

NEW WAVE HOLDINGS LTD.

Unaudited Full Year Financial Statement and Dividend Announcement for the Financial Year Ended 31/03/2022

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months and full year ended 31 March 2022

	Note	Group Six months ended 31 March			Group Year ended 31 March		
		2022 S\$'000	2021 S\$'000	Change %	2022 S\$'000	2021 S\$'000	Change %
Revenue	4	15,196	8,978	69.3	27,167	16,502	64.6
Cost of sales		(11,003)	(6,877)	60.0	(19,911)	(12,669)	57.2
Gross profit		4,193	2,101	99.6	7,256	3,833	89.3
Interest income		2	1	100.0	5	5	0.0
Other income		149	171	(12.9)	273	533	(48.8)
Distribution costs		(242)	(153)	58.2	(423)	(296)	42.9
Administrative expenses		(2,044)	(1,893)	8.0	(3,937)	(3,551)	10.9
Loss allowance made for trade receivables	12	(78)	(62)	25.8	(102)	(62)	64.5
Other operating expenses		(468)	(556)	(15.8)	(815)	(905)	(9.9)
Finance costs		(137)	(121)	13.2	(251)	(222)	13.1
Profit/(Loss) before income tax	5	1,375	(512)	NM	2,006	(665)	NM
Income tax expense	6	(38)	(60)	(36.7)	(243)	(61)	298.4
Profit/(Loss) for the period/year		1,337	(572)	NM	1,763	(726)	NM
Other comprehensive income							
<i>Items that may subsequently be reclassified to profit or loss:</i>							
Foreign currency translation		12	38	(68.4)	86	19	352.6
Total comprehensive income for the period/year		1,349	(534)	NM	1,849	(707)	NM
Profit/(Loss) after tax attributable to:							
Owners of the parent		1,171	(617)	NM	1,481	(785)	NM
Non-controlling interest		166	45	268.9	282	59	378.0
		1,337	(572)	NM	1,763	(726)	NM
Total comprehensive income attributable to:							
Owners of the parent		1,183	(579)	NM	1,567	(766)	NM
Non-controlling interest		166	45	268.9	282	59	378.0
		1,349	(534)	NM	1,849	(707)	NM
Earnings/(Loss) per share (Cents)							
- Basic and diluted	7	0.07	(0.04)		0.09	(0.05)	

NM = Not Meaningful

B. Condensed Interim Consolidated Statement of Financial Position as at 31 March 2022

	Note	Group		Company	
		As at 31/03/2022 (Unaudited) S\$'000	As at 31/03/2021 (Audited) S\$'000	As at 31/03/2022 (Unaudited) S\$'000	As at 31/03/2021 (Audited) S\$'000
Non-current assets					
Property, plant and equipment		2,106	2,128	-	1
Right-of-use assets		572	527	-	-
Investment properties	10	5,170	5,170	-	-
Intangible assets	11	1,485	1,712	-	-
Investments in subsidiaries		-	-	21,278	18,327
Deferred tax asset		266	36	-	-
		<u>9,599</u>	<u>9,573</u>	<u>21,278</u>	<u>18,328</u>
Current assets					
Inventories		12,945	8,629	-	-
Trade and other receivables	12	6,919	4,871	5,207	3,832
Prepayments		160	121	9	9
Income tax recoverable		203	169	-	-
Cash and cash equivalents		2,550	4,444	119	111
		<u>22,777</u>	<u>18,234</u>	<u>5,335</u>	<u>3,952</u>
Less:-					
Current liabilities					
Trade and other payables		3,627	3,143	3,127	3,150
Lease liabilities		393	305	-	-
Interest-bearing liabilities	13	6,478	3,198	-	-
Current income tax payable		17	-	-	-
		<u>10,515</u>	<u>6,646</u>	<u>3,127</u>	<u>3,150</u>
Net current assets		<u>12,262</u>	<u>11,588</u>	<u>2,208</u>	<u>802</u>
Non-current liabilities					
Interest-bearing liabilities	13	3,097	4,173	-	-
Lease liabilities		177	203	-	-
Deferred tax liabilities		192	239	-	-
		<u>3,466</u>	<u>4,615</u>	<u>-</u>	<u>-</u>
Net assets		<u>18,395</u>	<u>16,546</u>	<u>23,486</u>	<u>19,130</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		(1,469)	(1,555)	-	-
Accumulated losses		<u>(8,206)</u>	<u>(9,687)</u>	<u>(4,005)</u>	<u>(8,361)</u>
Equity attributable to owners of the parent		18,131	16,564	23,486	19,130
Non-controlling interest		264	(18)	-	-
Total equity		<u>18,395</u>	<u>16,546</u>	<u>23,486</u>	<u>19,130</u>

C. Condensed Interim Consolidated Statement of Cash Flows for the financial year ended 31 March 2022

	Group	
	Year ended 31 March	
	2022 (Unaudited) S\$'000	2021 (Audited) S\$'000
Operating activities		
Profit/(Loss) before income tax	2,006	(665)
Adjustments for:-		
Loss allowance made for trade receivables	102	62
Amortisation of intangible asset	228	228
Amortisation of right-of-use assets	358	322
Bad trade receivables written off	14	-
Changes in fair value of investment properties	-	150
Depreciation of property, plant and equipment	146	173
(Gain)/Loss on disposal of plant and equipment	(1)	7
Interest expense	251	222
Interest income	(5)	(5)
Write down of inventories	34	26
Unrealised foreign exchange gains	(12)	(10)
Operating cash flows before working capital changes	<u>3,121</u>	<u>510</u>
Working capital changes:-		
Inventories	(4,255)	(326)
Trade and other receivables	(2,154)	(742)
Trade and other payables	476	(119)
Prepayments	(37)	547
Cash used in operations	<u>(2,849)</u>	<u>(130)</u>
Interest received	5	5
Interest paid	(251)	(222)
Income taxes paid, net	<u>(538)</u>	<u>(74)</u>
Net cash used in operating activities	<u>(3,633)</u>	<u>(421)</u>
Investing activities		
Proceeds from disposal of plant and equipment	4	1
Purchase of property, plant and equipment	(97)	(19)
Net cash used in investing activities	<u>(93)</u>	<u>(18)</u>
Financing activities		
Proceeds from trust receipts	15,494	6,729
Repayment of trust receipts	(12,264)	(6,653)
Proceeds from term loans	-	5,000
Repayment of term loans	(1,059)	(1,225)
Repayments of principal of lease liabilities	(381)	(325)
Net cash from financing activities	<u>1,790</u>	<u>3,526</u>
Net change in cash and cash equivalents	(1,936)	3,087
Cash and cash equivalents at the beginning of the financial year	4,444	1,355
Effects of currency translation on cash and cash equivalents	(2)	2
Cash and cash equivalents at the end of the financial year (Note A)	<u><u>2,506</u></u>	<u><u>4,444</u></u>

Note A:

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

	31/03/2022	31/03/2021
	S\$'000	S\$'000
Fixed deposits with banks	399	398
Cash and bank balances	2,151	4,046
Total as per statement of financial position	<u>2,550</u>	<u>4,444</u>
Less: bank overdrafts	<u>44</u>	<u>-</u>
Total as per cash flow statement	<u><u>2,506</u></u>	<u><u>4,444</u></u>

D. Condensed Interim Consolidated Statements of Changes in Equity for the financial year ended 31 March 2022

	← Equity attributable to owners of the parent →							
	Share capital S\$'000	Asset revaluation reserve S\$'000	Share- based payment reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	NCI S\$'000	Total Equity S\$'000
The Group								
Balance at 1 April 2021	27,460	315	31	(1,555)	(9,687)	16,564	(18)	16,546
Profit for the financial year	-	-	-	-	1,481	1,481	282	1,763
Other comprehensive income for the financial year								
Exchange differences on translating foreign operations	-	-	-	86	-	86	-	86
Total comprehensive income for the financial year	-	-	-	86	1,481	1,567	282	1,849
Balance at 31 March 2022	<u>27,460</u>	<u>315</u>	<u>31</u>	<u>(1,469)</u>	<u>(8,206)</u>	<u>18,131</u>	<u>264</u>	<u>18,395</u>
Balance at 1 April 2020	27,460	315	31	(1,574)	(8,902)	17,330	(77)	17,253
Loss for the financial year	-	-	-	-	(785)	(785)	59	(726)
Other comprehensive income for the financial year								
Exchange differences on translating foreign operations	-	-	-	19	-	19	-	19
Total comprehensive income for the financial year	-	-	-	19	(785)	(766)	59	(707)
Balance at 31 March 2021	<u>27,460</u>	<u>315</u>	<u>31</u>	<u>(1,555)</u>	<u>(9,687)</u>	<u>16,564</u>	<u>(18)</u>	<u>16,546</u>

D. Condensed Interim Consolidated Statements of Changes in Equity for the financial year ended 31 March 2022 (Continued)

The Company	Share capital S\$'000	Share-based payment reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance at 1 April 2021	27,460	31	(8,361)	19,130
Loss for the financial year, representing total comprehensive income for the financial year	-	-	4,356	4,356
Balance at 31 March 2022	<u>27,460</u>	<u>31</u>	<u>(4,005)</u>	<u>23,486</u>
Balance at 1 April 2020	27,460	31	(4,225)	23,266
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(4,136)	(4,136)
Balance at 31 March 2021	<u>27,460</u>	<u>31</u>	<u>(8,361)</u>	<u>19,130</u>

E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate Information

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

These condensed interim consolidated financial statements as at and for the six months ended 31 March 2022 comprise the Company and its subsidiaries (collectively, the Group).

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

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 March 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

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

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

2. Basis of preparation (Continued)

2.1 New and amended standards adopted by the Group

The Group has adopted the new or revised SFRS(I) and Interpretations to SFRS(I) (“SFRS(I) INT”) that are relevant to its operations and are effective in the financial year ended 31 March 2022 (“FY2022”). 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 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.

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

(i) Fair value of investment properties

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

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

(ii) Allowance for inventories obsolescence

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

The management has provided an allowance for inventories obsolescence for the components distribution division of approximately S\$34,000 for the six months period under review. No allowance for inventories obsolescence was recorded for the aluminium products distribution division. However, on a regular basis, the division will identify certain stock items that may ultimately be sold as scrap metal and will write down the value of these items to an approximate scrap value. The write-off amount will not be shown as inventories obsolescence but will be treated as cost adjustment and included in cost of sales. This is because these items will remain in stock and can be sold at regular selling prices whenever there is a demand for them.

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

2. Basis of preparation (Continued)

2.2 Use of judgements and estimates (Continued)

(iii) Loss allowance for impairment of trade receivables

Management determines the expected loss arising from default for trade receivables, by categorising them based on its historical loss pattern, historical payment profile, geographical risk as well as credit risk profile of customers. In addition, the Management separately evaluates the expected credit impaired losses of slow-paying customers where possibility of default may be higher. A total loss allowance amounting to approximately S\$78,000 was recognised for the six months to 31 March 2022 (31 March 2021: S\$62,000).

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

Group	Current	Past due for 1 to 90 days	Past due for 91 to 180 days	Past due for 181 to 365 days	Past due for more than 1 year	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 March 2022						
Trade receivables						
Gross carrying amount	3,858	2,462	233	24	80	6,657
Loss allowance:						
Non-credit impaired	(34)	(21)	(3)	-	(1)	(59)
Credit impaired	-	-	(39)	(24)	(69)	(132)
	<u>3,824</u>	<u>2,441</u>	<u>191</u>	<u>-</u>	<u>10</u>	<u>6,466</u>
As at 31 March 2021						
Trade receivables						
Gross carrying amount	2,291	1,698	150	182	122	4,443
Loss allowance:						
Non-credit impaired	(25)	(20)	(2)	(2)	(3)	(52)
Credit impaired	-	-	-	-	(56)	(56)
	<u>2,266</u>	<u>1,678</u>	<u>148</u>	<u>180</u>	<u>63</u>	<u>4,335</u>

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

Six months ended 31 Mar 2022

	Components Distribution S\$'000	Aluminium Products Distribution S\$'000	Unallocated S\$'000	Consolidated S\$'000
Revenue				
External revenue	855	14,341	-	15,196
Results				
Segment results	(57)	2,299	(336)	1,906
Interest income	-	2	-	2
Finance costs	(11)	(126)	-	(137)
Amortisation of intangible assets	-	(114)	-	(114)
Amortisation of ROU assets	-	(212)	-	(212)
Depreciation expense	(17)	(53)	-	(70)
Profit/(Loss) before income tax	(85)	1,796	(336)	1,375
Income tax expense	-	(38)	-	(38)
Profit/(Loss) after income tax	(85)	1,758	(336)	1,337
Capital expenditure				
- Additions to non-current assets	10	41	-	51

Six months ended 31 March 2021

	Components Distribution S\$'000	Aluminium Products Distribution S\$'000	Unallocated S\$'000	Consolidated S\$'000
Revenue				
External revenue	695	8,283	-	8,978
Results				
Segment results	(227)	475	(279)	(31)
Interest income	-	1	-	1
Finance costs	(13)	(108)	-	(121)
Amortisation of intangible assets	-	(114)	-	(114)
Amortisation of right-of-use assets	-	(162)	-	(162)
Depreciation expense	(18)	(66)	(1)	(85)
Loss before income tax	(258)	26	(280)	(512)
Income tax expense	-	(60)	-	(60)
Loss after income tax	(258)	(34)	(280)	(572)
Capital expenditure				
- Additions to non-current assets	2	50	-	52

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

4. Segment and revenue information (Continued)

Business Segments (Continued)

Year ended 31 March 2022

	Components Distribution	Aluminium Products Distribution	Unallocated	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue				
External revenue	1,779	25,388	-	27,167
Results				
Segment results	(40)	3,749	(725)	2,984
Interest income	-	5	-	5
Finance costs	(24)	(227)	-	(251)
Amortisation of intangible assets	-	(228)	-	(228)
Amortisation of ROU assets	-	(358)	-	(358)
Depreciation expense	(36)	(110)	-	(146)
Profit/(Loss) before income tax	(100)	2,831	(725)	2,006
Income tax expense	-	(243)	-	(243)
Profit/(Loss) after income tax	(100)	2,588	(725)	1,763
Capital expenditure				
- Additions to non-current assets	12	85	-	97
Assets and Liabilities				
Segment assets	7,097	24,681	129	31,907
Current income tax recoverable and deferred tax asset	49	420	-	469
Total assets	7,146	25,101	129	32,376
Segment liabilities	1,330	12,280	162	13,772
Deferred tax liabilities and current income tax payable	-	209	-	209
Total liabilities	1,330	12,489	162	13,981

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

4. Segment and revenue information (Continued)

Business Segments (Continued)

Year ended 31 March 2021	Components Distribution	Aluminium Products Distribution	Unallocated	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue				
External revenue	1,494	15,008	-	16,502
Results				
Segment results	(212)	1,085	(598)	275
Interest income	-	5	-	5
Finance costs	(20)	(202)	-	(222)
Amortisation of intangible assets	-	(228)	-	(228)
Amortisation of ROU assets	-	(322)	-	(322)
Depreciation expense	(36)	(136)	(1)	(173)
Profit/(Loss) before income tax	(268)	202	(599)	(665)
Income tax expense	-	(61)	-	(61)
Profit/(Loss) after income tax	(268)	141	(599)	(726)
Capital expenditure				
- Additions to non-current assets	7	57	-	64
Assets and Liabilities				
Segment assets	8,371	19,104	127	27,602
Current income tax recoverable and deferred tax asset	46	159	-	205
Total assets	8,417	19,263	127	27,807
Segment liabilities	1,514	9,341	167	11,022
Deferred tax liabilities and current income tax payable	-	239	-	239
Total liabilities	1,514	9,580	167	11,261

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 area in which the assets are located.

	Singapore S\$'000	Malaysia S\$'000	PRC S\$'000	Consolidated S\$'000
As at 31 March 2022				
Non-current assets	7,585	1,524	224	9,333
As at 31 March 2021				
Non-current assets	7,625	1,544	368	9,537

Disaggregation of revenue

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

	Components Distribution		Aluminium Products Distribution		Total	
	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Six months ended 31 March						
<u>Primary Geographical market</u>						
Singapore	642	632	2,849	1,340	3,491	1,972
Malaysia	116	35	7,902	4,726	8,018	4,761
People's Republic of China	-	-	3,525	2,182	3,525	2,182
Others	97	28	65	35	162	63
	855	695	14,341	8,283	15,196	8,978
<u>Timing of transfer of goods</u>						
- Point in time	855	695	14,341	8,283	15,196	8,978

	Components Distribution		Aluminium Products Distribution		Total	
	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 March						
<u>Primary Geographical market</u>						
Singapore	1,479	1,065	4,676	2,466	6,155	3,531
Malaysia	179	258	14,162	7,843	14,341	8,101
People's Republic of China	-	-	6,425	4,644	6,425	4,644
Others	121	171	125	55	246	226
	1,779	1,494	25,388	15,008	27,167	16,502
<u>Timing of transfer of goods</u>						
- Point in time	1,779	1,494	25,388	15,008	27,167	16,502

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

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

Profit/(Loss) before income tax is arrived at	Group Six months ended 31 March			Group Year ended 31 March		
	2022	2021	Change	2022	2021	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
After charging:						
Amortisation of intangible assets	114	114	-	228	228	-
Amortisation of right-of-use assets	212	162	30.9	358	322	11.2
Bad trade receivables written off	14	-	NM	14	-	NM
Change in fair value of investment properties	-	150	NM	-	150	NM
Depreciation of property, plant and equipment	70	85	(17.6)	146	173	(15.6)
Loss on disposal of plant and equipment	-	7	NM	-	7	NM
Write-down of inventories	34	26	30.8	34	26	30.8
Foreign exchange loss, net	23	13	76.9	35	-	NM
and crediting:						
Government grants	53	108	(50.9)	98	358	(72.6)
Operating lease income – investment properties	30	25	20.0	60	35	71.4
Foreign exchange gain, net	-	-	-	-	79	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:

	Six months ended 31 March		Year ended 31 March	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax:				
Current year	311	73	543	101
Over provision in prior years	(23)	(2)	(23)	(2)
Deferred income tax liabilities:				
Current year	19	17	19	17
Over provision in prior years	(39)	(28)	(66)	(55)
Recognition of deferred tax asset	(230)	-	(230)	-
	<u>38</u>	<u>60</u>	<u>243</u>	<u>61</u>

7. Earnings/(Loss) Per Share

	Six months ended 31 March		Year ended 31 March	
	2022	2021	2022	2021
Profit/(Loss) attributable to owners of the parent (SGD'000)	1,171	(617)	1,481	(785)
Earnings/(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)	0.07	(0.04)	0.09	(0.05)
(b) On a fully diluted basis (SGD cents)	0.07	(0.04)	0.09	(0.05)

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

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

Earnings/(Loss) per ordinary share for the six months ended 31 March 2022 (“2HFY22”) and 31 March 2021 (“2HFY21”) and for the year ended 31 March 2022 and 31 March 2021 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.

Earnings/(Loss) per ordinary share on a fully diluted basis for the six months and the full year ended 31 March 2022 and 31 March 2021 in Item 7(b) are the same as the basic earnings/(loss) per ordinary share because the Company did not have any potentially dilutive ordinary shares during and as at the end of the said financial periods.

8. Net Asset Value

	Group		Company	
	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021
Net asset value per ordinary share based on issued share capital (SGD cents)	1.06	0.96	1.36	1.11

Net asset value per ordinary share of the Group and the Company are computed based on the net assets of the Group and the Company respectively, divided by the number of issued ordinary shares of 1,727,469,695 shares as at 31 March 2022 and 31 March 2021.

9. Share capital

	Group and Company			
	As at 01/04/2021	As at 31/03/2022	As at 01/04/2021	As at 31/03/2022
	Number of ordinary shares		S\$'000	
Issued and fully paid up:				
As at the beginning and end of the financial year	1,727,469,695	1,727,469,695	27,460	27,460

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

There were no outstanding convertible instruments which may be converted to shares as at 31 March 2022 and 31 March 2021.

There were no subsidiary holdings as at 31 March 2022 and 31 March 2021.

The Company did not have any treasury shares as 31 March 2022 and 31 March 2021.

10. Investment Properties

	Group	
	As at 31/03/2022 S\$'000	As at 31/03/2021 S\$'000
<u>At fair value</u>		
At beginning of year	5,170	5,320
Changes in fair value recognised in profit and loss	-	(150)
At end of year	<u>5,170</u>	<u>5,170</u>

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 2022 were determined based on the valuation carried out by an independent valuer having an appropriate recognised professional qualification.

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

10. Investment Properties (Continued)

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

11. Intangible Assets

	Goodwill	Customer relationships	Total
	\$'000	\$'000	\$'000
Group			
Cost			
Balance as at 30.9.2021	4,358	3,108	7,466
Accumulated amortisation			
Balance as at 1.10.2021	-	2,311	2,311
Amortisation for the financial period	-	114	114
Balance as at 31.03.2022	-	2,425	2,425
Accumulated impairment			
Balance as at 1.10.2021 and 31.3.2022	3,556	-	3,556
Carrying amount			
Balance as at 31.3.2022	802	683	1,485

Customer relationships were acquired in the financial years ended 31 March 2011 and 31 March 2019 as part of the acquisition of MSC Aluminium Holdings Pte. Ltd. and its subsidiaries (the “MSC Group”) and Alutech Metals Asiatic Pte. Ltd. and its subsidiary (the “Alutech Group”) respectively. The fair value on the date of initial recognition was based on its intended use and the expected future economic benefit to be derived from the future operating cash inflows from products associated with the acquired customer relationships. The remaining useful lives for customer relationships is 3 years.

12. Trade and Other Receivables

	Group	
	As at 31/03/2022	As at 31/03/2021
	S\$'000	S\$'000
Trade receivables	6,657	4,443
Loss allowance	(191)	(108)
	6,466	4,335
Other receivables	453	536
	6,919	4,871

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

12. Trade and Other Receivables (Continued)

Movements in loss allowance for trade receivables were as follows:

	Group	
	As at 31/03/2022 S\$'000	As at 31/03/2021 S\$'000
Balance at the beginning of the year	108	51
Write-off against allowance	(18)	(4)
Loss allowance made during the year	102	62
Foreign currency translation differences	<u>(1)</u>	<u>(1)</u>
Balance at the end of the year	<u>191</u>	<u>108</u>

A loss allowance of S\$0.08 million and S\$0.10 million were estimated for the six months period and full year ended 31 March 2022 respectively. Please refer to Note E.2.2 (iii).

13. Interest-bearing Liabilities

	Group	
	As at 31/03/2022 S\$'000	As at 31/03/2021 S\$'000
<u>Amount repayable within one year or on demand</u>		
Bank overdrafts	44	-
Term loan – secured	59	57
Term loans – unsecured	1,035	1,027
Trust receipts – unsecured	<u>5,340</u>	<u>2,114</u>
	<u>6,478</u>	<u>3,198</u>
<u>Amount repayable after one year</u>		
Term loan – secured	704	771
Term loans – unsecured	<u>2,393</u>	<u>3,402</u>
	<u>3,097</u>	<u>4,173</u>

The term loan to finance the purchase of the Malaysian factory is secured by a legal charge against the property as well as a corporate guarantee provided by the Company. Other term loans are supported by corporate guarantees provided by the Company.

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

14. Subsequent events

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

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

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

The condensed interim consolidated financial statements of the Group for the six months and full year ended 31 March 2022 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

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

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

Not applicable. The Group's latest financial statements for the year ended 31 March 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

Review of the Financial Performance of the Group – Six months and full year ended 31 March 2022 (“2HFY22” and “FY2022”) vs. Six months and full year ended 31 March 2021 (“2HFY21” and “FY2021”)

Turnover and Gross Profit

With the continued easing of the COVID-19 restrictions worldwide and the resumption and expansion of economic activities across various sectors, our Group revenue recorded an increase of 64.6% from S\$16.50 million in FY2021 to S\$27.17 million in FY2022. Revenue growth in 2HFY22 surpassed that in the first half year period, with Group revenue increasing 69.3% from S\$8.98 million in 2HFY21 to S\$15.20 million in 2HFY22. The increased demand for our products together with faster turnaround time contributed to improved margins, so that the overall increase in gross profits for the full year was 89.3% for FY2022 when compared to FY2021, while the increase for 2HFY22 over 2HFY21 was 99.6%.

Revenue from the aluminium products distribution division for FY2022 compared to FY2021 saw an increase of 69.2% while the increase for the components distribution division was 19.1%. Total revenue for 2HFY22 compared to 2HFY21 increased 73.1% and 23.0% respectively for the aluminium products distribution division and the components division. The geographical segment report showed that total revenues generated in the Malaysia, Singapore and the PRC markets grew by 77.0%, 74.3% and 38.4% respectively for FY2022 over FY2021. Increases of total revenues for 2HFY22 over 2HFY21 for the Malaysia, Singapore and the PRC markets were 68.4%, 77.0% and 61.5% respectively.

These respective increases were also reflective of the growth trends for the aluminium products distribution division, showing that the Singapore and Malaysia markets led sales growth throughout 2HFY22 and FY2022. The PRC segment started off with a comparatively moderate growth rate in the first half year of FY2022, but its sales growth accelerated in 2HFY22. These various improvements in revenue were the results of better and broader product mix and our ability to improve turnaround time for deliveries to the Group's customers.

Revenue of the components distribution division in FY2022 was mostly generated within Singapore and the increase may chiefly be attributed to the easing of the COVID-19 lockdown restrictions. Growth however has been impeded by the lower demand of the division's products as most customers chose to delay the deployment of the latest instruments and testers for their infra-structure projects. Furthermore, the electronics industry has also to contend with supply chain issues. Revenue contribution from the Malaysia sector improved in 2HFY22 as the COVID-19 movement restrictions on inter-state travel which hampered our sales efforts were removed during the period.

Profit Before Income Tax

The overall decrease for other income in FY2022 as compared to FY2021 was 48.8%, while the decrease in 2HFY22 as compared to 2HFY21 was 12.9%. During FY2021 and especially in the first half year, more Government grants were paid out in the form of wage subsidies, property tax rebates and other rebates to help mitigate the adverse impact of the COVID-19 pandemic. In addition, there were exchange gains recorded in FY2021 of S\$0.08 million whereas exchange losses were recorded for FY2022. There were no exchange gains recorded during 2HFY22 and 2HFY21.

Almost all categories of expenses increased in FY2022 as compared to FY2021 as the sales increase required more resources, including manpower and delivery logistics, to support it. The same scenario was repeated in 2HFY22 as compared to 2HFY21. During 2HFY22, distribution costs increased by the largest percentage of 58.2% due to the corresponding increase in sales commissions, freight costs, transport costs and vehicle maintenance expenses. Likewise employment costs (included in administrative expenses) rose by 14.7% as more staff were needed to manage the increased sales.

Loss allowance made for trade receivables for 2HFY22 was higher than that in 2HFY21 in line with the higher trade receivables balance outstanding as at the end of 2HFY22.

Finance costs increased by 13.2% in 2HFY22 as compared to 2HFY21 and 13.1% in FY2022 as compared to FY2021 as more bank facilities were utilised to finance the increase in purchases of stocks.

Other expenses however decreased by 9.9% for the full year and by 15.8% for the six months under review. The decrease was due mainly to S\$0.15 million loss in fair value of investment properties upon revaluation as at the end of 2HFY21 and FY2021 whereas there was no fair value change recorded in 2HFY22 and FY2022. Depreciation of property, plant and equipment decreased 15.6% over the full year and decreased 17.6% in 2HFY22 compared to 2HFY21 as certain older assets were fully depreciated during FY2022. In 2HFY22, these decreases were partially offset by an increase of 30.9% for amortisation of right-of-use assets due to the addition of new leases.

Assets and Liabilities

Property, plant and equipment decreased through a depreciation charge of S\$0.15 million, offset by additions of new assets worth S\$0.10 million, which included additional machines for the aluminium products distribution division, an e-commerce software for the components division,

computer equipment for the Group's various offices and other sundry improvements for roofing, shutters and rackings.

Right-of-use assets, which included capitalised lease rentals as well as leased plant and equipment, decreased due to an amortisation charge of S\$0.36 million but there was a compensating increase of S\$0.44 million due to net addition of new leased assets, arising from the addition of a new lease, an extension of two existing leases and the termination of an existing lease.

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

Intangible assets which comprised goodwill and customer relationships arising from the acquisition of MSC Aluminium Holdings Pte. Ltd. and its subsidiaries (the "MSC Group") and Alutech Metals Asiatic Pte. Ltd. (the "Alutech Group") decreased through an amortisation charge.

Inventories increased as additional stocks were needed to support the increase of sales.

Trade receivables likewise increased as a result of the increased sales.

Prepayments increased mainly due to prepayments made for acquiring new computer equipment and software for the Group's offices.

Trade payables increased due to increased purchases in line with the increased sales. Other payables also increased as a result of increased expenses.

Current lease liabilities increased due to a new lease and extension of existing leases contracted, but the increase was partially offset by the termination of an existing lease. Non-current lease liabilities decreased mainly due to the payments made during the year, offset with the increase from the new lease and renewals contracted.

Current interest-bearing liabilities increased as more trust receipts were utilised for the purchase of stocks needed to meet the increased sales. On the other hand, non-current interest-bearing liabilities decreased as the term loans and finance leases were paid down during the year.

The Group had a positive working capital of S\$12.26 million as at the end of the year.

Cash Flow and Working Capital

An operating cash inflow before working capital changes of S\$3.12 million was recorded as the Group registered profits before income tax of S\$2.00 million. However due to the significant increases in inventories and receivables to support the increase in sales and the payment of income taxes and interest charges of S\$0.54 million and S\$0.25 million respectively, the Group recorded a net operating cash outflow of S\$3.63 million.

Net cash used in investing activities was mainly for the purchases of new plant and equipment.

Net cash from financing activities amounted to S\$1.79 million, which comprised mainly proceeds from trust receipts to finance increased purchases, after reduction from repayments of matured trust receipts and instalments 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.

The continued easing of the Covid-19 restrictions globally has led to expansion of business activities worldwide and thus, improvement of the Group's revenue. However this potential growth may slacken in the coming months with global headwinds likely to affect the demand of the Group's products. China's full or partial lockdowns imposed in certain of their cities or states just before the start of April 2022, which coincided with the start of our new financial year, as well as the war in Ukraine will have negative impacts on the business environment, causing supply chain disruptions, higher transportation costs and lower operating efficiency.

The Group will continue to monitor the business environment and make the necessary adjustments as and when necessary to adapt to the changing situations so as to minimise the negative impacts from the imposition of Covid-19 restrictions and/or the Ukraine war as far as possible.

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 FY2022 as the Company has accumulated losses.

9. A breakdown of sales as follows:

	Group S\$'000		%
	FY2022	FY2021	Change
(a) Sales reported for first half year	11,971	7,524	59.1
(b) Operating profit/(loss) after income tax before deducting NCI reported for first half year	426	(154)	NM
(c) Sales reported for second half year	15,196	8,978	69.3
(d) Operating profit/(loss) after income tax before deducting NCI reported for second half year	1,337	(572)	NM

NM - Not meaningful

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

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

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

The Group does not have a general mandate for interested person transactions. There was no interested person transaction with a value of S\$100,000 or more during FY2022.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Yeat Cheong ("Mr Tan")	38	Mr Tan is the son of Mdm Choo Tung Kheng, Non-Executive Director and substantial shareholder of the Company.	Business Development Manager. Mr Tan was appointed on 18 January 2012, and is responsible for the development of aluminium products distribution business in Malaysia and China.	Not applicable.

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

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

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

There were no acquisitions or realisation of shares by the Company or any of the Group entities during FY2022. The Company and the Group entities did not incorporate any new subsidiary or associated company during FY2022.

BY ORDER OF THE BOARD

Ong Kian Soon
Chief Executive Officer
27 May 2022

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

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