



# Natural Cool Holdings Limited

Company Registration Number: 200509967G

Announcement of Unaudited Condensed Financial  
Statements for the Six Months and Full Year Ended  
31 December 2023

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**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULT**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for corresponding period of the immediately preceding financial year**

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

Note	Group			
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	\$'000	\$'000	\$'000	\$'000
Revenue	75,212	78,592	144,162	149,650
Cost of sales	(61,232)	(65,390)	(116,702)	(124,141)
<b>Gross profit</b>	<b>13,980</b>	<b>13,202</b>	<b>27,460</b>	<b>25,509</b>
Other income	508	1,075	1,294	5,825
Distribution expenses	(1,519)	(1,300)	(2,965)	(2,752)
Administrative expenses	(12,293)	(12,775)	(23,331)	(23,208)
Impairment loss on trade receivables and contract assets, including bad debts written-off	(138)	(114)	(110)	(111)
Other expenses	(405)	(2,390)	(426)	(3,020)
<b>Results from operating activities</b>	<b>133</b>	<b>(2,302)</b>	<b>1,922</b>	<b>2,243</b>
Finance costs	(647)	(483)	(1,226)	(1,023)
<b>(Loss)/Profit before tax</b>	<b>(514)</b>	<b>(2,785)</b>	<b>696</b>	<b>1,220</b>
Tax credit/(expense)	33	28	(293)	(280)
<b>(Loss)/Profit for the period/year</b>	<b>(481)</b>	<b>(2,757)</b>	<b>403</b>	<b>940</b>
<b>(Loss)/Profit attributable to:</b>				
Owners of the Company	(86)	(2,160)	607	1,387
Non-controlling interests	(395)	(597)	(204)	(447)
<b>(Loss)/Profit for the period/year</b>	<b>(481)</b>	<b>(2,757)</b>	<b>403</b>	<b>940</b>
<b>Other comprehensive (loss)/income</b>				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences from translation of foreign operations	9	(14)	57	12
<b>Other comprehensive income/(loss) for the period/year</b>	<b>9</b>	<b>(14)</b>	<b>57</b>	<b>12</b>
<b>Total comprehensive (loss)/income for the period/year</b>	<b>(472)</b>	<b>(2,771)</b>	<b>460</b>	<b>952</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(62)	(2,166)	667	1,401
Non-controlling interests	(410)	(605)	(207)	(449)
<b>Total comprehensive (loss)/income for the period/year</b>	<b>(472)</b>	<b>(2,771)</b>	<b>460</b>	<b>952</b>

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of immediately preceding financial year.**

**Condensed Consolidated Statement of Financial Position**

	Note	Group		Company	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		Unaudited \$'000	Audited \$'000	Unaudited \$'000	Audited \$'000
<b>Assets</b>					
Property, plant and equipment	12	36,304	38,567	25	6
Intangible assets and goodwill	13	4,963	5,522	171	288
Investment property	14	895	922	–	–
Subsidiaries		–	–	6,700	7,245
Joint venture		10	–	–	–
Other investments	15	–	74	–	74
Other receivables	17	762	762	5,372	5,818
<b>Non-current assets</b>		<b>42,934</b>	<b>45,847</b>	<b>12,268</b>	<b>13,431</b>
Asset held for sale		550	644	–	–
Inventories	16	9,671	10,183	–	–
Contract assets		4,963	6,402	–	–
Trade and other receivables	17	21,568	21,800	1,065	1,354
Other investments	15	793	1,013	793	1,013
Cash and cash equivalents		8,118	8,169	608	113
<b>Current assets</b>		<b>45,663</b>	<b>48,211</b>	<b>2,466</b>	<b>2,480</b>
<b>Total assets</b>		<b>88,597</b>	<b>94,058</b>	<b>14,734</b>	<b>15,911</b>
<b>Equity</b>					
Share capital	18	36,412	36,412	36,412	36,412
Reserves		(2,955)	(3,015)	300	300
Accumulated losses		(17,527)	(18,134)	(33,660)	(33,697)
<b>Equity attributable to owners of the Company</b>		<b>15,930</b>	<b>15,263</b>	<b>3,052</b>	<b>3,015</b>
<b>Non-controlling interests</b>		<b>57</b>	<b>264</b>	<b>–</b>	<b>–</b>
<b>Total equity</b>		<b>15,987</b>	<b>15,527</b>	<b>3,052</b>	<b>3,015</b>
<b>Liabilities</b>					
Loans and borrowings	19	28,388	32,036	1,273	2,129
Deferred tax liabilities		250	420	–	–
Provision		140	140	–	–
<b>Non-current liabilities</b>		<b>28,778</b>	<b>32,596</b>	<b>1,273</b>	<b>2,129</b>
Loans and borrowings	19	9,305	10,019	859	1,248
Contract liabilities		9,434	9,312	–	–
Trade and other payables	20	24,536	26,096	9,550	9,519
Current tax liabilities		557	508	–	–
<b>Current liabilities</b>		<b>43,832</b>	<b>45,935</b>	<b>10,409</b>	<b>10,767</b>
<b>Total liabilities</b>		<b>72,610</b>	<b>78,531</b>	<b>11,682</b>	<b>12,896</b>
<b>Total equity and liabilities</b>		<b>88,597</b>	<b>94,058</b>	<b>14,734</b>	<b>15,911</b>

**1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Condensed Consolidated Statement of Cash Flows**

	<b>Group</b>	
	<b>12 months ended 31 December 2023</b>	<b>12 months ended 31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Profit for the year	403	940
Adjustments for:		
Amortisation of intangible assets	603	570
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")	74	–
Depreciation of property, plant and equipment	3,866	5,672
Depreciation of investment property	27	28
Gain on disposal of property, plant and equipment	(22)	(275)
Gain on termination of lease	–	(3,974)
Impairment loss on asset held for sale	94	–
Impairment loss on goodwill	–	75
Impairment loss on trade receivables and contract assets, including bad debts written-off	110	111
Impairment loss on property, plant and equipment	151	885
(Reversal)/Impairment loss on inventories	(7)	70
Interest expenses	1,226	1,023
Interest income	(1)	(1)
Loss on deconsolidation	–	1,171
Property, plant and equipment written-off	2	593
Tax expense	293	280
	<u>6,819</u>	<u>7,168</u>
Changes in:		
Inventories	519	(1,949)
Trade and other receivables	122	(4,382)
Contract assets	1,439	(2,005)
Trade and other payables	(1,560)	9,652
Contract liabilities	122	(2,481)
Cash generated from operations	<u>7,461</u>	<u>6,003</u>
Tax paid	(414)	(155)
<b>Net cash from operating activities</b>	<u>7,047</u>	<u>5,848</u>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiary, net of cash acquired	–	(2,813)
Interest received	1	1
Investment in other investment	220	(87)
Investment in joint venture	(10)	–
Proceeds from disposal of property, plant and equipment	75	1,276
Purchase of intangible assets	(44)	(232)
Purchase of property, plant and equipment	(368)	(2,637)
<b>Net cash used in investing activities</b>	<u>(126)</u>	<u>(4,492)</u>

	<b>Group</b>	
	<b>12 months ended 31 December 2023</b>	<b>12 months ended 31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from financing activities</b>		
Dividend paid	–	(351)
Interest paid	(1,226)	(1,001)
Changes in bills payable	(1,264)	1,623
Payment of lease liabilities	(1,739)	(3,340)
Proceeds from borrowings	1,050	1,796
Repayment of borrowings	(3,859)	(3,618)
<b>Net cash used in financing activities</b>	<u>(7,038)</u>	<u>(4,891)</u>
<b>Net decrease in cash and cash equivalents</b>	(117)	(3,535)
Cash and cash equivalents at beginning of year	8,169	11,625
Effect of foreign exchange fluctuations on cash held	66	79
<b>Cash and cash equivalents at end of year</b>	<u>8,118</u>	<u>8,169</u>

1(d)(i) A statement (for issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

**Condensed Consolidated Statement of Changes in Equity**

	Share capital	Capital reserve	Translation reserve	Accumulated losses	Total attributable to owners of the Company	Non- controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>							
At 1 January 2023	36,412	(3,078)	63	(18,134)	15,263	264	15,527
<b>Total comprehensive income/(loss) for the year</b>							
Profit/(Loss) for the year	–	–	–	607	607	(204)	403
<b>Other comprehensive income/(loss)</b>							
Foreign currency translation differences from translation of foreign operations	–	–	60	–	60	(3)	57
<b>Total comprehensive income/(loss) for the year</b>	–	–	60	607	667	(207)	460
<b>At 31 December 2023</b>	<b>36,412</b>	<b>(3,078)</b>	<b>123</b>	<b>(17,527)</b>	<b>15,930</b>	<b>57</b>	<b>15,987</b>

	Note	Share capital \$'000	Capital reserve \$'000	Translation reserve \$'000	Accumulated losses \$'000	Total attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>Group</b>								
At 1 January 2022		36,412	(3,078)	49	(19,170)	14,213	(349)	13,864
<b>Total comprehensive income/(loss) for the year</b>								
Profit/(Loss) for the year		–	–	–	1,387	1,387	(447)	940
<b>Other comprehensive income/(loss)</b>								
Foreign currency translation differences from translation of foreign operations		–	–	14	–	14	(2)	12
<b>Total comprehensive income/(loss) for the year</b>		–	–	14	1,387	1,401	(449)	952
<b>Transaction with owners, recognised directly in equity</b>								
Dividends paid	18	–	–	–	(351)	(351)	–	(351)
<b>Total contribution by and distributions to owners</b>		–	–	–	(351)	(351)	–	(351)
<b>Changes in ownership interests in subsidiary</b>								
Acquisition of subsidiary with non-controlling interests		–	–	–	–	–	1,062	1,062
<b>Total changes in ownership interests in subsidiary</b>		–	–	–	–	–	1,062	1,062
<b>At 31 December 2022</b>		<b>36,412</b>	<b>(3,078)</b>	<b>63</b>	<b>(18,134)</b>	<b>15,263</b>	<b>264</b>	<b>15,527</b>



**Condensed Statement of Changes in Equity**

	Note	Share capital \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b><u>Company</u></b>					
<b>At 1 January 2023</b>		36,412	300	(33,697)	3,015
<b>Total comprehensive loss for the year</b>					
Profit for the year		–	–	37	37
<b>At 31 December 2023</b>		36,412	300	(33,660)	3,052
<b>At 1 January 2022</b>		36,412	300	(31,372)	5,340
<b>Total comprehensive loss for the year</b>					
Loss for the year		–	–	(1,974)	(1,974)
<b>Transaction with owners, recognised directly in equity</b>					
Dividends paid	18	–	–	(351)	(351)
<b>At 31 December 2022</b>		36,412	300	(33,697)	3,015

## Notes to the Condensed Financial Statements

### 1. Corporate information

Natural Cool Holdings Limited (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist Board of the Singapore Exchange. These condensed financial statements as at and for the six months and full year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are as follows:

- a. Aircon and engineering: trading of air-conditioning units and spare parts, installation services for commercial air-conditioning systems and mechanical ventilation, plumbing and sanitary works and maintenance services;
- b. Investment: leasing of properties;
- c. Paint and coatings: manufacturing, and trading of paint and basic chemicals;
- d. Food and beverages (“F&B”): operator of restaurants and stalls, manufacture and wholesale of F&B products; and
- e. Technology: installation of building automated systems for remote monitoring and maintenance services.

### 2. Basis of preparation

The condensed financial statements for the six months and full year ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed 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 period ended 30 June 2023.

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

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

#### 2.1. New and amended standards adopted by the Group

On 1 January 2023, the Group adopted new and amended SFRS(I) and interpretations to SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial period. The adoption of these new or amended SFRS(I) and INT SFRS(I) did not have a material effect on the financial statements.

#### 2.2. Use of estimates and judgements

In preparing the condensed 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 31 December 2022.

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

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

- Note 5 – revenue recognition: estimate of total contract costs to complete and allocation of the contract value to the performance obligation;
- Notes 12 and 13 – impairment assessment of property, plant and equipment and intangible assets and goodwill: key assumptions underlying the recoverable amounts; and

### 3. Seasonal operations

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

### 4. Segment and revenue information

The Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Executive Chairman and Executive Director and Group Chief Executive Officer ("CEO") review internal management reports on at least a quarterly basis. The following summary describes the operations in each Group's reportable segments:

Aircon and engineering	:	trading of air-conditioning units and spare parts, installation services for commercial air-conditioning systems and mechanical ventilation, plumbing and sanitary works and maintenance services.
Investment	:	leasing of properties.
Paint and coatings	:	manufacturing and distribution of paints and chemicals.
F&B	:	operator of restaurants and stalls, manufacture and wholesale of F&B products.
Technology	:	installation of building automated systems for remote monitoring and maintenance services.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports review by the Executive Chairman and Executive Director and Group CEO. Segment profit before income tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

**Information about reportable segments**

	<b>Aircon and Engineering</b>	<b>Investment</b>	<b>Paint and Coatings</b>	<b>F&amp;B</b>	<b>Technology</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>6 months ended 31 December 2023</b>						
External revenue	68,116	–	2,665	2,340	2,091	75,212
Inter-segment revenue	102	–	13	–	–	115
Total revenue of reportable segments	<u>68,218</u>	<u>–</u>	<u>2,678</u>	<u>2,340</u>	<u>2,091</u>	<u>75,327</u>
Interest income	(10)	–	–	–	–	(10)
Finance costs	618	–	3	32	1	654
Depreciation and amortisation	1,318	–	101	511	244	2,174
Reportable segment profit/(loss) before tax	<u>676</u>	<u>–</u>	<u>72</u>	<u>(838)</u>	<u>116</u>	<u>26</u>
Other material non-cash items:						
Impairment loss on asset held for sale	–	–	–	94	–	94
Impairment loss on property, plant and equipment	–	–	–	151	–	151
Impairment loss on trade receivables and contract assets, including bad debts written-off	138	–	–	–	–	138
Reportable segment assets	82,871	–	2,761	4,403	6,078	96,113
Capital expenditure	266	–	5	53	8	332
Reportable segment liabilities	<u>62,542</u>	<u>–</u>	<u>7,666</u>	<u>9,032</u>	<u>4,371</u>	<u>83,611</u>
<b>6 months ended 31 December 2022</b>						
External revenue	72,418	–	2,200	1,899	2,075	78,592
Inter-segment revenue	91	–	9	35	–	135
Total revenue of reportable segments	<u>72,509</u>	<u>–</u>	<u>2,209</u>	<u>1,934</u>	<u>2,075</u>	<u>78,727</u>
Interest income	(12)	(1)	–	–	–	(13)
Finance costs	438	–	8	26	1	473
Depreciation and amortisation	1,465	(5)	113	654	445	2,672
Reportable segment profit/(loss) before tax	<u>510</u>	<u>37</u>	<u>14</u>	<u>(2,048)</u>	<u>(136)</u>	<u>(1,623)</u>
Other material non-cash items:						
Gain on termination	–	29	–	–	–	29
Impairment of goodwill	–	–	–	75	–	75
Impairment on property, plant and equipment	–	–	–	885	–	885
Impairment loss on trade receivables and contract assets, including bad debts written-off	193	–	–	–	–	193
Loss on deconsolidation	–	1,710	(539)	–	–	1,171
Reportable segment assets	88,942	–	2,376	4,278	5,998	101,594
Capital expenditure	2,556	–	2	225	6	2,789
Reportable segment liabilities	<u>68,310</u>	<u>–</u>	<u>7,496</u>	<u>8,361</u>	<u>4,769</u>	<u>88,936</u>

**Reconciliations of reportable segment revenues, profit or loss, assets and liabilities**

	Group	
	6 months ended 31 December 2023	6 months ended 31 December 2022
	\$'000	\$'000
<b>Revenue</b>		
Total revenue for reportable segments	75,327	78,727
Elimination of inter-segment revenue	(115)	(135)
Consolidated revenue	<u>75,212</u>	<u>78,592</u>
<b>Loss before tax</b>		
Total profit/(loss) before tax for reportable segments	26	(1,623)
Unallocated amounts	(540)	1,442
Elimination of inter-segment profit or loss	–	(2,604)
Consolidated loss before tax	<u>(514)</u>	<u>(2,785)</u>
<b>Assets</b>		
Total assets for reportable segments	96,113	101,594
Unallocated amounts	1,762	1,746
Elimination of inter-segment assets	(9,278)	(9,282)
Consolidated total assets	<u>88,597</u>	<u>94,058</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	83,611	88,936
Unallocated amounts	2,574	3,801
Elimination of inter-segment liabilities	(13,575)	(14,206)
Consolidated total liabilities	<u>72,610</u>	<u>78,531</u>

**Reconciliations of reportable segment other material items**

	Reportable segment totals	Unallocated amounts	Consolidated totals
	\$'000	\$'000	\$'000
<b>6 months ended 31 December 2023</b>			
Interest income	(10)	10	–
Finance costs	654	(7)	647
Depreciation and amortisation	2,174	67	2,241
Impairment loss on asset held for sale	94	–	94
Impairment loss on property, plant and equipment	151	–	151
Impairment loss on trade receivables and contract assets, including bad debts written-off	138	–	138
Capital expenditure	332	4	336 <sup>#</sup>
<b>6 months ended 31 December 2022</b>			
Interest income	(13)	13	–
Finance costs	473	10	483
Depreciation and amortisation	2,672	67	2,739
Gain on termination of lease	29	–	29
Impairment on goodwill	75	–	75
Impairment loss on property, plant and equipment	885	–	885
Reversal on trade receivables and contract assets, including bad debts written-off	193	(79)	114
Loss on deconsolidation	1,171	–	1,171
Capital expenditure	2,789	89	2,878 <sup>#</sup>

<sup>#</sup> Exclude right-of-use properties

	<b>Aircon and Engineering</b>	<b>Investment</b>	<b>Paint and Coatings</b>	<b>F&amp;B</b>	<b>Technology</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>12 months ended 31 December 2023</b>						
External revenue	129,635	–	4,998	5,222	4,307	144,162
Inter-segment revenue	235	–	25	40	–	300
Total revenue of reportable segments	<u>129,870</u>	<u>–</u>	<u>5,023</u>	<u>5,262</u>	<u>4,307</u>	<u>144,462</u>
Interest income	(19)	–	–	–	–	(19)
Finance costs	1,154	–	8	66	2	1,230
Depreciation and amortisation	2,667	–	203	1,000	488	4,358
Reportable segment profit/(loss) before tax	<u>1,644</u>	<u>–</u>	<u>210</u>	<u>(832)</u>	<u>502</u>	<u>1,524</u>
Other material non-cash items:						
Impairment loss on asset held for sale	–	–	–	94	–	94
Impairment loss on property, plant and equipment	–	–	–	151	–	151
Impairment loss on trade receivables and contract assets, including bad debts written-off	110	–	–	–	–	110
Reportable segment assets	82,871	–	2,761	4,403	6,078	96,113
Capital expenditure	491	–	12	54	11	568
Reportable segment liabilities	<u>62,542</u>	<u>–</u>	<u>7,666</u>	<u>9,032</u>	<u>4,371</u>	<u>83,611</u>
<b>12 months ended 31 December 2022</b>						
External revenue	136,135	1,045	4,180	5,070	3,220	149,650
Inter-segment revenue	185	201	16	65	–	467
Total revenue of reportable segments	<u>136,320</u>	<u>1,246</u>	<u>4,196</u>	<u>5,135</u>	<u>3,220</u>	<u>150,117</u>
Interest income	(21)	(7)	–	–	–	(28)
Finance costs	795	125	24	48	2	994
Depreciation and amortisation	2,794	1,323	250	1,302	482	6,151
Reportable segment profit/(loss) before tax	<u>1,805</u>	<u>2,944</u>	<u>36</u>	<u>(2,013)</u>	<u>168</u>	<u>2,940</u>
Other material non-cash items:						
Gain on termination of lease	–	3,974	–	–	–	3,974
Impairment loss on goodwill	–	–	–	75	–	75
Impairment loss on property, plant and equipment	–	–	–	885	–	885
Impairment loss on trade receivables and contract assets, including bad debts written-off	190	–	–	–	–	190
Loss on deconsolidation	–	1,710	(539)	–	–	1,171
Reportable segment assets	88,942	–	2,376	4,278	5,998	101,594
Capital expenditure	3,292	–	7	1,282	6	4,587
Reportable segment liabilities	<u>68,310</u>	<u>–</u>	<u>7,496</u>	<u>8,361</u>	<u>4,769</u>	<u>88,936</u>

**Reconciliations of reportable segment revenues, profit or loss, assets and liabilities**

	Group	
	12 months ended 31 December 2023	12 months ended 31 December 2022
	\$'000	\$'000
<b>Revenue</b>		
Total revenue for reportable segments	144,462	150,117
Elimination of inter-segment revenue	(300)	(467)
Consolidated revenue	144,162	149,650
<b>Profit before tax</b>		
Total profit before tax for reportable segments	1,524	2,940
Unallocated amounts	(828)	(596)
Elimination of inter-segment profit or loss	–	(1,124)
Consolidated profit before tax	696	1,220
<b>Assets</b>		
Total assets for reportable segments	96,113	101,594
Unallocated amounts	1,762	1,746
Elimination of inter-segment assets	(9,278)	(9,282)
Consolidated total assets	88,597	94,058
<b>Liabilities</b>		
Total liabilities for reportable segments	83,611	88,936
Unallocated amounts	2,574	3,801
Elimination of inter-segment liabilities	(13,575)	(14,206)
Consolidated total liabilities	72,610	78,531

**Reconciliations of reportable segment other material items**

	Reportable segment totals	Unallocated amounts	Consolidated totals
	\$'000	\$'000	\$'000
<b>12 months ended 31 December 2023</b>			
Interest income	(19)	18	(1)
Finance costs	1,230	(4)	1,226
Depreciation and amortisation	4,358	138	4,496
Impairment loss on asset held for sale	94	–	94
Impairment loss on property, plant and equipment	151	–	151
Impairment loss on trade receivables and contract assets, including bad debts written-off	110	–	110
Capital expenditure	568	40	608 <sup>#</sup>
<b>12 months ended 31 December 2022</b>			
Interest income	(28)	27	(1)
Finance costs	994	29	1,023
Depreciation and amortisation	6,151	119	6,270
Gain on termination of lease	3,974	–	3,974
Impairment loss on goodwill	75	–	75
Impairment loss on property, plant and equipment	885	–	885
Impairment loss on trade receivables and contract assets, including bad debts written-off	190	(79)	111
Loss on deconsolidation	1,171	–	1,171
Capital expenditure	4,587	151	4,738 <sup>#</sup>

<sup>#</sup> Exclude right-of-use properties

**Geographical information**

The Group operates primarily in Singapore. The reportable revenue is primarily generated from Singapore and the segment assets are based in Singapore.

**5. Revenue**

	Group			
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers	74,801	78,231	143,327	147,795
Rental income	411	361	835	1,855
	75,212	78,592	144,162	149,650

**Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by revenue streams and timing of revenue recognition.

	Paint and Coatings		Aircon and Engineering		F&B		Technology		Total	
	6 months ended 31 December									
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue streams</b>										
Trading	2,665	2,200	47,334	44,145	2,340	1,926	–	–	52,339	48,271
Installation	–	–	14,292	21,651	–	–	862	295	14,871	21,946
Servicing	–	–	6,079	6,234	–	–	1,168	1,380	7,591	7,614
System development	–	–	–	–	–	–	61	400	–	400
	2,665	2,200	67,705	72,030	2,340	1,926	2,091	2,075	74,801	78,231
<b>Timing of revenue recognition</b>										
Products transferred at a point in time	2,665	2,200	53,185	50,379	2,340	1,926	862	295	58,997	54,800
Products and services transferred over time	–	–	14,520	21,651	–	–	1,229	1,780	15,804	23,431
	2,665	2,200	67,705	72,030	2,340	1,926	2,091	2,075	74,801	78,231



	Paint and Coatings		Aircon and Engineering		F&B		Technology		Total	
	12 months ended 31 December									
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue streams</b>										
Trading	4,998	4,180	86,787	86,199	5,222	5,055	–	–	97,007	95,434
Installation	–	–	28,757	38,717	–	–	1,290	428	30,416	39,145
Servicing	–	–	13,256	10,424	–	–	2,648	2,392	15,904	12,816
System development	–	–	–	–	–	–	369	400	–	400
	4,998	4,180	128,800	135,340	5,222	5,055	4,307	3,220	143,327	147,795
<b>Timing of revenue recognition</b>										
Products transferred at a point in time	4,998	4,180	99,815	96,623	5,222	5,055	1,290	428	111,922	106,286
Products and services transferred over time	–	–	28,985	38,717	–	–	3,017	2,792	31,405	41,509
	4,998	4,180	128,800	135,340	5,222	5,055	4,307	3,220	143,327	147,795

	Group		
	Financial year ended 31 December 2023	Financial year ended 31 December 2022	Increase / (Decrease)
	\$'000	\$'000	%
Sales reported for the first half year	68,950	71,058	(3.0)
Operating profit after tax before deducting non-controlling interests reported for first half year	884	3,697	(76.1)
Sales reported for second half year	75,212	78,592	(4.3)
Operating loss after tax before deducting non-controlling interests reported for second half year	(481)	(2,757)	82.6

**Sources of estimation uncertainty**

Revenue recognition on installation is dependent on estimating the total completion cost of the installation contract. Actual total costs may be higher or lower than estimated at the reporting date, which would affect the revenue recognised in future years. As at the reporting date, management considered that all costs to complete and revenue can be reliably estimated.

**6. Other income**

	Group			
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	\$'000	\$'000	\$'000	\$'000
Interest income	–	–	1	1
Dividend income	–	–	4	21
Net loss on foreign exchange rates	(11)	–	–	–
Gain on disposal of property, plant and equipment	22	275	22	275
Gain on termination of lease	–	29	–	3,974
Government grants:				
- Job support scheme	–	–	–	123
- Development grant	140	–	360	–
- Other government grants	182	587	518	1,001
Others	175	184	389	430
	508	1,075	1,294	5,825

**7. Other expenses**

	Group			
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	\$'000	\$'000	\$'000	\$'000
Change in fair value of investment in FVTPL	74	–	74	–
Impairment on asset held for sale	94	–	94	–
Impairment on goodwill	–	75	–	75
Impairment on property, plant and equipment	151	885	151	885
Impairment of inventories	–	70	–	70
Loss on deconsolidation	–	1,171	–	1,171
Net loss on foreign exchange rates	14	32	14	187
Property, plant and equipment written off	–	142	2	593
Others	72	15	91	39
	405	2,390	426	3,020

**8. Finance costs**

	Group			
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	\$'000	\$'000	\$'000	\$'000
Interest expenses:				
- Bank loans and bills payable	423	312	770	588
- Lease liability interest	224	171	456	413
Unwind of discount on provision	–	–	–	22
	647	483	1,226	1,023

**9. Tax (credit)/expense**

The Group calculates the period/year 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 consolidated statement of profit or loss are:

	<b>Group</b>			
	<b>6 months ended 31 December 2023</b>	<b>6 months ended 31 December 2022</b>	<b>12 months ended 31 December 2023</b>	<b>12 months ended 31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current tax expense/(credit)</b>				
Current year	125	181	486	491
Over provided in prior year	(22)	(44)	(22)	(44)
	<u>103</u>	<u>137</u>	<u>464</u>	<u>447</u>
<b>Deferred tax (credit)/expense</b>				
Origination and reversal of temporary differences	(132)	(166)	(167)	(168)
(Over)/Under provided in prior year	(4)	1	(4)	1
	<u>(136)</u>	<u>(165)</u>	<u>(171)</u>	<u>(167)</u>
Tax (credit)/expense	<u>(33)</u>	<u>(28)</u>	<u>293</u>	<u>280</u>

**10. Profit for the period/year**

The following items have been included in arriving at profit for the period/year:

	<b>Group</b>			
	<b>6 months ended 31 December 2023</b>	<b>6 months ended 31 December 2022</b>	<b>12 months ended 31 December 2023</b>	<b>12 months ended 31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Amortisation of intangible assets	299	496	603	570
Audit fees paid/payable to:				
- Auditors of the Company	197	148	302	268
- Other auditors	32	33	55	58
Non-audit fees paid/payable to auditors of the Company	8	7	18	18
Depreciation of property, plant and equipment	1,928	2,229	3,866	5,672
Depreciation of investment property	14	14	27	28
Bad debts written back	(9)	(71)	(9)	(71)
Staff costs	14,434	14,429	26,926	25,282
Contributions to defined contribution plans, included in staff costs	868	573	1,399	1,175
	<u>868</u>	<u>573</u>	<u>1,399</u>	<u>1,175</u>

**11. Related party**
**Key management personnel compensation**

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Directors and senior management of the Group and the Company are considered as key management personnel.

Key management personnel compensation comprised:

	<b>Group</b>			
	<b>6 months ended 31 December 2023</b>	<b>6 months ended 31 December 2022</b>	<b>12 months ended 31 December 2023</b>	<b>12 months ended 31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	1,305	1,404	2,377	2,416
Post-employment benefits (including CPF)	66	72	104	109
	1,371	1,476	2,481	2,525

Included in the above is the total compensation to Directors of the Company which amount to \$1,269,000 as at 31 December 2023 (30 June 2023: \$587,000, 31 December 2022: \$1,170,000 and 30 June 2022: \$570,000).

**12. Property, plant and equipment**

Note	Leasehold	Computers	Furniture, fittings and office equipment	Motor vehicles	Tools and machineries	Renovation	Right-of-use – motor vehicles	Right-of-use – properties	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>									
<b>Cost</b>									
At 1 January 2022	27,080	886	1,580	4,071	3,907	9,453	1,435	38,485	86,897
Additions	–	83	351	84	1,065	917	2,006	787	5,293
Acquisition through business combination	–	1	2	–	–	–	–	33	36
Disposals/write-offs	–	(15)	(797)	(1,111)	(1,365)	(3,646)	–	(26,019)	(32,953)
Changes in lease modification	–	–	–	–	–	–	–	(2,422)	(2,422)
Deconsolidation due to loss of control	22	–	(2)	(98)	(40)	(125)	–	(277)	(647)
Reclassification to asset held for sale	–	(870)	–	–	–	–	–	–	(870)
Reclassification to other categories	–	–	–	(79)	–	–	79	–	–
Effect of movements in exchange rates	–	–	(5)	(2)	(5)	(6)	(1)	(20)	(39)
At 31 December 2022	26,210	953	1,033	2,923	3,477	6,613	3,519	10,567	55,295
Additions	–	56	109	–	72	108	219	177	741
Disposals/write-offs	–	(35)	(11)	(112)	–	(162)	–	–	(320)
Changes in lease modification	–	–	–	–	–	–	–	1,077	1,077
Effect of movements in exchange rates	–	(1)	(1)	–	(1)	(2)	(2)	(12)	(19)
At 31 December 2023	26,210	973	1,130	2,811	3,548	6,557	3,736	11,809	56,774
<b>Accumulated depreciation and impairment losses</b>									
At 1 January 2022	4,098	759	1,103	1,630	2,630	5,103	658	16,467	32,448
Depreciation	913	81	154	665	373	519	442	2,525	5,672
Disposals/write-offs	–	(13)	(775)	(553)	(782)	(3,217)	–	(16,244)	(21,584)
Deconsolidation due to loss of control	22	–	(1)	(98)	(32)	(120)	(84)	(125)	(460)
Impairment loss	–	2	92	–	–	460	–	331	885
Reclassification to asset held for sale	–	(226)	–	–	–	–	–	–	(226)
Reclassification to other categories	–	–	–	(8)	–	–	8	–	–
Effect of movements in exchange rates	–	–	(5)	(2)	(5)	(4)	–	9	(7)
At 31 December 2022	4,785	828	471	1,700	2,096	2,777	1,108	2,963	16,728
Depreciation	805	82	123	442	356	305	658	1,095	3,866
Disposals/write-offs	–	(34)	(10)	(59)	–	(162)	–	–	(265)
Impairment loss	–	–	48	–	103	–	–	–	151
Effect of movements in exchange rates	–	(1)	(1)	–	–	(1)	–	(7)	(10)
At 31 December 2023	5,590	875	631	2,083	2,555	2,919	1,766	4,051	20,470
<b>Carrying amounts</b>									
At 1 January 2022	22,982	127	477	2,441	1,277	4,350	777	22,018	54,449
At 31 December 2022	21,425	125	562	1,223	1,381	3,836	2,411	7,604	38,567
At 31 December 2023	20,620	98	499	728	993	3,638	1,970	7,758	36,304

	<b>Computers</b>	<b>Office equipment</b>	<b>Furniture and fittings</b>	<b>Renovation</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Company</b>					
<b>Cost</b>					
At 1 January 2022 and 31 December 2022	40	8	4	–	52
Additions	–	–	12	16	28
At 31 December 2023	40	8	16	16	80
<b>Accumulated depreciation</b>					
At 1 January 2022	34	3	4	–	41
Depreciation	3	2	–	–	5
At 31 December 2022	37	5	4	–	46
Depreciation	2	2	3	2	9
At 31 December 2023	39	7	7	2	55
<b>Carrying amounts</b>					
At 1 January 2022	6	5	–	–	11
At 31 December 2022	3	3	–	–	6
At 31 December 2023	1	1	9	14	25

### Depreciation

The depreciation charge of the Group is recognised in the following line items of the statement of profit or loss:

	<b>Group</b>			
	<b>6 months ended 31 December 2023</b>	<b>6 months ended 31 December 2022</b>	<b>12 months ended 31 December 2023</b>	<b>12 months ended 31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cost of sales	411	475	822	2,245
Administrative expenses	1,517	1,754	3,044	3,427
	1,928	2,229	3,866	5,672

### Securities

At 31 December 2023, several leasehold properties are pledged as security to secure bank loans (see Note 19).

### Impairment loss

The impairment loss on property, plant and equipment in the current financial year relates to the F&B cash generating unit (“CGU”) amounted to \$151,000 being assets no longer in use.

For the financial year ended 31 December 2022 (“FY2022”), due to poor financial performance, an impairment loss on property, plant and equipment of \$885,000 was recognised for F&B CGU. The impairment loss was determined based on fair value less cost of disposal approach.

**Sources of estimation uncertainty**

In estimating the recoverable amounts of the CGUs using value in use from the respective cash flow forecasts or its fair value less costs of disposal, the Group assumed revenue growth rates throughout the cash flow forecast periods, and discount rate applied to the cash flow projections. The determination requires judgement. The Group evaluates, amongst other factors, the near-term business outlook, including factors such as industry and sector performance, and changes in technology.

The fair value less costs of disposal determined by external valuer using the current replacement cost approach is sensitive to the key assumptions applied. The key assumptions are dependent to a great extent on economic and other conditions beyond the Group's control. These assumptions continue to be subjected to estimation uncertainties that may result in material adjustments on the recoverable amounts in future periods.

**13. Intangible assets and goodwill**

	<b>Goodwill</b>	<b>Order backlogs</b>	<b>Customer relationships</b>	<b>Trademark</b>	<b>Computer software</b>	<b>Others</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>Group</b>							
<b>Cost</b>							
At 1 January 2022	3,497	188	118	383	907	100	5,193
Additions	–	–	–	–	232	–	232
Acquisition through business combination	1,955	1,001	550	–	–	–	3,506
Write-offs	–	–	–	–	(124)	–	(124)
At 31 December 2022	5,452	1,189	668	383	1,015	100	8,807
Additions	–	–	–	–	44	–	44
At 31 December 2023	5,452	1,189	668	383	1,059	100	8,851
<b>Accumulated amortisation and impairment losses</b>							
At 1 January 2022	1,683	188	63	203	611	16	2,764
Amortisation	–	334	61	19	136	20	570
Impairment loss	75	–	–	–	–	–	75
Write-offs	–	–	–	–	(124)	–	(124)
At 31 December 2022	1,758	522	124	222	623	36	3,285
Amortisation	–	334	61	19	169	20	603
At 31 December 2023	1,758	856	185	241	792	56	3,888
<b>Carrying amounts</b>							
At 1 January 2022	1,814	–	55	180	296	84	2,429
At 31 December 2022	3,694	667	544	161	392	64	5,522
At 31 December 2023	3,694	333	483	142	267	44	4,963

	<b>Computer software</b>
	<b>\$'000</b>
<b><u>Company</u></b>	
<b>Cost</b>	
At 1 January 2022	338
Additions	151
At 31 December 2022	489
Additions	12
At 31 December 2023	501
<b>Accumulated amortisation</b>	
At 1 January 2022	87
Amortisation	114
At 31 December 2022	201
Amortisation	129
At 31 December 2023	330
<b>Carrying amounts</b>	
At 1 January 2022	251
At 31 December 2022	288
At 31 December 2023	171

#### **Amortisation**

The amortisation of order backlogs, customer relationships, trademark, computer software and others are included in 'administrative expenses' in profit or loss.

#### ***Sources of estimation uncertainty***

In estimating the recoverable amounts of the CGUs using value in use from the respective cash flow forecasts, the Group assumed revenue growth rates throughout the cash flow forecast periods, terminal values at the end of the cash flow forecast period and discount rate applied to the cash flow projections. The determination requires judgment. The Group evaluates, amongst other factors, the near-term business outlook, including factors such as industry and sector performance, and changes in technology.



**14. Investment property**

	<b>Leasehold property \$'000</b>
<b>Group</b>	
<b>Cost</b>	
At 1 January 2022, 31 December 2022 and 31 December 2023	950
<b>Accumulated depreciation</b>	
At 1 January 2022	–
Depreciation	28
At 31 December 2022	28
Depreciation	27
At 31 December 2023	55
<b>Carrying amounts</b>	
At 1 January 2022	950
At 31 December 2022	922
At 31 December 2023	895

**Depreciation**

The depreciation of investment property is included in ‘administrative expenses’ in profit or loss.

**Securities**

At 31 December 2023, the investment property is pledged as security to secure bank loans (see Note 19).

**15. Other investments**

	<b>Group and Company</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Unquoted equity investments – at FVTPL	–	74
Money market funds – at FVTPL	793	1,013
	793	1,087
Non-current	–	74
Current	793	1,013
	793	1,087

**16. Inventories**

	<b>Group</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Raw materials	143	330
Finished goods	9,528	9,853
	9,671	10,183

As at 31 December 2023, inventories of \$92,597,000 (30 June 2023: \$43,422,000, 31 December 2022: \$95,465,000 and 30 June 2022: \$46,152,000) were recognised as an expense during the financial period/year and included in 'cost of sales'.

The inventories are stated after allowance for inventory obsolescence of \$63,000 (30 June 2023: \$70,000, 31 December 2022: \$70,000 and 30 June 2022: \$Nil).

**17. Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade receivables:				
- Third parties	15,766	15,401	–	–
- Subsidiaries	–	–	1,787	1,651
Impairment losses	(363)	(684)	(891)	(868)
Net trade receivables	15,403	14,717	896	783
Unbilled trade receivables	2,540	2,481	–	–
	17,943	17,198	896	783
Non-trade amounts due from subsidiaries	–	–	10,599	11,285
Impairment losses	–	–	(5,227)	(5,131)
	–	–	5,372	6,154
Accrued discount receivables	752	1,093	–	–
Deposits	1,967	2,073	126	106
Other receivables	648	1,001	15	11
Financial assets at amortised cost	21,310	21,365	6,409	7,054
Prepayments	1,020	1,197	28	118
	22,330	22,562	6,437	7,172
Non-current	762	762	5,372	5,818
Current	21,568	21,800	1,065	1,354
	22,330	22,562	6,437	7,172

The Group's non-current receivables consist of an insurance payment of \$762,000 (31 December 2022: \$762,000) for its executive director.

Non-trade balances due from subsidiaries are unsecured, interest-free and repayable on demand. As \$5,372,000 (31 December 2022: \$5,818,000) of the non-trade amounts due from subsidiaries are not expected to be recalled within the next 12 months, the amounts have been classified as non-current.

**Sources of estimation uncertainty**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates to be applied for the respective category of the financial assets and contract assets. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation including evaluation of the Group's historical loss rates, existing market conditions as well as forward looking estimates at the end of each reporting period.

**18. Share capital**

	<b>Group and Company</b>			
	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>
	<b>'000</b>	<b>\$'000</b>	<b>'000</b>	<b>\$'000</b>
At beginning and end of year	250,448	36,412	250,448	36,412

All issued shares are fully paid, with no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

**Dividends**

The following tax exempt (one-tier) first and final dividends were declared and paid by the Group and the Company:

	<b>Group and Company</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Paid by the Company to owners of the Company</b>		
0.14 Singapore cents per qualifying ordinary share	–	351

**19. Loans and borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current liabilities</b>				
Bank loans (Secured)	19,631	23,067	1,273	2,129
Lease liabilities (Secured)	8,757	8,969	–	–
	<u>28,388</u>	<u>32,036</u>	<u>1,273</u>	<u>2,129</u>
<b>Current liabilities</b>				
Bank loans (Secured)	4,696	4,069	859	1,248
Lease liabilities (Secured)	1,581	1,658	–	–
Bills payable (Secured)	3,028	4,292	–	–
	<u>9,305</u>	<u>10,019</u>	<u>859</u>	<u>1,248</u>
<b>Total loans and borrowings</b>	<u>37,693</u>	<u>42,055</u>	<u>2,132</u>	<u>3,377</u>

**Details of collateral:**

- (a) Bank loans and bills payable are secured by:
- i) Leasehold properties and investment property amounted to S\$20,578,000 and S\$895,000, respectively as at 31 December 2023 (31 December 2022: S\$21,344,000 and S\$922,000); and
  - ii) Corporate guarantees by Natural Cool Holdings Limited and Natural Cool Airconditioning & Engineering Pte Ltd.
- (b) Lease liabilities are secured by:
- i) Motor vehicles amounted to S\$1,970,000 as at 31 December 2023 (31 December 2022: S\$2,411,000); and
  - ii) Security deposits amounted to \$196,000 as at 31 December 2023 (31 December 2022: \$184,000); and
  - iii) Corporate guarantees by Natural Cool Holdings Limited.

**20. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade payables	12,262	13,549	2	135
Amount due to subsidiaries:				
- Trade	–	–	1,404	864
- Non-trade	–	–	7,699	8,230
Amount due to joint venture	6	–	–	–
Deposits received	631	510	1	1
Accrued expenses	8,484	9,221	419	268
Other payables	2,465	2,293	9	12
Financial liabilities	23,848	25,573	9,534	9,510
GST payable	688	399	16	9
Deferred revenue	–	124	–	–
	<b>24,536</b>	<b>26,096</b>	<b>9,550</b>	<b>9,519</b>

Non-trade balances due to subsidiaries are unsecured, interest-free and repayable on demand.

**21. Financial assets and financial liabilities**

<b>Group</b>	<b>Note</b>	<b>Carrying amount</b>				<b>Fair value</b>			
		<b>Mandatorily at fair value through profit or loss \$'000</b>	<b>Financial assets at amortised cost \$'000</b>	<b>Other financial liabilities \$'000</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>31 December 2023</b>									
<b>Financial assets measured at fair value</b>									
Other investments	15	793	–	–	793	–	793	–	793
<b>Financial assets not measured at fair value</b>									
Trade and other receivables#	17	–	21,310	–	21,310				
Cash and cash equivalents		–	8,118	–	8,118				
		–	29,428	–	29,428				
<b>Financial liabilities not measured at fair value</b>									
Variable interest rate loans	19	–	–	17,088	17,088				
Fixed interest rate loans	19	–	–	7,239	7,239	–	6,449	–	6,449
Bills payable	19	–	–	3,028	3,028				
Trade and other payables*	20	–	–	23,848	23,848				
		–	–	51,203	51,203				
<b>31 December 2022</b>									
<b>Financial assets measured at fair value</b>									
Other investments	15	1,087	–	–	1,087	–	1,013	74	1,087
<b>Financial assets not measured at fair value</b>									
Trade and other receivables#	17	–	21,365	–	21,365				
Cash and cash equivalents		–	8,169	–	8,169				
		–	29,534	–	29,534				
<b>Financial liabilities not measured at fair value</b>									
Variable interest rate loans	19	–	–	1,252	1,252				
Fixed interest rate loans	19	–	–	25,884	25,884	–	23,965	–	23,965
Bills payable	19	–	–	4,292	4,292				
Trade and other payables*	20	–	–	25,573	25,573				
		–	–	57,001	57,001				

# Exclude prepayments

\* Exclude deferred revenue and GST payable

**Unaudited Condensed Financial Statements for the 6 Months and Full Year Ended 31 December 2023**

	Note	Carrying amount				Fair value			
		Mandatorily at fair value through profit or loss \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Company</b>									
<b>31 December 2023</b>									
<b>Financial assets measured at fair value</b>									
Other investments	15	793	–	–	793	–	793	–	793
<b>Financial assets not measured at fair value</b>									
Trade and other receivables#	17	–	6,409	–	6,409				
Cash and cash equivalents		–	608	–	608				
		–	7,017	–	7,017				
<b>Financial liabilities not measured at fair value</b>									
Fixed interest rate loans	19	–	–	2,132	2,132	–	1,950	–	1,950
Trade and other payables^	20	–	–	9,534	9,534				
		–	–	11,666	11,666				
<b>31 December 2022</b>									
<b>Financial assets measured at fair value</b>									
Other investments	15	1,087	–	–	1,087	–	1,013	74	1,087
<b>Financial assets not measured at fair value</b>									
Trade and other receivables#	17	–	7,054	–	7,054				
Cash and cash equivalents		–	113	–	113				
		–	7,167	–	7,167				
<b>Financial liabilities not measured at fair value</b>									
Fixed interest rate loans	19	–	–	3,377	3,377	–	3,193	–	3,193
Trade and other payables^	20	–	–	9,510	9,510				
		–	–	12,887	12,887				

# Exclude prepayments

^ Exclude GST payable

**22. Deconsolidation of Natural Cool Investments Pte. Ltd. (“NCI”) and its subsidiaries**

In FY2022, NCI received a letter of demand from solicitors acting for the landlord of 29 Tai Seng Avenue, Singapore 534119, seeking payments for rental arrears. In the letter dated 5 July 2022, the landlord also terminated the lease with NCI. With the termination of the lease, the related right-of-use assets has been derecognised and a gain on termination of lease of \$3,974,000 was recognised (see Note 6). The landlord has exercised their right to set off the rental arrears against security deposits. Additionally, the landlord also imposed a claim against NCI of \$5,450,000 for unauthorised sub-letting. The Board believes the claim is made without legitimate basis.

NCI has filed a creditors’ voluntary winding up and on 2 September 2022 liquidators have been appointed for the purposes of winding up affairs of NCI. Consequently, control over NCI and its subsidiary has been transferred to the liquidators and consolidation of NCI and its subsidiary ceased with effect from that day.

The assets and liabilities of NCI and its subsidiary being deconsolidated comprised the following:

	Note	<b>Group 31 December 2022 \$’000</b>
Property, plant and equipment	12	187
Inventories		443
Trade and other receivables		3,861
Cash and cash equivalents		371
		<u>4,862</u>
Provision		602
Trade and other payables		18,671
Lease liabilities		187
		<u>19,460</u>

The impact of the deconsolidation is summarised as follows:

	<b>Group 31 December 2022 \$’000</b>
Proceeds from deconsolidation	–
Net liabilities of NCI and its subsidiary	(14,449)
Group’s receivables from NCI and its subsidiaries written off	15,804
Foreign translation	(184)
Loss on deconsolidation	<u>1,171</u>

## **Other Information Required by Listing Rule Appendix 7C**

- 1. 1(d)(ii) 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 was no change in the Company's share capital from 30 June 2023 to 31 December 2023.

The Company did not have any outstanding options or convertibles as at 31 December 2023 and 31 December 2022.

There were also no treasury shares or subsidiary holdings as at 31 December 2023 and 31 December 2022.

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

The total numbers of issued shares (excluding treasury shares) were 250,447,985 as at 31 December 2023 and 31 December 2022.

There were no treasury shares as at 31 December 2023 and 31 December 2022.

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) 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. There were no subsidiary holdings during and as at the end of 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 condensed consolidated statement of financial position of Natural Cool Holdings Limited and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any modifications 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.

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

Not applicable. The latest financial statements as at 31 December 2022 have an unmodified opinion.

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

Except as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation adopted in the financial statements for the current reporting period as those of the most recent audited financial statements for the financial year ended 31 December 2022.

**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 the applicable new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)”) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are relevant to its operations and effective for annual periods beginning on 1 January 2023. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group’s accounting policies and has no material impact on the financial statements for the current financial 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:**

- (a) Based on the weighted average number of ordinary shares on issue; and
- (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	\$’000	\$’000	\$’000	\$’000
Net profit/(loss) attributable to shareholders (S\$’000)	(86)	(2,160)	607	1,387
Weighted average number of ordinary share in issue (No. of shares)	250,447,985	250,447,985	250,447,985	250,447,985
Earnings/(Loss) per share (Singapore cents) – basic and diluted	(0.03)	(0.86)	0.24	0.55

The Company does not have any potential dilutive ordinary shares in existence for the current financial year and previous financial year.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Net assets attributable to shareholders (S\$'000)	15,930	15,263	3,052	3,015
Net asset value per share as at the end of the financial period/year (Singapore cents)	6.36	6.09	1.22	1.20

The total numbers of issued shares (excluding treasury shares) were 250,447,985 as at 31 December 2023 and 31 December 2022.

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, cost, 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 reported on.**

#### **Review of Income Statement**

During the financial year ended 31 December 2022 (“FY2022”), Natural Cool Investments Pte. Ltd. (“NCI”) filed for creditors’ voluntary winding up and has been deconsolidated from the Group with effect from 2 September 2022. We have excluded NCI’s financial performance from the statement of profit or loss for the 12-months ended 31 December 2022 below for a comparable analysis with the financial performance for the full year ended 31 December 2023 (“FY2023”).

	Group		Variance	
	12 months ended			
	31 December 2023	31 December 2022	\$'000	%
Revenue	144,162	148,374	(4,212)	(2.8)
Cost of sales	(116,702)	(122,409)	(5,707)	(4.7)
<b>Gross profit</b>	<b>27,460</b>	<b>25,965</b>	1,495	5.8
Other income	1,294	1,909	(615)	(32.2)
Distribution expenses	(2,965)	(2,724)	241	8.8
Administrative expenses	(23,331)	(23,259)	72	0.3
Impairment loss on trade receivables and contract assets, including bad debts written-off	(110)	(111)	(1)	(0.9)
Other expenses	(426)	(1,383)	(957)	(69.2)
<b>Results from operating activities</b>	<b>1,922</b>	<b>397</b>	NM	
Finance costs	(1,226)	(903)	323	35.8
<b>Profit/(Loss) before tax</b>	<b>696</b>	<b>(506)</b>	NM	
Tax expense	(293)	(280)	13	4.6
<b>Profit/(Loss) for the year</b>	<b>403</b>	<b>(786)</b>	NM	

NM: denotes not meaningful

The Group generated revenue of S\$144.2 million for the FY2023, a decrease of S\$4.2 million, or 2.8% compared to S\$148.4 million in FY2022 due to the following:

- Our Aircon and Engineering Division reported a decrease in revenue of S\$6.5 million. The main contributor to the decrease in Aircon and Engineering Division revenue was Commercial Installation (“CI”) Department of \$8.9 million. As the built environment sector remained challenging due to the inflationary pressures, CI Department has been strategic in its project selection by selecting smaller projects with faster payment term to mitigate unforeseen market risks. However, this was offset by an improvement in revenue from Mechanical & Electrical Department of \$2.0 million resulting from more replacement and maintenance works in FY2023. Lastly, our regional sales also increased by \$0.6 million as the sales in regional market with geopolitical challenges were picking up;
- Our Technology Division recorded an increase in revenue of S\$1.1 million or 33.8% compared to FY2022, mainly due to installation of more lift monitoring and surveillance devices and a new project for train-borne communications systems;
- Our Paint and Coatings Division recorded an increase in revenue of \$0.8 million or 19.6% due to sales growth from users and retail stores; and
- Our Food and beverages (“F&B”) Division’s revenue improved slightly as compared to FY2022. During FY2023, F&B Division underwent a restructuring exercise by reducing its underperformed production lines. Meanwhile, we had more products such as Just Nanyang cooked-food snacks penetrated into about 40 NTUC FairPrice outlets in Singapore. The new changes have also successfully improved the utilisation rate of our central kitchen.

Gross profit margins (“GPM”) increased by 1.5 percentage point from 17.5% in FY2022 to 19.0% in FY2023. The increase in GPM from our Aircon and Engineering Division was mainly due to increasingly relying more on our own labour instead of subcontractors in FY2023. Our Paint and Coatings Division improved its GPM as a result of effective cost management in place. Lastly, our Technology Division also contributed a higher GPM, largely from the new project for train-borne communications systems.

Other income decreased by S\$0.6 million or 32.2% mainly caused by the decrease in gain from disposal of property, plant and equipment of S\$0.3 million and government grants received of S\$0.2 million.

The increase of distribution expenses by S\$0.2 million or 8.8% was due to more marketing expenditures in Aircon and Engineering and F&B Divisions.

Other expenses decreased by S\$1.0 million mainly due to lower impairment loss on property, plant and equipment of S\$0.7 million for F&B Division as a result of reduction in our underperforming F&B production lines. In FY2022, the impairment loss on property, plant and equipment relates to F&B Division for S\$0.9 million due to poor financial performance. In FY2023, the impairment loss of S\$0.2 million is related to the underperformed production line assets in F&B Division.

Finance cost increased by S\$0.3 million or 35.8% mainly due to the increase in bank borrowing rates.

Slight increase in income tax expense despite a lower profit before tax mainly due to lower non-taxable income in FY2023.

Resulting from the above, the Group reported a profit after tax of S\$0.4 million in FY2023 compared to a loss after tax of S\$0.8 million in FY2022.

**Review of Statement of Financial Position**

Property, plant and equipment decreased by S\$2.3 million in FY2023 mainly due to the depreciation incurred for the year amounted to S\$3.9 million and impairment loss of S\$0.2 million. This was offset by the acquisition of the property, plant and equipment of S\$0.5 million and new lease contracts for operation use of S\$1.3 million.

Intangible assets and goodwill decreased by S\$0.6 million mainly due to amortisation of order backlogs, computer software and others.

Inventories decreased by S\$0.5 million as to reduce the stocks on hand for better cash flow management.

Contract assets decreased by S\$1.4 million due to lower level of contract activities in FY2023.

Other investments decreased by S\$0.3 million mainly due to withdrawal from money market funds of S\$0.2 million.

Loans and borrowings (current and non-current) decreased by S\$4.4 million mainly as a result of the repayments of loans, lease liabilities and bills payable of S\$3.8 million, S\$1.7 million and S\$1.2 million respectively. On the other hand, we have further drawn down S\$1.0 million of loans for working capital purposes. We have also recognised lease liabilities relating to the extension of lease contracts in F&B Divisions of S\$1.3 million.

Trade and other payables decreased by S\$1.6 million in FY2023 mainly due to lower purchases toward the end of FY2023 of S\$1.3 million. There is also a decrease in the accrued expenses, mainly from subcontractor costs accruals in Aircon and Engineering Division. These were offset by the increase in GST payable of S\$0.3 million and other payables of S\$0.2 million.

**Review of Statement of Cash Flow**

In FY2023, we recorded a net operating cash inflow of approximately S\$7.0 million.

We recorded net cash used in financing activities of S\$7.0 million in FY2023 mainly due to the payments of lease liabilities, interest, bills payable and loan repayments amounted to S\$8.1 million. This has been offset by the drawdown of new loan of S\$1.1 million.

As a result, our cash and cash equivalents largely remained unchanged at S\$8.1 million in FY2023.

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

Not applicable. No forecast or 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.**

Our main market in Singapore has weathered inflationary pressures, higher interest rates and global geopolitical risks remarkably well. However, we believe some of these risks will continue to persist in the near term.

The Aircon and Engineering Division and the Paint and Coatings Division performed admirably despite the macro-economic factors mentioned above to deliver profits. Moving forward, the divisions will continue to be cautious in running its various business units as some of the risks, especially those faced by the built environment sector continue to be present.

The Technology Division continues to perform well, and are working on a number of new opportunities in both its traditional markets and also currently working with other units within the Group to develop new products, and on joint bid opportunities.

In FY2023, our F&B Division underwent a re-organisation which lead to a reduction in the number of product lines being offered, which also lead to a reduction in operating costs. Also, the division's efforts in growing its sales channels have borne fruit. In particular, the division now has its products sold in about 40 NTUC FairPrice outlets in Singapore. Moving forward, the F&B Division will continue to work on growing its retail and wholesale sales channels.

Bearing in mind the risks faced domestically and around the world, we will continue to be selective in the way we operate our businesses.

As regards to the creditors' voluntary winding up of Natural Cool Investments Pte. Ltd., we continue to participate in the creditors' committee of inspection, and assist the liquidators in the performance of their duties.

**11. Dividend information.**

**If a decision regarding dividend has been made:**

**a. Whether an interim (final) dividend has been declared (recommended) for current financial period reported on;**

No.

**b. Amount per share;**

Not applicable.

**c. Previous corresponding period;**

Not applicable.

- d. Whether the dividend is before tax, net of tax or tax exempted. If before tax or net of tax, state the tax and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated);**

Not applicable.

- e. The date the dividend is payable; and**

Not applicable.

- f. The date on which Registrable Transfers received by the Company (up to 5:00 PM) will be registered before entitlement to the dividend are determined.**

Not applicable.

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

No dividend has been declared for FY2023 as the profits were retained for business use.

- 13. If the Group has obtained a general mandate from shareholders for Interested Party Transactions (“IPT”), the aggregated value of such transactions as required under Rule 920(1)(a)(ii) of Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.**

The Company has not obtained a general mandate from shareholders for IPTs. There were no IPTs of S\$100,000 and above being entered into by the Group during FY2023.

- 14. Confirmation that the Issuer has procured undertakings from all its Directors and executive officers under Rule 720(1) of the Catalist Rules.**

The Company confirms that it has procured all the required undertaking from all its Directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

- 15. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules.**

None.

- 16. Segmented revenue and result for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Please refer to “Notes to the Condensed Financial Statements” – Note 4 (refer to Page 9 to 14).

- 17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to paragraph 8.

**18. Disclosure of persons occupying managerial positions in the issuer or any of its principal subsidiaries who are relatives of a director, chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10) in the format set out below.**

Not applicable. There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company as at the date of this announcement.

By Order of the Board

Choy Bing Choong  
Executive Chairman

Tsng Joo Peng  
Executive Director and Group CEO

Singapore  
28 February 2024

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

*The contact person for the Sponsor is Ms Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg).*

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