



CO REG NO: 200403029E

**Unaudited Condensed Interim Consolidated Financial Statements
For The Half Year and Full Year Ended 31 December 2023**

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Condensed Interim Consolidated Income Statement and Consolidated Statement of Comprehensive Income

	Note	Group			
		Half Year ended 31/12/2023 (Unaudited) S\$'000	Half Year ended 31/12/2022 (Unaudited) S\$'000	Full Year ended 31/12/2023 (Unaudited) S\$'000	Full Year ended 31/12/2022 (Audited) S\$'000
Revenue	4.4	33,532	37,718	67,297	74,058
Cost of sales		(25,794)	(29,306)	(52,330)	(57,704)
Gross profit		7,738	8,412	14,967	16,354
Other income		500	742	970	899
Selling and distribution expenses		(1,326)	(1,475)	(2,983)	(3,196)
Administrative expenses		(4,278)	(4,243)	(8,138)	(8,018)
Other expenses		(1,252)	(1,802)	(2,743)	(3,506)
Loss allowance (made)/reversed on third party trade and other receivables		(49)	(40)	19	(68)
Finance costs		(197)	(253)	(458)	(440)
Profit before income tax	6	1,136	1,341	1,634	2,025
Income tax expense	7	(472)	(514)	(666)	(828)
Profit for the financial year		664	827	968	1,197
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translation of foreign operations		(117)	269	(476)	422
Other comprehensive (loss)/income for the financial period, net of tax		(117)	269	(476)	422
Total comprehensive income for the financial year		547	1,096	492	1,619
Profit attributable to:					
Owners of the parent		672	836	986	1,214
Non-controlling interests		(8)	(9)	(18)	(17)
		664	827	968	1,197
Total comprehensive income attributable to:					
Owners of the parent		549	1,094	505	1,633
Non-controlling interests		(2)	2	(13)	(14)
		547	1,096	492	1,619
Earnings per share					
Basic and diluted (in cents)	9	0.18	0.25	0.30	0.37

Condensed Interim Statements of Financial Position

	Note	Group		Company	
		As at 31/12/2023 (Unaudited) S\$'000	As at 31/12/2022 (Audited) S\$'000	As at 31/12/2023 (Unaudited) S\$'000	As at 31/12/2022 (Audited) S\$'000
Non-current assets					
Property, plant and equipment	11	17,359	18,172	-	-
Intangible asset	12	143	205	-	-
Investments in subsidiaries		-	-	11,408	9,841
Financial assets, at fair value through profit or loss		96	-	-	-
Financial assets, at fair value through other comprehensive income	13	-	-	-	-
Deferred tax assets		38	-	-	-
		<u>17,636</u>	<u>18,377</u>	<u>11,408</u>	<u>9,841</u>
Current assets					
Inventories		15,794	17,720	-	-
Trade and other receivables		12,763	16,164	10,970	12,455
Other current assets		882	986	-	-
Financial assets, at fair value through profit or loss		3	7	-	-
Fixed deposits		31	132	-	-
Cash and bank balances		5,408	5,416	57	68
		<u>34,881</u>	<u>40,425</u>	<u>11,027</u>	<u>12,523</u>
Current liabilities					
Trade and other payables		6,788	6,766	200	226
Refund liabilities		1,660	1,922	-	-
Current income tax payable		295	503	33	8
Lease liabilities		106	111	-	-
Bank borrowings		6,424	12,220	-	-
		<u>15,273</u>	<u>21,522</u>	<u>233</u>	<u>234</u>
Net current assets		<u>19,608</u>	<u>18,903</u>	<u>10,794</u>	<u>12,289</u>
Non-current liabilities					
Other payables		384	343	-	-
Lease liabilities		2,426	2,309	-	-
Bank borrowings		675	809	-	-
Deferred tax liabilities		313	215	24	23
		<u>3,798</u>	<u>3,676</u>	<u>24</u>	<u>23</u>
Net assets		<u>33,446</u>	<u>33,604</u>	<u>22,178</u>	<u>22,107</u>
Equity					
Share capital	15	24,777	24,777	24,777	24,777
Foreign currency translation account		(595)	(114)	-	-
Fair value reserve		(49)	(49)	-	-
Retained earnings/(Accumulated losses)		9,612	9,276	(2,599)	(2,670)
Equity attributable to owners of the parent		<u>33,745</u>	<u>33,890</u>	<u>22,178</u>	<u>22,107</u>
Non-controlling interests		(299)	(286)	-	-
Total equity		<u>33,446</u>	<u>33,604</u>	<u>22,178</u>	<u>22,107</u>

Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		Full Year ended 31/12/2023 (Unaudited) S\$'000	Full Year ended 31/12/2022 (Audited) S\$'000
Operating activities			
Profit before income tax		1,634	2,025
Adjustments for:			
Loss allowance (reversed)/made on third party trade and other receivables		(19)	68
Bad debts written off - trade		24	-
Write-down of inventories	6.1	716	337
Amortisation of intangible asset		62	60
Depreciation of property, plant and equipment	6.1	1,098	1,172
Fair value loss arising from financial assets, at fair value through profit or loss		8	1
Gain on disposal of property, plant and equipment		(50)	(5)
Interest expense	6.1	458	440
Interest income		(35)	(22)
Unrealised exchange (gain)/loss		(46)	1,387
Operating cash flows before working capital changes		3,850	5,463
Working capital changes:			
Inventories		911	(2,537)
Trade and other receivables		3,158	(3,404)
Trade and other payables		351	(2,084)
Other current assets		104	(137)
Refund liabilities		(262)	361
Cash generated from/(used in) operations		8,112	(2,338)
Income tax paid		(814)	(821)
Interest received		35	22
Net cash from/(used in) operating activities		7,333	(3,137)
Investing activities			
Proceeds from disposal of property, plant and equipment		50	17
Purchase of property, plant and equipment		(304)	(241)
Financial assets, at fair value through profit or loss		(100)	-
Purchase of intangible asset		-	(69)
Decrease/(Increase) in fixed deposits		100	(100)
Net cash used in investing activities		(254)	(393)
Financing activities			
Dividend paid	8	(650)	(650)
Fixed deposits pledged		(1)	(1)
Interest paid		(458)	(440)
Repayment of lease liabilities		(120)	(151)
Proceeds from bank borrowings		23,443	36,067
Repayment of bank borrowings		(29,152)	(33,537)
Net cash (used in)/from financing activities		(6,938)	1,288
Net change in cash and cash equivalents		141	(2,242)
Cash and cash equivalents at beginning of financial year		5,416	7,850
Net effect of exchange rate changes on cash and cash equivalents		(149)	(192)
Cash and cash equivalents at end of financial year		5,408	5,416

Condensed Interim Consolidated Statement of Changes in Equity

Group	Share capital S\$'000	Foreign currency translation account S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non- controlling interests S\$'000	Total S\$'000
(Unaudited)							
Balance at 1 January 2023	24,777	(114)	(49)	9,276	33,890	(286)	33,604
Profit for the financial year	-	-	-	986	986	(18)	968
Exchange differences on translating foreign operations	-	(481)	-	-	(481)	5	(476)
Total comprehensive income for the financial year	-	(481)	-	986	505	(13)	492
Transactions with owners:							
Dividends	-	-	-	(650)	(650)	-	(650)
Balance at 31 December 2023	<u>24,777</u>	<u>(595)</u>	<u>(49)</u>	<u>9,612</u>	<u>33,745</u>	<u>(299)</u>	<u>33,446</u>
(Audited)							
Balance at 1 January 2022	24,777	(533)	(49)	8,712	32,907	(272)	32,635
Profit for the financial year	-	-	-	1,214	1,214	(17)	1,197
Exchange differences on translating foreign operations	-	419	-	-	419	3	422
Total comprehensive income for the financial year	-	419	-	1,214	1,633	(14)	1,619
Transactions with owners:							
Dividends	-	-	-	(650)	(650)	-	(650)
Balance at 31 December 2022	<u>24,777</u>	<u>(114)</u>	<u>(49)</u>	<u>9,276</u>	<u>33,890</u>	<u>(286)</u>	<u>33,604</u>

Condensed Interim Statement of Changes in Equity

Company	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
(Unaudited)			
Balance at 1 January 2023	24,777	(2,670)	22,107
Profit for the financial year	-	721	721
Total comprehensive income for the financial year	-	721	721
Transactions with owners:			
Dividends	-	(650)	(650)
Balance at 31 December 2023	<u>24,777</u>	<u>(2,599)</u>	<u>22,178</u>
(Audited)			
Balance at 1 January 2022	24,777	(3,950)	20,827
Profit for the financial year	-	1,930	1,930
Total comprehensive income for the financial year	-	1,930	1,930
Transactions with owners:			
Dividends	-	(650)	(650)
Balance at 31 December 2022	<u>24,777</u>	<u>(2,670)</u>	<u>22,107</u>

Notes to Condensed Interim Consolidated Financial Statements

1. General corporate information

Hosen Group Ltd. (the “Company”) (Registration Number: 200403029E) is a public company limited by shares incorporated and domiciled in Singapore with its principal place of business and registered office at 267 Pandan Loop, Singapore 128439. The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

These condensed interim consolidated financial statements as at and for the half and full year ended 31 December 2023 comprise the Company and its subsidiaries (the “Group”).

The principal activity of the Company is that of investment holding.

The principal activities of the Group are:

- (a) import, distribution and wholesale of fast moving consumer goods; and
- (b) develop, process, trade and distribute house brand and new chocolate products.

2. Basis of preparation

The condensed interim financial statements for the half and full year ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention and 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 condensed interim financial statements for the half year ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s. There was no change in the accounting policies and methods of computation for the current financial year reported on.

The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The condensed interim consolidated financial statements of the Group and the condensed interim statement of financial position of the Company are presented in Singapore dollar (“\$”) which is the functional currency of the Company and the presentation currency for the condensed interim consolidated financial statements and all values presented are rounded to the nearest thousand (“\$’000”), unless otherwise stated.

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholder value.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, treasury shares (if any), foreign currency translation account, fair value reserve and retained earnings. The Group’s management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividend, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt. The Group’s overall strategy remains unchanged from the previous financial year.

2.1 Use of judgements and estimates

The preparation of condensed interim financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

In the application of the Group's accounting policies, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the condensed interim consolidated financial statements as at and for the half and full year ended 31 December 2022.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Seasonal operations

Management uses the expected value method which analyses the historical purchasing patterns and product returns of customers, including seasonal trends, to develop its estimation of refund liabilities for return of goods and the assets recognised from rights to the recovered goods. The trend is dependent on the market and economic factors which may affect customers' behaviour.

4. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

The Group is primarily engaged in two reportable segments, namely, house brands and non-house brands.

Principal activities of each business segment are as follows:

- House brands – Development, trading and distribution of canned seafood, canned fruits and vegetables and canned meat products, and chocolate products.
- Non-house brands – Importation, distribution, wholesaling and retailing of canned food and household consumable goods.

4.1 Reportable segments

Operating segment

Half Year ended 31 December 2023	Group		
	House Brands (Unaudited) S\$'000	Non-House Brands (Unaudited) S\$'000	Total (Unaudited) S\$'000
External revenue	27,785	5,747	33,532
Inter-segment revenue	4,122	10	4,132
Total revenue	31,907	5,757	37,664
Interest expense	(169)	(28)	(197)
Depreciation of property, plant and equipment	(358)	(56)	(414)
Amortisation of intangible asset	(24)	(7)	(31)
Loss allowance made on third party trade and other receivables	(33)	(16)	(49)
Bad debts written off – trade	1	-	1
(Write-down)/Written-back of inventories	(337)	34	(303)
Gain on disposal of property, plant and equipment	38	12	50
Segment profit	817	438	1,255
Assets			
Segment assets	36,827	7,143	43,970
Capital expenditure	292	46	338
Liabilities			
Segment liabilities	13,834	4,019	17,853

Half Year ended 31 December 2022	Group		
	House Brands (Unaudited) S\$'000	Non-House Brands (Unaudited) S\$'000	Total (Unaudited) S\$'000
External revenue	29,938	7,780	37,718
Inter-segment revenue	4,598	215	4,813
Total revenue	34,536	7,995	42,531
Interest expense	(210)	(43)	(253)
Depreciation of property, plant and equipment	(425)	(105)	(530)
Amortisation of intangible asset	(23)	(8)	(31)
Loss allowance (made)/reversed on third party trade and other receivables	(65)	25	(40)
(Write-down)/Written-back of inventories	(50)	51	1
Segment profit	693	735	1,428
Assets			
Segment assets	41,683	11,270	52,953
Capital expenditure	257	86	343
Liabilities			
Segment liabilities	18,732	5,118	23,850

	Group		
	House Brands (Unaudited) S\$'000	Non-House Brands (Unaudited) S\$'000	Total (Unaudited) S\$'000
Full Year ended 31 December 2023			
External revenue	56,020	11,277	67,297
Inter-segment revenue	6,582	21	6,603
Total revenue	<u>62,602</u>	<u>11,298</u>	<u>73,900</u>
Interest expense	(393)	(65)	(458)
Depreciation of property, plant and equipment	(797)	(141)	(938)
Amortisation of intangible asset	(47)	(15)	(62)
Loss allowance reversed/(made) on third party trade and other receivables	44	(25)	19
Bad debts written off – trade	(24)	-	(24)
Write-down of inventories	(703)	(13)	(716)
Gain on disposal of property, plant and equipment	38	12	50
Segment profit	<u>1,474</u>	<u>447</u>	<u>1,921</u>
Assets			
Segment assets	36,827	7,143	43,970
Capital expenditure	292	46	338
Liabilities			
Segment liabilities	<u>13,834</u>	<u>4,019</u>	<u>17,853</u>

	Group		
	House Brands (Audited) S\$'000	Non-House Brands (Audited) S\$'000	Total (Audited) S\$'000
Full Year ended 31 December 2022			
External revenue	58,852	15,206	74,058
Inter-segment revenue	6,904	234	7,138
Total revenue	<u>65,756</u>	<u>15,440</u>	<u>81,196</u>
Interest expense	(376)	(64)	(440)
Depreciation of property, plant and equipment	(865)	(216)	(1,081)
Amortisation of intangible asset	(43)	(17)	(60)
Loss allowance (made)/reversed on third party trade and other receivables	(90)	22	(68)
(Write-down)/Written-back of inventories	(349)	12	(337)
Gain on disposal of property, plant and equipment	4	1	5
Segment profit	<u>1,224</u>	<u>1,308</u>	<u>2,532</u>
Assets			
Segment assets	41,683	11,270	52,953
Capital expenditure	257	86	343
Liabilities			
Segment liabilities	<u>18,732</u>	<u>5,118</u>	<u>23,850</u>

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

	Group			
	Half Year ended 31/12/2023 (Unaudited)	Half Year ended 31/12/2022 (Unaudited)	Full Year ended 31/12/2023 (Unaudited)	Full Year ended 31/12/2022 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue				
Total revenue for reportable segments	37,664	42,531	73,900	81,196
Elimination of inter-segment revenue	(4,132)	(4,813)	(6,603)	(7,138)
Consolidated revenue	<u>33,532</u>	<u>37,718</u>	<u>67,297</u>	<u>74,058</u>
Profit or loss				
Total segment profit	1,255	1,428	1,921	2,532
Unallocated corporate expenses	78	167	171	(67)
Other expenses	(197)	(254)	(458)	(440)
Consolidated profit before income tax	<u>1,136</u>	<u>1,341</u>	<u>1,634</u>	<u>2,025</u>
Assets				
Segment assets	43,970	52,953	43,970	52,953
Other unallocated assets	8,547	5,849	8,547	5,849
Consolidated total assets	<u>52,517</u>	<u>58,802</u>	<u>52,517</u>	<u>58,802</u>
Liabilities				
Segment liabilities	17,853	23,850	17,853	23,850
Other unallocated liabilities	1,218	1,348	1,218	1,348
Consolidated total liabilities	<u>19,071</u>	<u>25,198</u>	<u>19,071</u>	<u>25,198</u>

Geographical segment

	Group			
	Half Year ended 31/12/2023 (Unaudited)	Half Year ended 31/12/2022 (Unaudited)	Full Year ended 31/12/2023 (Unaudited)	Full Year ended 31/12/2022 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers				
Singapore	15,642	18,762	31,438	34,565
Malaysia	8,994	10,818	20,397	22,894
Others ⁽¹⁾	8,896	8,138	15,462	16,599
	<u>33,532</u>	<u>37,718</u>	<u>67,297</u>	<u>74,058</u>
Non-current assets				
Singapore	13,545	13,929	13,545	13,929
Malaysia	4,091	4,447	4,091	4,447
Others ⁽¹⁾	-	1	-	1
	<u>17,636</u>	<u>18,377</u>	<u>17,636</u>	<u>18,377</u>

⁽¹⁾ "Others" include countries in Africa, Europe and Asia other than Malaysia and Singapore of which none of these countries contributes individually more than 10 percent of the Group's revenue.

4.2 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

External revenue from House Brands decreased by S\$2.83 million to S\$56.02 million in FY2023 from S\$58.85 million in FY2022 and external revenue from Non-House Brands decreased by S\$3.93 million to S\$11.28 million in FY2023 from S\$15.21 million in FY2022, which was mainly due to lower sales demand and sales volume in both the local and overseas market (excluding Malaysia) as a result of high inflation and rising global interest rate, and lower sales from Malaysia as a result of depreciation in Ringgit Malaysia. Hence, the revenue of the Group decreased by S\$6.76 million to S\$67.30 million in FY2023 from S\$74.06 million in FY2022. The percentage of external revenue for the House Brands products over the Group's revenue increased from approximately 79.47% to 83.24% on year-on-year basis as the Group focused on the sales of House Brands products.

4.3 A breakdown of sales and profit after tax before non-controlling interests

	Full year ended 31/12/2023 (Unaudited) S\$'000	Group Full year ended 31/12/2022 (Unaudited) S\$'000	Increase / (Decrease) (Unaudited) %
First Half			
Sales reported for the first half year	33,765	36,340	(7.09)
Operating profit after income tax before non-controlling interests reported for the first half year	304	370	(17.84)
Second Half			
Sales reported for the second half year	33,532	37,718	(11.10)
Operating profit after income tax before non-controlling interests reported for the second half year	664	827	(19.71)

4.4 Disaggregation of revenue

The Group's revenue is recognised at a point in time and disaggregated into the following:

	Group					
	House Brands		Non-House Brands		Total	
	Half Year ended 31/12/2023 (Unaudited) S\$'000	Half Year ended 31/12/2022 (Unaudited) S\$'000	Half Year ended 31/12/2023 (Unaudited) S\$'000	Half Year ended 31/12/2022 (Unaudited) S\$'000	Half Year ended 31/12/2023 (Unaudited) S\$'000	Half Year ended 31/12/2022 (Unaudited) S\$'000
Type of good or service:						
Goods	27,711	29,880	5,725	7,758	33,436	37,638
Services	74	58	22	22	96	80
	<u>27,785</u>	<u>29,938</u>	<u>5,747</u>	<u>7,780</u>	<u>33,532</u>	<u>37,718</u>

	Group					
	House Brands		Non-House Brands		Total	
	Full Year ended 31/12/2023 (Unaudited) S\$'000	Full Year ended 31/12/2022 (Audited) S\$'000	Full Year ended 31/12/2023 (Unaudited) S\$'000	Full Year ended 31/12/2022 (Audited) S\$'000	Full Year ended 31/12/2023 (Unaudited) S\$'000	Full Year ended 31/12/2022 (Audited) S\$'000
Type of good or service:						
Goods	55,880	58,708	11,234	15,147	67,114	73,855
Services	140	144	43	59	183	203
	<u>56,020</u>	<u>58,852</u>	<u>11,277</u>	<u>15,206</u>	<u>67,297</u>	<u>74,058</u>

5. Financial assets and financial liabilities

	Group		Company	
	As at 31/12/2023 (Unaudited) S\$'000	As at 31/12/2022 (Audited) S\$'000	As at 31/12/2023 (Unaudited) S\$'000	As at 31/12/2022 (Audited) S\$'000
Financial assets				
Cash and bank balances, fixed deposits and trade and other receivables ⁽¹⁾	16,734	20,515	11,024	12,515
Financial liabilities				
Trade and other payables and borrowings ⁽²⁾	(15,870)	(21,417)	(200)	(226)

⁽¹⁾ Excludes advance payment to suppliers and prepayments.

⁽²⁾ Excludes advance receipts from customers and goods and services tax.

6. Profit before income tax

6.1 Significant items

	Group			
	Half Year ended 31/12/2023 (Unaudited) S\$'000	Half Year ended 31/12/2022 (Unaudited) S\$'000	Full Year ended 31/12/2023 (Unaudited) S\$'000	Full Year ended 31/12/2022 (Audited) S\$'000
Expenses/(Income)				
Write-down/(Write-back) of inventories	303	(1)	716	337
Depreciation of property, plant and equipment	544	563	1,098	1,172
Interest expense	197	253	458	440
Forex exchange loss - net	7	729	137	1,238

6.2 Related party transactions

	Group			
	Half Year ended 31/12/2023 (Unaudited) S\$'000	Half Year ended 31/12/2022 (Unaudited) S\$'000	Full Year ended 31/12/2023 (Unaudited) S\$'000	Full Year ended 31/12/2022 (Audited) S\$'000
Sales to related parties	17	23	38	42
Purchases from related parties	10	23	42	41

7. 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			
	Half Year ended 31/12/2023 (Unaudited) S\$'000	Half Year ended 31/12/2022 (Unaudited) S\$'000	Full Year ended 31/12/2023 (Unaudited) S\$'000	Full Year ended 31/12/2022 (Audited) S\$'000
Current income tax expense	412	556	606	870
Deferred income tax expense relating to origination and reversal of temporary differences	60	(42)	60	(42)
	<u>472</u>	<u>514</u>	<u>666</u>	<u>828</u>

8. Dividends

	Group	
	Full Year ended 31/12/2023 (Unaudited)	Full Year ended 31/12/2022 (Audited)
First and final tax-exempt dividend paid in respect of the previous financial year		
- Per share	S\$0.002	S\$0.002
- Value (S\$'000)	<u>650</u>	<u>650</u>

9. Earnings per share

	Group			
	Half Year ended 31/12/2023 (Unaudited)	Half Year ended 31/12/2022 (Unaudited)	Full Year ended 31/12/2023 (Unaudited)	Full Year ended 31/12/2022 (Audited)
Earnings per ordinary share of the Group attributable to owners of the parent for the period on the net profit after income tax:				
(Singapore cents)				
(a) Based on the weighted average number of shares	0.20	0.25	0.30	0.37
(b) On a fully diluted basis	<u>0.20</u>	<u>0.25</u>	<u>0.30</u>	<u>0.37</u>

Basic earnings per share are computed based on the weighted average number of issued shares excluding treasury shares of 324,900,846 for the financial year ended 31 December 2023 and 31 December 2022.

The basic and diluted earnings per share are the same as there were no potentially dilutive securities for the respective financial periods ended 31 December 2023 and 31 December 2022.

10. Net asset value

(Singapore cents)	Group		Company	
	As at 31/12/2023 (Unaudited)	As at 31/12/2022 (Audited)	As at 31/12/2023 (Unaudited)	As at 31/12/2022 (Audited)
Net asset value per ordinary share	10.39	10.43	6.83	6.80

The net asset value per share is calculated based on the total number of issued shares excluding treasury shares of 324,900,846 as at 31 December 2023 and 31 December 2022.

11. Property, plant and equipment

The Group's addition of assets amounted to S\$181,000 and disposal of assets with net book value of S\$Nil for the half year ended 31 December 2023 as compared to addition of assets amounting to S\$130,000 and disposal of assets with net book value of S\$12,000 for the half year ended 31 December 2022.

The Group's addition of assets amounted to S\$338,000 and disposal of assets with net book value of S\$Nil in the full year ended 31 December 2023 as compared to addition of assets amounting to S\$274,000 and disposal of assets with net book value of S\$12,000 in the full year ended 31 December 2022.

12. Intangible asset

	Group Computer Software S\$'000
As at 30 June 2023 (Unaudited)	
Cost	676
Accumulated amortisation	(502)
Net carrying amount	174
Half Year ended 31 December 2023 (Unaudited)	
Balance as at 1 July 2023	174
Amortisation charge	(31)
Balance as at 31 December 2023	143
As at 31 December 2023 (Unaudited)	
Cost	676
Accumulated amortisation	(533)
Net carrying amount	143

13. Financial assets, at fair value through other comprehensive income

The Group has designated its unlisted equity investment in Singapore of S\$49,000 to be measured at FVOCI. The Group intends to hold this investment for long-term and strategic investment purposes.

The fair value of the unlisted equity investment was derived using adjusted net assets of the unlisted equity investment as at 31 December 2023, the carrying amount of which was S\$Nil (31 December 2022: S\$Nil).

14. Borrowings

	Group			
	As at 31/12/2023 (Unaudited)		As at 31/12/2022 (Audited)	
	(2) Secured S\$'000	(1) Unsecured S\$'000	(2) Secured S\$'000	(1) Unsecured S\$'000
Repayable within one year or less or on demand	120	6,336	142	12,130
Repayable after one year	685	-	851	-
Total	805	6,336	993	12,130

(1) The unsecured borrowings comprise unsecured short term bank loans of the Group amounting to S\$2.00 million (31 December 2022: S\$5.60 million) and bills payable amounting to S\$4.34 million (31 December 2022: S\$6.53 million).

(2) The secured borrowings include term loan amounting to S\$0.76 million (31 December 2022: S\$0.90 million) and finance lease of the Group amounting to S\$0.04 million (31 December 2022: S\$0.09 million).

Details of any collateral

Term loan is secured by legal mortgage over a property in Malaysia. Finance lease payables are secured by the underlying assets acquired.

15. Share capital

	Group and Company			
	As at 31/12/2023 (Unaudited)		As at 31/12/2022 (Audited)	
	Number of shares	Amount S\$'000	Number of shares	Amount S\$'000
Total number/amount of Ordinary Shares	324,900,846	24,777	324,900,846	24,777

There were no changes in the Company's share capital since the end of the previous period reported on.

There were no outstanding convertibles as at 31 December 2023 and 31 December 2022.

There were no treasury shares as at 31 December 2023 and 31 December 2022. As such, there was no sale, transfer, cancellation and/or use of treasury shares during and as at the end of the current financial year reported on.

There were no subsidiary holdings as at 31 December 2023 and 31 December 2022. As such, there was no sale, transfer, cancellation and/or use of subsidiary holdings during and as at the end of the current financial year reported on.

16. Subsequent events

There is no known subsequent events which have led to adjustments to the condensed interim financial statements for the half year and full year ended 31 December 2023.

Other Information Required by Appendix 7C of the Catalyst Rules

1. Review

The condensed interim consolidated financial statements for the half year and full year ended 31 December 2023 and certain explanatory notes have not been audited or reviewed by the Company's auditor.

The Group's latest financial statements for the year ended 31 December 2022 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. 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 year 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 year reported on

Condensed Interim Consolidated Statement of Comprehensive Income

The Group recorded a lower revenue of S\$67.30 million for the financial year ended 31 December 2023 ("FY2023") as compared to S\$74.06 million for the financial year ended 31 December 2022 ("FY2022"). The decrease of S\$6.76 million or 9.1% in revenue was mainly due to decrease in sales volume from lower demand likely arising from higher inflation and rising global interest rates and lower sales from Malaysia as a result of depreciation in Ringgit Malaysia.

Gross profit decreased by S\$1.38 million to S\$14.97 million in FY2023 mainly due to decrease in revenue. There is no significant variance in the gross profit margin for both periods which stood at 22.24% in FY2023 and 22.08% in FY2022.

Other income increased by S\$0.07 million to S\$0.97 million in FY2023 mainly due to the new rental income stream in FY2023 from leasing out two storeys in our new building in Singapore in second half of FY2022, which was partially offset by decrease of government grant in FY2023.

Selling and distribution expenses decreased by S\$0.22 million to S\$2.98 million in FY2023 from S\$3.20 million in FY2022 due to lesser expenses spent on promotion and logistic costs which commensurate with the reduced sales.

Administrative expenses increased by S\$0.12 million to S\$8.14 million in FY2023 from S\$8.02 million in FY2022 mainly due to higher staff cost with more headcount.

Other expenses decreased by S\$0.77 million to S\$2.74 million in FY2023 from S\$3.51 million in FY2022 mainly due to lesser foreign exchange loss partially offset with increase in provision for stock and stock written off in FY2023.

Loss allowance on third-party trade and other receivables of S\$0.02 million was reversed in FY2023, following the recovery of debts, as compared to S\$0.07 million which comprised of doubtful debts arising from the customers and expected credit loss allowance made in FY2022.

Finance costs increased by S\$0.02 million to S\$0.46 million in FY2023 from S\$0.44 million in FY2022 mainly due to higher interest rate in FY2023.

As a result, the Group recorded a net profit attributable to owners of the parent of S\$0.99 million in FY2023 as compared to a net profit attributable to owners of the parent of S\$1.21 million in FY2022.

Condensed Interim Consolidated Statement of Financial Position

The Group's net assets were S\$33.45 million as at 31 December 2023, compared to S\$33.60 million as at 31 December 2022. The net decrease of S\$0.15 million was mainly a net result of the profit earned in FY2023 lesser than the effect of exchange differences on translating foreign operations and dividend paid.

The significant changes to the Condensed Interim Consolidated Statement of Financial Position were as follows:-

Property, plant and equipment as at 31 December 2023 decreased by S\$0.81 million from 31 December 2022 mainly attributable to the depreciation in FY2023.

Inventories decreased by S\$1.93 million to S\$15.79 million as at 31 December 2023 mainly due to lower inventory level maintained by the Group at the end of FY2023 as the Chinese New Year 2024 (“CNY2024”) falls later than Chinese New Year 2023 (“CNY2023”).

Trade and other receivables decreased by S\$3.40 million to S\$12.76 million as at 31 December 2023 due to lesser sales made before the year end as the CNY2024 came slightly later as compared to CNY2023, and rebates claimable from a supplier in FY2022 which was billed in early FY2023.

Other current assets, representing the right to the recovered goods for sales returns by customers, decreased to S\$0.88 million as at 31 December 2023 from S\$0.99 million as at 31 December 2022 mainly due to the lesser sales of goods.

Trade and other payables in current liabilities and other payables in non-current liabilities increased by S\$0.06 million to S\$7.17 million as at 31 December 2023 mainly due to the Group has more payables not yet due as at FY2023.

Refund liabilities represents the liabilities for arising from return of goods and sales rebates. It decreased to S\$1.66 million as at 31 December 2023 from S\$1.92 million as at 31 December 2022 which was in line with the decrease in other current assets.

Lease liabilities in current liabilities and non-current liabilities in aggregate increased by S\$0.11 million to S\$2.53 million as at 31 December 2023 mainly due to adjustment on lease obligations of JTC rent for the new building in Singapore which was partially offset by the repayment of lease obligations of motor vehicles.

Bank borrowings in current liabilities decreased by S\$5.80 million to S\$6.42 million as at 31 December 2023 as a result of lesser borrowings required to service reduced levels of trade and other receivables and inventories in the Group as at 31 December 2023.

Bank borrowings in non-current liabilities decreased by S\$0.13 million to S\$0.68 million as at 31 December 2023 from S\$0.81 million as at 31 December 2022 mainly due to repayment of term loan for the property in Malaysia.

Condensed Interim Consolidated Statement of Cash Flows

Cash and cash equivalents stood at S\$5.41 million as at 31 December 2023. Out of the cash and cash equivalents, S\$7.33 million was generated from operating activities, S\$0.25 million was used in investing activities and S\$6.94 million was used in financing activities.

The net cash generated from operating activities mainly comprised the operating cash flows before working capital changes of S\$3.85 million, decrease in inventories by S\$0.91 million, decrease in trade and other receivables by S\$3.16 million and increase in trade and other payables by S\$0.35 million.

The net cash used in investing activities was mainly attributable to the acquisition of property, plant and equipment of S\$0.30 million.

The net cash used in financing activities was mainly due to dividend paid of S\$0.65 million, interest paid of S\$0.46 million and net repayment of bank borrowings of S\$5.71 million in FY2023.

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

Not applicable.

4. 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 full year

The Group expects sales demand to stay subdued due to high inflation, elevated interest rates and slower economic growth. Raw material costs and finance costs are also expected to continue to remain high. While the economic condition is expected to be challenging, the Group will actively manage its cost and improve its operation efficiencies while exploring more business opportunities.

5. Dividend information

5.1 If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

The Board of Directors ("Board") recommends a first and final dividend, subject to the approval of shareholders at the upcoming annual general meeting of the Company.

(b) (i) Amount per share cents

0.2 Singapore cents

(ii) Previous corresponding period cents

0.2 Singapore cents

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

The proposed dividend is tax-exempt one-tier dividend.

(d) The date the dividend is payable.

The proposed first and final dividend, if approved at the forthcoming annual general meeting of the Company, will be paid on 31 May 2024.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

The record date will be 17 May 2024 at 5.00 p.m.

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

Not applicable.

6. Interested person transactions

The Company does not have a general mandate for IPT from shareholders. There was no IPT with value of more than S\$100,000 entered into during the financial year.

7. Disclosure of acquisition (including incorporations) and sale of shares under Rule 706A

The Company did not carry out any acquisition or sale of shares during the current financial year.

8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Lim Hai Cheok	75	Spouse of Chong Poh Soon, Senior Director and Substantial Shareholder. Father of Lim Hock Chye Daniel, Executive Director. Brother of Lim Kim Eng, Executive Director and Substantial Shareholder.	Executive Director, since March 2004. Chief Executive Officer, since July 2004.	Nil
Lim Kim Eng	71	Sister of Lim Hai Cheok. Chief Executive Officer, Executive Director and Substantial Shareholder. Sister-in-law of Chong Poh Soon, Senior Director and Substantial Shareholder. Aunt of Lim Hock Chye Daniel, Executive Director.	Executive Director, since July 2004.	Nil
Lim Hock Chye Daniel	50	Son of Lim Hai Cheok, Chief Executive Officer, Director and Substantial Shareholder; and Chong Poh Soon, Senior Director and Substantial Shareholder. Nephew of Lim Kim Eng, Executive Director and Substantial Shareholder.	Executive Director, since March 2004.	Nil
Chong Poh Soon	75	Spouse of Lim Hai Cheok, Chief Executive Officer, Executive Director and Substantial Shareholder. Mother of Lim Hock Chye Daniel, Executive Director. Sister-in-law of Lim Kim Eng, Executive Director and Substantial Shareholder.	Senior Director, since December 2020.	Nil
Lai Ginn Keow	49	Spouse of Lim Hock Chye Daniel, Executive Director. Daughter-in-law of Lim Hai Cheok, Chief Executive Officer, Executive Director and Substantial Shareholder; and Chong Poh Soon, Senior Director and Substantial Shareholder. Niece-in-law of Lim Kim Eng, Executive Director and Substantial Shareholder.	Procurement Manager, since August 2019.	Nil

BY ORDER OF THE BOARD

Lim Hai Cheok
Chief Executive Officer

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.

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