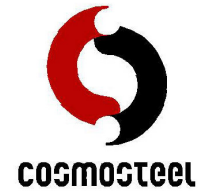




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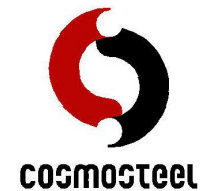
COSMOSTEEL HOLDINGS LIMITED

Condensed Interim Financial Statements
For the First Half Year Ended 31 March 2023
("1HY2023")



COSMOSTEEL HOLDINGS LIMITED
Co. Reg. No. 200515540Z

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COSMOSTEEL HOLDINGS LIMITED
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CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

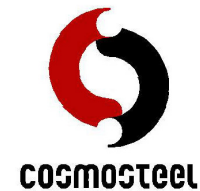
A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	1HY2023 \$'000	Group 1HY2022 \$'000	% + / (-)
Revenue	4	52,009	20,057	159.3
Cost of Sales		(43,603)	(15,657)	178.5
Gross Profit		8,406	4,400	91.0
Interest Income		119	-	100.0
Finance Costs		(385)	(150)	156.7
Marketing and Distribution Costs		(1,579)	(1,947)	(18.9)
Administrative Expenses		(2,081)	(1,855)	12.2
Depreciation of Property, Plant and Equipment		(1,349)	(1,196)	12.8
Depreciation of Right-of-Use Assets		(323)	(695)	(53.5)
Other (Losses)/ Gains (Net)		(85)	3,693	(102.3)
Profit Before Tax	5	2,723	2,250	21.0
Income Tax Benefit/ (Expense)	6	111	(214)	(151.9)
Profit for The Period		2,834	2,036	39.2
<u>Other Comprehensive Income/ (Loss):</u>				
Items That Will Not Be Reclassified To Profit or Loss:				
Gains/ (Losses) on Property Revaluation, Net of Tax		541	(1,042)	(151.9)
Items That May Be Reclassified Subsequently To Profit or Loss:				
Exchange Differences on Translating Foreign Operations, Net of Tax		42	(48)	(187.5)
Other Comprehensive Income/ (Loss) for The Period, Net of Tax		583	(1,090)	(153.5)
Total Comprehensive Income for The Period, Net of Tax		3,417	946	261.2
<u>Earnings Per Share:</u>				
Basic and Diluted (In Cents)	7	1.08	0.71	

COSMOSTEEL HOLDINGS LIMITED
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B. Condensed Interim Statements of Financial Position

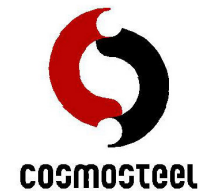
	Notes	Group		Company	
		As at 31 Mar 2023 \$'000	As at 30 Sep 2022 \$'000	As at 31 Mar 2023 \$'000	As at 30 Sep 2022 \$'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	9	22,707	22,463	-	-
Right-of-Use Assets		2,232	2,488	-	-
Investments in Subsidiaries		-	-	60,107	60,107
Trade and Other Receivables		1,161	-	-	-
Total Non-Current Assets		26,100	24,951	60,107	60,107
Current Assets					
Inventories		25,925	30,154	-	-
Trade and Other Receivables		40,352	17,170	601	345
Financial Assets	10	149	142	-	-
Other Non-Financial Assets		1,022	485	46	28
Cash and Cash Equivalents		23,274	24,895	1,240	1,979
Total Current Assets		90,722	72,846	1,887	2,352
Total Assets		116,822	97,797	61,994	62,459
EQUITY AND LIABILITIES					
Equity					
Share Capital	12	56,325	56,325	56,325	56,325
Treasury Shares	12	(4,238)	(4,238)	(4,238)	(4,238)
Retained Earnings		21,144	19,167	9,693	10,084
Other Reserves		6,763	6,630	-	-
Total Equity		79,994	77,884	61,780	62,171
Non-Current Liabilities					
Provisions		719	815	-	-
Loans and Borrowings	11	4,713	5,847	-	-
Lease Liabilities		2,120	2,167	-	-
Total Non-Current Liabilities		7,552	8,829	-	-
Current Liabilities					
Trade and Other Payables		13,073	5,601	214	288
Loans and Borrowings	11	15,583	4,767	-	-
Lease Liabilities		232	429	-	-
Other Non-Financial Liabilities		388	287	-	-
Total Current Liabilities		29,276	11,084	214	288
Total Liabilities		36,828	19,913	214	288
Total Equity and Liabilities		116,822	97,797	61,994	62,459



COSMOSTEEL HOLDINGS LIMITED
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C. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	1HY2023	1HY2022
	\$'000	\$'000
Cash Flows From Operating Activities :		
Profit Before Tax	2,723	2,250
Adjustments for :		
Interest Income	(119)	-
Interest Expense	385	150
Depreciation of Property, Plant and Equipment	1,349	1,196
Depreciation of Right-of-Use Assets	323	695
Operating Cash Flows before Changes in Working Capital	4,661	4,291
Inventories	4,229	(2,228)
Trade and Other Receivables	(24,174)	(2,337)
Financial Assets	(7)	(5)
Other Non-Financial Assets	(537)	247
Trade and Other Payables	7,472	(1,504)
Other Non-Financial Liabilities	101	(134)
Net Cash Flows Used in Operations	(8,255)	(1,670)
Income Taxes Paid	(126)	-
Net Cash Flows Used in Operating Activities	(8,381)	(1,670)
Cash Flows From Investing Activities :		
Purchase of Property, Plant and Equipment	(855)	(1,570)
Interest Received	119	-
Net Cash Flows Used in Investing Activities	(736)	(1,570)
Cash Flows From Financing Activities :		
Increase/ (Decrease) in Loan and Borrowings	9,357	(1,909)
Increase from New Borrowings	325	362
Payment of Lease Liabilities (Principal Portion)	(312)	(676)
Payment of Lease Liabilities (Interest Portion)	(38)	(45)
Provisions, Non-Current	(182)	-
Purchase of Treasury Shares	-	(435)
Dividends Paid	(1,307)	(1,452)
Interest Paid	(347)	(105)
Net Cash Flows From/ (Used in) Financing Activities	7,496	(4,260)
Net Decrease in Cash and Cash Equivalents	(1,621)	(7,500)
Cash and Cash Equivalents at Beginning of The Period	24,895	32,549
Cash and Cash Equivalents at End of The Period	23,274	25,049



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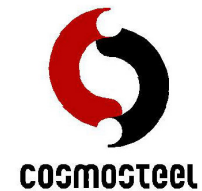
C. Condensed Interim Consolidated Statement of Cash Flows (cont'd)

	Group	
	As at 31-Mar-23 \$'000	As at 31-Mar-22 \$'000
Cash and Cash Equivalents	23,274	25,049
Cash Restricted in Use Over 3 Months	-	-
Cash and Cash Equivalents at End of The Period	23,274	25,049

D. Condensed Interim Statements of Changes in Equity

Group	Currency					
	Share Capital \$'000	Treasury Shares \$'000	Translation Reserve \$'000	Revaluation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 October 2021	56,325	-	275	7,604	18,170	82,374
Total Comprehensive Income for 1HY2022	-	-	(48)	(1,042)	2,036	946
Dividends Paid (Note 8)	-	-	-	-	(1,452)	(1,452)
Purchase of Treasury Shares (Note 12)	-	(435)	-	-	-	(435)
Transfer to Retained Earnings of Difference Between Depreciation on Revalued Carrying Amount and Depreciation Based on Original Cost	-	-	-	(470)	470	-
Balance at 31 March 2022	56,325	(435)	227	6,092	19,224	81,433
Balance at 1 October 2022	56,325	(4,238)	342	6,288	19,167	77,884
Total Comprehensive Income for 1HY2023	-	-	42	541	2,834	3,417
Dividends Paid (Note 8)	-	-	-	-	(1,307)	(1,307)
Transfer to Retained Earnings of Difference Between Depreciation on Revalued Carrying Amount and Depreciation Based on Original Cost	-	-	-	(450)	450	-
Balance at 31 March 2023	56,325	(4,238)	384	6,379	21,144	79,994

Company	Share Capital \$'000	Treasury Shares \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 October 2021	56,325	-	7,257	63,582
Total Comprehensive Loss for 1HY2022	-	-	(72)	(72)
Dividends Paid (Note 8)	-	-	(1,452)	(1,452)
Purchase of Treasury Shares (Note 12)	-	(435)	-	(435)
Balance at 31 March 2022	56,325	(435)	5,733	61,623
Balance at 1 October 2022	56,325	(4,238)	10,084	62,171
Total Comprehensive Income for 1HY2023	-	-	916	916
Dividends Paid (Note 8)	-	-	(1,307)	(1,307)
Balance at 31 March 2023	56,325	(4,238)	9,693	61,780



COSMOSTEEL HOLDINGS LIMITED
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E. Notes to the Condensed Interim Consolidated Financial Statements
31 March 2023

1. General

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the company (referred to as “parent”) and the subsidiaries. The registered office is: 14 Lok Yang Way, Singapore 628633. The company is situated in Singapore.

The board of directors approved and authorised these condensed interim financial statements for issue on the date of this announcement. The directors have the power to amend and reissue the financial statements.

The company is an investment holding company. It is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The principal activities of the group are disclosed in Note 3 on segment information.

The financial information contained in this announcement has neither been audited nor reviewed by the auditors.

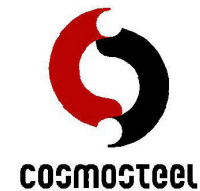
The latest audited annual financial statements (“AAFS”) were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

Uncertainties relating to the current economic conditions

Management has considered the current economic conditions arising from the Covid-19 pandemic and the war in Ukraine and how they affect customers, supply chains, staffing and the countries in which the group operates in. There does not currently appear to be either any material impact upon the financial statements or any material uncertainties with respect to events or conditions that may impact the reporting entity unfavourably as at the reporting date or subsequently because of the current economic conditions.

Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS (I) s”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. They are also in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and the provisions of the SGX Mainboard Listing Rules.



COSMOSTEEL HOLDINGS LIMITED
Co. Reg. No. 200515540Z

1. General (cont'd)

Basis of presentation (cont'd)

The accounting policies and methods of computation applied in these condensed interim consolidated financial statements are consistent with those of the latest audited annual financial statements for the reporting year ended 30 September 2022. However, the typical notes and information included in the latest audited annual financial statements are not included in these financial statements except for the selected explanatory notes included to explain events and transactions that are significant to an understanding of the changes in the performance and financial position the group since the latest audited annual financial statements.

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.

Critical judgements, assumptions and estimation uncertainties

These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates. The nature and the carrying amount of such significant assets and liabilities are disclose with further details in the relevant Notes to these condensed interim consolidated financial statements.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2022.

2. Seasonality of operations

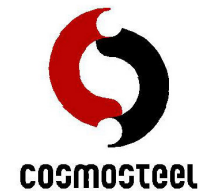
The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

3. Financial information by operating segments

3A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 *Operating Segments*. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

Revenue generated is derived from the sale, supply and machining of flanges, steel fittings, tubing and pipes for the following main industries which form the basis on which the group reports its primary segment information.



COSMOSTEEL HOLDINGS LIMITED
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3. Financial information by operating segments (cont'd)

3A. Information about reportable segment profit or loss, assets and liabilities (cont'd)

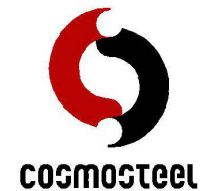
The main industries of the customers are as follows:

- Energy – Oil and gas, engineering and construction, petrochemical and power
- Marine – Shipbuilding and repair
- Trading – Traders that purchase goods and on-sell to end-user customers
- Others – Other industries such as the manufacturing and pharmaceutical sectors

Unallocated items comprise cash and cash equivalents, trade and other receivables, property, plant and equipment, right-of-use assets, other financial liabilities, trade and other payables, other non-financial liabilities, current tax recoverable (payable), deferred tax liabilities, interest income, depreciation expenses, marketing and distribution costs, administrative expenses, finance costs, other gains (losses) and income tax benefit (expense). It is not meaningful to allocate these amounts by business segments.

3B. Profit or loss from continuing operations and reconciliations

	<u>Energy</u> \$'000	<u>Marine</u> \$'000	<u>Trading</u> \$'000	<u>Others</u> \$'000	<u>Group</u> \$'000
<u>1HY2023</u>					
Revenue by segment					
Total revenue	42,314	2,182	6,845	668	52,009
Segment results	5,462	625	2,164	155	8,406
Unallocated expenses					(5,332)
Profit from operations					3,074
Interest income					119
Finance costs					(385)
Other losses (net)					(85)
Profit before tax					2,723
Income tax benefit					111
Profit from continuing operations					2,834
<u>1HY2022</u>					
Revenue by segment					
Total revenue	13,666	794	5,046	551	20,057
Segment results	3,248	241	1,225	(314)	4,400
Unallocated expenses					(5,693)
Loss from operations					(1,293)
Finance costs					(150)
Other gains (net)					3,693
Profit before tax					2,250
Income tax expense					(214)
Profit from continuing operations					2,036



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3. Financial information by operating segments (cont'd)

3C. Assets, liabilities and reconciliations

Assets and liabilities of the group are considered impracticable to allocate to segments.

3D. Other material items and reconciliations

	<u>Group</u>	
	<u>1HY2023</u>	<u>1HY2022</u>
	\$'000	\$'000
Expenditures for non-current assets	(855)	(1,570)
Allowance for impairment of trade receivables – loss	(263)	–
Bad debts recovered on trade receivables (net)	34	111
Reversal of write-down of inventories	1,575	3,400
	<u>1,575</u>	<u>3,400</u>

3E. Geographical information

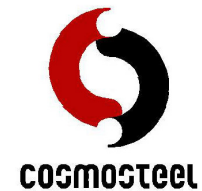
The following table provides an analysis of the revenue and non-current assets by geographical market, irrespective of the origin of the goods/services:

	<u>Group</u>			
	<u>Revenue</u>		<u>Non-current assets</u>	
	<u>1HY2023</u>	<u>1HY2022</u>	<u>31 Mar 23</u>	<u>30 Sep 22</u>
	\$'000	\$'000	\$'000	\$'000
Singapore	42,063	11,311	26,090	24,919
Brunei	2,016	2,911	–	–
Japan	2,662	3,366	–	–
Other countries	5,268	2,469	10	32
	<u>52,009</u>	<u>20,057</u>	<u>26,100</u>	<u>24,951</u>

Other than Singapore (1HY2022: Singapore, Brunei and Japan), no single country accounted for 10% or more of the Group's revenue.

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located.

The group has not identified profit before tax by industries or by geographical markets as the allocation of costs cannot be allocated in a similar manner with reasonable accuracy. This is because the operating expenses and administrative expenses incurred for industries or geographical markets such as marketing expenses, remuneration and facilities-related costs are general costs which are accounted for on a group-wide basis. It is not meaningful to track operating costs and administrative expenses by industries or geographical markets.



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4. Disaggregation of revenue

	<u>1HY2023</u> \$'000	<u>Group</u> <u>1HY2022</u> \$'000
Sale of goods	51,995	20,036
Other	14	21
Total revenue	<u>52,009</u>	<u>20,057</u>

The revenue is primarily from sale of goods, which is recognised based on point in time. The customers are mainly from the energy sector with a large portion from Singapore.

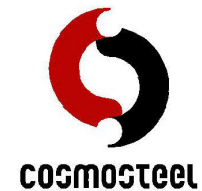
5. Profit before tax is arrived after crediting/ (charging) the following:

	<u>1HY2023</u> \$'000	<u>Group</u> <u>1HY2022</u> \$'000
<u>Finance costs</u>		
Interest on borrowings	(347)	(105)
<u>Marketing and distribution costs</u>		
Employee benefits expense	(1,358)	(1,714)
<u>Administrative expenses</u>		
Employee benefits expense	(925)	(699)
<u>Other gains and (other losses)</u>		
Allowance for impairment of trade receivables – loss	(263)	–
Bad debts recovered on trade receivables (net)	34	111
Fair value gains on financial assets at FVTPL	7	5
Foreign exchange (losses)/ gains	(1,438)	177
Reversal of write-down of inventories	1,575	3,400
	<u>1,575</u>	<u>3,400</u>

6. Income tax

Components of tax expense recognised in profit or loss include:

	<u>1HY2023</u> \$'000	<u>Group</u> <u>1HY2022</u> \$'000
<u>Deferred tax</u>		
Deferred tax (benefit)/ expense	(111)	214
Subtotal	(111)	214
Total income tax (benefit)/ expense	<u>(111)</u>	<u>214</u>



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7. Earnings per share

The earnings per share is calculated by dividing the group's profit attributable to shareholders by the weighted number of shares of no par value in issue during the period.

	<u>Group</u>	
	<u>1HY2023</u>	<u>1HY2022</u>
	\$'000	\$'000
The calculation of the earnings per share is based on the following:		
Profit for the year attributable to the equity holders of the company for the purposes of basic and diluted earnings per share	2,834	2,036
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	261,360,097	288,595,807
Profit figures are calculated as follows:		
Earnings per share – cents	1.08	0.71

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting period.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. It is after the neutralisation by the treasury shares.

The fully diluted profit per ordinary share is the same as the basic profit per ordinary share as there were no options granted or outstanding during the reporting period.

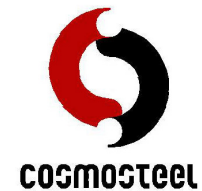
8. Dividends on equity shares

	<u>Group and Company</u>			
	<u>Rate per share – cents</u>			
	<u>1HY2023</u>	<u>1HY2022</u>	<u>1HY2023</u>	<u>1HY2022</u>
			\$'000	\$'000
Final tax exempt (1-1.tier) dividend paid	0.50	0.50	1,307	1,452
Total dividends paid in the period	0.50	0.50	1,307	1,452

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9. Property, plant and equipment

<u>Group</u>	<u>Leasehold properties and improvements</u> \$'000	<u>Plant and equipment</u> \$'000	<u>Work in progress</u> \$'000	<u>Total</u> \$'000
<u>Cost or valuation</u>				
At 1 October 2021	21,849	7,298	391	29,538
Foreign exchange adjustments	–	(5)	–	(5)
Additions	–	343	2,530	2,873
Transfer in/ (out)	2,746	175	(2,921)	–
Adjustment to provision	110	–	–	110
Revaluation	(2,346)	–	–	(2,346)
At 30 September 2022	22,359	7,811	–	30,170
Foreign exchange adjustments	–	(5)	–	(5)
Additions	719	136	–	855
Disposals	(305)	(513)	–	(818)
Adjustment to provision	86	–	–	86
Revaluation	(400)	–	–	(400)
At 31 March 2023	22,459	7,429	–	29,888
<u>Represented by</u>				
Cost	–	7,429	–	7,429
Valuation	22,459	–	–	22,459
	22,459	7,429	–	29,888
<u>Accumulated depreciation and impairment losses</u>				
At 1 October 2021	996	6,199	–	7,195
Foreign exchange adjustments	–	(4)	–	(4)
Depreciation for the year	1,950	378	–	2,328
Elimination of depreciation on revaluation	(1,812)	–	–	(1,812)
At 30 September 2022	1,134	6,573	–	7,707
Foreign exchange adjustments	–	(5)	–	(5)
Depreciation for the period	1,141	208	–	1,349
Disposals	(305)	(513)	–	(818)
Elimination of depreciation on revaluation	(1,052)	–	–	(1,052)
At 31 March 2023	918	6,263	–	7,181
<u>Carrying value</u>				
At 1 October 2021	20,853	1,099	391	22,343
At 30 September 2022	21,225	1,238	–	22,463
At 31 March 2023	21,541	1,166	–	22,707



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9. Property, plant and equipment (cont'd)

9.1 Valuation

The fair value of leasehold properties and improvements located at 14 Lok Yang Way and 90 Second Lok Yang Road were measured in March 2023 based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting period. The fair value was based on valuations made by Jones Lang LaSalle Property Consultants Pte Ltd, a firm of independent valuers on a systematic basis at least once yearly. The independent valuers hold recognised and relevant professional qualifications with sufficient recent experience in the location and category of the properties being valued. There has been no change to the valuation techniques during the year. Management determined that the highest and best use of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

The fair value measurements for the properties are categorised within Level 2 of the fair value hierarchy. The valuation was based on the comparison method that considers the sales or rental income of similar properties that have been transacted in the open market with adjustment made for differences in factors that affect value.

The surplus net of applicable deferred income tax on revaluation of \$541,000 (1HY2022: Deficit of \$1,042,000) has been credited to asset revaluation reserve in other comprehensive income.

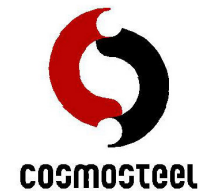
Valuation policies and procedures

It is the group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS (I) 13: Fair Value Measurement.

10. Financial assets

	<u>Group</u>	
	<u>31 Mar 23</u>	<u>30 Sep 22</u>
	\$'000	\$'000
Key men insurance	<u>149</u>	<u>142</u>

The fair value of the financial assets is not based on observable market data (Level 3). Also see Note 13A.



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11. Aggregate amount of the Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 Mar 23		As at 30 Sep 22	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
15,583	–	4,767	–

Amount repayable after one year

As at 31 Mar 23		As at 30 Sep 22	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
4,713	–	5,847	–

Details of any collateral

As at 31 March 2023, the Group's borrowings and debt securities consist of bills payable, bridging loan and loan for the properties at 14 Lok Yang Way 628633 and 90 Second Lok Yang Road Singapore 628166.

The borrowings are secured by:

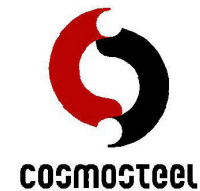
- (a) Legal mortgage on the Group's leasehold property at 90 Second Lok Yang Road Singapore 628166;
- (b) Negative pledge over the assets of the Group;

and covered by corporate guarantees issued by the Company.

12. Share capital

	Number of shares <u>issued</u>	<u>Company</u>		<u>Total</u> \$'000
		<u>Share capital</u> \$'000	<u>Treasury shares</u> \$'000	
Ordinary shares of no par value:				
Balance at 1 October 2021	290,399,997	56,325	–	56,325
Treasury shares purchased ^(a)	<u>(29,039,900)</u>	–	<u>(4,238)</u>	<u>(4,238)</u>
Balance at 30 September 2022 and 31 March 2023	<u>261,360,097</u>	<u>56,325</u>	<u>(4,238)</u>	<u>52,087</u>

- ^(a) Under the mandate approved at the last annual general meeting on 28 January 2022, 29,039,900 ordinary shares were acquired during the reporting year ended 30 September 2022 on the Singapore Stock Exchange for a consideration of \$4,238,000 and held as treasury shares.



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12. Share capital (cont'd)

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2023 and 30 September 2022.

13. Categories of financial assets and liabilities

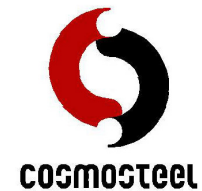
The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	<u>Group</u>	
	<u>31 Mar 23</u>	<u>30 Sep 22</u>
	\$'000	\$'000
<u>Financial assets:</u>		
Financial assets at amortised cost	60,958	40,831
Financial assets at fair value through profit or loss	149	142
At end of the year	<u>61,107</u>	<u>40,973</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	35,721	18,811
At end of the year	<u>35,721</u>	<u>18,811</u>
	<u>Company</u>	
	<u>31 Mar 23</u>	<u>30 Sep 22</u>
	\$'000	\$'000
<u>Financial assets:</u>		
Financial assets at amortised cost	1,715	2,324
At end of the year	<u>1,715</u>	<u>2,324</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	214	288
At end of the year	<u>214</u>	<u>288</u>

13A. Fair value of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

	<u>Group</u>	
	<u>Level 3</u>	
	<u>31 Mar 23</u>	<u>30 Sep 22</u>
	\$'000	\$'000
Financial assets at fair value through profit or loss	149	142
	<u>149</u>	<u>142</u>



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13A. Fair value of financial instruments (cont'd)

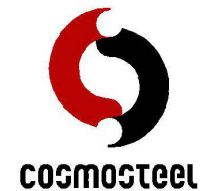
Reconciliation for fair value measurements in Level 3 of the fair value hierarchy

	<u>Group</u>	
	<u>31 Mar 23</u>	<u>30 Sep 22</u>
	\$'000	\$'000
Balance at beginning of the year	142	130
Gains recognised in profit or loss under other gains	7	12
Balance at end of the year	<u>149</u>	<u>142</u>

The fair value of the financial assets is not based on observable market data (Level 3) (Note 10).

14. Net assets value

	<u>Group</u>		<u>Company</u>	
	<u>31 Mar 23</u>	<u>30 Sep 22</u>	<u>31 Mar 23</u>	<u>30 Sep 22</u>
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the financial period (in cents)	30.61	29.80	23.64	23.79
Total number of issued shares excluding treasury shares	<u>261,360,097</u>	<u>261,360,097</u>	<u>261,360,097</u>	<u>261,360,097</u>



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15. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	<u>1HY2023</u>	<u>Group</u>	<u>1HY2022</u>
	\$'000		\$'000
<u>Other related parties</u>			
Revenue from sales of goods to a controlling shareholder and its subsidiaries ^(a)	(2,592)		(3,266)
Purchases of goods and services from a controlling shareholder and its subsidiaries ^(a)	1,181		410
Revenue from sale of goods	(73)		(422)
Purchases of goods and services	48		414
Legal expenses	84		145
	<u>84</u>		<u>145</u>

^(a) Hanwa Co., Ltd is a controlling shareholder of the company. It has significant influence over the company.

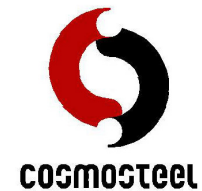
16. Capital commitments

Estimated amounts committed at the end of the financial period for future capital expenditure but not recognised in the condensed interim unaudited financial statements are as follows:

	<u>31 Mar 23</u>	<u>Group</u>	<u>30 Sep 22</u>
	\$'000		\$'000
Commitments to purchase property, plant and equipment	—		424
	<u>—</u>		<u>424</u>

17. Events after the end of the reporting period

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



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18. Changes and adoption of financial reporting standards

The same accounting policies and methods of computation used in the latest audited annual financial statements have been applied.

F. Other Information Required by Listing Rule Appendix 7.2

- 1. Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, 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 since 30 September 2022. There were no outstanding convertibles as at 31 March 2023 and 31 March 2022.

	As at 31 Mar 23	As at 31 Mar 22
Treasury shares	29,039,900	3,696,000
% of treasury shares of the total number of issued ordinary shares	10.00%	1.27%

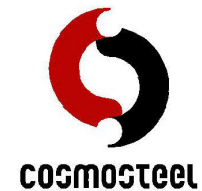
There were no subsidiary holdings held as at 31 March 2023 and 31 March 2022.

- 2. 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.**

As at 31 Mar 23	As at 30 Sep 22
261,360,097	261,360,097

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

Not applicable.



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

Not applicable.

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

The figures have not been audited or reviewed.

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

Not applicable.

- 6A. **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.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

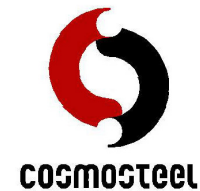
Not applicable.

7. **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 has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as in the most recently audited financial statements for the financial year ended 30 September 2022.

8. **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.**

There were no changes in the accounting policies and methods of computation.



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9. **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 and Other Comprehensive Income Review

Revenue

Revenue had increased by \$31.9 million or 159.3% from \$20.1 million in 1HY2022 to \$52.0 million in 1HY2023. The increase was mainly due to the increase in revenue from Energy Sector. Revenue from Energy Sector had increased by \$28.6 million or 209.6% from \$13.7 million in 1HY2022 to \$42.3 million in 1HY2023. Likewise, revenue from Marine Sector had increased by \$1.4 million or 175.0% from \$0.8 million in 1HY2022 to \$2.2 million in 1HY2023. Revenue from Trading Sector had increased by \$1.8 million or 35.6% from \$5.0 million in 1HY2022 to \$6.8 million in 1HY2023.

Geographically, Singapore market was the main contributor at 80.9% of the revenue generated in 1HY2023. Revenue from Singapore market had increased by \$30.8 million or 271.9% from \$11.3 million in 1HY2022 to \$42.1 million in 1HY2023.

Gross Profit and Gross Profit Margin

In line with revenue growth, gross profit increased by \$4.0 million or 91.0% from \$4.4 million in 1HY2022 to \$8.4 million in 1HY2023 while gross profit margin decreased by 5.7 percentage points to 16.2% from 21.9% over the same period.

Interest Income and Finance Costs

Interest income of \$0.1 million in 1HY2023 mainly from the interest earned on fixed deposits.

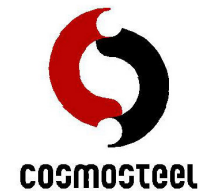
Finance costs had increased by \$0.2 million or 156.7% from \$0.2 million in 1HY2022 to \$0.4 million in 1HY2023 mainly due to the increase in loan and borrowings and higher interest rates.

Operating Expenses

Marketing and distribution costs had decreased by \$0.3 million or 18.9% from \$1.9 million in 1HY2022 to \$1.6 million in 1HY2023 mainly from lower employee benefits expense.

Administrative expenses had increased by \$0.2 million or 12.2% from \$1.9 million in 1HY2022 to \$2.1 million in 1HY2023 mainly from higher employee benefits expense.

Depreciation of property, plant and equipment had increased by \$0.1 million or 12.8% from \$1.2 million in 1HY2022 to \$1.3 million in 1HY2023 mainly from the increase in depreciation of leasehold properties and improvements.



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9. 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. (cont'd)

Statement of Profit or Loss and Other Comprehensive Income Review (cont'd)

Operating Expenses (cont'd)

Depreciation of right-of-use assets had decreased by \$0.4 million or 53.5% from \$0.7 million in 1HY2022 to \$0.3 million in 1HY2023 as the lease at 21A Neythal Road was expired on 30 November 2022.

Other (Losses) /Gains (Net)

Other gains had decreased by \$3.8 million or 102.3% from a gain of \$3.7 million in 1HY2022 to a loss of \$85 thousand in 1HY2023 mainly due to foreign exchange losses and decrease in reversal of write-down of inventories in 1HY2023.

Profit Before Tax

Profit before tax had increased by \$0.4 million or 21.0% from \$2.3 million in 1HY2022 to \$2.7 million in 1HY2023 due to the aforementioned reasons.

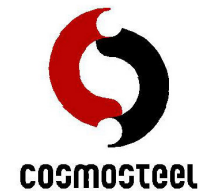
Other Comprehensive Income/ (Loss)

Other comprehensive loss had decreased by \$1.7 million of 153.5% from a loss of \$1.1 million in 1HY2022 to an income of \$0.6 million in 1HY2023 mainly from the exchange differences on translating foreign operations and revaluation of the properties. The partial redevelopment of the leasehold property located at 14 Lok Yang Way was in progress in 1HY2022. The valuation of this property was based on as-is where-is basis as at 31 March 2022.

Statement of Financial Position Review

Non-Current Assets

Non-current assets had increased by \$1.1 million or 4.6% from \$25.0 million as at 30 September 2022 to \$26.1 million as at 31 March 2023 mainly from the revaluations of the leasehold properties, the purchase of plant and equipment and non-current portion of trade and other receivables, partly offset by the depreciation charged in the current financial period.



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9. 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. (cont'd)

Statement of Financial Position Review (cont'd)

Current Assets

Current assets had increased by \$17.9 million or 24.5% from \$72.8 million as at 30 September 2022 to \$90.7 million as at 31 March 2023. The increase was mainly due to increase in trade and other receivables, partly offset by decrease in inventories and cash and cash equivalents. Trade and other receivables had increased by \$23.2 million or 135.0% from \$17.2 million as at 30 September 2022 to \$40.4 million as at 31 March 2023. On the other hand, inventories had decreased by \$4.3 million or 14.0% from \$30.2 million as at 30 September 2022 to \$25.9 million as at 31 March 2023. Cash and cash equivalents had decreased by \$1.6 million or 6.5% from \$24.9 million as at 30 September 2022 to \$23.3 million as at 31 March 2023.

Non-Current Liabilities

Non-current liabilities had decreased by \$1.2 million or 14.5% from \$8.8 million as at 30 September 2022 to \$7.6 million as at 31 March 2023 mainly from the repayment of loan and borrowings.

Current Liabilities

Current liabilities had increased by \$18.2 million or 164.1% from \$11.1 million as at 30 September 2022 to \$29.3 million as at 31 March 2023. The increase was mainly due to increase in trade and other payables and loans and borrowings. Trade and other payables had increased by \$7.5 million or 133.4% from \$5.6 million as at 30 September 2022 to \$13.1 million as at 31 March 2023. Loan and borrowings had increased by \$10.8 million or 226.9% from \$4.8 million as at 30 September 2022 to \$15.6 million as at 31 March 2023.

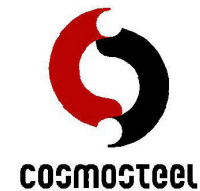
Equity

Total equity had increased by \$2.1 million or 2.7% from \$77.9 million as at 30 September 2022 to \$80.0 million as at 31 March 2023 mainly from the profit generated in 1HY2023 and surplus on revaluation of the properties, partly offset by the dividend paid.

Statement of Cash Flows Review

Cash Flows Used in Operating Activities

Cash used in operating activities had increased by \$6.7 million from \$1.7 million in 1HY2022 to \$8.4 million in 1HY2023 mainly from the working capital changes.



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9. **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. (cont'd)**

Statement of Cash Flows Review (cont'd)

Cash Flows Used in Investing Activities

Cash used in investing activities had decreased by \$0.9 million from \$1.6 million in 1HY2022 to \$0.7 million in 1HY2023 mainly from less capital expenditure in the current financial period.

Cash Flows from/ (Used in) Financing Activities

Cash used in financing activities had decreased by \$11.8 million from an outflow of \$4.3 million in 1HY2022 to an inflow of \$7.5 million in 1HY2023 mainly from increase in loan and borrowings, less lease payment and no purchase of treasury shares in the current financial period.

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

No forecast or prospect statement was previously disclosed.

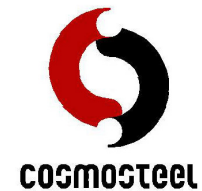
11. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

Going forward, the Group expects the operating environment to continue to be challenging and the market to remain highly competitive. Despite the competitive landscape, we believe there are growth opportunities and we will continue to strengthen our sales and marketing capabilities and actively identify new potential markets and customers.

As part of the Group's expansion plans, we had on 9 May 2023, announced the entry into a conditional sale and purchase agreement to purchase a warehouse in Mukim Senai, District of Kulai, State of Johor, Malaysia. This acquisition is in line with the Group's expansion plans into Malaysia.

In addition to the focus on growth, the Group remains committed in containing and managing costs as we recognise that cost management is a critical component of success particularly in a competitive market.

Barring unforeseen circumstances, the Company is expected to be profitable for FY2023.



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12. Dividend

(a) Current Financial Period Reported On

No dividend is declared by the Company for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

A dividend of \$0.0025 per share was declared by the Company for the corresponding period of the immediately preceding financial year.

(c) Date Payable

Not applicable.

(d) Record Date

Not applicable.

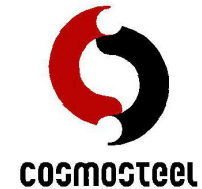
13. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

See paragraph above.

14. If the Group has obtained a general mandate from shareholders for 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.

Name of interested person	Nature of relationship	1HY2023	
		Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the IPT Mandate)	Aggregate value of all interested person transactions conducted under the IPT Mandate (excluding transactions less than S\$100,000)
		\$'000	\$'000
Hanwa Group *	Controlling Shareholder	–	3,178

* Hanwa Co., Ltd and its subsidiaries, and (where applicable) its associated companies.



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15. Confirmation by the Board of Directors

Pursuant to Rule 705 (5) of the Listing Manual, we, the undersigned, on behalf of the Board of Directors of the Company, confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for 1HY2023 to be false or misleading in any material aspect.

16. Confirmation pursuant to Rule 720 (1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720 (1) of the Listing Manual.

17. Disclosures on Acquisition and Realisation of Shares pursuant to Rule 706A of the Listing Manual

As previously announced on 6 March 2023, the Company's wholly-owned subsidiary, Kim Seng Huat Hardware Pte Ltd ("KSH Singapore"), had on 17 January 2023 incorporated a wholly-owned subsidiary in Malaysia by the name of Kim Seng Huat (Malaysia) Sdn. Bhd. ("KSH Malaysia") with an issued and paid up share capital of RM1,000, comprising 1000 ordinary shares at RM1 each. KSH Singapore had on 28 February 2023 increased the share capital of KSH Malaysia to RM15,000,000, by subscribing for an additional 14,999,000 ordinary shares at RM1 each.

Payment was made fully in cash. The Net Asset Value of the shares in KSH Malaysia is RM15,000,000.

By order of the Board

Tan Siok Chin
Chairman

Ong Tong Hai
Chief Executive Officer

11 May 2023