

NEW WAVE HOLDINGS LTD.

Unaudited Half Year Financial Statement and Dividend Announcement for the Period Ended 30/09/2024

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 30 September 2024

	Note	Group Half year ended 30 September		Increase/ (Decrease) %
		2024 S\$'000	2023 S\$'000	
Revenue	4	8,300	7,726	7.4
Cost of sales		(6,957)	(6,669)	4.3
Gross profit		1,343	1,057	27.1
Interest income		3	3	-
Other income		165	90	83.3
Distribution costs		(164)	(143)	14.7
Administrative expenses		(1,999)	(1,861)	7.4
Loss allowance reversed/(made) for trade receivables	11	34	(63)	NM
Other expenses		(295)	(708)	(58.3)
Finance costs		(172)	(185)	(7.0)
Loss before income tax	5	(1,085)	(1,810)	(40.1)
Income tax expense	6	(2)	26	NM
Loss for the financial period		(1,087)	(1,784)	(39.1)
<i>Other comprehensive income for the financial period that may subsequently be reclassified to profit or loss:</i>				
Foreign currency translation		487	(143)	NM
Total comprehensive income for the financial period		(600)	(1,927)	(68.9)
Loss after tax attributable to:				
Owners of the parent		(1,091)	(1,705)	(36.0)
Non-controlling interest		4	(79)	NM
		(1,087)	(1,784)	(39.1)
Total comprehensive income attributable to:				
Owners of the parent		(586)	(1,818)	(67.8)
Non-controlling interest		(14)	(109)	(87.2)
		(600)	(1,927)	(68.9)
Losses per share (Cents)				
- Basic and diluted	7	(0.06)	(0.10)	

NM = Not Meaningful

B. Condensed Interim Consolidated Statements of Financial Position as at 30 September 2024

	Note	Group		Company	
		As at 30/09/2024 S\$'000	As at 31/03/2024 S\$'000	As at 30/09/2024 S\$'000	As at 31/03/2024 S\$'000
Non-current assets					
Property, plant and equipment		1,897	1,837	-	-
Right-of-use assets		515	686	-	-
Investment properties	10	5,170	5,170	-	-
Investments in subsidiaries		-	-	10,390	10,390
Deferred tax asset		5	5	-	-
		<u>7,587</u>	<u>7,698</u>	<u>10,390</u>	<u>10,390</u>
Current assets					
Inventories		8,390	8,905	-	-
Trade and other receivables	11	4,843	3,574	108	495
Prepayments		113	183	12	11
Income tax recoverable		432	333	-	-
Cash and cash equivalents		1,492	1,030	62	23
		<u>15,270</u>	<u>14,025</u>	<u>182</u>	<u>529</u>
Less:-					
Current liabilities					
Trade and other payables		5,186	4,328	3,309	3,251
Lease liabilities		417	414	-	-
Interest-bearing liabilities	12	5,320	4,068	-	-
Current income tax payable		-	-	-	-
		<u>10,923</u>	<u>8,810</u>	<u>3,309</u>	<u>3,251</u>
Net current assets		<u>4,347</u>	<u>5,215</u>	<u>(3,127)</u>	<u>(2,722)</u>
Non-current liabilities					
Interest-bearing liabilities	12	554	757	-	-
Lease liabilities		80	256	-	-
Deferred tax liabilities		-	-	-	-
		<u>634</u>	<u>1,013</u>	<u>-</u>	<u>-</u>
Net assets		<u>11,300</u>	<u>11,900</u>	<u>7,263</u>	<u>7,668</u>
Capital and reserves					
Share capital	9	27,460	27,460	27,460	27,460
Asset revaluation reserve		315	315	-	-
Share-based payment reserve		31	31	31	31
Foreign currency translation reserve		(2,418)	(2,923)	-	-
Accumulated losses		(14,223)	(13,132)	(20,228)	(19,823)
Equity attributable to owners of the parent		<u>11,165</u>	<u>11,751</u>	<u>7,263</u>	<u>7,668</u>
Non-controlling interest		135	149	-	-
Total equity		<u>11,300</u>	<u>11,900</u>	<u>7,263</u>	<u>7,668</u>

C. Condensed Interim Consolidated Statement of Cash Flows for the half year ended 30 September 2024

	Group	
	Half year ended 30 September	
	2024	2023
	S\$'000	S\$'000
Operating activities		
Loss before income tax	(1,085)	(1,810)
Adjustments for:-		
Loss allowance (reversed)/made for trade receivables	(34)	63
Amortisation of intangible assets	-	114
Amortisation of right-of-use assets	244	199
Depreciation of property, plant and equipment	51	56
Gain on disposal of plant and equipment	-	(8)
Interest expense	172	185
Interest income	(3)	(3)
Write back of inventories	(1)	-
Unrealised foreign exchange loss	10	188
Operating cash flows before working capital changes	<u>(646)</u>	<u>(1,016)</u>
Working capital changes:-		
Inventories	814	2,375
Trade and other receivables	(1,025)	566
Trade and other payables	772	570
Prepayments	71	99
Cash (used in)/from operations	<u>(14)</u>	<u>2,594</u>
Interest received	3	3
Interest paid	(172)	(185)
Income taxes refunded/(paid), net	<u>(65)</u>	<u>37</u>
Net cash (used in)/from operating activities	<u>(248)</u>	<u>2,449</u>
Investing activities		
Proceeds from disposal of plant and equipment	-	8
Purchase of property, plant and equipment (Note B)	<u>(11)</u>	<u>(68)</u>
Net cash used in investing activities	<u>(11)</u>	<u>(60)</u>
Financing activities		
Proceeds from trust receipts	3,948	3,044
Repayment of trust receipts	(3,728)	(4,992)
Proceeds from a term loan	1,500	-
Repayment of term loans	(571)	(558)
Repayment of principal of lease liabilities	<u>(240)</u>	<u>(203)</u>
Net cash from/(used in) financing activities	<u>909</u>	<u>(2,709)</u>
Net change in cash and cash equivalents	650	(320)
Cash and cash equivalents at the beginning of the financial period	758	1,620
Effect of currency translation on cash and cash equivalents	29	(26)
Cash and cash equivalents at the end of the financial period (Note A)	<u>1,437</u>	<u>1,274</u>

C. Condensed Interim Consolidated Statement of Cash Flows for the half year ended 30 September 2024 (Continued)

Note A:

Cash and cash equivalents comprised:

	As at 30/09/2024 S\$'000	As at 30/09/2023 S\$'000
Fixed deposits with banks	283	258
Cash and bank balances	1,209	1,092
	<u>1,492</u>	<u>1,350</u>
Less: Bank overdraft	(55)	(76)
	<u>1,437</u>	<u>1,274</u>

Note B:

Additions to property, plant and equipment comprised the following:

	Half year ended 30 September	
	2024 S\$'000	2023 S\$'000
Additions to plant and equipment	6	68
Additions to right-of-use plant and equipment	5	-
	<u>11</u>	<u>68</u>
Acquired under finance lease agreements	50	-
	<u>61</u>	<u>68</u>

D. Condensed Interim Consolidated Statements of Changes in Equity for the half year ended 30 September 2024

	← Equity attributable to owners of the parent →					Total Equity S\$'000		
	Share capital S\$'000	Asset revaluation reserve S\$'000	Share- based payment reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000		Total S\$'000	
The Group								
Balance at 1 April 2024	27,460	315	31	(2,923)	(13,132)	11,751	149	11,900
Loss for the financial period	-	-	-	-	(1,091)	(1,091)	4	(1,087)
Other comprehensive income for the financial period								
Exchange differences on translating foreign operations	-	-	-	505	-	505	(18)	487
Total comprehensive income for the financial period	-	-	-	505	(1,091)	(586)	(14)	(600)
Balance at 30 September 2024	<u>27,460</u>	<u>315</u>	<u>31</u>	<u>(2,418)</u>	<u>(14,223)</u>	<u>11,165</u>	<u>135</u>	<u>11,300</u>

D. Condensed Interim Consolidated Statements of Changes in Equity for the half year ended 30 September 2024 (Continued)

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

The Company	Share capital	Share-based payment reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2024	27,460	31	(19,823)	7,668
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(405)	(405)
Balance at 30 September 2024	27,460	31	(20,228)	7,263
Balance at 1 April 2023	27,460	31	(8,084)	19,407
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(431)	(431)
Balance at 30 September 2023	27,460	31	(8,515)	18,976

E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate Information

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

These condensed interim consolidated financial statements as at and for the half year ended 30 September 2024 comprise the Company and its subsidiaries (collectively, the “**Group**”).

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

2. Basis of preparation

The condensed interim financial statements for the half year ended 30 September 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited financial statements for the year ended 31 March 2024.

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

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

2.1 New and amended standards adopted by the Group

The Group has adopted the new or revised SFRS(I) and Interpretations to SFRS(I) (“**SFRS(I) INT**”) that are relevant to its operations and are effective in the financial year ending 31 March 2025 (“**FY2025**”). The adoption of these new or revised SFRS(I) and SFRS(I) INT where relevant has no material impact on the Group’s accounting policies or the financial statements for the current financial period reported on.

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual consolidated financial statements as at 31 March 2024.

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

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

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

2. Basis of preparation (Continued)

2.2 Use of judgements and estimates (Continued)

(i) Fair value of investment properties

The Group's investment properties comprise freehold shop units that are held for long-term rental yields and for capital appreciation. As at 31 March 2024, the fair value of the investment properties as determined by an independent professional valuer was S\$5,170,000. The management has made an estimate that the fair value remained unchanged at S\$5,170,000 as at 30 September 2024. In making that decision, the management has assessed that market conditions have not changed much since the end of the previous year and has taken into consideration that the assumptions and valuation techniques used as at the previous year end are still appropriate. The management deems it appropriate to seek expert advice in six months' time, at the next year end.

(ii) Loss allowance for impairment of trade receivables

Management determines the expected loss arising from default for trade receivables by categorising them based on its historical loss pattern, historical payment profile, geographical risk as well as credit risk profile of customers. When Management deems that there could be difficulties recovering past due amounts from customers, additional credit impaired loss allowances are made. The management has reviewed the outstanding debts and decided to make a credit impaired loss allowance for the half year ended 30 September 2024 of S\$54,000 (30 September 2023: S\$100,000). After offsetting with collections of debts previously impaired of S\$88,000, there was a net reversal of loss allowance of S\$34,000.

3. Seasonal operations

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

4. Segment and revenue information

The Group is organised into two main business segments namely:

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

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

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

4. Segment and revenue information (Continued)

Business Segments

Half year ended 30 Sep 2024

	Components Distribution	Aluminium Products Distribution	Unallocated	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue				
External revenue	1,062	7,238	-	8,300
Results				
Segment results	52	(211)	(462)	(621)
Interest income	-	3	-	3
Finance costs	(48)	(124)	-	(172)
Amortisation of intangible assets	-	-	-	-
Amortisation of ROU assets	-	(244)	-	(244)
Depreciation expense	(14)	(37)	-	(51)
Loss before income tax	(10)	(613)	(462)	(1,085)
Income tax expense	-	(2)	-	(2)
Loss after income tax	(10)	(615)	(462)	(1,087)
Capital expenditure				
- Additions to non-current assets	1	60	-	61
Assets and Liabilities				
Segment assets	7,016	15,329	75	22,420
Current income tax recoverable and deferred tax asset	6	431	-	437
Total assets	7,022	15,760	75	22,857
Segment liabilities	2,826	8,352	379	11,557
Deferred tax liabilities and and current income tax payable	-	-	-	-
Total liabilities	2,826	8,352	379	11,557

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

4. Segment and revenue information (Continued)

Business Segments

Half year ended 30 Sep 2023	Components Distribution S\$'000	Aluminium Products Distribution S\$'000	Unallocated S\$'000	Consolidated S\$'000
Revenue				
External revenue	915	6,811	-	7,726
Results				
Segment results	(20)	(808)	(431)	(1,259)
Interest income	-	3	-	3
Finance costs	(11)	(174)	-	(185)
Amortisation of intangible assets	-	(114)	-	(114)
Amortisation of ROU assets	-	(199)	-	(199)
Depreciation expense	(14)	(42)	-	(56)
Loss before income tax	(45)	(1,334)	(431)	(1,810)
Income tax expense	-	26	-	26
Loss after income tax	(45)	(1,308)	(431)	(1,784)
Capital expenditure				
- Additions to non-current assets	-	68	-	68
Assets and Liabilities				
Segment assets	7,034	17,709	60	24,803
Current income tax recoverable and deferred tax asset	37	558	-	595
Total assets	7,071	18,267	60	25,398
Segment liabilities	1,720	8,338	336	10,394
Deferred tax liabilities and current income tax payable	-	89	-	89
Total liabilities	1,720	8,427	336	10,483

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

4. Segment and revenue information (Continued)

Geographical information

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

	Singapore	Malaysia	PRC	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000
Half year ended 30 September 2024				
Non-current assets	6,099	1,415	68	7,582
Half year ended 30 September 2023				
Non-current assets	7,604	1,331	193	9,128

Disaggregation of revenue

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

Half year ended 30 September	Components Distribution		Aluminium Products Distribution		Total	
	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Primary Geographical market</u>						
Singapore	984	811	1,801	1,622	2,785	2,433
Malaysia	32	88	4,038	2,950	4,070	3,038
People's Republic of China	-	-	1,374	2,111	1,374	2,111
Others	46	16	25	128	71	144
	1,062	915	7,238	6,811	8,300	7,726
<u>Timing of transfer of goods</u>						
- Point in time	860	735	7,238	6,811	8,098	7,546
- Overtime	202	180	-	-	202	180

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

5. Loss before tax – significant items

	Group		Increase/ (Decrease) %
	Half year ended 30 September		
Loss before income tax is arrived at:	2024 S\$'000	2023 S\$'000	
After charging:			
Amortisation of intangible asset	-	114	NM
Amortisation of right-of-use assets	244	199	22.6
Depreciation of property, plant and equipment	51	56	(8.9)
Interest expense	172	185	(7.0)
Foreign exchange loss, net	-	340	NM
and crediting:			
Gain on disposal of property, plant and equipment	-	8	NM
Government grants	8	27	(70.4)
Rental income	30	30	-
Foreign exchange gain, net	92	-	NM

NM = Not Meaningful

6. Taxation

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

	Group	
	Half year ended 30 September	
	2024 S\$'000	2023 S\$'000
Current income tax	2	2
Deferred income tax - over provision in prior periods reversed	-	(28)
	2	(26)

7. (Loss)/Earnings Per Share

	Group	
	Half year ended 30 September	
	2024	2023
Loss attributable to owners of the parent (SGD'000)	(1,091)	(1,705)
Loss per ordinary share after deducting any provision for preference dividends:-		
(a) Based on the weighted average number of ordinary shares in issue (SGD cents)	(0.06)	(0.10)
(b) On a fully diluted basis (SGD cents)	(0.06)	(0.10)

(Loss)/Earnings per ordinary share for the financial period ended 30 September 2024 (“1HFY25”) and for the financial period ended 30 September 2023 (“1HFY24”) in Item 7(a) are computed based on the profit or loss attributable to the owners of the parent for each respective financial period divided by the weighted average number of ordinary shares in issue of 1,727,469,695 shares.

(Loss)/Earnings per ordinary share on a fully diluted basis for 1HFY25 and for 1HFY24 in Item 7(b) are the same as the basic earnings per ordinary share because the Company did not have any potentially dilutive ordinary securities during and as at the end of the said financial periods.

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

8. Net Asset Value

	Group		Company	
	As at 30/09/2024	As at 31/03/2024	As at 30/09/2024	As at 31/03/2024
Net asset value per ordinary share based on issued share capital (SGD cents)	0.65	0.69	0.42	0.44

Net asset value per ordinary share of the Group and the Company are computed based on the net assets of the Group and the Company respectively, divided by the number of issued ordinary shares of 1,727,469,695 shares as at 30 September 2024 and 31 March 2024.

9. Share capital

	Group and Company			
	As at 30/09/2024	As at 31/03/2024	As at 30/09/2024	As at 31/03/2024
	Number of ordinary shares		S\$'000	S\$'000
Issued and fully paid up:				
As at the beginning and end of the interim period	1,727,469,695	1,727,469,695	27,460	27,460

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

There were no outstanding convertible instruments which may be converted to shares as at 30 September 2024 and 30 September 2023.

There were no subsidiary holdings as at 30 September 2024 and 30 September 2023.

The Company did not have any treasury shares as at 30 September 2024, 31 March 2024 and 30 September 2023.

10. Investment Properties

The Group's investment properties comprise freehold shop units that are held for long-term rental yields and for capital appreciation. The fair values of the Group's investment properties as at 31 March 2024 have been determined on the basis of valuation carried out by independent valuers. The estimation of the fair values of the properties is based on the highest and best use of the properties, which is in line with their current use. The management reviews the appropriateness of the valuation methodologies and assumptions adopted and also evaluates the appropriateness and reliability of the inputs used in the valuations. Significant changes in fair value measurements from period to period are evaluated by the management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

The management has made an estimate that the fair value remained unchanged at S\$5,170,000 as at 30 September 2024. In making that decision, the management has assessed that market conditions have not changed much since 31 March 2024, and have taken into consideration that the assumptions and valuation techniques used as at the previous year end are still appropriate. The management deems it appropriate to seek expert advice in six months' time, at the upcoming year end.

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

11. Trade and Other Receivables

	Group	
	As at 30/09/2024 S\$'000	As at 31/03/2024 S\$'000
Trade receivables	4,511	3,320
Loss allowance	(223)	(243)
	4,288	3,077
Notes receivable	23	6
Other receivables	532	491
	4,843	3,574

Movements in loss allowance for trade receivables during the half year were as follows:

	Group	
	As at 30/09/2024 S\$'000	As at 31/03/2024 S\$'000
Balance at the beginning of the period/year	243	198
Write-off against allowance	-	(20)
Loss allowance reversed during the period/year	(88)	(68)
Loss allowance made during the period/year	54	143
Foreign currency translation differences	14	(10)
Balance at the end of the period/ year	223	243

Reversal of loss allowance of S\$88,000 was recorded during the half year period ended 30 September 2024 upon collection of previously impaired debts. A loss allowance of S\$54,000 (30 September 2023: S\$100,000) was estimated for the half year period ended 30 September 2024. Please refer to Note E.2.2 (iii).

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

12. Interest-bearing Liabilities

	Group	
	As at 30/09/2024 S\$'000	As at 31/03/2024 S\$'000
<u>Amount repayable within one year or on demand</u>		
Bank overdraft - unsecured	55	272
Term loans – secured	1,555	48
Term loans – unsecured	779	1,101
Trust receipts – unsecured	2,931	2,647
	<hr/>	<hr/>
	5,320	4,068
<u>Amount repayable after one year</u>		
Term loan – secured	554	533
Term loans – unsecured	-	224
	<hr/>	<hr/>
	554	757

The term loan to finance the purchase of the Malaysian factory is secured by a legal charge against the property as well as a corporate guarantee provided by the Company. A newly acquired term loan for working capital purposes is secured by a legal charge against an investment property. All other term loans are supported by corporate guarantees provided by the Company.

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

13. Subsequent events

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

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

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

The condensed interim consolidated financial statements of the Group for the half year ended 30 September 2024 and the accompanying explanatory notes have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

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

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

Not applicable. The Group's latest financial statements for the year ended 31 March 2024 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

Review of the Financial Performance of the Group – Six months ended 30 September 2024 ("1HFY25") vs. Six months ended 30 September 2023 ("1HFY24")

Turnover and Gross Profit

Group sales improved during 1HFY25, gaining 7.4% over 1HFY24. Market conditions remained challenging especially in the People's Republic of China (the "PRC"), and sales from our PRC segment fell 34.9%. Sales in the Singapore and Malaysia segments however improved by 14.5% and 33.9% respectively.

The pace of recovery in the PRC market remains slow and the Group observed that our PRC customers are handling lesser projects and these are mostly of a smaller scale. On the other hand, positive effects from the global tech upcycle have helped improved Malaysia's exports amid the higher external demand, and its manufacturing sector was supported by broad-based improvement in all sectors and particularly in the electrical and electronics sector, which have benefitted many of our Malaysian customers and helped buoyed our sales. Meanwhile, Singapore's GDP growth during the first half of 2024 was primarily driven by the wholesale trade, finance and insurance, and the info-comms sectors. The electronics segment too showed some growth, supported by higher demand for smartphone, PC and AI-related chips even as demand for automotive and industrial chips remained weak. Likewise, we saw a slight increase in activities amongst our Singapore customers and revenues from the Singapore segment have improved.

The strong performance in the info-comms sector has helped support our sales from the components distribution division, which grew 16.1%, against the 6.3% recorded under the aluminium products distribution division.

Group gross margin has improved from 13.7% to 16.2% due to improved pricing. The Group recorded lower margin in 1HFY24 as the Group adjusted its pricing strategy to match the demand of its products and maintain its competitiveness.

Profit Before Income Tax

Other income increased by 83.3% in 1HFY25 as compared to 1HFY24 due mainly to an exchange gain of \$0.09 million, compared to an exchange loss of \$0.34 million in 1HFY24 recorded under "Other expenses". The exchange gains were mostly translation gains from the Malaysian subsidiaries, as the Ringgit had strengthened against both the US dollar and Singapore dollar as at the end of 1HFY25.

Distribution expenses increased 14.7% in 1HFY25 when compared to 1HFY24, as sales commissions, freight outwards and entertainment expenses increased in line with increase in sales. Administrative expenses increased 7.4% due mainly to increased professional fees incurred for various compliance regulations as well as payment of a consultant's fees for securing a new term loan. Finance costs decreased by 7.0% due mainly to lower average utilization of trust receipts during 1HFY25. Other expenses decreased 58.3% as during 1HFY24, there was an exchange loss of \$0.34 million and an amortization of intangible asset of S\$0.11 million, and these expenses did not recur in 1HFY25. The Group had a net exchange gain in 1HFY25, and the intangible assets were totally written off through an impairment exercise done at the end of FY2024.

Assets and Liabilities

Additions to property, plant and equipment totalled \$6,000 and were incurred for configurating an e-invoicing feature in our current ERP system and purchase of other sundry assets. This addition was offset against a depreciation charge of S\$0.05 million. There was however an increase in value of \$0.10 million from translation gains, derived mainly from the Malaysian factory, due to the stronger Ringgit as at 30 September 2024.

Addition to right-of-use assets, which included capitalised lease rentals as well as leased plant and equipment, was mainly incurred through the lease of a new cutting machine costing \$0.06 million for the Malaysian factory. Right-of-use assets were decreased through a total amortization of \$0.24 million.

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

Inventories decreased in spite of increased sales as the Group continued to adopt a more conservative approach to its stocking strategy.

Trade and other receivables increased in tandem with increased sales. In addition, the translation gains from the Malaysian subsidiaries' trade receivable balances further added to the increase.

Trade payables increased from \$1.97 million as at 31 March 2024 to \$2.91 million as at 30 September 2024, as several shipments arrived at destination in late September 2024 and the subsidiaries concerned had, as at the end of the month, yet to clear shipments or arrange settlement, which would mostly be through trust receipts financing. Other payables decreased marginally from \$2.35 million to \$2.28 million due mainly to lesser deposits received from our PRC customers for advance orders.

Total lease liabilities, including both current and non-current portions, decreased from \$0.67 million as at 31 March 2024 to \$0.50 million as at 30 September 2024. Additions to lease liabilities comprised mainly a \$0.05 million new lease for a cutting machine for our Malaysian factory, but the increase was more than offset by the payments of lease instalments of \$0.25 million during 1HFY25.

Current interest-bearing liabilities increased mainly due to a newly acquired short-term loan for working capital purposes of \$1.50 million. Non-current interest-bearing liabilities decreased as the term loans and finance leases were paid down during the period.

The Group had a positive working capital of S\$4.35 million as at the end of 1HFY25.

Cash Flow and Working Capital

The operating cash outflow before working capital changes was S\$0.65 million. Working capital changes included an outflow of \$1.02 million from an increase in trade and other receivables which was offset with inflows from a decrease in inventories of S\$0.81 million and an increase of trade and other payables of \$0.77 million, resulting in a final cash outflow of \$0.25 million from operating activities.

Cash outflow from investing activities was incurred for the purchases of plant and equipment, and included the cash payment made for a leased machine.

Net cash inflow from financing activities was mainly from the proceeds of the new term loan of \$1.50 million, plus the excess of proceeds from utilization of trust receipts over the repayments of matured trust receipts. Outflows from financing activities were for instalment payments of term loans and finance leases.

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

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

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

Although the Group has benefitted from the positive effects of the economic recovery in the region, and particularly in Malaysia, with consequent increase of activities for our customers and increase in demand for our products, the Group noted that geopolitical tensions could destabilise market conditions. The Group's operating environment will continue to have uncertainties and challenges ahead.

The Group will continue to monitor the market environment and will adjust its pricing strategy and products portfolio to sustain the businesses and to embrace any opportunities going forward.

The Board observed that the Group's sales and margin have stabilised and improved in 1HFY25 as well as in recent months. Barring unforeseen circumstances, the Group will be able to meet its obligations, financial and otherwise, in the next twelve months, as it continues to strive for improved revenues and overall results.

7. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

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

No dividend has been declared or recommended for 1HFY25 as the Company has accumulated losses.

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

The Group does not have a general mandate for interested person transactions. There was no interested person transaction during 1HFY25.

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

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

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

There were no acquisitions or realisation of shares by the Company or any of the Group entities during 1HFY25. The Company and the Group entities did not incorporate any new subsidiary or associated company during 1HFY25.

BY ORDER OF THE BOARD

Ong Kian Soon
Chief Executive Officer
12 November 2024

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

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

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited half year results for the financial period ended 30 September 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ong Kian Soon
Chief Executive Officer

Choo Tung Kheng
Non-Executive Director

Singapore
12 November 2024