDUSTRIES LTD**

(Company registration no. 199905792R)

**PNE INDUSTRIES LTD AND ITS SUBSIDIARIES**

**Registration Number: 199905792R**

CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 31 MARCH 2024 ("FY24H1")

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

	<b>Group</b>		
	<b>SIX MONTHS ENDED</b>		
	<b>31-03-2024</b>	<b>31-03-2023</b>	<b>+ / (-)</b>
	<b>("FY24H1")</b>	<b>("FY23H1")</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Revenue	28,965	24,664	17.4
Cost of sales	(23,719)	(20,055)	18.3
Gross profit	5,246	4,609	13.8
Other operating income	861	818	5.3
Distribution costs	(614)	(460)	33.5
Administrative expenses	(4,735)	(4,840)	(2.2)
Other operating expenses	(380)	(247)	53.8
Finance costs	(40)	(58)	(31.0)
Profit (Loss) before tax	338	(178)	n.m.
Income tax expense	(146)	(154)	(5.2)
<b>Profit (Loss) after tax</b>	<b>192</b>	<b>(332)</b>	n.m.
<b>Other comprehensive loss:</b>			
<u>Items that will not be reclassified subsequently to profit or loss:</u>			
Net fair value (loss) gain on financial assets at FVTOCI	(8)	38	n.m.
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Exchange difference arising on translation of foreign operations	(559)	(1,679)	(66.7)
Other comprehensive loss for the period, net of tax	(567)	(1,641)	(65.4)
<b>Total comprehensive loss for the period</b>	<b>(375)</b>	<b>(1,973)</b>	(81.0)
<b>Earnings (Loss) per share (cents)</b>			
Basic and diluted	<b>0.2</b>	<b>(0.4)</b>	n.m.

## B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>31-03-2024</u>	<u>30-09-2023</u>	<u>31-03-2024</u>	<u>30-09-2023</u>
		<u>("FY24H1")</u>	<u>("FY23")</u>	<u>("FY24H1")</u>	<u>("FY23")</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		28,728	28,193	18,320	19,544
Trade receivables		19,630	20,284	109	-
Other receivables		1,129	1,491	315	372
Inventories		20,322	23,244	-	-
Total current assets		<u>69,809</u>	<u>73,212</u>	<u>18,744</u>	<u>19,916</u>
<b>Non-current assets</b>					
Property, plant and equipment	9	4,533	4,318	-	-
Right-of-use assets		2,049	2,456	-	-
Investments in subsidiaries		-	-	19,514	19,514
Investment in associate		413	457	-	-
Financial assets at fair value through other comprehensive income	10	1,471	1,479	139	132
Deferred tax assets		556	547	-	-
Total non-current assets		<u>9,022</u>	<u>9,257</u>	<u>19,653</u>	<u>19,646</u>
<b>Total assets</b>		<b><u>78,831</u></b>	<b><u>82,469</u></b>	<b><u>38,397</u></b>	<b><u>39,562</u></b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade payables		8,044	9,102	34	29
Other payables		1,804	2,026	226	380
Lease liabilities		673	732	-	-
Income tax payable		169	92	14	6
Total current liabilities		<u>10,690</u>	<u>11,952</u>	<u>274</u>	<u>415</u>
<b>Non-current liabilities</b>					
Lease liabilities		887	1,208	-	-
Deferred tax liabilities		-	2	-	-
Total non-current liabilities		<u>887</u>	<u>1,210</u>	<u>-</u>	<u>-</u>
<b>Capital and reserves</b>					
Share capital	12	36,991	36,991	36,991	36,991
Currency translation reserve		(3,761)	(3,202)	-	-
Capital reserve		938	938	-	-
Investment revaluation reserve		400	408	47	40
Accumulated profits		32,686	34,172	1,085	2,116
Equity attributable to equity holders of the Company, representing total equity		<u>67,254</u>	<u>69,307</u>	<u>38,123</u>	<u>39,147</u>
<b>Total liabilities and equity</b>		<b><u>78,831</u></b>	<b><u>82,469</u></b>	<b><u>38,397</u></b>	<b><u>39,562</u></b>

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

<u>GROUP</u>	<u>Share capital</u> <u>\$'000</u>	<u>Currency translation reserve</u> <u>\$'000</u>	<u>Capital reserve</u> <u>\$'000</u>	<u>Investment revaluation reserve</u> <u>\$'000</u>	<u>Accumulated profits</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
Balance at October 1, 2022	36,991	(227)	938	754	36,776	75,232
Total comprehensive loss for the period						
Loss for the period	-	-	-	-	(332)	(332)
Other comprehensive in loss for the period	-	(1,679)	-	38	-	(1,641)
Total	-	(1,679)	-	38	(332)	(1,973)
Transaction with owners, recognised directly in equity						
Dividends	-	-	-	-	(2,518)	(2,518)
Balance at March 31, 2023	36,991	(1,906)	938	792	33,926	70,741
Balance at October 1, 2023	36,991	(3,202)	938	408	34,172	69,307
Total comprehensive loss for the period						
Profit for the period	-	-	-	-	192	192
Other comprehensive loss for the period	-	(559)	-	(8)	-	(567)
Total	-	(559)	-	(8)	192	(375)
Transaction with owners, recognised directly in equity						
Dividends	-	-	-	-	(1,678)	(1,678)
<b>Balance at March 31, 2024</b>	<b>36,991</b>	<b>(3,761)</b>	<b>938</b>	<b>400</b>	<b>32,686</b>	<b>67,254</b>

<u>COMPANY</u>	<u>Share capital</u> <u>\$'000</u>	<u>Investment revaluation reserve</u> <u>\$'000</u>	<u>Accumulated profits</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
Balance at October 1, 2022	36,991	30	4,600	41,621
Total comprehensive loss for the period				
Loss for the period	-	-	(254)	(254)
Other comprehensive income for the period	-	6	-	6
Total	-	6	(254)	(248)
Dividends, representing transaction with owners, recognised directly in equity	-	-	(2,518)	(2,518)
Balance at March 31, 2023	36,991	36	1,828	38,855
Balance at October 1, 2023	36,991	40	2,116	39,147
Total comprehensive income for the period				
Profit for the period	-	-	647	647
Other comprehensive income for the period	-	7	-	7
Total	-	7	647	654
Dividends, representing transaction with owners, recognised directly in equity	-	-	(1,678)	(1,678)
<b>Balance at March 31, 2024</b>	<b>36,991</b>	<b>47</b>	<b>1,085</b>	<b>38,123</b>

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

Six months ended:

	<b><u>FY24H1</u></b>	<b><u>FY23H1</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Operating activities</b>		
Profit (Loss) before tax	338	(178)
Adjustments for:		
Reversal of inventory obsolescence (net)	(12)	(83)
Depreciation of property, plant and equipment	394	422
Depreciation of right-of-use assets	395	427
Finance costs	40	58
Gain on disposal of asset held for sale	-	(165)
Interest income	(516)	(442)
Loss (Gain) on disposal of property, plant and equipment	62	(35)
Property, plant and equipment written off	3	-
Reversal of loss on impairment on property, plant and equipment	(65)	-
Operating profit before movements in working capital	639	4
Trade receivables	807	7,871
Other receivables	335	66
Inventories	2,381	(1,898)
Trade payables	(1,037)	98
Other payables	(195)	(363)
Cash from operations	2,930	5,778
Interest received	516	442
Interest paid	(40)	(58)
Income tax paid	(69)	(72)
Net cash from operating activities	3,337	6,090
<b>Investing activities</b>		
Dividend received from associate	40	71
Proceeds from disposal of property, plant and equipment	94	21
Proceeds from disposal of asset-held-for-sale	-	411
Purchase of property, plant and equipment	(804)	(426)
Net cash (used in) from investing activities	(670)	77
<b>Financing activities</b>		
Dividends paid	(1,678)	(2,518)
Repayment of lease liabilities	(391)	(406)
Net cash used in financing activities	(2,069)	(2,924)
Net increase in cash and cash equivalents	598	3,243
Cash and cash equivalents at beginning of period	28,048	30,956
Net effect of foreign exchange rate changes	(59)	1,011
<b>Cash and cash equivalents at end of period</b>	<b><u>28,587</u></b>	<b><u>35,210</u></b>

**Cash and cash equivalents represent:**

Cash and bank balances	6,675	9,210
Fixed deposits	22,053	26,151
	28,728	35,361
Less: Fixed deposits and bank balances pledged	(141)	(151)
	<u>28,587</u>	<u>35,210</u>

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1. CORPORATE INFORMATION**

PNE Industries Ltd (the “Company”) is incorporated and domiciled in Singapore. Its shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). Its principal place of business and registered office is at 996 Bendemeer Road, #07-06, Singapore 339944. The condensed interim consolidated financial statements for the six months ended 31 March 2024 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is investment holding and provision of management services.

The principal activities of the significant subsidiaries are those relating to manufacturing, dealing and trading of electrical and electronic products and appliances.

### **2. BASIS OF PREPARATION**

The condensed interim financial statements for six months ended 31 March 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“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 annual financial statements for the year 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 Dollars (“\$”), the functional currency of the Company. All financial information presented in Singapore Dollars has been rounded to the nearest thousand (“\$’000”), unless otherwise stated.

#### **2.1 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP**

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)”) and Interpretations (“SFRS(I) INTs”) that are mandatory for the accounting periods beginning on or after 1 October 2023. The adoption of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group for the current and prior financial period reported on.

#### **2.2 USE OF JUDGEMENTS AND ESTIMATES**

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

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revisions affect only that period, or in the period of the revisions and future periods, if the revisions affect both current and future periods. Details can be found in Note 3 to the annual financial statements for the year ended 30 September 2023.

### 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

#### 4.1 Reportable segments

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group is organised into business units based on their products on which information is prepared and reportable to the Group's chief operating decision maker for the purposes of resources allocation and assessment of performance.

The Group's reportable segments are therefore contract manufacturing, trading and others, as described below:

Contract manufacturing - The products sold include electronic controllers and electronic and electrical products.

Trading - The products sold include emergency lighting equipment and related products.

Others - Refer to others which do not fall into the above segments.

Information regarding the Group's reporting segments is presented below.

Group	Revenue		Profit	
	FY24H1	FY23H1	FY24H1	FY23H1
	\$'000	\$'000	\$'000	\$'000
Contract Manufacturing	25,071	21,114	5	(492)
Trading	3,894	3,550	231	187
Others	-	-	(374)	(257)
Total	<u>28,965</u>	<u>24,664</u>	<u>(138)</u>	<u>(562)</u>
Interest income			516	442
Finance costs			(40)	(58)
Profit (Loss) before tax			<u>338</u>	<u>(178)</u>
Income tax expense			(146)	(154)
<b>Profit (Loss) after tax</b>			<u><u>192</u></u>	<u><u>(332)</u></u>



#### 4. SEGMENT AND REVENUE INFORMATION (CONT'D)

##### 4.1 Reportable segments (Cont'd)

	<b>Group</b>	
	<b><u>FY24H1</u></b> <b><u>\$'000</u></b>	<b><u>FY23H1</u></b> <b><u>\$'000</u></b>
<i><u>Segment assets</u></i>		
Contract manufacturing	44,121	43,183
Trading	3,301	3,896
Others	654	599
Total segment assets	48,076	47,678
Unallocated	30,755	37,421
<b>Consolidated assets</b>	<b>78,831</b>	<b>85,099</b>
<i><u>Segment liabilities</u></i>		
Contract manufacturing	9,187	10,732
Trading	436	635
Others	225	233
Total segment liabilities	9,848	11,600
Unallocated	1,729	2,758
<b>Consolidated liabilities</b>	<b>11,577</b>	<b>14,358</b>

##### 4.2 Disaggregation of Revenue

The Group derives its revenue from the transfer of goods at a point in time in the following major product lines.

<b>Group</b>	<b><u>FY24H1</u></b> <b><u>\$'000</u></b>	<b><u>FY23H1</u></b> <b><u>\$'000</u></b>
	Contract Manufacturing	25,071
Trading	3,894	3,550
	<b>28,965</b>	<b>24,664</b>

##### 4.3 Geographical information

The Group's activities are mainly located in Europe, Malaysia, Singapore and the People's Republic of China.

<b>Group</b>	<b><u>Revenue from external customers</u></b>		<b><u>Non-current assets</u></b>	
	<b><u>FY24H1</u></b> <b><u>\$'000</u></b>	<b><u>FY23H1</u></b> <b><u>\$'000</u></b>	<b><u>FY24H1</u></b> <b><u>\$'000</u></b>	<b><u>FY23H1</u></b> <b><u>\$'000</u></b>
Romania	12,551	11,029	-	-
Netherlands	2,605	3,443	413	414
Europe (excluding Netherlands and Romania)	1,820	1,443	-	
People's Republic of China	3,757	1,944	1,735	3,069
Malaysia	3,067	2,700	4,698	4,678
Singapore	3,225	2,421	149	409
Others	1,940	1,684	-	-
	<b>28,965</b>	<b>24,664</b>	<b>6,995</b>	<b>8,570</b>

## 5. PROFIT BEFORE TAX

### 5.1 SIGNIFICANT ITEMS

<b>Group</b>	<b><u>FY24H1</u></b> <b><u>\$'000</u></b>	<b><u>FY23H1</u></b> <b><u>\$'000</u></b>
Adjustment for (under) over provision of tax in respect of prior years	(66)	15
Depreciation of property, plant and equipment	(394)	(422)
Depreciation of right-of-use assets	(395)	(427)
Foreign exchange loss, net	(289)	(232)
(Loss) Gain on disposal of property, plant and equipment	(62)	35
Gain on disposal of asset held-for-sale	-	165
Other income - interest income	516	442
- others	280	176
Property, plant and equipment written off	(3)	-
Reversal of allowance for inventory obsolescence	12	83
Reversal of loss on impairment on plant and equipment	65	-
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### 5.2 SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year, a subsidiary of the Group entered into the following transactions with a related party:

<b>Group</b>	<b><u>FY24H1</u></b> <b><u>\$'000</u></b>	<b><u>FY23H1</u></b> <b><u>\$'000</u></b>
Transactions with associate:		
- Purchase of goods	10	268
- Commission expense	425	295
	<hr/>	<hr/>

## 6. INCOME TAX EXPENSE

<b>Group</b>	<b><u>FY24H1</u></b> <b><u>\$'000</u></b>	<b><u>FY23H1</u></b> <b><u>\$'000</u></b>
Current tax:		
Singapore	17	3
Foreign	63	166
Deferred tax	-	-
Under (Over) provision in prior years:		
Current tax	64	(15)
Deferred tax	2	-
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## 7. EARNINGS PER SHARE

	<b>FY24H1</b>	<b>FY23H1</b>
Profit per ordinary share of the Group after deducting any provision for preference dividends:		
(a) Based on the weighted average number of ordinary shares on issue	0.2 cents	(0.4 cents)
Number of ordinary shares	83,916,757	83,916,757
(b) On a fully diluted basis	0.2 cents	(0.4 cents)
Adjusted number of ordinary shares	83,916,757	83,916,757

## 8. NET ASSET VALUE

	<b>Group</b>	<b>Company</b>
Net asset value per ordinary share based on issued share capital as at the end of the:		
(a) Current year reported on (March 31, 2024)	80.1 cents	45.4 cents
(b) Immediately preceding financial year (September 30, 2023)	82.6 cents	46.6 cents

## 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended March 31, 2024, the Group acquired assets amounting to \$804,000 (FY23H1: \$426,000) and disposed of assets with net book value amounting to \$156,000 (FY23H1: \$56,000).

## 10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>Group</b>		<b>Company</b>	
	<b><u>FY24H1</u></b> <b><u>\$'000</u></b>	<b><u>FY23</u></b> <b><u>\$'000</u></b>	<b><u>FY24H1</u></b> <b><u>\$'000</u></b>	<b><u>FY23</u></b> <b><u>\$'000</u></b>
Investments in equity instruments designated at FVTOCI:				
Quoted equity shares	139	132	139	132
Unquoted equity shares	1,332	1,347	-	-
	<u>1,471</u>	<u>1,479</u>	<u>139</u>	<u>132</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, management has elected to designate these investments in equity instruments as at FVTOCI as management believes that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

## 10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3).

The following table presented the assets measured at fair value:

<b>FY24H1</b>	Level 1	Level 2	Level 3	Total
<b><u>Financial assets, at FVOCI</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
- Quoted equity shares	139	-	-	139
- Unquoted equity shares	-	-	1,332	1,332
	<b>139</b>	<b>-</b>	<b>1,332</b>	<b>1,471</b>
<b>FY23</b>				
<b><u>Financial assets, at FVOCI</u></b>				
- Quoted equity shares	132	-	-	132
- Unquoted equity shares	-	-	1,347	1,347
	<b>132</b>	<b>-</b>	<b>1,347</b>	<b>1,479</b>

## 11. BANK BORROWINGS AND DEBT SECURITIES

### (a) Amount repayable in one year or less, or on demand

As at March 31, 2024		As at September 30, 2023	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Nil	673*	Nil	732*

### (b) Amount repayable after one year

As at March 31, 2024		As at September 30, 2023	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Nil	887*	Nil	1,208*

\* Being lease liabilities on right-of-use assets.

### (c) Details of any collateral

Approximately \$141,000 (FY23: \$145,000) of the Group's fixed deposits is pledged to a bank in return for bank guarantees issued to third parties.

## 12. SHARE CAPITAL

	<b>Group and Company</b>			
	<b><u>FY24H1</u></b>	<b><u>FY23</u></b>	<b><u>FY24H1</u></b>	<b><u>FY23</u></b>
	<b><u>'000</u></b>	<b><u>'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
	Number of ordinary shares			
Issued and paid-up capital:				
At the beginning and end of period/year	83,917	83,917	36,991	36,991

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

There were no outstanding convertibles or treasury shares as at the end of the current financial period and previous financial year, and as at the end of the corresponding period of the previous financial year.

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company does not have any share scheme.

## **F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

### **1. REVIEW**

- (a) 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 by our auditors.

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

Not applicable.

- (c) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

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

Not applicable.

### **2. REVIEW OF PERFORMANCE OF THE GROUP**

#### **Statement of Comprehensive Income**

For six months ended March 31, 2024 ("FY24H1"), the Group recorded revenue and profit before tax of \$29.0m and \$0.3m respectively. Revenue increased by \$4.3m or 17.4% compared to the same period last year ended March 31, 2023 ("FY23H1") due mainly to increase in contract manufacturing sales as a result of higher customer demand and orders.

Gross profit in FY24H1 increased by \$0.6m to \$5.2m in this period due mainly to higher sales despite the slight decline in the gross profit margin to 18.1% vs 18.7% in FY23H1.

The other operating income mainly comprises \$0.5m interest income from fixed deposits. Other operating expenses increase by \$0.1m mainly due to losses incurred from disposal of plant and equipment. The increase in distribution cost by \$0.2m mainly due to increase of sales commission. Decrease in administrative expenses by \$0.1m mainly due to lower staff costs.

Under other comprehensive income, a \$0.6m exchange loss on translation of foreign operations arose due mainly to the weakening of the Malaysian Ringgit against the Singapore Dollar.

## **2. REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)**

### **Statement of Financial Position**

Trade receivables reduced by \$0.7m due to faster customer collections, while trade payables reduced by \$1.1m as a result of lesser purchases stemming from the utilisation of existing inventory. Consequently, inventory level reduced by \$2.9m.

The Group has no bank borrowings. The lease liabilities are all attributable to right-of-use assets recognised pursuant to SFRS(I) 16 Leases. The decrease in lease liabilities is due to lease payments made.

## **3. WHERE A FORECAST, OR A PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS**

Not applicable.

## **4. COMMENTARY 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 global economic environment and sentiment remains highly uncertain, facing numerous challenges such as heightened geopolitical tensions, inflationary pressures, and supply chain challenges.

The industries that the Group operates in remain highly competitive, encountering substantial pressure from customers demanding lower prices. Additionally, inflationary concerns persist in the regions that the Group operates in. The Group continuously monitors its activities to enforce stringent control of its costs and to identify opportunities to streamline operations for better efficiencies and operational excellence.

On top of the above, foreign exchange rates still remain volatile due to recent global events. As the Group has sales denominated in the United States Dollar, any depreciation of the United States Dollar could negatively impact the Group's profitability if revenue isn't matched by costs in the same currency.

While the ongoing international trade tensions have not had a significant impact on the Group, any continuation or escalation of the tensions in future may result in deterioration in economic sentiments, which may in turn affect demand for the Group's products.

## 5. DIVIDEND INFORMATION

The directors are pleased to propose as follows:

<b>Current period reported on:</b>	
Type of dividend	Interim
Amount per share	1.0 cent
Tax rate	One-tier tax exempt
<b>Corresponding period of previous financial year:</b>	
Type of dividend	Interim
Amount per share	1.0 cent
Tax rate	One-tier tax exempt

Payment of the dividend will be made on June 14, 2024.

Notice is hereby given that the Share Transfer Books and Register of Members of PNE Industries Ltd will be closed at 5.00 p.m. on May 24, 2024 for the preparation of dividend entitlement and shall reopen on the following working day.

## 6. INTERESTED PERSON TRANSACTIONS

No IPT mandate has been obtained.

## 7. CONFIRMATION TO THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICES (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1).

The Company has obtained undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1).

## BY ORDER OF THE BOARD

**Ms Tan Meng Siew**  
Company Secretary  
May 13, 2024

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## CONFIRMATION BY BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF THE SGX-ST

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the six months ended March 31, 2024 to be false or misleading.

For and on behalf of the Board of Directors:

**Tan Koon Chwee**  
Managing Director

**Tan Kong Leong**  
Executive Director