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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND  
ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE (“HY”) 2023**

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This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the “**Sponsor**”). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	<u>Group</u>	
		<u>HY2023</u> <u>(Unaudited)</u> S\$'000	<u>HY2022</u> <u>(Unaudited)</u> S\$'000
<b>Revenue</b>	4	29,249	38,215
Cost of sales		(27,958)	(25,831)
<b>Gross profit</b>		<u>1,291</u>	<u>12,384</u>
Other income and gains		39	54
Distribution costs		(330)	(430)
Administrative expenses		(2,565)	(2,944)
Finance costs		(672)	(184)
Reversal / (Allowance) of impairment loss on trade receivables, net		7	(396)
Other losses		(397)	(584)
<b>(Loss) / Profit before tax</b>	6	<u>(2,627)</u>	<u>7,900</u>
Income tax expense	7	(12)	(1,385)
<b>(Loss) / Profit for the period</b>		<u>(2,639)</u>	<u>6,515</u>
<b><u>Other comprehensive loss</u></b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax		(284)	(316)
<b>Other comprehensive loss for the period, net of tax</b>		<u>(284)</u>	<u>(316)</u>
<b>Total comprehensive (loss) / income for the period</b>		<u>(2,923)</u>	<u>6,199</u>
(Loss) / Profit attributable to owners of the Company, net of tax		(2,639)	6,515
<b>(Loss) / Profit net of tax</b>		<u>(2,639)</u>	<u>6,515</u>
Total comprehensive (loss) / income attributable to owners of the Company		(2,923)	6,199
<b>Total comprehensive (loss) / income</b>		<u>(2,923)</u>	<u>6,199</u>
<b>(Loss) / Earnings per share</b>		Cents	Cents
Basic		(2.44)	6.03
Diluted		(2.44)	6.03

\* Both basic and diluted (loss) / earnings per share are the same as there are no dilutive ordinary share equivalents outstanding during the respective reporting periods.

## B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	<u>Group</u>		<u>Company</u>	
		As at	As at	As at	As at
		<u>30.06.2023</u> <u>(Unaudited)</u>	<u>31.12.2022</u> <u>(Audited)</u>	<u>30.06.2023</u> <u>(Unaudited)</u>	<u>31.12.2022</u> <u>(Audited)</u>
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b><u>Non-current assets</u></b>					
Property, plant and equipment	9	6,869	6,418	—	—
Right-of-use assets		2,022	2,455	—	—
Land use right		2,100	2,168	—	—
Investments in subsidiaries		—	—	11,434	11,283
Deferred tax assets		1,063	708	—	—
<b>Total non-current assets</b>		<b>12,054</b>	<b>11,749</b>	<b>11,434</b>	<b>11,283</b>
<b><u>Current assets</u></b>					
Inventories		42,344	54,809	—	—
Trade and other receivables		14,111	16,129	2,195	1,861
Income tax receivable		102	—	—	—
Prepayments		696	612	29	13
Restricted cash		100	100	—	—
Cash and cash equivalents		7,203	5,148	661	265
<b>Total current assets</b>		<b>64,556</b>	<b>76,798</b>	<b>2,885</b>	<b>2,139</b>
<b>Total assets</b>		<b>76,610</b>	<b>88,547</b>	<b>14,319</b>	<b>13,422</b>
<b>EQUITY AND LIABILITIES</b>					
<b><u>Equity</u></b>					
Share capital	11	10,579	10,579	10,579	10,579
Retained earnings		29,356	32,319	2,358	1,844
Other reserves		(359)	(75)	—	—
<b>Total equity</b>		<b>39,576</b>	<b>42,823</b>	<b>12,937</b>	<b>12,423</b>
<b><u>Non-current liabilities</u></b>					
Lease liabilities		1,388	1,806	—	—
Borrowings		4,893	5,675	—	—
<b>Total non-current liabilities</b>		<b>6,281</b>	<b>7,481</b>	<b>—</b>	<b>—</b>
<b><u>Current liabilities</u></b>					
Income tax payable		956	1,473	—	—
Lease liabilities		766	783	—	—
Borrowings		6,916	1,629	—	—
Trade and other payables		21,791	34,358	1,058	999
Dividend payable		324	—	324	—
<b>Total current liabilities</b>		<b>30,753</b>	<b>38,243</b>	<b>1,382</b>	<b>999</b>
<b>Total liabilities</b>		<b>37,034</b>	<b>45,724</b>	<b>1,382</b>	<b>999</b>
<b>Total equity and liabilities</b>		<b>76,610</b>	<b>88,547</b>	<b>14,319</b>	<b>13,422</b>

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

**GROUP**

	<u>Total equity</u> S\$'000	<u>Attributable to parent sub-total</u> S\$'000	<u>Share capital</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Foreign currency translation reserve</u> S\$'000	<u>Statutory reserve</u> S\$'000
<b>Current period:</b>						
Opening balance at 1 January 2023	42,823	42,823	10,579	32,319	(760)	685
<b>Changes in equity:</b>						
Total comprehensive loss for the period	(2,923)	(2,923)	–	(2,639)	(284)	–
Dividend payable to shareholders	(324)	(324)	–	(324)	–	–
Closing balance at 30 June 2023	39,576	39,576	10,579	29,356	(1,044)	685
<b>Previous period:</b>						
Opening balance at 1 January 2022	36,614	36,614	10,579	25,321	267	447
<b>Changes in equity:</b>						
Total comprehensive income for the period	6,199	6,199	–	6,515	(316)	–
Closing balance at 30 June 2022	42,813	42,813	10,579	31,836	(49)	447

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

**COMPANY**

	<u>Total equity</u> S\$'000	<u>Share capital</u> S\$'000	<u>Retained earnings</u> S\$'000
<b>Current period:</b>			
Opening balance at 1 January 2023	12,423	10,579	1,844
<b>Changes in equity:</b>			
Total comprehensive income for the period	838	–	838
Dividend payable to shareholders	(324)	–	(324)
<b>Closing balance at 30 June 2023</b>	<u>12,937</u>	<u>10,579</u>	<u>2,358</u>
<b>Previous period:</b>			
Opening balance at 1 January 2022	13,301	10,579	2,722
<b>Changes in equity:</b>			
Total comprehensive loss for the period	(238)	–	(238)
<b>Closing balance at 30 June 2022</b>	<u>13,063</u>	<u>10,579</u>	<u>2,484</u>

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	<u>Group</u>	
	<u>HY2023</u> (Unaudited) S\$'000	<u>HY2022</u> (Unaudited) S\$'000
<b><u>Cash flows from operating activities</u></b>		
(Loss) / Profit before tax	(2,627)	7,900
Adjustments for:		
Interest income	(4)	(2)
Interest expense	672	184
Depreciation of property, plant and equipment	457	395
Depreciation of right-of-use assets	394	210
Amortisation of land use right	68	67
Impairment on plant and equipment	–	212
(Reversal) / Allowance of impairment loss on trade receivables, net	(7)	396
Allowance / (Reversal) of impairment on inventories, net	3,985	(179)
Loss on disposal of plant and equipment	5	6
Plant and equipment written-off	3	–
Net effect of exchange rate changes in consolidating foreign operations	(337)	(364)
<b>Operating cash flows before changes in working capital</b>	<b>2,609</b>	<b>8,825</b>
Inventories	8,480	(11,661)
Trade and other receivables	2,025	(5,049)
Prepayments	(84)	(1,055)
Trade and other payables	(6,897)	3,162
Restricted cash	–	(88)
<b>Net cash flows from / (used in) operations</b>	<b>6,133</b>	<b>(5,866)</b>
Income taxes paid	(990)	(632)
<b>Net cash flows from / (used in) operating activities</b>	<b>5,143</b>	<b>(6,498)</b>
<b><u>Cash flows from investing activities</u></b>		
Disposal of plant and equipment	2	–
Purchase of plant and equipment	(927)	(293)
Interest received	4	2
<b>Net cash flows used in investing activities</b>	<b>(921)</b>	<b>(291)</b>
<b><u>Cash flows from financing activities</u></b>		
Repayment of borrowings	(7,253)	(2,981)
Proceeds from borrowings	6,138	7,114
Lease liabilities	(438)	(289)
Interest paid	(614)	(170)
<b>Net cash flows (used in) / from financing activities</b>	<b>(2,167)</b>	<b>3,674</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,055</b>	<b>(3,115)</b>
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	5,148	7,294
<b>Cash and cash equivalents, consolidated statement of cash flows, ending balance</b>	<b>7,203</b>	<b>4,179</b>

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1. General**

Soon Lian Holdings Limited (the “Company”) is incorporated in Singapore with limited liability. The Company is an investment holding company. It is listed on the Catalist, which is a shares market on Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Group consist of the sale and supply of aluminium alloy materials.

The latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) 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 annual financial statements for the year ended 31 December 2022.

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 adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (S\$) which is the Company’s functional currency.

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

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

#### **2.2 Use of judgements and estimates**

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

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

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

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the six months ended 30 June 2023.

### 3. Seasonal operations

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

### 4. Segment and revenue information

The Group is organised into the following main strategic operating segments according to the industry in which their customers operate:

- Segment 1: Precision Engineering
- Segment 2: Marine
- Segment 3: Stockists and traders
- Segment 4: Other customers

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker who are responsible for allocating resources and assessing performance of the operating segments.

#### 4.1 Profit or loss from operations and reconciliations

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
<b>1 January 2023 to 30 June 2023</b>						
<b>Revenue by segment</b>						
Total revenue by segment	15,953	7,862	4,824	610	–	29,249
<b>Recurring earnings before interest, taxes, depreciation, and amortisation (“EBITDA”)</b>						
Finance costs	–	–	–	–	(672)	(672)
Depreciation and amortisation	–	–	–	–	(919)	(919)
Operating result before income taxes and other unallocated items	3,048	2,193	479	243	(5,576)	387
Other unallocated items					(3,014)	(3,014)
Loss before tax from continuing operations						(2,627)
Income tax expense						(12)
<b>Loss from operations</b>						<b>(2,639)</b>
<b>1 January 2022 to 30 June 2022</b>						
<b>Revenue by segment</b>						
Total revenue by segment	24,777	8,418	4,145	875	–	38,215
<b>Recurring EBITDA</b>						
Finance costs	–	–	–	–	(184)	(184)
Depreciation and amortisation	–	–	–	–	(672)	(672)
Operating result before income taxes and other unallocated items	9,240	1,935	1,014	498	(677)	12,010
Other unallocated items					(4,110)	(4,110)
Profit before tax from continuing operations						7,900
Income tax expense						(1,385)
<b>Profit from operations</b>						<b>6,515</b>

The above revenue is mainly from sale of aluminium alloy products.



**4. Segment and revenue information (cont'd)**

**4.2 Assets and reconciliations**

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
<b><u>As at 30 June 2023:</u></b>						
Total assets for reportable segments	6,530	3,264	3,545	131	–	13,470
Unallocated:						
Property, plant and equipment	–	–	–	–	6,869	6,869
Right-of-use assets	–	–	–	–	2,022	2,022
Land use right	–	–	–	–	2,100	2,100
Deferred tax assets	–	–	–	–	1,063	1,063
Inventories	–	–	–	–	42,344	42,344
Income tax receivable	–	–	–	–	102	102
Restricted cash	–	–	–	–	100	100
Cash and cash equivalents	–	–	–	–	7,203	7,203
Other unallocated amounts	–	–	–	–	1,337	1,337
<b>Total group assets</b>	<b>6,530</b>	<b>3,264</b>	<b>3,545</b>	<b>131</b>	<b>63,140</b>	<b>76,610</b>
<b><u>As at 31 December 2022:</u></b>						
Total assets for reportable segments	7,596	4,171	2,818	192	–	14,777
Unallocated:						
Property, plant and equipment	–	–	–	–	6,418	6,418
Right-of-use assets	–	–	–	–	2,455	2,455
Land use right	–	–	–	–	2,168	2,168
Deferred tax assets	–	–	–	–	708	708
Inventories	–	–	–	–	54,809	54,809
Restricted cash	–	–	–	–	100	100
Cash and cash equivalents	–	–	–	–	5,148	5,148
Other unallocated amounts	–	–	–	–	1,964	1,964
<b>Total group assets</b>	<b>7,596</b>	<b>4,171</b>	<b>2,818</b>	<b>192</b>	<b>73,770</b>	<b>88,547</b>

The assets are not allocated to operating segments because they are not directly attributable to the segment or cannot be allocated to the segment on a reasonable basis.

#### 4. Segment and revenue information (cont'd)

##### 4.3 Liabilities and reconciliations

	Precision engineering	Marine	Stockists and traders	Other customers	Unallocated	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>As at 30 June 2023:</b>						
Unallocated:						
Income tax payable	-	-	-	-	956	956
Borrowings	-	-	-	-	11,809	11,809
Lease liabilities	-	-	-	-	2,154	2,154
Trade and other payables	-	-	-	-	21,791	21,791
Dividend payable	-	-	-	-	324	324
<b>Total group liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,034</b>	<b>37,034</b>
<b>As at 31 December 2022:</b>						
Unallocated:						
Income tax payable	-	-	-	-	1,473	1,473
Borrowings	-	-	-	-	7,304	7,304
Lease liabilities	-	-	-	-	2,589	2,589
Trade and other payables	-	-	-	-	34,358	34,358
<b>Total group liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,724</b>	<b>45,724</b>

The liabilities are not allocated to operating segments because they are not directly attributable to the segment or cannot be allocated to the segment on a reasonable basis.

##### 4.4 Other material items and reconciliations

	Precision engineering	Marine	Stockists and traders	Other customers	Unallocated	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Impairment (reversal) of plant and equipment, receivables and inventories and bad debts recovered (net)						
HY2023	(633)	190	433	3	3,985	3,978
HY2022	236	217	(49)	(8)	32	428
Expenditure for non-current assets						
HY2023	-	-	-	-	927	927
HY2022	-	-	-	-	293	293

##### 4.5 Geographical information

	Revenue		Non-current assets	
	HY2023	HY2022	As at 30.06.2023	As at 31.12.2022
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	7,529	9,997	9,427	9,279
Malaysia	11,705	13,012	326	316
China	3,964	5,232	1,149	1,303
Taiwan	1,434	4,246	89	143
Indonesia	1,404	731	-	-
Other countries	3,213	4,997	-	-
<b>Total operations</b>	<b>29,249</b>	<b>38,215</b>	<b>10,991</b>	<b>11,041</b>

**4. Segment and revenue information (cont'd)**

**4.5 Geographical information (cont'd)**

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

**5. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 and 31 December 2022:

	<u>Group</u>		<u>Company</u>	
	<u>30 June</u> <u>2023</u>	<u>31</u> <u>December</u> <u>2022</u>	<u>30 June</u> <u>2023</u>	<u>31</u> <u>December</u> <u>2022</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial assets:</u>				
Trade and other receivables (excluding GST receivables)	13,828	15,284	2,195	1,861
Restricted cash	100	100	–	–
Cash and cash equivalents	7,203	5,148	661	265
Financial assets at amortised cost	<u>21,131</u>	<u>20,532</u>	<u>2,856</u>	<u>2,126</u>
<u>Financial liabilities:</u>				
Trade and other payables (excluding GST payables)	21,717	34,296	1,040	980
Dividend payable	324	–	324	–
Lease liabilities	2,154	2,589	–	–
Borrowings	11,809	7,304	–	–
Financial liabilities at amortised cost	<u>36,004</u>	<u>44,189</u>	<u>1,364</u>	<u>980</u>

**6. (Loss) / Profit before tax**

**6.1 Significant items**

	<u>Group</u>	
	<u>HY2023</u> S\$'000	<u>HY2022</u> S\$'000
Foreign exchange adjustment (loss)	(390)	(366)
Depreciation of property, plant and equipment	(457)	(395)
Amortisation of land use right	(68)	(67)
Depreciation of right-of-use assets	(394)	(210)
Loss on disposal of plant and equipment, net	(5)	(6)
Reversal / (Allowance) of impairment loss on trade receivables, net	7	(396)
(Allowance) / Reversal of impairment on inventories, net	(3,985)	179
Impairment on plant and equipment	–	(212)
Interest expense	(672)	(184)
Interest income	4	2
Government grant income	20	46

## 6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

## 7. Taxation

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:

	<u>Group</u>	
	<u>HY2023</u>	<u>HY2022</u>
	S\$'000	S\$'000
Current income tax expense	(368)	(1,382)
Deferred tax movement	356	(3)
Income tax expense	<u>(12)</u>	<u>(1,385)</u>

## 8. Net asset value

	<u>Group</u>		<u>Company</u>	
	<u>30.06.2023</u>	<u>31.12.2022</u>	<u>30.06.2023</u>	<u>31.12.2022</u>
	S\$	S\$	S\$	S\$
Net asset value per ordinary share (cents)	36.6	39.7	12.0	11.5

## 9. Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired assets amounting to S\$926,628 (30 June 2022: S\$292,748) and disposed of assets amounting to S\$7,484 (30 June 2022: S\$6,628).

## 10. Borrowings and debt securities

	<u>Group</u>		<u>Company</u>	
	<u>30.06.2023</u>	<u>31.12.2022</u>	<u>30.06.2023</u>	<u>31.12.2022</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	8,484	13,835	-	-
Unsecured	6,291	1,322	-	-
	<u>14,775</u>	<u>15,157</u>	<u>-</u>	<u>-</u>
<u>Amount repayable after one year</u>				
Secured	3,641	3,810	-	-
Unsecured	1,317	1,949	-	-
	<u>4,958</u>	<u>5,759</u>	<u>-</u>	<u>-</u>

### Details of any collaterals

The Group's borrowings consist of term loans, bank loans, bills payables and finance leases.

Certain of the Group's term loans, bank loans and other credit facilities are secured by the legal mortgages on the Group's leasehold property, land use right and inventories. The finance leases are secured by the leased assets.

## 11. Share Capital

	<u>Number of shares issued</u> '000	<u>Share capital</u> S\$'000
<u>Group and Company</u> Ordinary shares of no par value: Balance as at 30 June 2023 and 31 December 2022	<u>108,000</u>	<u>10,579</u>

There has been no change in the Company's share capital since 31 December 2022.

The Company does not hold any treasury shares or convertible instruments as at 30 June 2023, 31 December 2022 and 30 June 2022.

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

## 12. Subsequent events

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

## 13. Changes in contingent liabilities or contingent assets

There were no material changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2022.

## **F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C**

### **1. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business.**

The condensed consolidated statement of financial position of Soon Lian Holdings Limited and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

#### **Statement of Comprehensive Income**

The Group has registered a net loss of S\$2.6 million in HY2023 as compared to a net profit of S\$6.5 million in HY2022.

The Group's revenue decreased by S\$9.0 million or 23.6%, from S\$38.2 million in HY2022 to S\$29.2 million in HY2023, mainly due to lower sales to our customers in the precision engineering, marine and other customers segments.

Gross profit decreased by S\$11.1 million or 89.5%, from S\$12.4 million in HY2022 to S\$1.3 million in HY2023. Gross profit margin decreased by 28.0 percentage points, from 32.4% in HY2022 to 4.4% in HY2023. The decrease in both gross profit and gross profit margin is mainly due to a higher allowance of impairment on inventories of S\$4.0 million recognised in HY2023 as compared to a reversal of impairment on inventories of S\$0.2 million recognised in HY2022. The Group has adopted a more conservative inventory allowance policy to better align inventory valuations to current market prices. The Group remains confident in selling its existing inventories. In addition, the average selling price for aluminium products in HY2023 is also lower as compared to HY2022.

Other income and gains remained fairly constant in both HY2023 and HY2022.

Distribution costs decreased by S\$0.1 million or 25.0%, from S\$0.4 million in HY2022 to S\$0.3 million in HY2023, mainly due to a decrease in commission expenses as a result of lower overseas sales made through agents.

Administrative expenses decreased by S\$0.3 million or 10.3%, from S\$2.9 million in HY2022 to S\$2.6 million in HY2023, mainly due to the decrease in staff costs.

Finance costs increased by S\$0.5 million or 250.0%, from S\$0.2 million in HY2022 to S\$0.7 million in HY2023, mainly due to higher usage of trade finance facilities and higher interest rates in HY2023.

The Group reported a net reversal of impairment loss on trade receivable of S\$0.01 million in HY2023 as compared to an allowance of impairment loss on trade receivables of S\$0.4 million in HY2022.

Other losses decreased by S\$0.2 million, from S\$0.6 million in HY2022 to S\$0.4 million in HY2023, mainly due to the impairment on plant and equipment of S\$0.2 million recognised in HY2022.

As a result of the above, the Group recorded a loss before tax of S\$2.6 million in HY2023, as compared to a profit before tax of S\$7.9 million in HY2022.

- 1. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. (cont'd)**

#### **Statement of Financial Position**

Non-current assets increased by S\$0.4 million, from S\$11.7 million as at 31 December 2022 to S\$12.1 million as at 30 June 2023, mainly due to increase in property, plant and equipment of S\$0.5 million, decrease in right-of-use assets of S\$0.5 million and decrease in land use right of S\$0.1 million as a result of purchase of plant and equipment of S\$0.9 million, partially offset by depreciation and amortisation charges.

Current assets decreased by S\$12.2 million, from S\$76.8 million as at 31 December 2022 to S\$64.6 million as at 30 June 2023. This was mainly due to a decrease in inventories of S\$12.5 million, trade and other receivables of S\$2.0 million, partially offset by increase in income tax receivable of S\$0.1 million, prepayments of S\$0.1 million and cash and cash equivalents of S\$2.1 million. Please refer to the section on "Statement of Cash Flows" below for the reasons for the increase in cash and cash equivalents.

Non-current liabilities decreased by S\$1.2 million, from S\$7.5 million as at 31 December 2022 to S\$6.3 million as at 30 June 2023, mainly due to net decrease in long-term bank loans of S\$0.8 million after repayment and decrease in lease liability (non-current portion) of S\$0.4 million.

Current liabilities decreased by S\$7.4 million, from S\$38.2 million as at 31 December 2022 to S\$30.8 million as at 30 June 2023, mainly due to a decrease in trade and other payables of S\$12.6 million and a decrease in income tax payable of S\$0.5 million, partially offset by an increase in borrowings (current portion) of S\$5.3 million and an increase in dividend payable of S\$0.3 million.

The Group reported a positive working capital position of S\$33.8 million as at 30 June 2023, as compared to S\$38.6 million as at 31 December 2022.

Total equity decreased by S\$3.2 million, from S\$42.8 million as at 31 December 2022 to S\$39.6 million as at 30 June 2023, mainly as a result of the net loss for the period and dividend payable to shareholders.

#### **Statement of Cash Flows**

Net cash flows from operating activities amounted to S\$5.1 million in HY2023, mainly due to net cash flows from operations of S\$6.1 million, partially offset by income taxes paid of S\$1.0 million.

Net cash flows used in investing activities amounted to S\$0.9 million in HY2023, mainly due to the purchase of property, plant and equipment.

Net cash flows used in financing activities amounted to S\$2.2 million in HY2023, mainly due to a net repayments of borrowings of S\$1.2 million, interest payment of S\$0.6 million and repayment of lease liabilities of S\$0.4 million.

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

No forecast or prospect statement was previously disclosed.

**3. 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 operating period and the next 12 months.**

The business environment is anticipated to remain challenging amid the persistent global geopolitical and economic uncertainties. The Group is facing headwinds due to the cyclical downturn in the semiconductor industry. This slowdown has resulted in over supply of aluminium alloys in the market and has led to competitive pricing for our products, in line with the falling average selling prices since 2HY2022.

As we look ahead to the next operating period and the coming 12 months, we anticipate that these challenges will persist. The negative industry trends and competitive conditions are likely to continue, exerting pressure on our revenue and overall financial performance.

To address these challenges, we are committed to implementing comprehensive strategies, including inventory management optimization, cost-cutting measures, and targeted marketing initiatives. Additionally, we are diversifying our revenue streams and exploring opportunities in new markets to reduce our dependence on the current uncertain economic environment.

Despite the significant challenges we are facing, we firmly believe that the Group is well positioned to navigate through this difficult business environment. Our resilience, adaptability, and commitment to innovation have been key strengths that will help us endure these headwinds and emerge stronger in the long run.

**4. Dividend information**

**a. Current Financial Period Reported On**

Any dividend declared/recommended for the current financial period reported on?

No.

**b. Corresponding Period of the Immediately Preceding Financial Year**

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

No.

**c. Date payable**

Not applicable.

**d. 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**

Not applicable.

No dividend has been declared or recommended for HY2023 as the Board of Directors of the Company, having considered the current business outlook, deems it appropriate to conserve funds for the Group's business activities.



**5. Interested person transactions**

The Company does not have a mandate from its shareholders for any interested person transactions. There are no interested person transactions of S\$100,000 or more during the financial period under review.

**6. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalyst Rules**

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

**7. Disclosures on Acquisition and Realisation of Shares pursuant to Catalyst Rule 706A**

There were no acquisition or realisation of shares in any of the Group's subsidiary or associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during HY2023.

**Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2023 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

**TAN YEE HO**  
Executive Chairman

**TAN YEE LEONG**  
Chief Executive Officer and  
Executive Director

**Singapore**  
**14 August 2023**