



# **Tai Sin Electric Limited**

(Incorporated in Singapore)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS AND FULL YEAR ENDED  
30 JUNE 2022

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## A. Condensed interim statements of financial position

	Note	GROUP		COMPANY	
		As at 30.06.2022 \$'000	As at 30.06.2021 \$'000	As at 30.06.2022 \$'000	As at 30.06.2021 \$'000
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and bank balances		29,196	39,329	8,169	19,199
Trade receivables	6	109,774	87,730	51,072	43,762
Other receivables		3,882	5,004	1,650	5,857
Contract assets		2,919	5,681	-	-
Derivative financial instruments	7	163	7,241	207	7,241
Inventories	8	98,809	69,937	52,955	34,035
Assets classified as held for sale		-	158	-	-
<b>Total current assets</b>		<b>244,743</b>	<b>215,080</b>	<b>114,053</b>	<b>110,094</b>
<b>Non-current assets:</b>					
Other receivables		482	445	100	437
Derivative financial instruments	7	1,441	6,640	1,441	6,640
Subsidiaries	9	-	-	48,198	47,516
Associates	10	11,403	10,481	-	-
Other investments		7	4	-	-
Property, plant and equipment	11	38,594	39,465	10,528	11,494
Right-of-use assets		14,278	14,762	4,013	4,376
Investment properties	12	2,908	3,031	-	-
Intangible assets	13	-	-	-	-
Deferred tax assets		1,853	3,403	1,732	3,342
<b>Total non-current assets</b>		<b>70,966</b>	<b>78,231</b>	<b>66,012</b>	<b>73,805</b>
<b>Total assets</b>		<b>315,709</b>	<b>293,311</b>	<b>180,065</b>	<b>183,899</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities:</b>					
Bank borrowings	14	31,370	17,740	4,261	2,602
Trade payables		38,695	28,541	16,576	10,261
Other payables		11,519	10,354	3,363	3,632
Contract liabilities		2,483	1,584	345	77
Provision for onerous contracts	15	12,557	22,687	12,557	22,687
Lease liabilities		825	905	317	306
Income tax payable		2,750	7,141	858	5,372
<b>Total current liabilities</b>		<b>100,199</b>	<b>88,952</b>	<b>38,277</b>	<b>44,937</b>
<b>Non-current liabilities:</b>					
Bank borrowings	14	-	437	-	437
Other payables		191	194	-	-
Lease liabilities		10,845	10,762	3,901	4,218
Deferred tax liabilities		907	946	-	-
<b>Total non-current liabilities</b>		<b>11,943</b>	<b>12,339</b>	<b>3,901</b>	<b>4,655</b>

	Note	GROUP		COMPANY	
		As at 30.06.2022 \$'000	As at 30.06.2021 \$'000	As at 30.06.2022 \$'000	As at 30.06.2021 \$'000
<b>Capital, reserves and non-controlling interests:</b>					
Share capital	16	63,712	63,712	63,712	63,712
Treasury shares	17	(950)	(950)	(950)	(950)
Reserves		138,927	127,477	75,125	71,545
Equity attributable to the shareholders of the Company		201,689	190,239	137,887	134,307
Non-controlling interests		1,878	1,781	-	-
Total equity		203,567	192,020	137,887	134,307
<b>Total liabilities and equity</b>		<b>315,709</b>	<b>293,311</b>	<b>180,065</b>	<b>183,899</b>

## B. Condensed interim consolidated statement of profit or loss and other comprehensive income

Group	Note	6 months ended 30.06.2022 \$'000	6 months ended 30.06.2021 \$'000	Change %	12 months ended 30.06.2022 \$'000	12 months ended 30.06.2021 \$'000	Change %
<b>Revenue</b>	18	<b>204,213</b>	<b>163,731</b>	24.72	<b>379,052</b>	<b>298,442</b>	27.01
Cost of sales		(155,069)	(147,117)	5.41	(298,998)	(257,069)	16.31
<b>Gross profit</b>		<b>49,144</b>	<b>16,614</b>	N.M	<b>80,054</b>	<b>41,373</b>	93.49
Other operating income		1,850	5,737	(67.75)	4,344	20,157	(78.45)
Selling and distribution expenses		(11,858)	(9,756)	21.55	(21,794)	(18,403)	18.43
Administrative expenses		(10,704)	(10,387)	3.05	(20,443)	(19,433)	5.20
Other operating expenses		(11,068)	(1,447)	N.M	(14,914)	(2,025)	N.M
Finance costs		(590)	(402)	46.77	(1,047)	(781)	34.06
Share of profit (loss) of associates		219	(242)	N.M	1,081	430	N.M
<b>Profit before income tax</b>	19	<b>16,993</b>	<b>117</b>	N.M	<b>27,281</b>	<b>21,318</b>	27.97
Income tax expense	20	(3,430)	(858)	N.M	(5,089)	(3,807)	33.67
<b>Profit (Loss) for the year</b>		<b>13,563</b>	<b>(741)</b>	N.M	<b>22,192</b>	<b>17,511</b>	26.73
<b>Other comprehensive (loss) income:</b>							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Exchange difference on translation of foreign operations		(469)	(8)	N.M	(134)	(662)	(79.76)
Changes in share of other comprehensive (loss) income of associates		(9)	29	N.M	(13)	42	N.M
Other comprehensive (loss) income for the period, net of tax		<b>(478)</b>	<b>21</b>	N.M	<b>(147)</b>	<b>(620)</b>	N.M
<b>Total comprehensive income (loss) for the year</b>		<b>13,085</b>	<b>(720)</b>	N.M	<b>22,045</b>	<b>16,891</b>	30.51
<b>Profit (Loss) for the year attributable to:</b>							
Shareholders of the Company		13,511	(852)	N.M	22,006	17,282	27.33
Non-controlling interests		52	111	(53.15)	186	229	(18.78)
		<b>13,563</b>	<b>(741)</b>	N.M	22,192	<b>17,511</b>	26.73
<b>Total comprehensive income (loss) attributable to:</b>							
Shareholders of the Company		13,031	(840)	N.M	21,844	16,684	30.93
Non-controlling interests		54	120	(55.0)	201	207	(2.90)
		<b>13,085</b>	<b>(720)</b>	N.M	<b>22,045</b>	<b>16,891</b>	30.51

N.M denotes Not Meaningful

### C. Condensed interim Statements of Changes in Equity

Group	Note	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2021		63,712	(950)	(729)	(1,079)	129,285	190,239	1,781	192,020
Total comprehensive (loss) income for the year									
Profit for the year		-	-	-	-	22,006	22,006	186	22,192
Other comprehensive (loss) income for the year		-	-	(162)	-	-	(162)	15	(147)
Total		-	-	(162)	-	22,006	21,844	201	22,045
Transactions with owners, recognised directly in equity									
Share of post-acquisition reserve from an associate		-	-	-	(38)	-	(38)	-	(38)
Dividend paid to non-controlling interest		-	-	-	-	-	-	(104)	(104)
Final dividend for the previous year paid	21	-	-	-	-	(6,904)	(6,904)	-	(6,904)
Interim dividend for the year paid	21	-	-	-	-	(3,452)	(3,452)	-	(3,452)
		-	-	-	(38)	(10,356)	(10,394)	(104)	(10,498)
Balance at 30 June 2022		63,712	(950)	(891)	(1,117)	140,935	201,689	1,878	203,567

<b>Group</b>	<b>Note</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Other reserve \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Equity attributable to owners of the Company \$'000</b>	<b>Non-controlling interests \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2020		63,712	(950)	(131)	(1,040)	118,907	180,498	1,574	182,072
Total comprehensive (loss) income for the year									
Profit for the year		-	-	-	-	17,282	17,282	229	17,511
Other comprehensive loss for the year		-	-	(598)	-	-	(598)	(22)	(620)
Total		-	-	(598)	-	17,282	16,684	207	16,891
Transactions with owners, recognised directly in equity									
Share of post-acquisition reserve from an associate		-	-	-	(39)	-	(39)	-	(39)
Final dividend for the previous year paid	21	-	-	-	-	(3,452)	(3,452)	-	(3,452)
Interim dividend for the year paid	21	-	-	-	-	(3,452)	(3,452)	-	(3,452)
		-	-	-	(39)	(6,904)	(6,943)	-	(6,943)
Balance at 30 June 2021		63,712	(950)	(729)	(1,079)	129,285	190,239	1,781	192,020

<b>Company</b>	<b>Note</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2021		63,712	(950)	71,545	134,307
Profit for the year, representing total comprehensive income for the year		-	-	13,936	13,936
Transactions with owners, recognised directly in equity					
Final dividend for the previous year paid		-	-	(6,904)	(6,904)
Interim dividend for the year paid		-	-	(3,452)	(3,452)
		-	-	(10,356)	(10,356)
Balance at 30 June 2022		63,712	(950)	75,125	137,887

<b>Company</b>	<b>Note</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2020		63,712	(950)	68,994	131,756
Profit for the year, representing total comprehensive income for the year		-	-	9,455	9,455
Transactions with owners, recognised directly in equity					
Final dividend for the previous year paid		-	-	(3,452)	(3,452)
Interim dividend for the year paid		-	-	(3,452)	(3,452)
		-	-	(6,904)	(6,904)
Balance at 30 June 2021		63,712	(950)	71,545	134,307



## D. Condensed interim consolidated statement of cash flows

<b>Group</b>	<b>Year ended 30.06.2022 \$'000</b>	<b>Year ended 30.06.2021 \$'000</b>
<b>Operating activities</b>		
Profit before income tax	27,281	21,318
Adjustments for:		
Depreciation of property, plant and equipment	5,037	5,122
Depreciation of investment properties	53	52
Depreciation of right-of-use assets	1,448	1,359
Amortisation expenses	-	159
Interest income	(170)	(169)
Interest expense	1,047	781
Gain on disposal of property, plant and equipment	(109)	(23)
Gain on disposal of right-of-use assets	(4)	-
Property, plant and equipment written off	42	30
Bad debts written off	1	5
Loss allowance for trade and other receivables	2,426	1,509
(Reversal of) Provision for onerous contracts	(10,130)	22,687
Inventories written off	422	400
Reversal of allowance for inventories obsolescence	(27)	(28)
Fair value loss (gain) on revaluation of other investments	1	(2)
Impairment loss on assets held for sale	164	-
Fair value adjustments on derivative financial instruments taken to profit or loss	12,277	(10,802)
Share of profit of associates	(1,081)	(430)
Operating cash flows before movement in working capital	38,678	41,968
Trade receivables	(24,746)	(31,736)
Other receivables	640	(154)
Contract assets	2,812	(3,660)
Inventories	(29,573)	8,301
Trade payables	10,197	12,569
Other payables	1,176	1,257
Contract liabilities	899	392
Cash generated from operations	83	28,937
Income tax paid	(7,523)	(2,597)
<b>Net cash (used in) from operating activities</b>	<b>(7,440)</b>	<b>26,340</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(4,521)	(6,666)
Purchase of investment property <sup>(a)</sup>	-	(74)
Purchase of intangible assets	-	-
Proceeds from disposal of property, plant and equipment	377	224
Dividend received from an associate	108	150
Interest received	170	169
<b>Net cash used in investing activities</b>	<b>(3,866)</b>	<b>(6,197)</b>
<b>Financing activities</b>		
Proceeds from bank borrowings	82,237	53,339
Repayment of bank borrowings	(68,685)	(55,632)
Repayment of principal portion of lease liabilities	(858)	(4,293)
Interest paid	(1,047)	(781)
Dividend paid	(10,356)	(6,904)
Dividend paid to non-controlling interests	(104)	-
<b>Net cash from (used in) financing activities</b>	<b>1,187</b>	<b>(14,271)</b>

<b>Group</b>	<b>Year ended 30.06.2022 \$'000</b>	<b>Year ended 30.06.2021 \$'000</b>
Net (decrease) increase in cash and cash equivalents	(10,119)	5,872
Cash and cash equivalents at beginning of year	39,329	33,501
Effect of exchange rate changes on the balance of cash held in foreign currencies	(14)	(44)
<b>Cash and cash equivalents at end of year</b>	<b>29,196</b>	<b>39,329</b>

**Notes :**

- (a) During the financial year ended 30 June 2021, the Group acquired investment property with an aggregate cost of \$157,000 of which \$83,000 was acquired by means of settlement with trade receivables. Cash payment of \$74,000 were made to purchase of investment property.

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

The Company (Registration No. 198000057W) is incorporated in Singapore with its principal place of business and registered office at 24 Gul Crescent, Singapore 629531. The Company is listed on the Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements as at and for the six months and full year ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Group and the Company are:

- a) Cable and wire manufacturer and dealer in such products;
- b) Electrical switchboards, feeder pillars and components manufacturer and dealer in such products;
- c) Trading and distributor of electrical products;
- d) Laboratories for tests, experiments and researches and provision of quality consultancy services;
- e) General construction and technical engineering;
- f) Provision of oil and gas, non-construction, testing and analysis services;
- g) Investment holding.

### **2. Basis of preparation**

The condensed interim financial statements for the six months and full year ended 30 June 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 year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim financial statements have been prepared on a going concern basis, since the directors have verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group's ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

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**

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

#### **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 June 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 recognised in the period in which the estimates are revised and in any future periods affected.

## 2. Basis of preparation (cont'd)

### 2.2 Use of judgements and estimates (cont'd)

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 included in the following notes:

- Loss allowance for trade receivables

The Group uses an allowance matrix to calculate ECL for trade receivables. The allowance rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The Group determines the ECL of trade receivables by using an allowance matrix that is based on its historical credit loss experience, debtors' ability to pay and any relevant forward-looking information that may be specific to the debtors and economic environment.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant management estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The loss allowance and carrying amounts of the Group's trade receivables at the end of the reporting period are disclosed in Note 6 to the condensed interim financial statements.

- Allowance for inventories

The policy for allowance for inventories for the Group is based on management's judgement and evaluation of the saleability and the aging analysis of the individual inventory item. A considerable amount of judgement is required in assessing the ultimate realisation of these inventories, including the current market price and movement trend of each inventory.

The carrying amount of inventories at the end of the reporting period is disclosed in Note 8 to the condensed interim financial statements.

- Impairment of investment in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost less impairment loss. The Company follows the guidance of SFRS(I) 1-36 *Impairment of Assets* to determine when its investments in subsidiaries and associates are impaired. This determination requires management to evaluate, among other factors, the market and economic environment in which the subsidiaries and associates operate, economic performance of these entities, the duration and extent to which the cost of investments in these entities exceed their net tangible assets values and fair value of investments less cost to sell.

The carrying amount of investments in subsidiaries and associates at the end of the reporting period is disclosed in Notes 9 and 10 to the condensed interim financial statements.

- Provision for onerous contracts

The policy for provision of onerous contracts for the group is based on management's judgement and evaluation of the estimated losses arising from the differences between (1) the committed selling prices and estimated cost of sales for the unfulfilled sales quantities committed in respect of contracts for which delivery has substantially commenced by the end of the financial year and (2) the committed prices and estimated cost for the services committed in respect of uncompleted contracts.

A considerable amount of judgement is required in assessing the unavoidable costs of meeting the obligations under the contract. This determination requires management to evaluate and estimate, among other factors copper prices, the outstanding quantity of copper for future delivery and the timing of future delivery, the hedged copper quantity, the quantity of finished goods on hand that can be used to fulfil onerous contracts and the percentage of copper costs in cables.

The provision for onerous contracts at the end of the reporting period is disclosed in Note 15 to the condensed interim financial statements.

## 3. Seasonal operations

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

#### 4. Financial assets and financial liabilities

The following table sets out the financial instruments as at the end of the reporting period.

	Group		Company	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Financial assets at amortised costs	140,558	135,334	60,258	68,960
Derivative financial instruments	1,604	13,881	1,648	13,881
<b>Financial liabilities</b>				
Financial liabilities at amortised costs	81,361	56,657	24,143	16,646
Lease liabilities	11,670	11,667	4,218	4,524

#### Fair values of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other current receivables and payables and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of derivative instruments are calculated using quoted prices.

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

The fair value hierarchy of the Group's derivative financial instruments relating to forward foreign exchange contracts and copper contracts are classified as Level 2. There were no movements between different levels during the year.

#### 5. Related Party Transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

During the year, the Group entered into the following significant transactions with related parties:

	Group			
	6 months ended 30.06.2022	6 months ended 30.06.2021	12 months ended 30.06.2022	12 months ended 30.06.2021
	\$'000	\$'000	\$'000	\$'000
Sales to associates	(5,607)	(1,573)	(8,494)	(2,977)
Purchases from associates	14	8	14	186
Services provided by associates	126	125	252	238
Management fees charge to associates	(9)	(9)	(18)	(18)
Rental charge to associates	(93)	(96)	(187)	(160)
Manpower provided to associate	(22)	-	(50)	-
Manpower supply by associates	11	10	20	10
Expenses paid on behalf for associates	(19)	(64)	(44)	(123)

## 5. Related Party Transactions (cont'd)

Companies in which key management have interests:

	Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	\$'000	\$'000	\$'000	\$'000
Sales	(304)	(468)	(610)	(740)
Purchases	305	141	368	239
Consultancy service charges to related party	(52)	(100)	(201)	(229)
Sales of plant and machinery to a related party	-	(78)	(51)	(84)
Services provided by related parties	-	-	70	-
Services provided to a related party	-	(32)	-	(59)
Manpower provided to related parties	(17)	-	(17)	-
Rental income from a related party	-	(4)	-	(8)
Rental provided by related parties	26	19	45	32
Expenses paid on behalf for a related party	-	-	(32)	-
Expenses paid on behalf by a related party	58	-	106	-

## 6. Trade receivables

	Group		Company	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	\$'000	\$'000	\$'000	\$'000
Outside parties	112,011	89,704	49,375	42,420
Related parties	535	957	62	158
Subsidiaries	-	-	953	1,219
Associates	3,252	1,145	3,176	1,136
	115,798	91,806	53,566	44,933
Less: Loss allowance	(6,024)	(4,076)	(2,494)	(1,171)
	109,774	87,730	51,072	43,762

The average credit period is 30 to 120 days (30 June 2021 : 30 to 120 days). No interest is charged on the trade receivables.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using an allowance matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

## 7. Derivative Financial instruments

	Group		Company	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	\$'000	\$'000	\$'000	\$'000
Forward foreign exchange contracts	224	605	224	605
Copper contracts	1,380	13,276	1,424	13,276
Total	1,604	13,881	1,648	13,881
Less : Non-current	(1,441)	(6,640)	(1,441)	(6,640)
Current derivative financial instruments	163	7,241	207	7,241

### Forward foreign exchange contracts

As at 30 June 2022 and 30 June 2021, the Group and Company had outstanding currency derivatives that were used to hedge significant future transactions. The instruments purchased are primarily denominated in the currencies of the Group's and Company's principal markets.

Details of the Group's and Company's forward foreign currency contracts outstanding as at the end of the reporting period are as follows:

	Foreign currency		Notional contract value		Fair value	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	FC'000	FC'000	\$'000	\$'000	\$'000	\$'000
<u>Group</u>						
Buy United States dollar less than 12 months	30,000	22,500	39,861	29,656	224	605
Sell Singapore dollar less than 12 months	-	1,500	-	1,507	-	- *
<u>Company</u>						
Buy United States dollar less than 12 months	30,000	22,500	39,861	29,656	224	605

\* Amount less than \$1,000.

As at 30 June 2022, the fair value of forward foreign exchange contracts for the Group and the Company was \$224,000 (30 June 2021 : \$605,000). These amounts were determined based on observable forward exchange rates, contract forward rates and discounted at a rate that reflected the credit risk of various counterparties at the end of reporting period. Changes in the fair value of the forward foreign exchange contracts were recorded in profit or loss immediately.

### Copper contracts

As at 30 June 2022 and 30 June 2021, the Group and the Company had outstanding copper contracts that were used to hedge significant future fluctuations in copper prices. The instruments purchased are primarily copper derivatives where the Group and Company pay or receive the difference in actual market price against price contracted as the copper derivatives contracts mature.

## 8. Inventories

	Group		Company	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	\$'000	\$'000	\$'000	\$'000
Raw materials	10,223	5,285	6,940	2,392
Work-in-progress	21,820	12,553	12,575	6,472
Finished goods	59,988	45,542	27,297	20,344
Goods-in-transit	6,778	6,557	6,143	4,827
	<u>98,809</u>	<u>69,937</u>	<u>52,955</u>	<u>34,035</u>

As at the end of the reporting period, inventories are stated net of an allowance of \$378,000 (30 June 2021 : \$405,000). In addition, \$422,000 (30 June 2021 : \$400,000) of inventories were written off as they were assessed to be not saleable. During the year, there is a reversal of allowance for inventories obsolescence of \$27,000 (30 June 2021 : \$28,000).

## 9. Subsidiaries

	Company	
	30.06.2022	30.06.2021
	\$'000	\$'000
Unquoted equity shares, at cost	37,567	37,567
Deemed investment <sup>(a)</sup>	10,631	9,949
	<u>48,198</u>	<u>47,516</u>

(a) The deemed investment arises from the fair value of corporate guarantees given to subsidiaries to secure the bank facilities.

Fair value of corporate guarantees is the guarantee fee received for issuing the financial guarantee and is approximately 1% (30 June 2021 : 1%) per annum of the sum guaranteed under the financial guarantee contract.

## 10. Associates

	Group	
	30.06.2022	30.06.2021
	\$'000	\$'000
Unquoted equity shares, at cost	3,188	3,188
Share of post-acquisition results and reserves, net of dividends received	8,215	7,293
	<u>11,403</u>	<u>10,481</u>

## 11. Property, plant and equipment

During the year, the Group acquired assets amounting to \$4,521,000 (30 June 2021 : \$6,666,000), disposed of assets amounting to \$268,000 (30 June 2021 : \$201,000) and written-off assets amounting to \$42,000 (30 June 2021 : \$30,000).



## 12. Investment properties

	<b>Group</b>
	<b>\$'000</b>
Cost:	
At 1 July 2020	3,129
Addition	157
Currency realignment	(15)
At 30 June 2021	3,271
Currency realignment	(76)
At 30 June 2022	3,195
Accumulated depreciation:	
At 1 July 2020	189
Depreciation	52
Currency realignment	(1)
At 30 June 2021	240
Depreciation	53
Currency realignment	(6)
At 30 June 2022	287
Carrying amount:	
At 30 June 2022	2,908
At 30 June 2021	3,031

## 13. Intangible assets

	<b>Customer relationships</b>	<b>Proprietary application software</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Group</u>			
Cost:			
At 1 July 2020	2,114	219	2,333
Write-offs	-	(219)	(219)
At 30 June 2021 and 30 June 2022	2,114	-	2,114
Accumulated amortisation:			
At 1 July 2020	1,955	219	2,174
Amortisation	159	-	159
Write-offs	-	(219)	(219)
At 30 June 2021 and 30 June 2022	2,114	-	2,114
Carrying amount:			
At 30 June 2022	-	-	-
At 30 June 2021	-	-	-

#### 14. Borrowings

	Group		Company	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	\$'000	\$'000	\$'000	\$'000
Amount repayable within one year or on demand				
- Secured	23,720	16,043	317	306
- Unsecured	8,475	2,602	4,261	2,602
Amount repayable after one year				
- Secured	10,845	10,762	3,901	4,218
- Unsecured	-	437	-	437

#### Details of any collateral

The other bank borrowings of the Group are secured by the following:

- negative pledge over all assets of a subsidiary; and
- corporate guarantee by the Company.

Lease liabilities are secured over the lessors' title to the leased assets.

#### 15. Provision for onerous contracts

	Group		Company	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	22,687	-	22,687	-
(Credit) Charge to profit or loss	(10,130)	22,687	(10,130)	22,687
Provision for onerous contract	12,557	22,687	12,557	22,687

Management has made assessment for the fixed price onerous contracts which deliveries are expected to be made over the next 5 years after the year end. During the year, a reversal of provision for onerous contracts of \$10.130 million (30 June 2021 : provision for onerous contracts of \$22.687 million) was made based on prevailing copper price. Any fluctuation in copper price subsequent to year end will result in addition or reversal of such provision.

The reversal of provision for onerous contracts for the financial year ended 30 June 2022 (30 June 2021 : Provision for onerous contracts) has been credited to cost of sales.

#### 16. Share capital

	Group and Company	
	Number of ordinary shares	\$'000
Issued and paid up capital: At 1 July 2020, 30 June 2021 and 30 June 2022	462,988,841	63,712

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividend.

#### 17. Treasury shares

	Group and Company	
	Number of ordinary shares	\$'000
At 1 July 2020, 30 June 2021 and 30 June 2022	2,727,000	950

## 18. Revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major operating segments. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 22).

	<b>Group</b>			
	<b>6 months ended 30.06.2022</b>	<b>6 months ended 30.06.2021</b>	<b>12 months ended 30.06.2022</b>	<b>12 months ended 30.06.2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At a point in time:				
Cable and wire	128,768	96,895	232,418	174,377
Electrical material distribution	56,738	45,877	109,732	87,010
Test and inspections	5,865	4,670	10,419	8,855
Switchboard	2,689	2,763	5,285	5,504
Over time:				
Electrical material distribution	88	-	296	-
Test and inspections	10,065	13,526	20,902	22,696
	<b>204,213</b>	<b>163,731</b>	<b>379,052</b>	<b>298,442</b>

### A breakdown of sales

	<b>Group</b>		
	<b>Latest Financial Year \$'000</b>	<b>Previous Financial Year \$'000</b>	<b>Increase/ (Decrease) %</b>
(a) Sales reported for first half year	174,839	134,711	29.79
(b) Operating profit after income tax before deducting non-controlling interests reported for first half year	8,629	18,252	(52.72)
(c) Sales reported for second half year	204,213	163,731	24.72
(d) Operating profit after income tax before deducting non-controlling interests reported for second half year	13,563	(741)	N.M.

N.M denotes Not Meaningful

## 19. Profit before tax

Profit for the period has been arrived at after charging (crediting):

	Group			
	6 months ended 30.06.2022	6 months ended 30.06.2021	12 months ended 30.06.2022	12 months ended 30.06.2021
	\$'000	\$'000	\$'000	\$'000
Bad debts written off	1	6	1	5
Foreign currency exchange adjustment (gain) loss	(46)	314	(486)	483
Fair value adjustments on derivative financial instruments taken to profit or loss	9,424	(3,173)	12,277	(10,802)
Fair value loss (gain) on revaluation of other investments	1	(2)	1	(2)
Gain on disposal of property, plant and equipment	(16)	(22)	(109)	(23)
Gain on disposal of right-of-use assets	-	-	(4)	-
Government grants	(787)	(1,476)	(1,815)	(7,282)
Impairment loss on assets held for sale	164	-	164	-
Interest income	(83)	(88)	(170)	(169)
Inventories written off	400	400	422	400
Reversal of allowance for inventories obsolescence	(27)	(79)	(27)	(28)
Loss allowance for trade and other receivables	1,472	1,111	2,426	1,509
Realised gain on derivative financial instruments included in cost of sales	(3,348)	(5,328)	(8,008)	(7,007)
(Reversal) Provision for onerous contracts	(14,934)	22,687	(10,130)	22,687
Property, plant and equipment written off	8	19	42	30
Depreciation of property, plant and equipment	2,515	2,535	5,037	5,122
Depreciation of investment properties	26	27	53	52
Depreciation on right-of-use assets	738	764	1,448	1,359
Amortisation expense	-	80	-	159

## 20. Income tax expense

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			
	6 months ended 30.06.2022	6 months ended 30.06.2021	12 months ended 30.06.2022	12 months ended 30.06.2021
	\$'000	\$'000	\$'000	\$'000
Income tax:				
Current	1,395	4,378	3,854	7,347
(Over) Underprovision in prior years	(312)	73	(292)	73
	1,083	4,451	3,562	7,420
Deferred income tax:				
Current	2,258	(3,971)	1,432	(3,995)
Underprovision in prior years	83	375	83	375
	2,341	(3,596)	1,515	(3,620)
Withholding tax	6	3	12	7
Total income tax expense	3,430	858	5,089	3,807

## 21. Dividends

During the financial year ended 30 June 2022, the Company declared and paid dividends totalling \$10.356 million. Details were as follows:

- (a) Final tax-exempt dividend of 1.50 cent per ordinary share in respect of the financial year ended 30 June 2021 totalling \$6.904 million; and
- (b) Interim tax-exempt dividend of 0.75 cent per ordinary share in respect of the financial year ended 30 June 2022 totalling \$3.452 million.

During the financial year ended 30 June 2021, the Company declared and paid dividends totalling \$6.904 million. Details were as follows:

- (a) Final tax-exempt dividend of 0.75 cent per ordinary share in respect of the financial year ended 30 June 2020 totalling \$3.452 million; and
- (b) Interim tax-exempt dividend of 0.75 cent per ordinary share in respect of the financial year ended 30 June 2021 totalling \$3.452 million.

## 22. Segment information

The Group has the following five strategic units, which are its reportable segments. These units offer different products and services, and are managed separately because they sell different products or services and have their own marketing strategies. The Group's CEO (the chief operating decision maker) reviews internal management reports of each unit at least quarterly. The following summary describes the operations in each of the Group's reportable segments:

- *Cable & Wire.* Includes cable and wire manufacturing and dealing in such products.
- *Electrical Material Distribution.* Includes distribution of electrical products.
- *Test & Inspection.* Includes laboratories for tests, experiments and researches and provision of quality consultancy services.
- *Switchboard.* Includes manufacturing and dealing in electrical switchboards, feeders pillars and components.
- *Others.* Investment holding.

## 22. Segment information (cont'd)

Accordingly, the above are the Group's reportable segments under SFRS(I) 8. No operating segments have been aggregated to form the above reportable operating segments. Information regarding the Group's reportable segments is presented below. There is no change to amounts reported for the prior year as the segment information reported internally is provided to the Group's chief operating decision maker on a similar basis.

### Segment revenue and results

	<b>Cable &amp; Wire</b>	<b>Electrical Material Distribution</b>	<b>Test &amp; Inspection</b>	<b>Switch- board</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>6 months ended 30.06.2022</u></b>							
<b>Revenue</b>							
External sales	128,768	56,826	15,930	2,689	-	-	204,213
Inter-segment sales	891	832	24	-	-	(1,747)	-
Total revenue	<u>129,659</u>	<u>57,658</u>	<u>15,954</u>	<u>2,689</u>	<u>-</u>	<u>(1,747)</u>	<u>204,213</u>
<b>Results</b>							
Segment result	14,205	2,484	544	35	13	-	17,281
Interest expense	(330)	(70)	(184)	(6)	-	-	(590)
Interest income	73	-	10	-	-	-	83
Share of profit of associates	-	214	5	-	-	-	219
Income tax expense							(3,430)
Non-controlling interests							(52)
Profit attributable to shareholders of the Company							<u>13,511</u>
<b><u>6 months ended 30.06.2021</u></b>							
<b>Revenue</b>							
External sales	96,895	45,877	18,196	2,763	-	-	163,731
Inter-segment sales	927	226	18	-	-	(1,171)	-
Total revenue	<u>97,822</u>	<u>46,103</u>	<u>18,214</u>	<u>2,763</u>	<u>-</u>	<u>(1,171)</u>	<u>163,731</u>
<b>Results</b>							
Segment result	(3,011)	2,837	730	121	(4)	-	673
Interest expense	(212)	(71)	(114)	(5)	-	-	(402)
Interest income	84	-	4	-	-	-	88
Share of loss of associates	-	(206)	(36)	-	-	-	(242)
Income tax expense							(858)
Non-controlling interests							(111)
Loss attributable to shareholders of the Company							<u>(852)</u>

## 22. Segment information (cont'd)

### Segment revenue and results (cont'd)

	Cable & Wire \$'000	Electrical Material Distribution \$'000	Test & Inspection \$'000	Switch- board \$'000	Others \$'000	Elimination \$'000	Total \$'000
<b><u>12 months ended 30.06.2022</u></b>							
<b>Revenue</b>							
External sales	232,418	110,028	31,321	5,285	-	-	379,052
Inter-segment sales	1,861	1,007	24	-	-	(2,892)	-
Total revenue	<u>234,279</u>	<u>111,035</u>	<u>31,345</u>	<u>5,285</u>	<u>-</u>	<u>(2,892)</u>	<u>379,052</u>
<b>Results</b>							
Segment result	18,565	6,774	1,511	229	(2)	-	27,077
Interest expense	(534)	(133)	(370)	(10)	-	-	(1,047)
Interest income	154	-	16	-	-	-	170
Share of profit (loss) of associates	-	1,111	(30)	-	-	-	1,081
Income tax expense							(5,089)
Non-controlling interests							(186)
Profit attributable to shareholders of the Company							<u>22,006</u>
<b><u>12 months ended 30.06.2021</u></b>							
<b>Revenue</b>							
External sales	174,377	87,010	31,551	5,504	-	-	298,442
Inter-segment sales	1,197	244	43	-	-	(1,484)	-
Total revenue	<u>175,574</u>	<u>87,254</u>	<u>31,594</u>	<u>5,504</u>	<u>-</u>	<u>(1,484)</u>	<u>298,442</u>
<b>Results</b>							
Segment result	12,763	6,047	2,356	373	(39)	-	21,500
Interest expense	(418)	(154)	(200)	(9)	-	-	(781)
Interest income	160	-	9	-	-	-	169
Share of profit of associates	-	403	27	-	-	-	430
Income tax expense							(3,807)
Non-controlling interests							(229)
Profit attributable to shareholders of the Company							<u>17,282</u>

## 22. Segment information (cont'd)

### Other segment information

	Cable & Wire	Electrical Material Distribution	Test & Inspection	Switch- board	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>6 months ended 30.06.2022</u></b>						
Additions to non-current assets	928	540	1,157	38	-	2,663
Depreciation and amortisation	1,368	475	1,395	41	-	3,279
Non-cash items other than depreciation and amortisation	(4,341)	641	203	(46)	(10)	(3,553)
<b><u>6 months ended 30.06.2021</u></b>						
Additions to non-current assets	443	230	5,888	169	-	6,730
Depreciation and amortisation	1,486	444	1,435	41	-	3,406
Non-cash items other than depreciation and amortisation	20,268	96	497	399	1	21,261
<b><u>12 months ended 30.06.2022</u></b>						
Additions to non-current assets	1,138	665	3,531	41	-	5,375
Depreciation and amortisation	2,804	928	2,724	82	-	6,538
Non-cash items other than depreciation and amortisation	3,679	674	258	(24)	(10)	4,577
<b><u>12 months ended 30.06.2021</u></b>						
Additions to non-current assets	599	3,954	7,306	172	-	12,031
Depreciation and amortisation	3,043	908	2,676	65	-	6,692
Non-cash items other than depreciation and amortisation	13,079	233	528	398	21	14,259



## 22. Segment information (cont'd)

### Segment assets and liabilities

	Cable & wire \$'000	Electrical material distribution \$'000	Test & inspection \$'000	Switch- board \$'000	Others \$'000	Total \$'000
<b><u>30.06.2022</u></b>						
Segment assets	190,316	68,908	37,910	4,266	1,026	302,426
Interest in associates	-	10,473	930	-	-	11,403
Unallocated segment assets						1,880
Consolidated total assets						<u>315,709</u>
Segment liabilities	64,477	29,051	13,896	1,044	18	108,486
Unallocated segment liabilities						3,656
Consolidated total liabilities						<u>112,142</u>
<b><u>30.06.2021</u></b>						
Segment assets	179,909	55,749	39,265	3,923	103	278,949
Interest in associates	-	9,521	960	-	-	10,481
Unallocated segment assets						3,881
Consolidated total assets						<u>293,311</u>
Segment liabilities	56,026	20,173	13,050	898	18	90,165
Unallocated segment liabilities						11,126
Consolidated total liabilities						<u>101,291</u>

### Geographical information

The Group's revenue from external by geographical location are detailed below:

	6 months ended 30.06.2022 \$'000	6 months ended 30.06.2021 \$'000	12 months ended 30.06.2022 \$'000	12 months ended 30.06.2021 \$'000
Singapore	156,308	129,386	291,592	229,013
Malaysia	29,901	15,796	53,729	34,620
Vietnam	8,424	6,502	13,863	13,474
Brunei	2,807	3,520	5,457	6,386
Indonesia	4,739	6,263	10,110	10,514
Cambodia	729	1,487	2,077	2,509
Others	1,305	777	2,224	1,926
	<u>204,213</u>	<u>163,731</u>	<u>379,052</u>	<u>298,442</u>

## 23. Subsequent event

During the year, the Company entered into a Sale and Purchase Agreement ("SPA") to acquire 100% of the ordinary shares in Nishiden (Malaysia) Sdn Bhd ("NNDM"), a company incorporated in Malaysia for cash consideration of \$1,400,000. The principal activities of NNDM are of fabricating of copper wiring, cables and other related parts.

On 1 July 2022, the acquisition of Nishiden (Malaysia) Sdn Bhd ("NNDM") has been completed at the revised cash consideration of \$870,000 based on the Addendum Agreement signed on 31 March 2022.

## **F. Other information required by Listing Rule Appendix 7.2**

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

There were no changes in the Company's share capital during the 6 months ended 30 June 2022.

The total number of issued ordinary shares excluding treasury shares as at 30 June 2022 was 460,261,841 (30 June 2021: 460,261,841).

The number of ordinary shares held as treasury shares as at 30 June 2022 was 2,727,000 (30 June 2021: 2,727,000), constituting 0.59% of the total number of ordinary shares outstanding (30 June 2021: 0.59%).

As at 30 June 2022, there were no outstanding convertibles and no subsidiary holdings (30 June 2021: Nil).

- 1(ii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued ordinary shares excluding treasury shares as at 30 June 2022 was 460,261,841 (30 June 2021: 460,261,841).

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

There were no sales, transfers, cancellation and/or use of treasury shares during the current financial period reported on.

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

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

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

The figures have not been audited nor reviewed.

- 3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter).**

Not applicable.

**(3A) 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.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group and the Company have adopted the same accounting policies and methods of computation in the financial statements for the current reporting year as those of the audited financial statements for the year ended 30 June 2021.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all new and revised Singapore Financial Standards (International) ("SFRS(I)") issued by the Accounting Standards Council that are relevant to the Group and effective for financial period beginning on 1 July 2021.

The adoption of the new SFRS(I)s, amendments and interpretations of SFRS(I)s does not result in any substantial change to the Group's accounting policies and has no material impact on the financial statements of the Group for the current reporting period or the prior year's reporting period.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>Group</b>			
	<b>6 months ended 30.06.2022</b>	<b>6 months ended 30.06.2021</b>	<b>12 months ended 30.06.2022</b>	<b>12 months ended 30.06.2021</b>
Earnings per ordinary share for the year after deducting any provision for preference dividends:-				
(i) Based on the weighted average number of ordinary shares in issue; and	2.94 cents	(0.19) cents	4.78 cents	3.75 cents
(ii) On a fully diluted basis	2.94 cents	(0.19) cents	4.78 cents	3.75 cents

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

**(a) current financial period reported on; and**

**(b) immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30.06.2022</b>	<b>As at 30.06.2021</b>	<b>As at 30.06.2022</b>	<b>As at 30.06.2021</b>
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	43.82 cents	41.33 cents	29.96 cents	29.18 cents

Net asset value per share is calculated based on the existing number of shares in issue of 460,261,841 (30 June 2021: 460,261,841 shares).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **Statement of profit or loss**

#### **Revenue**

For the six months ended 30 June 2022 ("2H22"), the Group reported revenue of \$204.213 million, up 24.72% from \$163.731 million in the last corresponding period ended 30 June 2021 ("2H21"). The increase was from Cable & Wire ("C&W") Segment which posted an increase of \$31.873 million, up 32.89% from \$96.895 million to \$128.768 million. The Electrical Material Distribution ("EMD") Segment's revenue also posted an increase of \$10.949 million, up 23.87% from \$45.877 million to \$56.826 million. The revenue growth in both segments was on account of an expansion in both public and private sector construction activities and sustained global demand for semiconductors and semiconductor equipment.

The increase in revenue in 2H22 was however negated by decrease in revenue from Testing & Inspection ("T&I") Segment and Switchboard Segment of \$2.266 million and \$74,000 respectively.

For the financial year ended 30 June 2022 ("FY2022"), the Group's revenue was higher by 27.01%, up \$80.610 million from the last financial year ("FY2021") of \$298.442 million to \$379.052 million in current year.

The Cable & Wire ("C&W") Segment's revenue increased by 33.28%, up \$58.041 million from \$174.377 million to \$232.418 million. The higher revenue was from Singapore, Malaysia and Vietnam's C&W segment, driven mainly by increase in copper prices and higher sales volume. The increase was also because of construction activities picking up after relaxation of border restriction on the inflow of migrant workers and low base effects given the slow resumption of business activities after the Circuit Breaker Period ("CBP") and Movement Control Order ("MCO") in the first half of the financial year ended 31 December 2020 ("1H21").

The EMD Segment registered revenue of \$110.028 million, which was a growth of \$23.018 million, 26.45% higher than \$87.010 million in FY2021. The growth was supported by expansion in the Electronic Cluster and Building & Infrastructure Cluster. The Electronic Cluster continues to record strong performance driven by sustained global demand for semiconductors and semiconductor equipment while the growth in the Building & Infrastructure Cluster is underpinned by the resumption of construction activities.

The T&I segment revenue declined marginally by \$230,000 from \$31.551 million to \$31.321 million in the current financial year. The decrease in the T&I Segment was largely due to lower revenue from the non-destructive testing and heat treatment services in Singapore, Malaysia and Indonesia. This was mainly attributable to completion of projects and fewer sizeable new contracts being secured. Nonetheless, laboratory testing services saw an increase after pickup in business activities in the construction sector.

Revenue from the Switchboard Segment decreased marginally by 3.98%, a decline of \$219,000 to \$5.285 million. This was a consequence of COVID-19 national partial lockdown measures implemented in Brunei during 1H22.

#### **Gross Profit**

Gross profit ("GP") increased by \$32.530 million from \$16.614 million in 2H21 to \$49.144 million in 2H22. The gross profit margin ("GPM") improved from 10.15% in 2H21 to 24.07% in 2H22 due to the reversal of provision for onerous contracts amounting to \$14.934 million resulting from the fall in copper price towards reporting date. Provision for onerous contracts of \$22.687 million was recorded in 2H21 due to increase in copper price towards last financial year end.

The Group's GP for FY2022 increased 93.49% to \$80.054 million from \$41.373 million in FY2021. GP margin grew by 7.26% from 13.86% in FY2021 to 21.12% in FY2022. This was attributed mainly to reversal of provision for onerous contracts of \$10.130 million, offset partially by deliveries of the low margin projects that were secured 2-4 years ago when the copper price is low.

### **Other operating income**

Other operating income decreased by \$3.887 million from \$5.737 million in 2H21 to \$1.850 million in 2H22. This was mainly due to lower government grants recognised during 2H22. In addition, there was a fair value gain on derivative financial instruments of \$3.173 million in 2H21, resulting from the increase in copper price towards 30 June 2021.

For FY2022, the Group recorded other operating income of \$4.344 million, a drop of \$15.813 million as compared to \$20.157 million in FY2021. The decrease is attributed mainly to lower government grants recognised during the current financial year. In addition, there was a fair value gain on derivative financial instruments of \$10.802 million in FY2021, resulting from the increase in copper price towards the end of FY2021.

### **Selling and distribution expenses**

Selling and distribution expenses for 2H22 increased by \$2.102 million, up 21.55% as compared to 2H21. For FY2022, selling and distribution expenses increased by \$3.391 million, up 18.43% as compared to FY2021. This was mainly due to higher staff costs and business operation costs, which moved in tandem with higher revenue.

### **Administrative expenses**

Administrative expenses for 2H22 increased by \$317,000, up 3.05% as compared to 2H21. For FY2022, administrative expenses increased by \$1.010 million, up 5.20% as compared to FY2021. This was mainly because of higher directors' remuneration and staff costs linked to performance targets as well as higher operating costs incurred for the newly incorporated subsidiary in Cambodia.

### **Other operating expenses**

Other operating expenses for 2H22 and FY2022 increased by \$9.621 million and \$12.889 million respectively, mainly due to fair value loss on derivative financial instruments and higher loss allowance for trade and other receivables. Fair value loss on derivative financial instruments was mainly due to reversal of last years' fair value gain on derivative financial instruments against current year fair value gain on derivative financial instruments. Higher loss allowance for trade and other receivables was due to slower collection from the C&W Segment customers.

### **Finance costs**

Finance costs for 2H22 and FY2022 increased by \$188,000 and \$266,000 respectively, mainly due to higher interest on lease liabilities arising from a new lease in Cambodia and higher interest charges from short-term bank borrowings.

### **Share of profit of associates**

Higher share of profit from associates was mainly due to the Nylect Group performing better during the current financial year.

### **Profit before income tax**

The Group's profit before income tax ("PBT") grew \$16.876 million to \$16.993 in 2H22 from \$117,000 in 2H21.

PBT for FY2022 increased by \$5.963 million to \$27.281 million from \$21.318 million in FY2021, on the back of higher reversal of provision for onerous contracts.

The C&W Segment's PBT for FY2022 increased by \$5.680 million from \$12.505 million to \$18.185 million, mainly driven by reversal of provision for onerous contracts against fair value loss on derivative financial instruments and lower COVID-19 grants extended by the Singapore government. The EMD Segment's PBT expanded by \$1.456 million from \$6.296 million to \$7.752 million, moving in tandem with higher revenue. The PBT from T&I Segment and Switchboard Segment however declined by \$1.065 million and \$145,000 respectively. Lower PBT from T&I Segment was mainly the result of set-up costs for the subsidiary in Cambodia and lower grants from the Singapore government.

### **Income tax expense**

Income tax expense for 2H22 and FY2022 increased by \$2.572 million and \$1.282 million respectively. The increase moved in tandem with higher profit during the year.

### **Statement of financial position**

Cash and bank balance decreased by \$10.133 million, due to higher payment for purchases and repayment of bank borrowings towards period end.

Trade receivables increased by \$22.044 million, as a result of higher sales towards current period end.

Other receivables in total decreased by \$1.085 million primarily due to lower receivables from matured copper derivative contracts.

Contract assets decreased by \$2.762 million, primarily attributable to unbilled revenue and retention sum receivables for those revenue recognised over time for on-going contracts.

Derivative financial instruments in total decreased by \$12.277 million, mainly due to fair value adjustments on foreign currency forward contracts and copper contracts.

Inventories increased by \$28.872 million, mainly due to higher purchases in the C&W and EMD Segments towards period end.

Property, plant and equipment fell by \$871,000, mainly due to depreciation charges of \$5.037 million, disposal and write off of property, plant and equipment with net book value of \$310,000 against additions of property, plant and equipment amounting to \$4.521 million, particularly the plant and machinery for T&I Segment.

Right-of-use ("ROU") assets decreased by \$484,000 mainly due to depreciation charges of \$1.448 million, de-recognition of ROU with net book value of \$140,000 against additions of ROU amounting to \$854,000 and adjustments of \$88,000.

Deferred tax assets decreased by \$1.550 million, mainly due to timing differences arising from reversal of provision for onerous contracts.

Bank borrowings in total increased by \$13.193 million, primarily because of higher bank borrowings by the C&W Segment and EMD Segment for purchase of inventories, as well as higher bank borrowings by the T&I Segment for working capital purpose.

Trade payables increased by \$10.154 million, substantially due to higher purchases by the C&W Segment and EMD Segment towards current period end.

Other payables in total increased by \$1.165 million, mainly the result of higher provision for staff costs towards current period end.

Provision for onerous contracts decreased by \$10.130 million as a result of decrease in copper price towards reporting date.

### **Statement of cash flows**

The cash and cash equivalents at the end of the year decreased to \$29.196 million compared with \$39.329 million at the end of the previous financial year.

The Group's net cash used in operating activities of \$7.440 million was attributable to increase in trade receivables and inventories and payment of income tax offset by operating profit before working capital changes, decrease in contract assets and other receivables and increase in trade and other payables as well as advances received from customers

The net cash used in investing activities of \$3.866 million was mainly for purchase of property, plant and equipment, net of proceeds from disposal of plant and equipment, dividend received from an associate and interest received.

The net cash from financing activities of \$1.187 million was mainly due to net proceeds from bank borrowings against repayment of borrowings, lease liabilities, dividends and interest paid.

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

No forecast or a prospect statement has been previously disclosed to shareholders.

**10. 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.**

Ongoing geopolitical tensions, inflationary pressures and aggressive tightening of monetary policy are expected to weigh on the macroeconomic environment, increasing risks of a global recession. These headwinds may amplify the volatility in commodity prices and exacerbate supply chain disruptions which, in turn, would result in higher input costs amidst a tight labour market.

Notwithstanding these challenges, robust vaccination rates and the progressive easing of border restrictions have facilitated the pickup in business activities.

The Group remains cautiously optimistic of the industry prospects, particularly in the industrial, infrastructure and energy sectors where demand is expected to remain resilient because of secular growth trends. The Group will also remain vigilant in managing the ongoing price tension arising from the global shortage of copper, volatile copper prices, elevated shipping and freight costs as well as growing domestic wage pressures.

In addition to sharpening operational efficiencies, the Group remains focused on digitalisation, upskilling and sustainable development. The Group will continue to strategically execute its key initiatives to deliver long-term value to its stakeholders.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared (recommended) for the current financial period reported on? **Yes**

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.60 cent per ordinary share
Tax Rate	Exempt One-tier

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared (recommended) for the corresponding period of the immediately preceding financial year? **Yes**

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.50 cent per ordinary share
Tax Rate	Exempt One-tier

**(c) Date payable**

The proposed final one-tier exempt dividend of \$0.016 per ordinary share in respect of the financial year ended 30 June 2022, subject to Shareholders' approval at the forthcoming Annual General Meeting scheduled to be held on 31 October 2022, will be paid on 15 November 2022.

**(d) Record date**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 9 November 2022 for the purpose of preparing dividend warrants .

Duly completed transfers received by the Company's Share Registrars, B.A.C.S. Private Limited of 77 Robinson Road #06-03 Robinson 77, Singapore 068896 up to 5.00 p.m. on 8 November 2022 will be registered before entitlements to the final dividend are determined. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said final dividend will be paid by the Company to CDP which will distribute the dividend to holders of the securities accounts.

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

Not applicable.

13. **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.**

No IPT mandate has been obtained from shareholders.

14. **Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results).**

Not applicable.

15. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company has procured undertakings from all its directors and executive officer(s) required under Rule 720(1) of the Listing Manual.

16. **A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.**

		Latest Full Year (S\$)	Previous Full Year (S\$)
(a)	Ordinary	10,816,153	10,355,891
(b)	Preference	-	-
(c)	Total:	10,816,153	10,355,891

17. **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(11) 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
Mr. Lim Boon Hock Bernard	52	See below	Chief Executive Officer of the Issuer – 2013  (i) Overall responsibility for development and implementation of the Group’s vision, strategic agenda, and business plan together with Key Management.  (ii) Achieve targets and standards for financial and trading performance, quality, culture and legislative adherence as established by the Board.	Nil



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
Mr. Lim Chai Lai @ Louis Lim Chai Lai	76	See below	Chairman of Lim Kim Hai Electric Co. (S) Pte. Ltd. – 2008 (i) Formulating strategic decisions relating to business. (ii) Setting LKH Group policies. (iii) General administration of the LKH Group.	Nil
Mr. Chia Ah Heng	79	See below	Deputy Chairman of Lim Kim Hai Electric Co. (S) Pte. Ltd. – 2013  Overall responsibility for development and implementation of the Lim Kim Hai Group's vision, strategic agenda and business plan together with the CEO, including formulating business strategies and policies to achieve established goals and objectives determined by its Board of Directors.	Nil
Mr. Lim Chye Kwee	67	See below	Manager - Logistics of Lim Kim Hai Electric Co. (S) Pte. Ltd. – 2008 (i) Responsible for the operations of all warehousing and stock control. (ii) Responsible for the day to day running of warehouse. (iii) Ensure efficient and reliable delivery of products and goods.	Nil
Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict)	42	See below	General Manager – Operations of Cast Laboratories Pte Ltd - 2021 (i) To oversee the entire laboratory operations to support the achievement of budgeted annual sales and Profit Before Tax targets in alignment with the direction as agreed with the Cast Lab CEO. (ii) Collaborate with the Cast Lab Management in developing and driving the operational strategy of Cast Lab, including key management change and business transformation initiatives, in line with the	Nil

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
			<p>organisational vision of Cast Lab.</p> <ul style="list-style-type: none"> <li>(iii) Drive laboratory operations which include activities across the Logistics, Purchasing, Human Resource and Administration functions in Cast Lab.</li> <li>(iv) Set and monitor achievement of goals for laboratory operations' performance and growth in Logistics, Purchasing, Human Resource and Administration functions so as to fall in line with the goals set for the business.</li> <li>(v) Promote and deploy best practices in the laboratory operations' Logistics, Purchasing, Human Resource and Administration.</li> <li>(vi) Exercise control over the functions of Logistics, Purchasing, Human Resource and Administration of the laboratory operations.</li> <li>(vii) Chart clear succession plans and talent development programmes.</li> <li>(viii) Build high-performing teams for testing and inspection with high integrity.</li> <li>(ix) Build a culture in which individuals can thrive, in tandem with the growth of the business.</li> <li>(x) Enforce good corporate governance and sustainability in Cast Lab.</li> <li>(xi) Oversee and lead the departments in continual improvement activities.</li> <li>(xii) Manage company facilities for operation effectiveness.</li> </ul>	
Mr. Lim Boon San Lionel (Lin Wenshan, Lionel)	45		<p>Senior Manager - Business Development of Lim Kim Hai Electric Co. Pte. Ltd. - 2021</p> <ul style="list-style-type: none"> <li>(i) Executive appointment in LKHE with following responsibilities:-</li> <li>(ii) Explore and create new business to augment existing</li> </ul>	Nil

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
			<p>services, products and solutions to achieve company profitability, liquidity, continuity and growth.</p> <ul style="list-style-type: none"> <li>(iii) Prepare business development plan for business needs and growth.</li> <li>(iv) Research, source and develop new products, solutions and markets to complement and grow existing business.</li> <li>(v) Create new leads and customers to increase market reach and customer base.</li> <li>(vi) Establish and strengthen business partnership with new or existing brands to improve company image and position in local market.</li> <li>(vii) Work autonomously and collaboratively with stakeholders to achieve the company sales targets.</li> <li>(viii) Evaluate viability and propose for management decision-making, new business market and solutions to meet the business needs.</li> <li>(ix) Report on business development outcomes/results related to sales for management review meetings.</li> <li>(x) Provide staff coaching, mentoring and on-the-job training for product and marketing teams.</li> </ul>	

Name	Family relationship with any director and/or substantial shareholder
Mr. Lim Boon Hock Bernard	Mdm. Pang Yoke Chun - Wife Mr. Lim Chye Huat @ Bobby Lim Chye Huat - Father Mr. Lim Chai Lai @ Louis Lim Chai Lai - Uncle Mdm. Chan Kum Lin - Aunt Mr. Lim Boon Chin Benjamin - Brother Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Brother Mdm. Guah Li Mei Joanna – Sister-in-law
Mr. Lim Chai Lai @ Louis Lim Chai Lai	Mdm. Chan Kum Lin - Wife Mr. Lim Chye Huat @ Bobby Lim Chye Huat - Brother Mr. Lim Boon Hock Bernard - Nephew Mdm. Pang Yoke Chun - Niece Mr. Lim Boon Chin Benjamin - Nephew Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Nephew Mdm. Guah Li Mei Joanna – Niece
Mr. Chia Ah Heng	Mr. Lim Chye Huat @ Bobby Lim Chye Huat - Brother-in-law Mr. Lim Chai Lai @ Louis Lim Chai Lai - Brother-in-law Mdm. Chan Kum Lin - Sister-in-law Mr. Lim Boon Hock Bernard - Nephew Mdm. Pang Yoke Chun - Niece Mr. Lim Boon Chin Benjamin - Nephew Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Nephew Mdm. Guah Li Mei Joanna – Niece
Mr. Lim Chye Kwee	Mr. Lim Chye Huat @ Bobby Lim Chye Huat – Brother Mr. Lim Chai Lai @ Louis Lim Chai Lai – Brother Mdm. Chan Kum Lin – Sister-in-law Mr. Lim Boon Hock Bernard – Nephew Mdm. Pang Yoke Chun – Niece Mr. Lim Boon Chin Benjamin – Nephew Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Nephew Mdm. Guah Li Mei Joanna – Niece
Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict)	Mdm. Guah Li Mei Joanna – Wife Mr. Lim Chye Huat @ Bobby Lim Chye Huat – Father Mr. Lim Chai Lai @ Louis Lim Chai Lai – Uncle Mdm. Chan Kum Lin – Aunt Mr. Lim Boon Hock Bernard – Brother Mdm. Pang Yoke Chun – Sister-In-Law Mr. Lim Boon Chin Benjamin – Brother

Name	Family relationship with any director and/or substantial shareholder
Mr. Lim Boon San Lionel (Lin Wenshan, Lionel)	Mr. Lim Chye Huat @ Bobby Lim Chye Huat - Uncle Mr. Lim Chai Lai @ Louis Lim Chai Lai – Father Mdm. Chan Kum Lin – Mother Mr. Lim Boon Hock Bernard – Cousin Mdm. Pang Yoke Chun – Cousin-In-Law Mr. Lim Boon Chin Benjamin – Cousin Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Cousin Ms Guah Li Mei Joanna - Cousin-In-Law

**BY ORDER OF THE BOARD**

Tan Shou Chieh  
Secretary

Singapore, 26 August 2022