



Tai Sin Electric Limited

(Incorporated in Singapore)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED
30 JUNE 2021

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A. Condensed interim statements of financial position

	Note	GROUP		COMPANY	
		As at 30.06.2021 \$'000	As at 30.06.2020 \$'000	As at 30.06.2021 \$'000	As at 30.06.2020 \$'000
ASSETS					
Current assets:					
Cash and bank balances		39,329	33,501	19,199	12,918
Trade receivables	6	87,730	57,855	43,762	24,230
Other receivables		5,004	5,270	5,857	3,472
Contract assets		5,681	2,070	-	-
Derivative financial instruments	7	7,241	3,079	7,241	3,079
Inventories	8	69,937	78,920	34,035	46,525
Assets classified as held for sale		158	-	-	-
Total current assets		215,080	180,695	110,094	90,224
Non-current assets:					
Other receivables		445	12	437	638
Derivative financial instruments	7	6,640	-	6,640	-
Subsidiaries	9	-	-	47,516	43,190
Associates	10	10,481	10,198	-	-
Investment in quoted shares		4	2	-	-
Property, plant and equipment	11	39,465	38,371	11,494	13,353
Investment properties	12	3,031	2,940	-	-
Right-of-use assets		14,762	10,913	4,376	4,740
Intangible assets	13	-	159	-	-
Deferred tax assets		3,403	93	3,342	-
Total non-current assets		78,231	62,688	73,805	61,921
Total assets		293,311	243,383	183,899	152,145
LIABILITIES AND EQUITY					
Current liabilities:					
Bank borrowings	14	17,740	20,548	2,602	9,679
Trade payables		28,541	16,031	10,261	1,715
Other payables		10,354	9,149	3,632	2,474
Contract liabilities		1,584	1,202	77	32
Provision for onerous contracts	15	22,687	-	22,687	-
Lease liabilities		905	1,137	306	324
Income tax payable		7,141	2,221	5,372	1,110
Total current liabilities		88,952	50,288	44,937	15,334
Non-current liabilities:					
Bank borrowings	14	437	-	437	-
Other payables		194	159	-	-
Lease liabilities		10,762	9,611	4,218	4,495
Deferred tax liabilities		946	1,253	-	560
Total non-current liabilities		12,339	11,023	4,655	5,055

	Note	GROUP		COMPANY	
		As at 30.06.2021 \$'000	As at 30.06.2020 \$'000	As at 30.06.2021 \$'000	As at 30.06.2020 \$'000
Capital, reserves and non-controlling interests:					
Share capital	16	63,712	63,712	63,712	63,712
Treasury shares	17	(950)	(950)	(950)	(950)
Reserves		127,477	117,736	71,545	68,994
Equity attributable to the shareholders of the Company		190,239	180,498	134,307	131,756
Non-controlling interests		1,781	1,574	-	-
Total equity		192,020	182,072	134,307	131,756
Total liabilities and equity		293,311	243,383	183,899	152,145

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

Group	Note	6 months ended 30.06.2021 \$'000	6 months ended 30.06.2020 \$'000	Change %	12 months ended 30.06.2021 \$'000	12 months ended 30.06.2020 \$'000	Change %
Revenue	18	163,731	111,304	47.10	298,442	276,414	7.97
Cost of sales		(147,117)	(94,878)	55.06	(257,069)	(232,054)	10.78
Gross profit		16,614	16,426	1.14	41,373	44,360	(6.73)
Other operating income		5,737	4,560	25.81	20,157	7,573	166.17
Selling and distribution expenses		(9,756)	(9,467)	3.05	(18,403)	(19,350)	(4.89)
Administrative expenses		(10,387)	(8,611)	20.62	(19,433)	(18,577)	4.61
Other operating expenses		(1,447)	(547)	164.53	(2,025)	(1,153)	75.63
Finance costs		(402)	(527)	(23.72)	(781)	(1,089)	(28.28)
Share of (loss) profit of associates		(242)	391	N.M	430	650	(33.85)
Profit before income tax	19	117	2,225	(94.74)	21,318	12,414	71.73
Income tax expense	20	(858)	(517)	65.96	(3,807)	(2,388)	59.42
(Loss) Profit for the period		(741)	1,708	N.M	17,511	10,026	74.66
Other comprehensive (loss) income:							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Exchange difference on translation of foreign operations		(8)	149	N.M	(662)	309	N.M
Changes in share of other comprehensive income (loss) of associates		29	(49)	N.M	42	(69)	N.M
Other comprehensive income (loss) the period, net of tax		21	100	(79.00)	(620)	240	N.M
Total comprehensive (loss) income for the period		(720)	1,808	N.M	16,891	10,266	64.53
(Loss) Profit for the period attributable to:							
Shareholders of the Company		(852)	1,593	N.M	17,282	9,702	78.13
Non-controlling interests		111	115	(3.48)	229	324	(29.32)
		(741)	1,708	N.M	17,511	10,026	74.66
Total comprehensive (loss) income attributable to:							
Shareholders of the Company		(840)	1,678	N.M	16,684	9,928	68.05
Non-controlling interests		120	130	(7.69)	207	338	(38.76)
		(720)	1,808	N.M	16,891	10,266	64.53

N.M denotes Not Meaningful

C. Condensed interim Statements of Changes in Equity

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

Group	Note	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2019		58,641	(950)	(357)	(1,092)	119,307	175,549	1,264	176,813
Total comprehensive income for the year									
Profit for the year		-	-	-	-	9,702	9,702	324	10,026
Other comprehensive income for the year		-	-	226	-	-	226	14	240
Total		-	-	226	-	9,702	9,928	338	10,266
Transactions with owners, recognised directly in equity									
Issue of shares pursuant to Scrip Dividend Scheme		5,071	-	-	-	(5,071)	-	-	-
Share of post-acquisition reserve from an associate		-	-	-	52	-	52	-	52
Dividend paid to non-controlling interests		-	-	-	-	-	-	(28)	(28)
Final dividend for the previous year paid		-	-	-	-	(1,579)	(1,579)	-	(1,579)
Interim dividend for the year paid		-	-	-	-	(3,452)	(3,452)	-	(3,452)
		5,071	-	-	52	(10,102)	(4,979)	(28)	(5,007)
Balance at 30 June 2020		63,712	(950)	(131)	(1,040)	118,907	180,498	1,574	182,072

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

Company	Note	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 July 2019		58,641	(950)	74,559	132,250
Profit for the year, representing total comprehensive income for the year		-	-	4,537	4,537
Transactions with owners, recognised directly in equity					
Issue of shares pursuant to Scrip Dividend Scheme		5,071	-	(5,071)	-
Final dividend for the previous year paid		-	-	(1,579)	(1,579)
Interim dividend for the year paid		-	-	(3,452)	(3,452)
		<u>5,071</u>	<u>-</u>	<u>(10,102)</u>	<u>(5,031)</u>
Balance at 30 June 2020		<u>63,712</u>	<u>(950)</u>	<u>68,994</u>	<u>131,756</u>

D. Condensed interim consolidated statement of cash flows

Group	Year ended 30.06.2021 \$'000	Year ended 30.06.2020 \$'000
Operating activities		
Profit before income tax	21,318	12,414
Adjustments for:		
Depreciation of property, plant and equipment	5,122	5,423
Depreciation of investment properties	52	51
Depreciation of right-of-use assets	1,359	1,232
Amortisation expenses	159	232
Interest income	(169)	(78)
Interest expense	781	1,089
Gain on disposal of property, plant and equipment	(23)	(13)
Property, plant and equipment written off	30	97
Bad debts written off	5	42
Loss allowance for trade and other receivables	1,509	1,014
Provision for onerous contracts	22,687	-
Inventories written off	400	413
Reversal of allowance for inventories obsolescence	(28)	(25)
Fair value gain on revaluation of investment in quoted shares	(2)	(2)
Fair value adjustment on derivative financial instruments taken to profit or loss	(10,802)	(2,642)
Share of profit of associates	(430)	(650)
Operating cash flows before movement in working capital	41,968	18,597
Trade receivables	(31,736)	31,901
Other receivables	(154)	(1,964)
Contract assets	(3,660)	1,677
Inventories	8,301	(10,928)
Trade payables	12,569	(6,236)
Other payables	1,257	2,421
Contract liabilities	392	(50)
Cash generated from operations	28,937	35,418
Income tax paid	(2,597)	(2,314)
Net cash from operating activities	26,340	33,104
Investing activities		
Acquisition of an associate	-	(500)
Purchase of property, plant and equipment	(6,666)	(4,047)
Purchase of investment property ^(a)	(74)	-
Purchase of quoted shares	-	-*
Proceeds from disposal of property, plant and equipment	224	245
Dividend received from an associate	150	72
Interest received	169	78
Net cash used in investing activities	(6,197)	(4,152)
Financing activities		
Proceeds from bank borrowings	53,339	75,556
Repayment of bank borrowings	(55,632)	(80,624)
Repayment of principal portion of lease liabilities	(4,293)	(1,047)
Interest paid	(781)	(1,089)
Dividend paid to non-controlling interests	-	(28)
Dividend paid ^(b)	(6,904)	(5,031)
Net cash used in financing activities	(14,271)	(12,263)

Group	Year ended 30.06.2021 \$'000	Year ended 30.06.2020 \$'000
Net increase in cash and cash equivalents	5,872	16,689
Cash and cash equivalents at beginning of year	33,501	16,822
Effect of exchange rate changes on the balance of cash held in foreign currencies	(44)	(10)
Cash and cash equivalents at end of year	39,329	33,501

* Amount less than \$1,000.

Notes :

- (a) During the financial year, the Group acquired investment property with an aggregate cost of \$157,000 (2020 : \$Nil) of which \$83,000 (2020 : \$Nil) was acquired by means of settlement with trade receivables. Cash payment of \$74,000 (2020 : \$Nil) were made to purchase of investment property.
- (b) During the financial year ended 30 June 2020, the Group allotted and issued 16,904,076 new shares at an issue price of \$0.30 per share pursuant to the Scrip Dividend Scheme. Cash payments of \$5,031,000 were made for the dividends.

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

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

These condensed interim consolidated financial statements as at and for the six months and full year ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Group and the Company are:

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

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the change in accounting policy with respect to the cost of raw materials for manufacturing entities as detailed below.

Inventories (before 1 July 2020)

The cost of inventories for trading is calculated on a weighted-average basis. The cost of raw materials for manufacturing entities is calculated on a first-in-first-out basis. Work-in-progress and finished goods for manufacturing entities are calculated using the weighted-average method.

Inventories (from 1 July 2020)

On 1 July 2020, the Group changed its accounting policy with respect to the cost of raw materials for manufacturing entities from first-in-first-out basis to weighted-average method. The Group believes that subsequent measurement of cost of raw materials using the weighted-average method results in consistency on the accounting treatment for its inventories. The change in accounting policy was not applied retrospectively as the impact of restating prior year's comparative was immaterial.

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

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

2.1 New and amended standards adopted by the Group

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

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2020.

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

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 financial period are included in the following notes :

- Loss allowance on trade receivables

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

The allowance matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information that may be specific to the debtor.

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

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

- Allowance for inventories

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

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

- Impairment of investment in subsidiaries and associates

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

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

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

- Provision for onerous contracts

An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

An assessment is made at each reporting date whether any major contracts are deemed onerous and provisions are made accordingly. Provisions for onerous contracts represent the estimated losses arising from the differences between (1) the committed selling prices and estimated cost of sales based on prevailing copper prices established on the London Metal Exchange ("LME") for the unfulfilled sales quantities committed in respect of contracts for which delivery has substantially commenced by the end of the financial year and (2) the committed prices and estimated cost for the services committed in respect of uncompleted contracts.

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

3. Seasonal operations

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

4. Financial assets and financial liabilities

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

	Group		Company	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at amortised costs	135,570	94,922	68,960	40,849
Derivative financial instruments	13,881	3,079	13,881	3,079
Financial liabilities				
Financial liabilities at amortised costs	56,657	42,383	16,646	13,089
Lease liabilities	11,667	10,748	4,524	4,819

Fair values of financial assets and financial liabilities

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

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

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

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

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

5. Related Party Transactions

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

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

	Group			
	6 months ended 30.06.2021	6 months ended 30.06.2020	12 months ended 30.06.2021	12 months ended 30.06.2020
	\$'000	\$'000	\$'000	\$'000
Sales to associates	(1,573)	(684)	(2,977)	(2,129)
Purchases from associates	8	-	186	-
Sub-contractor charges by associate	83	-	144	-
Services provided by associates	42	1	94	3
Management fees charge to associates	(9)	(9)	(18)	(18)
Rental charge to associates	(96)	(96)	(160)	(188)
Services provided to associates	-	(2)	-	(16)
Manpower supply by associates	10	-	10	-
Billing on behalf of associates	-	45	-	225
Expenses paid on behalf for associates	(64)	(58)	(123)	(153)

Companies in which key management have interests:

	Group			
	6 months ended 30.06.2021	6 months ended 30.06.2020	12 months ended 30.06.2021	12 months ended 30.06.2020
	\$'000	\$'000	\$'000	\$'000
Sales	(468)	(175)	(740)	(1,538)
Purchases	141	138	239	184
Consultancy service charges to related party	(100)	-	(229)	-
Sales of plant and machinery to a related party	(78)	-	(84)	(3)
Services provided to a related party	(32)	(52)	(59)	(125)
Rental income from a related party	(4)	(4)	(8)	(9)
Rental provided by a related party	19	-	32	-
Loan to related party	-	-	-	(125)
Billing on behalf by related party	-	-	-	(825)
Expenses paid on behalf to a related party	-	-	-	319

6. Trade receivables

	Group		Company	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	\$'000	\$'000	\$'000	\$'000
Outside parties	89,704	59,289	42,420	22,804
Related parties	957	1,355	158	35
Subsidiaries	-	-	1,219	2,236
Associates	1,145	408	1,136	305
	<u>91,806</u>	<u>61,052</u>	<u>44,933</u>	<u>25,380</u>
Less: Loss allowance	(4,076)	(3,197)	(1,171)	(1,150)
	<u>87,730</u>	<u>57,855</u>	<u>43,762</u>	<u>24,230</u>

The average credit period is 30 to 120 days (2020 : 30 to 120 days). No interest is charged on the trade receivables.

6. Trade receivables (cont'd)

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

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

7. Derivative Financial instruments

	Group and Company	
	30.06.2021	30.06.2020
	\$'000	\$'000
Forward foreign exchange contracts	605	331
Copper contracts	13,276	2,748
	13,881	3,079
Less : Non-current	(6,640)	-
Current derivative financial instruments	7,241	3,079

Forward foreign exchange contracts

As at 30 June 2021 and 2020, the Group and Company had outstanding currency derivatives that were used to hedge significant future transactions. The instruments purchased are primarily denominated in the currencies of the Group's and Company's principal markets.

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

	Foreign currency		Notional contract value		Fair value	
	2021	2020	2021	2020	2021	2020
	FC'000	FC'000	\$'000	\$'000	\$'000	\$'000
<u>Group</u>						
Buy United States dollar less than 12 months	22,500	10,205	29,656	14,219	604	331
Sell Singapore dollar less than 12 months	1,500	-	1,507	-	1	-
<u>Company</u>						
Buy United States dollar less than 12 months	22,500	10,205	29,656	14,219	604	331

As at 30 June 2021, the fair value of forward foreign exchange contracts for the Group and the Company was at \$605,000 (2020 : \$331,000). These amounts were determined based on observable forward exchange rates, contract forward rates and discounted at a rate that reflected the credit risk of various counterparties at the end of reporting period. Changes in the fair value of the forward foreign exchange contracts were recorded in profit or loss immediately.

Copper contracts

As at 30 June 2021 and 2020, the Group and the Company had outstanding copper contracts that were used to hedge significant future fluctuations in copper prices.

8. Inventories

	Group		Company	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	\$'000	\$'000	\$'000	\$'000
Raw materials	5,285	10,317	2,392	8,054
Work-in-progress	12,553	14,606	6,472	9,324
Finished goods	45,542	52,653	20,344	28,183
Goods-in-transit	6,557	1,344	4,827	964
	<u>69,937</u>	<u>78,920</u>	<u>34,035</u>	<u>46,525</u>

Inventories are stated net of an allowance of \$405,000 (2020 : \$433,000). In addition, \$400,000 (2020 : \$413,000) of inventories were written off as they were assessed to be not saleable. During the year, there was reversal of allowance for inventories obsolescence of \$28,000 (2020 : \$25,000).

9. Subsidiaries

	Company	
	30.06.2021	30.06.2020
	\$'000	\$'000
Unquoted equity shares, at cost	37,567	33,824
Deemed investment ^(a)	9,949	9,366
	<u>47,516</u>	<u>43,190</u>

During the year ended 30 June 2021, the issued and paid-up capital of the subsidiary, Cast Laboratories Pte Ltd increased from \$6.257 million to \$10.0 million by the issue of 6,471,812 new ordinary shares.

For the year ended 30 June 2021, investment in subsidiaries is recorded net of impairment loss of \$ Nil (2020 : \$69,000).

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

Fair value of corporate guarantees is the guarantee fee received for issuing the financial guarantee and is approximately 1% (2020 : 1%) per annum of the sum guaranteed under the financial guarantee contract.

10. Associates

	Group	
	30.06.2021	30.06.2020
	\$'000	\$'000
Unquoted equity shares, at cost	3,188	3,188
Share of post-acquisition results and reserves, net of dividends received	7,293	7,010
	<u>10,481</u>	<u>10,198</u>

11. Property, plant and equipment

During the year, the Group acquired assets amounting to \$6,666,000 (2020 : \$4,047,000), disposed of assets amounting to \$201,000 (2020 : \$1,226,000) and write-offs assets amounting to \$30,000 (2020 : \$562,000).

12. Investment properties

	Group
	\$'000
Cost:	
At 1 July 2019	3,142
Currency realignment	(13)
At 30 June 2020	3,129
Addition	157
Currency realignment	(15)
At 30 June 2021	3,271
Accumulated depreciation:	
At 1 July 2019	139
Depreciation	51
Currency realignment	(1)
At 30 June 2020	189
Depreciation	52
Currency realignment	(1)
At 30 June 2021	240
Carrying amount:	
At 30 June 2021	3,031
At 30 June 2020	2,940

13. Intangible assets

	Customer	Proprietary	
	relationships	application	
	\$'000	software	Total
<u>Group</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cost:			
At 1 July 2019, 30 June 2020	2,114	219	2,333
Write-offs	-	(219)	(219)
At 30 June 2021	2,114	-	2,114
Accumulated amortisation:			
At 1 July 2019	1,723	219	1,942
Amortisation	232	-	232
At 30 June 2020	1,955	219	2,174
Amortisation	159	-	159
Write-offs	-	(219)	(219)
At 30 June 2021	2,114	-	2,114
Carrying amount:			
At 30 June 2021	-	-	-
At 30 June 2020	159	-	159

14. Borrowings

	Group		Company	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	\$'000	\$'000	\$'000	\$'000
Amount repayable within one year or on demand				
- Secured	16,043	12,006	306	324
- Unsecured	2,602	9,679	2,602	9,679
Amount repayable after one year				
- Secured	10,762	9,611	4,218	4,495
- Unsecured	437	-	437	-

Details of any collateral

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

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

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

15. Provision for onerous contracts

	Group		Company	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	\$'000	\$'000	\$'000	\$'000
Provision for onerous contract	22,687	-	22,687	-

Management has made assessment for the fixed price onerous contracts which deliveries are expected to be made over the next 5 years after the year end. A provision of \$22.687 million (2020 : \$Nil) was made based on traded copper price as at 30 June 2021. Any fluctuation in copper price subsequent to year end will result in addition or reversal of such provision.

Provision for onerous contract for the financial year ended 30 June 2021 have been charged to cost of sales in the Condensed interim consolidated statement of profit or loss and other comprehensive income.

16. Share capital

	Group and Company	
	Number of ordinary shares	\$'000
Issued and paid up capital:		
At 1 July 2019	446,084,765	58,641
Issue of share capital pursuant to Scrip Dividend Scheme	16,904,076	5,071
At 30 June 2020 and 30 June 2021	462,988,841	63,712

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

17. Treasury shares

	Group and Company	
	Number of ordinary shares	\$'000
At 1 July 2019, 30 June 2020 and 2021	2,727,000	950

18. Revenue

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

	Group			
	6 months ended 30.06.2021	6 months ended 30.06.2020	12 months ended 30.06.2021	12 months ended 30.06.2020
	\$'000	\$'000	\$'000	\$'000
At a point in time:				
Cable and wire	96,895	55,453	174,377	154,910
Electrical material distribution	45,877	40,427	87,010	84,720
Test and inspections	4,670	3,848	8,855	10,005
Switchboard	2,763	2,918	5,504	5,445
Over time:				
Test and inspections	13,526	8,658	22,696	21,334
	163,731	111,304	298,442	276,414

A breakdown of sales

	Group		
	Latest Financial Year \$'000	Previous Financial Year \$'000	% increase/ (decrease)
(a) Sales reported for first half year	134,711	165,110	(18.41)
(b) Operating profit after income tax before deducting non-controlling interests reported for first half year	18,252	8,318	119.43
(c) Sales reported for second half year	163,731	111,304	47.10
(d) Operating profit after income tax before deducting non-controlling interests reported for second half year	(741)	1,708	(143.38)

19. Profit before tax

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

	Group			
	6 months ended 30.06.2021	6 months ended 30.06.2020	12 months ended 30.06.2021	12 months ended 30.06.2020
	\$'000	\$'000	\$'000	\$'000
Bad debts written off	6	37	5	42
Foreign currency exchange adjustment loss (gain)	314	(268)	483	(451)
Fair value adjustment on derivative financial instruments taken to profit or loss	(3,173)	(896)	(10,802)	(2,642)
Fair value (gain) loss on revaluation of investment in quoted shares	(2)	1	(2)	(2)
Government grants	1,476	2,702	7,282	2,910
Gain on disposal of property, plant and equipment	(22)	(5)	(23)	(13)
Interest income	(88)	(69)	(169)	(78)
Inventories written off	400	413	400	413
Loss allowance for trade and other receivables	1,111	497	1,509	1,014
Reversal of allowance for inventories obsolescence	(79)	(25)	(28)	(25)
Provision for onerous contracts	22,687	-	22,687	-
Property, plant and equipment written off	19	13	30	97
Depreciation of property, plant and equipment	2,535	2,659	5,122	5,423
Depreciation of investment properties	27	26	52	51
Depreciation on right-of-use assets	764	718	1,359	1,232
Amortisation expense	80	116	159	232

20. Income tax expense

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

	Group			
	6 months ended 30.06.2021	6 months ended 30.06.2020	12 months ended 30.06.2021	12 months ended 30.06.2020
	\$'000	\$'000	\$'000	\$'000
Income tax:				
Current	4,378	1,027	7,347	2,900
Under (Over) provision in prior years	73	(232)	73	(199)
	<u>4,451</u>	<u>795</u>	<u>7,420</u>	<u>2,701</u>
Deferred income tax:				
Current	(3,971)	(97)	(3,995)	(133)
Under (Over) provision in prior years	375	(186)	375	(186)
	<u>(3,596)</u>	<u>(283)</u>	<u>(3,620)</u>	<u>(319)</u>
Withholding tax	3	5	7	6
Total income tax expense	<u>858</u>	<u>517</u>	<u>3,807</u>	<u>2,388</u>

21. Dividends

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

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

During the financial year ended 30 June 2020, the Company declared and paid dividends totalling \$10.102 million. Details were as follows:

- Final tax-exempt dividend of 1.50 cent per ordinary share in respect of the financial year ended 30 June 2019 totalling \$6.650 million. \$1.579 million of the dividend was paid via cash and the remaining \$5.071 million was paid via the issue of scrip dividend; and
- Interim tax-exempt dividend of 0.75 cent per ordinary share in respect of the financial year ended 30 June 2020 totalling \$3.452 million.

22. Segment information

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

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

22. Segment information (cont'd)

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

Segment revenue and results

	Cable & Wire	Electrical Material Distribution	Test & Inspection	Switch- board	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6 months ended 30.06.2021							
Revenue							
External sales	96,895	45,877	18,196	2,763	-	-	163,731
Inter-segment sales	927	226	18	-	-	(1,171)	-
Total revenue	<u>97,822</u>	<u>46,103</u>	<u>18,214</u>	<u>2,763</u>	<u>-</u>	<u>(1,171)</u>	<u>163,731</u>
Results							
Segment result	(3,011)	2,837	730	121	(4)	-	673
Interest expense	(212)	(71)	(114)	(5)	-	-	(402)
Interest income	84	-	4	-	-	-	88
Share of loss of associates	-	(206)	(36)	-	-	-	(242)
Income tax expense							(858)
Non-controlling interests							(111)
Loss attributable to shareholders of the Company							<u>(852)</u>
6 months ended 30.06.2020							
Revenue							
External sales	55,453	40,427	12,506	2,918	-	-	111,304
Inter-segment sales	200	8	40	-	-	(248)	-
Total revenue	<u>55,653</u>	<u>40,435</u>	<u>12,546</u>	<u>2,918</u>	<u>-</u>	<u>(248)</u>	<u>111,304</u>
Results							
Segment result	834	1,381	(84)	154	7	-	2,292
Interest expense	(335)	(75)	(111)	(6)	-	-	(527)
Interest income	58	1	10	-	-	-	69
Share of profit of associates	-	373	18	-	-	-	391
Income tax expense							(517)
Non-controlling interests							(115)
Profit attributable to shareholders of the Company							<u>1,593</u>

22. Segment information (cont'd)

Segment revenue and results (cont'd)

	Cable & Wire \$'000	Electrical Material Distribution \$'000	Test & Inspection \$'000	Switch- board \$'000	Others \$'000	Elimination \$'000	Total \$'000
12 months ended 30.06.2021							
Revenue							
External sales	174,377	87,010	31,551	5,504	-	-	298,442
Inter-segment sales	1,197	244	43	-	-	(1,484)	-
Total revenue	<u>175,574</u>	<u>87,254</u>	<u>31,594</u>	<u>5,504</u>	<u>-</u>	<u>(1,484)</u>	<u>298,442</u>
Results							
Segment result	12,763	6,047	2,356	373	(39)	-	21,500
Interest expense	(418)	(154)	(200)	(9)	-	-	(781)
Interest income	160	-	9	-	-	-	169
Share of profit of associates	-	403	27	-	-	-	430
Income tax expense							(3,807)
Non-controlling interests							(229)
Profit attributable to shareholders of the Company							<u><u>17,282</u></u>
12 months ended 30.06.2020							
Revenue							
External sales	154,910	84,720	31,339	5,445	-	-	276,414
Inter-segment sales	460	16	45	-	-	(521)	-
Total revenue	<u>155,370</u>	<u>84,736</u>	<u>31,384</u>	<u>5,445</u>	<u>-</u>	<u>(521)</u>	<u>276,414</u>
Results							
Segment result	6,663	3,221	2,508	395	(12)	-	12,775
Interest expense	(690)	(162)	(228)	(9)	-	-	(1,089)
Interest income	66	1	11	-	-	-	78
Share of profit of associates	-	640	10	-	-	-	650
Income tax expense							(2,388)
Non-controlling interests							(324)
Profit attributable to shareholders of the Company							<u><u>9,702</u></u>

23. Segment information (cont'd)

Other segment information

	Cable & Wire	Electrical Material Distribution	Test & Inspection	Switch- board	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>6 months ended 30.06.2021</u>						
Additions to non-current assets	436	150	930	169	-	1,685
Depreciation and amortisation	1,486	444	1,435	41	-	3,406
Non-cash items other than depreciation and amortisation	20,268	96	497	399	1	21,261
<u>6 months ended 30.06.2020</u>						
Additions to non-current assets	646	163	850	22	-	1,681
Depreciation and amortisation	1,624	507	1,369	19	-	3,519
Non-cash items other than depreciation and amortisation	(650)	282	147	5	(17)	(233)
<u>12 months ended 30.06.2021</u>						
Additions to non-current assets	592	3,874	2,185	172	-	6,823
Depreciation and amortisation	3,043	908	2,676	65	-	6,692
Non-cash items other than depreciation and amortisation	13,079	233	528	398	21	14,259
<u>12 months ended 30.06.2020</u>						
Additions to non-current assets	1,747	335	1,943	22	-	4,047
Depreciation and amortisation	3,193	1,036	2,673	36	-	6,938
Non-cash items other than depreciation and amortisation	(2,364)	333	467	5	(8)	(1,567)

22. Segment information (cont'd)

Segment assets and liabilities

	Cable & wire \$'000	Electrical material distribution \$'000	Test & inspection \$'000	Switch- board \$'000	Others \$'000	Total \$'000
<u>30.06.2021</u>						
Segment assets	166,028	55,749	39,265	3,923	103	265,068
Interest in associates	-	9,521	960	-	-	10,481
Unallocated segment assets	17,645	-	116	1	-	17,762
Consolidated total assets						293,311
Segment liabilities	51,439	16,846	9,443	752	18	78,498
Unallocated segment liabilities	13,122	4,858	4,636	177	-	22,793
Consolidated total liabilities						101,291
<u>30.06.2020</u>						
Segment assets	144,096	50,226	30,744	3,583	979	229,628
Interest in associates	-	9,265	933	-	-	10,198
Unallocated segment assets	3,511	-	45	1	-	3,557
Consolidated total assets						243,383
Segment liabilities	21,194	17,556	7,614	709	18	47,091
Unallocated segment liabilities	6,697	4,684	2,615	224	-	14,220
Consolidated total liabilities						61,311

Geographical information

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

	6 months ended 30.06.2021 \$'000	6 months ended 30.06.2020 \$'000	12 months ended 30.06.2021 \$'000	12 months ended 30.06.2020 \$'000
Singapore	129,386	80,086	229,013	199,996
Malaysia	15,796	10,463	34,620	27,778
Vietnam	6,502	12,133	13,474	28,986
Brunei	3,520	3,034	6,386	6,843
Indonesia	6,263	3,237	10,514	7,440
Cambodia	1,487	202	2,509	1,488
Others	777	2,149	1,926	3,883
	163,731	111,304	298,442	276,414

23. Subsequent event

On 2 August 2021, the Company entered into a Sale and Purchase Agreement ("SPA") to acquire 100% of the ordinary shares in Nishiden (Malaysia) Sdn Bhd ("NNDM"), a company incorporated in Malaysia for cash consideration of \$1,400,000. The principal activities of NNDM are of fabricating of copper wiring, cables and other related parts.

F. Other information required by Listing Rule Appendix 7.2

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

There were no changes in the Company's share capital during the 6 months ended 30 June 2021.

The total number of issued ordinary shares excluding treasury shares as at 30 June 2021 was 460,261,841 (30 June 2020: 460,261,841).

The number of ordinary shares held as treasury shares as at 30 June 2021 was 2,727,000 (30 June 2020: 2,727,000), constituting 0.59% of the total number of ordinary shares outstanding (30 June 2020: 0.59%).

As at 30 June 2021, there were no outstanding convertibles and no subsidiary holdings (30 June 2020: Nil).

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

The total number of issued ordinary shares excluding treasury shares as at 30 June 2021 was 460,261,841 (30 June 2020: 460,261,841).

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

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

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

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

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

The figures have not been audited nor reviewed.

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

Not applicable.

- (3A) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—
 (a) Updates on the efforts taken to resolve each outstanding audit issue.
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

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

Except as disclosed in item 5 below, the Group and the Company have adopted the same accounting policies and methods of computation in the financial statements for the current reporting year as those of the audited financial statements for the year ended 30 June 2020.

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

The Group has adopted all new and revised Singapore Financial Standards (International) ("SFRS(I)") issued by the Accounting Standards Council that are relevant to the Group and effective for financial period beginning on 1 July 2020.

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

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the change in accounting policy with respect to the cost of raw materials for manufacturing entities as detailed below.

Inventories (before 1 July 2020)

The cost of inventories for trading is calculated on a weighted-average basis. The cost of raw materials for manufacturing entities is calculated on a first-in-first-out basis. Work-in-progress and finished goods for manufacturing entities are calculated using the weighted-average method.

Inventories (from 1 July 2020)

On 1 July 2020, the Group changed its accounting policy with respect to the cost of raw materials for manufacturing entities from first-in-first-out basis to weighted-average method. The Group believes that subsequent measurement of cost of raw materials using the weighted-average method results in consistency on the accounting treatment for its inventories. The change in accounting policy was not applied retrospectively as the impact of restating prior year's comparative was immaterial.

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.

	Group			
	6 months ended 30.06.2021	6 months ended 30.06.2020	12 months ended 30.06.2021	12 months ended 30.06.2020
Earnings per ordinary share for the year after deducting any provision for preference dividends:-				
(i) Based on the weighted average number of ordinary shares in issue; and	(0.19) cents	0.32 cents	3.75 cents	2.14 cents
(ii) On a fully diluted basis	(0.19) cents	0.32 cents	3.75 cents	2.14 cents

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 30.06.2021	As at 30.06.2020	As at 30.06.2021	As at 30.06.2020
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	41.33 cents	39.22 cents	29.18 cents	28.63 cents

Net asset value per share is calculated based on the existing number of shares in issue of 460,261,841 (30 June 2020: 460,261,841 shares).

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

Statement of profit or loss

Revenue

For the six months ended 30 June 2021 ("2H21"), the Group reported revenue of \$163.731 million, up 47.10% from \$111.304 million in the last corresponding period ended 30 June 2020 ("2H20"). This was mainly from the Cable & Wire ("C&W") Segment which posted an increase of \$41.442 million, up 74.73% from \$55.453 million to \$96.895 million. The Electrical Material Distribution ("EMD") Segment's revenue also posted an increase of \$5.450 million, up 13.48% and the Test & Inspection Segment ("T&I") Segment's revenue increased by \$5.690 million, up 45.50% as compared to last corresponding period. The growth was mainly due to resumption of business activities after the Circuit Breaker Period ("CBP") and Movement Control Order ("MCO").

For the financial year ended 30 June 2021 ("FY2021"), the Group's revenue edged higher by 7.97%, up \$22.028 million from the last financial year ("FY2020") of \$276.414 million to \$298.442 million in current year.

The Cable & Wire ("C&W") Segment's revenue posted an increase of 12.57%, up \$19.467 million from \$154.910 million to \$174.377 million. The higher revenue was from Singapore and Malaysia's C&W segment, which was driven mainly by higher sales volume and increase in copper prices. Most of the construction activities resumed during the year which led to higher deliveries during the year. While in the last financial year, the business activities were disrupted by CBP and MCO.

The C&W Segment in Vietnam was affected by the slower business activity amid the global COVID-19 pandemic.

The EMD Segment registered revenue of \$87.010 million, a growth of \$2.290 million, 2.70% higher from \$84.720 million. The growth was supported by higher revenue from the Building & Infrastructure Cluster as both public and private sector construction works expanded. However, the growth was from a low base, as most domestic construction activities were suspended during the CBP last year.

The T&I segment revenue grew marginally by \$212,000 from \$31.339 million to \$31.551 million in the current year. The growth in the T&I Segment was largely due to higher revenue from the non-destructive testing and heat treatment services in Indonesia as new contracts were executed. It was partially offset by lower revenue contribution from Singapore and Malaysia operations as their business activities were affected by the COVID-19 outbreak.

Revenue was relatively stable for the Switchboard Segment with a marginal increase of 1.08%, amounting to \$59,000.

Gross Profit

Gross profit ("GP") increased marginally by \$188,000, from \$16.426 million in 2H20 to \$16.614 million in 2H21. However, gross profit margin softened from 14.76% in 2H20 to 10.15% in 2H21 due to provision for onerous contracts which resulting from the increase in copper price towards year end. There is no provision for onerous contracts

accounted for in the first six months ended 31 December 2020 ("1H21"). Management has made assessment based on the copper price as at 31 December 2020 and concluded that provision for onerous contracts was not necessary.

The Group's GP for FY2021 decreased 6.73% to \$41.373 million from \$44.360 million in FY2020. GP margin dropped by 2.19% from 16.05% in FY2020 to 13.86% in FY2021. This was attributed mainly to provision for onerous contracts of \$22.687 million, offset partially by higher margins from more adhoc contracts which required immediate deliveries.

Other operating income

Other operating income in 2H21 increased by \$1.177 million from \$4.560 million in 2H20 to \$5.737 million in 2H21. This was mainly due to higher fair value gain on derivative financial instruments which resulting from the increase in copper price towards year end, offset partly by lower government grants.

For FY2021, the Group recorded other operating income of \$20.157 million, attributed mainly to higher fair value gain on derivative financial instruments of \$10.802 million as the Group benefited from the increase in copper price towards year end. In addition, the Group recognised grant income of \$6.943 million under government schemes to support businesses amid the COVID-19 pandemic.

Selling and distribution expenses

Selling and distribution expenses increased 3.05% to \$9.756 million in 2H21, in line with higher revenue.

For FY2021, selling and distribution expenses dropped by \$947,000, 4.89% lower than FY2020. This was mainly due to reduction in transportation cost and lower advertising and marketing costs amid the COVID-19 outbreak.

Administrative expenses

Administrative expenses for 2H21 increased by \$1.776 million, up 20.62% as compared to 2H20, while for FY2021, administrative expenses increased by \$856,000, up 4.61% as compared to FY2020. This was mainly because of increase in directors' remuneration and staff costs as a result of better performance.

Other operating expenses

Other operating expenses for 2H21 and FY2021 increased by \$900,000 and \$872,000 respectively, mainly due to higher foreign exchange loss and higher loss allowance for trade receivables. Higher foreign exchange loss was mainly due to fluctuation in the Group's exposure to the United States dollar against Singapore dollar. Higher loss allowance for trade receivables was mainly due to slower collection from the C&W and EMD segment customers from the construction industry.

Finance costs

Finance costs for 2H21 and FY2021 decreased by \$125,000 and \$308,000 respectively, mainly due to lower utilisation of bank facilities and lower interest charge.

Share of (loss) profit of associates

Nylect Group's performance were affected by COVID-19 pandemic which resulted lower profit contribution in 2H21 and FY21.

Profit before income tax

The Group's profit before income tax ("PBT") decreased \$2.108 million to \$117,000 in 2H21 from \$2.225 million in 2H20.

PBT for FY2021 jumped \$8.904 million to \$21.318 million from \$12.414 million in FY2020, on the back of higher other operating income.

The C&W Segment's PBT for FY2021 increased by \$6.466 million from \$6.039 million to \$12.505 million, mainly driven by fair value gain on derivative financial instruments and grants extended by the Singapore government in view of the COVID-19 pandemic. The EMD Segment's PBT expanded by \$2.596 million from \$3.700 million to \$6.296 million, moving in tandem with higher revenue. The PBT from T&I Segment and Switchboard Segment however declined by \$109,000 and \$22,000 respectively. Lower PBT from T&I Segment was mainly the result of set-up costs for the subsidiary in Cambodia.

Income tax expense

Income tax expense for 2H21 and FY21 increased by \$341,000 and \$1.419 million respectively. The increase was mainly due to the timing differences arising from the provision for onerous contracts of \$22.687 million and increase in other operating income from the higher fair value gain on derivative financial instruments of \$10.802 million.

Statement of financial position

Cash and bank balance increased by \$5.828 million, due to higher collection from customers and government grants received.

Trade receivables increased by \$29.875 million, as a result of higher sales for the quarter ended 30 June 2021 as compared to the quarter ended 30 June 2020.

Contract assets increased by \$3.611 million, primarily attributable to unbilled revenue and retention sum receivables for those revenue recognised over time for on-going contracts.

Derivative financial instruments in total increased by \$10.802 million, mainly due to fair value gain on foreign currency forward contracts and copper contracts.

Inventories decreased by \$8.983 million, mainly due to higher sales in the C&W and EMD Segments towards year end. In addition, most of the deliveries were delayed due to disruptions in business activities in last financial year due to COVID-19 outbreak.

Property, plant and equipment was up by \$1.094 million, mainly due to addition of property, plant and equipment amounting to \$6.666 million, particularly the acquisition of property at Hillview amounting to \$3.584 million, against depreciation charges of \$5.122 million, disposal and write off of property, plant and equipment with net book value of \$231,000.

Right-of-use ("ROU") assets increased by \$3.849 million mainly due addition of \$5.208 million, particularly warehouse and building rental for the newly set-up subsidiary in Cambodia against depreciation charges of \$1.359 million.

Deferred tax assets increased by \$3.310 million, mainly due to timing differences arising from provision for onerous contracts.

Bank borrowings in total declined by \$2.371 million, primarily because of lower borrowings by the C&W Segment and EMD Segment, offset partially by higher bank borrowing by the T&I Segment for investment in a newly subsidiary.

Trade payables increased by \$12.510 million, substantially due to higher purchases by the Group towards year end.

Other payables increased by \$1.205 million, mainly the result of directors' remuneration.

Provision for onerous contracts amounting to \$22.687 million relate to deliveries of contracts that are expected to be made after the year end.

Statement of cash flows

The cash and cash equivalents at the end of the year increased to \$39.329 million compared with \$33.501 million at the end of the previous year.

The Group's net cash from operating activities of \$26.340 million was attributable to operating profit before working capital changes, decrease inventories, increase in trade and other payables and advances received from customers. These were offset partially by the increase in trade and other receivables and contract assets as well as payment of income tax.

The net cash used in investing activities of \$6.197 million was mainly for purchase of property, plant and equipment and investment property, net of proceeds from disposal of plant and equipment, dividend received from an associate and interest received.

The net cash used in financing activities of \$14.271 million was mainly due to repayment of borrowings, lease liabilities, dividends and interest paid, net of proceeds from bank borrowings.

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

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

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

COVID-19 continues to be a significant concern as it extends to a second year. In addition, copper prices remain volatile, and shipment of goods is constrained by limited availability of container cargo space and shipment routes affecting the Group's production and delivery schedules.

Despite the limited visibility due to COVID-19 and the above challenges, the Group managed to continue its transformation process to be Industry 4.0 ready and will launch new products and services when opportunities arise.

Moving forward, the Group will build on its capabilities, expertise and initiatives to be robust in the new normal and deliver sustainable value to its stakeholders.

11. Dividend

(a) Current Financial Period Reported On

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

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.75 cent per ordinary share
Tax Rate	Exempt One-tier

(c) Date payable

The proposed final one-tier exempt dividend of \$0.015 per ordinary share in respect of the financial year ended 30 June 2021, subject to Shareholders' approval at the forthcoming Annual General Meeting scheduled to be held on 29 October 2021, will be paid on 15 November 2021.

(d) Record date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 9 November 2021 for the purpose of preparing dividend warrants.

Duly completed transfers received by the Company's Share Registrars, B.A.C.S. Private Limited of 8 Robinson Road #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 8 November 2021 will be registered before entitlements to the final dividend are determined. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said final dividend will be paid by the Company to CDP which will distribute the dividend to holders of the securities accounts.

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

Not applicable.

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

No IPT mandate has been obtained from shareholders.

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

Not applicable.

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

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

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

	Latest Full Year (S\$)	Previous Full Year (S\$)
(a) Ordinary	10,355,891	6,903,930
(b) Preference	-	-
(c) Total:	10,355,891	6,903,930

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr. Lim Boon Hock Bernard	51	See below	Chief Executive Officer of the Issuer – 2013 (i) Overall responsibility for development and implementation of the Group’s vision, strategic agenda, and business plan together with Key Management. (ii) Achieve targets and standards for financial and trading performance, quality, culture and legislative adherence as established by the Board.	Nil
Mr. Lim Chai Lai @ Louis Lim Chai Lai	75	See below	Chairman of Lim Kim Hai Electric Co. (S) Pte. Ltd. – 2008 (i) Formulating strategic decisions relating to business. (ii) Setting LKH Group policies.	Nil

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
			(iii) General administration of the LKH Group.	
Mr. Chia Ah Heng	78	See below	<p>Deputy Chairman of Lim Kim Hai Electric Co. (S) Pte. Ltd. – 2013</p> <p>Overall responsibility for development and implementation of the Lim Kim Hai Group's vision, strategic agenda and business plan together with the CEO, including formulating business strategies and policies to achieve established goals and objectives determined by its Board of Directors.</p>	Nil
Ms Lim Lian Eng	67	See below	<p>Chief Information Officer – 2014</p> <p>(i) To plan, administer and develop the Group's use of computers and telecommunication systems to support the Group's corporate strategies and financial objectives.</p> <p>(ii) To analyse the information needs of the Group in consultation with staff at all levels and develop technological solutions to meet their needs.</p> <p>(iii) To oversee the Group's IT facilities and training of users and clients.</p> <p>(iv) Developmental role in the strategic and operational governance process of the Group as a member of the top management team.</p> <p>(v) To plan, administer and review the Group's acquisition, development, maintenance and use of IT systems and ensuring the system is in-line with the Group's goals and objectives.</p> <p>(vi) Participate in strategising long-term corporate directions and formulation of business strategies for the Group's growth and expansion to meet the Group's financial objectives.</p>	<p>Nil</p> <p>Ms Lim Lian Eng retired on 1 July 2021</p>

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ms Lim Phek Choo, Constance	72	See below	<p>Manager – Group Grants Management of the Issuer - 2017</p> <ul style="list-style-type: none"> (i) Study employees' needs and recommend new working methods to facilitate employees to focus on more important tasks can lead to increase productivity. (ii) Examine employees' job roles to find areas for growth, and redesign them as needed to meet needs of our employees and organization as a whole. (iii) Participate in evaluation systems or process to maximize resources and reach organizational goals accordingly. (iv) Assess and make recommendations on the improvement or re-engineering process requests and help to position ourselves at the forefront of our industry. (v) To provide avenue to increase employee engagement, efficiency and productivity, and improve quality and higher organisation branding. (vi) To interpret both grant agency and company requirements and policies, practices and provide support to obtain available information for funding. (vii) To assist in formulation of processes and procedures for grant application. (viii) To maintain proposal and funding records in database systems, and prepare scheduled reports for claiming of grants. (ix) To participates and/or assists in special projects, and may provide procedures changes suggestions to lower level technicians on assigned work. (x) Perform other job-related duties as assigned. 	<p>Nil</p> <p>Ms Lim Phek Choo, Constance retired on 1 January 2021</p>

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr. Lim Chye Kwee	66	See below	Manager - Logistics of Lim Kim Hai Electric Co. (S) Pte. Ltd. – 2008 (i) Responsible for the operations of all warehousing and stock control. (ii) Responsible for the day to day running of warehouse. (iii) Ensure efficient and reliable delivery of products and goods.	Nil
Mr.Lim Boon Hoh Benedict (Lin Wenhe, Benedict)	41	See below	Senior Manager of Cast Laboratories Pte Ltd - 2019 (i) Lead and manage operational activities of calibration department; (ii) Establish new testing capability for calibration and mechanical Department; (iii) Assist the General Manager of the company to ensure smooth operation; and (iv) Assist the Executive Director of the company to enhance workflow and optimise operational efficiency.	Promoted to General Manager – Operations of Cast Laboratories Pte Ltd on 1 July 2021 (i) To oversee the entire laboratory operations to support the achievement of budgeted annual sales and Profit Before Tax targets in alignment with the direction as agreed with the Cast Lab CEO. (ii) Collaborate with the Cast Lab Management in developing and driving the operational strategy of Cast Lab, including key management change and business transformation initiatives, in line with the organisational vision of Cast Lab. (iii) Drive laboratory operations which include activities across the Logistics, Purchasing, Human Resource and Administration functions in Cast Lab. (iv) Set and monitor achievement of goals for laboratory operations' performance and growth in Logistics, Purchasing, Human Resource and Administration functions so as to fall in line with the goals set for the business. (v) Promote and deploy best practices in the laboratory operations' Logistics, Purchasing, Human Resource and Administration.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
				<ul style="list-style-type: none"> (vi) Exercise control over the functions of Logistics, Purchasing, Human Resource and Administration of the laboratory operations. (vii) Chart clear succession plans and talent development programmes. (viii) Build high-performing teams for testing and inspection with high integrity. (ix) Build a culture in which individuals can thrive, in tandem with the growth of the business. (x) Enforce good corporate governance and sustainability in Cast Lab. (xi) Oversee and lead the departments in continual improvement activities. (xii) Manage company facilities for operation effectiveness.
Mr. Lim Boon San Lionel (Lin Wenshan, Lionel)	44		<p>Senior Manager - Business Development of Lim Kim Hai Electric Co. Pte. Ltd. - 2021</p> <ul style="list-style-type: none"> (i) Executive appointment in LKHE with following responsibilities:- (ii) Explore and create new business to augment existing services, products and solutions to achieve company profitability, liquidity, continuity and growth. (iii) Prepare business development plan for business needs and growth. (iv) Research, source and develop new products, solutions and markets to complement and grow existing business. (v) Create new leads and customers to increase market reach and customer base. (vi) Establish and strengthen business partnership with new or existing brands to improve company image and position in local market. 	Promoted to current position on 1 July 2021.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
			<ul style="list-style-type: none"> (vii) Work autonomously and collaboratively with stakeholders to achieve the company sales targets. (viii) Evaluate viability and propose for management decision-making, new business market and solutions to meet the business needs. (ix) Report on business development outcomes/results related to sales for management review meetings. (x) Provide staff coaching, mentoring and on-the-job training for product and marketing teams. 	

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

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

BY ORDER OF THE BOARD

Tan Shou Chieh
Secretary

Singapore, 26 August 2021