



## **iWOW Technology Limited**

(Company Registration No.: 199905973K)  
(Incorporated in the Republic of Singapore on 1 October 1999)

### **Unaudited Condensed Interim Financial Statements**

**For The Half Year  
Ended 30 September 2023**

*This announcement has been prepared by iWOW Technology Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, Evolve Capital Advisory Private Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).*

*This announcement has not been examined or approved by the SGX-ST. 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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*Certain numerical figures set out in this Announcement, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments, and, as a result, the totals of the data in this Announcement may vary slightly from the actual arithmetic totals of such information.*

*Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in this Announcement are approximate figures and have been calculated using the numerical data in our consolidated financial statements or the tabular presentation of other data (subject to rounding) contained in this Announcement, as applicable, and not using the numerical data in the narrative description thereof.*

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

	Note	Group		+ / (-) %
		1st Half Ended		
		<u>30/9/2023</u> S\$'000	<u>30/9/2022</u> S\$'000	
Revenue	4	17,266	17,061	1
Other operating income	5	242	405	(40)
Changes in inventories & raw materials used		(5,190)	(11,025)	(53)
Employee benefits expense		(5,919)	(1,972)	200
Amortisation and depreciation expense		(846)	(710)	19
Other operating expenses		(5,197)	(985)	428
Finance costs	6	(27)	(38)	(29)
<b>Profit before income tax</b>	7	329	2,736	(88)
Income tax expense	9	(45)	(337)	(87)
<b>Profit for the financial period</b>		284	2,399	(88)
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translating foreign operations		(43)	–	n.m.
<b>Other comprehensive income for the financial period</b>		(43)	–	n.m.
<b>Total comprehensive income for the financial period</b>		241	2,399	(90)
<b>Earnings per share attributable to owners of the Company</b>				
Basic (cents per share)	11	0.11	0.97	
Diluted (cents per share)	11	0.11	0.97	

**B. Condensed interim statements of financial position**

	Note	Group		Company	
		30/9/2023	31/3/2023	30/9/2023	31/3/2023
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment in subsidiaries	13	–	–	11,395	11,380
Property, plant and equipment	14	2,113	2,698	667	916
Intangible assets	15	4,044	3,857	133	156
<b>Total non-current assets</b>		<b>6,157</b>	<b>6,555</b>	<b>12,195</b>	<b>12,452</b>
<b>Current assets</b>					
Inventories	18	4,762	4,186	141	136
Trade receivables	16	14,408	12,750	1,401	1,467
Other receivables	17	1,594	1,200	3,405	5,086
Cash and cash equivalents		6,974	9,913	2,066	4,168
<b>Total current assets</b>		<b>27,738</b>	<b>28,049</b>	<b>7,013</b>	<b>10,857</b>
<b>Total assets</b>		<b>33,895</b>	<b>34,604</b>	<b>19,208</b>	<b>23,309</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	20	31,019	31,019	31,019	31,019
Foreign currency translation reserve		(77)	(34)	–	–
Accumulated losses		(12,043)	(11,590)	(15,626)	(15,718)
<b>Total equity</b>		<b>18,899</b>	<b>19,395</b>	<b>15,393</b>	<b>15,301</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		33	33	–	–
Borrowings	19	242	370	242	370
Other payables	13	1,900	1,900	1,900	1,900
Lease liabilities		118	253	87	153
<b>Total non-current liabilities</b>		<b>2,293</b>	<b>2,556</b>	<b>2,229</b>	<b>2,423</b>
<b>Current liabilities</b>					
Borrowings	19	255	251	255	251
Lease liabilities		452	562	141	160
Trade payables		4,034	2,854	41	71
Other payables		6,230	7,453	977	4,622
Contract liabilities		1,550	1,015	101	109
Provision for taxation		182	518	71	372
<b>Total current liabilities</b>		<b>12,703</b>	<b>12,653</b>	<b>1,586</b>	<b>5,585</b>
<b>Total liabilities</b>		<b>14,996</b>	<b>15,209</b>	<b>3,815</b>	<b>8,008</b>
<b>Total equity and liabilities</b>		<b>33,895</b>	<b>34,604</b>	<b>19,208</b>	<b>23,309</b>

**C. Condensed interim statements of changes in equity**

<u>Group</u>	Note	Share capital S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
<b>Balance at 1 April 2022</b>		21,403	–	(14,246)	7,157
Issuance of ordinary shares pursuant to Initial Public Offering (“IPO”)	20	6,500	–	–	6,500
Share issue expenses	20	(124)	–	–	(124)
Profit for the financial period, representing total comprehensive income		–	–	2,399	2,399
Tax-exempt (one-tier) dividend	10	–	–	(902)	(902)
<b>Balance at 30 September 2022</b>		<u>27,779</u>	<u>–</u>	<u>(12,749)</u>	<u>15,030</u>
<b>Balance at 1 April 2023</b>		31,019	(34)	(11,590)	19,395
Profit for the financial period		–	–	284	284
<i>Other comprehensive income:</i> Exchange differences on translating foreign operations		–	(43)	–	(43)
Total comprehensive income		–	(43)	284	241
Tax-exempt (one-tier) dividend	10	–	–	(737)	(737)
<b>Balance at 30 September 2023</b>		<u>31,019</u>	<u>(77)</u>	<u>(12,043)</u>	<u>18,899</u>

**C. Condensed interim statements of changes in equity (Cont'd)**

<u>Company</u>	Note	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
<b>Balance at 1 April 2022</b>		21,403	(17,015)	4,388
Issuance of ordinary shares pursuant to Initial Public Offering (“IPO”)	20	6,500	–	6,500
Share issue expenses	20	(124)	–	(124)
Profit for the financial period, representing total comprehensive income		–	2,178	2,178
Tax-exempt (one-tier) dividend	10	–	(902)	(902)
<b>Balance at 30 September 2022</b>		<b>27,779</b>	<b>(15,739)</b>	<b>12,040</b>
<b>Balance at 1 April 2023</b>		31,019	(15,718)	15,301
Profit for the financial period, representing total comprehensive income		–	829	829
Tax-exempt (one-tier) dividend	10	–	(737)	(737)
<b>Balance at 30 September 2023</b>		<b>31,019</b>	<b>(15,626)</b>	<b>15,393</b>

**D. Condensed interim consolidated statement of cash flows**

	Note	<b>Group</b>	
		1 <sup>st</sup> Half Ended	
		<u>30/9/2023</u>	<u>30/9/2022</u>
		S\$'000	S\$'000
<b>OPERATING ACTIVITIES</b>			
Profit before income tax		329	2,736
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment		712	476
Amortisation of intangible assets	15	134	234
Reversal of inventory obsolescence	18	(2)	–
Unrealised exchange gain		(49)	–
Interest income		(94)	–
Interest expense	6	24	25
Operating cash flows before working capital changes		1,054	3,471
Inventories		(574)	835
Trade and other receivables		(2,053)	5,063
Trade payables, other payables and contract liabilities		489	(5,021)
Cash (used in)/generated from operations		(1,084)	4,348
Income tax paid		(381)	(269)
Cash flows (used in)/generated from operating activities		(1,465)	4,079
<b>INVESTING ACTIVITIES</b>			
Addition of property, plant and equipment		(83)	(502)
Interest received		94	–
Addition of intangible assets	15	(321)	(86)
Cash flows used in investing activities		(310)	(588)
<b>FINANCING ACTIVITIES</b>			
Interest paid		(10)	(13)
Repayment of borrowings		(124)	(120)
Repayment of lease liabilities		(302)	(128)
Dividend paid	10	(735)	(899)
Proceeds from issuance of ordinary shares pursuant to IPO	20	–	6,500
Payment of IPO transaction costs		–	(563)
Cash flows (used in)/generated from financing activities		(1,171)	4,777
<b>Net (decrease)/increase in cash and cash equivalents</b>		(2,946)	8,268
Cash and cash equivalents at beginning of financial period		9,913	4,797
Net effect of exchange rate changes on cash and cash equivalents		7	–
Cash and cash equivalents at end of financial period		6,974	13,065

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

The Company was incorporated in Singapore on 1 October 1999 as a private limited company, under the name of “iWOW Technology Pte Ltd”. The Company was converted into a public limited company on 27 December 2021 and its name was changed to “iWOW Technology Limited”.

The Company was listed on the Catalist Board of Singapore Exchange Securities Trading Limited on 14 April 2022 and its registered office and principal place of business is at 1004 Toa Payoh North, #02-17, Singapore 318995.

These condensed interim consolidated financial statements as at and for the six months ended 30 September 2023 comprise the Company and its subsidiaries (collectively, the “**Group**”). The principal activity of the Company is that of investment holding company and research and development as well as manufacture of wireless communication equipment.

The principal activities of the Group include:

- (a) Research and development on telecommunication software;
- (b) Provision of IoT services and Smart City Solutions;
- (c) Manufacturing of wireless communications devices and equipment;
- (d) Provision of Smart Metering Services; and
- (e) Provision of engineering services relating to communication solutions.

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

The condensed interim financial statements for the six months ended 30 September 2023 (“**1H2024**”) have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed 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 the Group’s performance since the last annual financial statements for the year ended 31 March 2023 (“**FY2023**”).

The Group’s 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. All values in the tables are rounded to the nearest thousand (“**S\$’000**”) except when otherwise indicated.

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

The Group has adopted the new and revised SFRS(I)s and SFRS(I) Interpretations and amendments to SFRS(I) that are mandatory for application from 1 April 2023:

- Amendments to SFRS(I) 1–8: Definition of Accounting Estimates
- Amendments to SFRS(I) 1–12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
- Amendments to SFRS(I) 1–1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.



**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**2. Basis of preparation (Cont'd)**

**2.2 Use of judgement 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 financial year ended 31 March 2023.

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

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

- Note 15 – Impairment test of goodwill: key assumptions underlying recoverable amounts
- Note 16 – Provision for expected credit losses of trade debtors
- Note 18 – Allowance for slow-moving and obsolete inventory
- Note 13 – Contingent consideration

**3. Seasonal operations**

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

However, as disclosed in the offer document, project gestation period can be long, ranging from between one (1) and three (3) years.

**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**4. Revenue and segment information**

	<b>Group</b>	
	1st Half Ended	
	<u>30/9/2023</u>	<u>30/9/2022</u>
	S\$'000	S\$'000
Revenue from contract with customers		
- Sale of goods and services rendered	2,126	13,692
- Silver generation solutions	489	820
- Provision of electronic monitoring services	2,154	2,278
- Maintenance and subscription fee	1,025	260
- Contract revenue	5,584	–
- Term contract	5,888	–
- Others	–	11
	<u>17,266</u>	<u>17,061</u>

The disaggregation of revenue from contracts with customers is as follows:

	<b>Group</b>	
	1st Half Ended	
	<u>30/9/2023</u>	<u>30/9/2022</u>
	S\$'000	S\$'000
<u>Geographical markets</u>		
Singapore	15,820	16,113
Hong Kong	–	948
Malaysia	965	–
Others	481	–
	<u>17,266</u>	<u>17,061</u>
 <u>Timing of revenue recognition</u>		
Goods transferred at point in time	2,126	14,523
Services transferred overtime	15,140	2,538
	<u>17,266</u>	<u>17,061</u>

The Group is organised into the following main business segments:

- Segment 1: Internet of things-as-a-Service (“**laaS**”);
- Segment 2: Smart City Solutions (“**SCS**”);
- Segment 3: Trading & Others;
- Segment 4: Wireless Engineering Solutions (“**WES**”); and
- Segment 5: Datacomm & Enterprise Solutions (“**DES**”).

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

**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**4. Revenue and segment information (Cont'd)**

<u>Group</u>	<u>laaS</u>		<u>SCS</u>		<u>WES</u>		<u>DES</u>		<u>Trading and Others</u>		<u>Unallocated</u>		<u>Total</u>	
	1H2024 S\$'000	1H2023 S\$'000	1H2024 S\$'000	1H2023 S\$'000	1H2024 S\$'000	1H2023 S\$'000	1H2024 S\$'000	1H2023 S\$'000	1H2024 S\$'000	1H2023 S\$'000	1H2024 S\$'000	1H2023 S\$'000	1H2024 S\$'000	1H2023 S\$'000
<b>Revenue:</b>														
External customers	2,929	3,022	414	12,859	8,900	–	3,312	–	1,711	1,180	–	–	17,266	17,061
<b>Results:</b>														
Other operating income	25	34	25	77	56	–	90	–	–	1	46	293	242	405
Changes in inventories & raw materials used	(172)	(124)	(374)	(9,844)	(2,213)	–	(1,026)	–	(1,405)	(1,057)	–	–	(5,190)	(11,025)
Employee benefits expense	(1,277)	(989)	(603)	(970)	(2,598)	–	(1,423)	–	(18)	(13)	–	–	(5,919)	(1,972)
Amortisation and depreciation expense	(519)	(578)	(96)	(130)	(150)	–	(81)	–	–	(2)	–	–	(846)	(710)
Reversal/ (Allowance) for inventories obsolescence	–	1	2	(1)	–	–	–	–	–	–	–	–	2	–
Other operating expenses	(532)	(430)	(501)	(552)	(2,972)	–	(1,192)	–	(2)	(3)	–	–	(5,199)	(985)
Finance costs	(11)	(11)	(11)	(27)	(4)	–	(1)	–	–	–	–	–	(27)	(38)
Segment profit/(loss) before income tax	443	925	(1,144)	1,412	1,019	–	(321)	–	286	106	46	293	329	2,736
<b>Assets:</b>														
Segment assets	4,509	4,219	1,115	1,560	10,035	–	6,122	–	1,821	103	10,293	13,894	33,895	19,776
Segment liabilities	(590)	(369)	(640)	(2,526)	(2,020)	–	(3,595)	–	(391)	(7)	(7,760)	(1,844)	(14,996)	(4,746)

**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**5. Other operating income**

	<b>Group</b>	
	1st Half Ended	
	<u>30/9/2023</u>	<u>30/9/2022</u>
	S\$'000	S\$'000
Government grants	75	369
Foreign exchange gain	10	19
Interest income	94	6
Others	63	11
	<u>242</u>	<u>405</u>

**6. Finance costs**

	<b>Group</b>	
	1st Half Ended	
	<u>30/9/2023</u>	<u>30/9/2022</u>
	S\$'000	S\$'000
Factoring charges	3	13
Interest on borrowings	10	13
Interest on lease liabilities	14	12
	<u>27</u>	<u>38</u>

**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**7. Profit before income tax**

	<b>Group</b>	
	1st Half Ended	
	<u><b>30/9/2023</b></u>	<u><b>30/9/2022</b></u>
	S\$'000	S\$'000
Depreciation of property, plant and equipment	712	476
Amortisation of intangible assets	134	234
Directors' remuneration other than fees:		
i) Directors of the Company		
- Short-term benefits	242	191
- Employers' contribution to defined contribution plan	11	6
ii) Directors of the subsidiaries		
- Short-term benefits	312	192
- Employers' contribution to defined contribution plan	21	11
Reversal of inventory obsolescence	(2)	–
Sub-contracting costs	3,978	154

**8. Related party transactions**

During the financial period, other than those disclosed elsewhere in the financial statements, the Group had no significant transactions with related parties.

**9. Income tax expense**

	<b>Group</b>	
	1st Half Ended	
	<u><b>30/9/2023</b></u>	<u><b>30/9/2022</b></u>
	S\$'000	S\$'000
Current income tax		
- Current	45	337
Total income tax expense	<u>45</u>	<u>337</u>

**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**10. Dividends**

	<b>Group &amp; Company</b>	
	1st Half Ended	
	<b>30/9/2023</b>	<b>30/9/2022</b>
	S\$'000	S\$'000
<u>Ordinary dividend:</u>		
Final exempt (one-tier) dividend in respect of FY2022	–	902
Final exempt (one-tier) dividend in respect of FY2023	<u>737</u>	<u>–</u>
	<u><u>737</u></u>	<u><u>902</u></u>

As at 30 September 2023 and 31 March 2023, the Company has unclaimed dividends which amounted to approximately S\$16,000 and S\$14,000 respectively.

**11. Earnings per share (“EPS”)**

	<b>Group</b>	
	1st Half Ended	
	<b>30/9/2023</b>	<b>30/9/2022</b>
Profit attributable to ordinary equity holders of the Company (S\$'000)	<u>284</u>	<u>2,399</u>
Weighted average number of ordinary shares outstanding	<u>263,390,260</u>	<u>248,441,189</u>
EPS (basic and diluted) - (cents)	<u>0.11</u>	<u>0.97</u>

***Number of shares used for the calculation of EPS***

The diluted EPS for the relevant financial periods are the same as the basic EPS as the Group did not have any dilutive instruments at the end of the respective financial periods.

**12. Net asset value (“NAV”)**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30/9/2023</b>	<b>As at 31/3/2023</b>	<b>As at 30/9/2023</b>	<b>As at 31/3/2023</b>
NAV - (S\$'000)	<u>18,899</u>	<u>19,395</u>	<u>15,393</u>	<u>15,301</u>
Number of ordinary shares outstanding	<u>263,390,260</u>	<u>263,390,260</u>	<u>263,390,260</u>	<u>263,390,260</u>
NAV per ordinary share - (cents)	<u>7.18</u>	<u>7.36</u>	<u>5.84</u>	<u>5.81</u>

***Number of shares used for the calculation of NAV***

NAV has been computed based on equity attributable to the ordinary equity holders of our Company at the respective financial period/year ended and the Company's share capital at the respective financial period/year ended.

**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**13. Investment in subsidiaries**

**Acquisition of Roots Communications Pte. Ltd. (“Roots Singapore”)**

In FY2023, the Company acquired the entire share capital of Roots Singapore.

The Company offered a purchase consideration which is calculated based on six (6) times multiple of the audited annual average consolidated net profit after tax of Roots Singapore and its subsidiary Roots Communications Sdn. Bhd. (collectively, the “**Roots Group**”) for the period from 1 April 2023 to 31 March 2026 and capped at S\$18,000,000.

The consideration would be satisfied by a combination of cash and issuance of shares in the Company in 2 portions as follow:

1. Initial payment of S\$8,100,000 which consists of S\$4,860,000 in cash and S\$3,240,000 in shares in the Company which has been paid in FY2023;
2. Balance payment of up to S\$9,900,000 which consist of S\$5,940,000 in cash and S\$3,960,000 in shares in the Company will be determined after the financial year ended 31 March 2026.

The payments above represents the maximum amount payable by the Company and will be reduced accordingly based on the Post Completion Tranche Payment (“**PCTP**”). Based on management’s estimate of the Roots Group’s annual average consolidated net profit after tax for the period from 1 April 2023 to 31 March 2026, the total consideration for this acquisition would be S\$10,000,000.

As such, a contingent consideration of S\$1,900,000 has been recognised since the acquisition date, which has been recorded under “Other payables” in non-current liabilities.

**14. Property, plant and equipment**

During 1H2024, the Group acquired assets with an aggregate cost of S\$124,000 (1H2023: S\$758,000) of which approximately S\$41,000 (1H2023: S\$256,000) was acquired by means of leases. Cash payments of S\$83,000 (1H2023: S\$502,000) were made to purchase property, plant and equipment.

There was no disposed of assets during the current and prior financial periods.

**15. Intangible assets**

<u>Group</u>	<b>Goodwill</b> S\$'000	<b>Development costs</b> S\$'000	<b>Total</b> S\$'000
<b>Cost:</b>			
At 1/4/2022	829	3,341	4,170
Additions for FY2023	1,848	671	2,519
At 31/3/2023 and 1/4/2023	2,677	4,012	6,689
Additions for 1H2024	–	321	321
At 30/9/2023	2,677	4,333	7,010

**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**15. Intangible assets (Cont'd)**

**Amortisation:**

At 1/4/2022	–	2,385	2,385
Amortisation for FY2023	–	447	447
At 31/3/2023 and 1/4/2023	–	2,832	2,832
Amortisation for 1H2024	–	134	134
At 30/9/2023	–	2,966	2,966

**Carrying amount:**

At 30/9/2023	2,677	1,367	4,044
At 31/3/2023	2,677	1,180	3,857

<u>Company</u>	<b>Development costs</b> S\$'000
<b>Cost:</b>	
At 1/4/2022	918
Additions for FY2023	141
At 31/3/2023 and 1/4/2023	1,059
Transfer for 1H2024	(18)
At 30/9/2023	1,041
<b>Amortisation:</b>	
At 1/4/2022	897
Amortisation for FY2023	6
At 31/3/2023 and 1/4/2023	903
Amortisation for 1H2024	5
At 30/9/2023	908
<b>Carrying amount:</b>	
At 30/9/2023	133
At 31/3/2023	156

During the financial year/period ended 31 March 2023 and 30 September 2023, the intangible assets comprised of goodwill, platform and module development costs.

The addition in 1H2024 relates to the capitalisation of module development costs for the Group's Electronic Monitoring solutions, which was internally generated.

The Group assesses goodwill for impairment annually, or more frequently when there is an indication for impairment. Determining whether goodwill is impaired requires an estimation of the value-in-use of the CGU to which goodwill has been allocated. Cash flow projections used in the value-in-use calculations were based on financial budgets covering a five-year period. The key assumptions for these value-in-use calculations are those regarding the discount rates, growth rates and expected changes to gross margins during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts. Changes in gross margins are based on past practices and expectations of future changes in the market.

No impairment loss was recognised during the current financial period and prior financial year.



**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**16. Trade receivables**

	Group		Company	
	As at 30/9/2023	As at 31/3/2023	As at 30/9/2023	As at 31/3/2023
	S\$'000	S\$'000	S\$'000	S\$'000
Amount due from subsidiaries	–	–	20	4
Trade receivables	6,530	7,362	913	1,099
Accrued revenue	7,892	5,402	468	364
Less: loss allowance	(14)	(14)	–	–
	<u>14,408</u>	<u>12,750</u>	<u>1,401</u>	<u>1,467</u>

The accrued revenue relates to the revenue recognised to date for satisfied performance obligations but has not been invoiced to the customer as at 30 September 2023 and 31 March 2023. The accrued revenue is transferred to trade receivables at the point when it is invoiced to the customers.

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, adjusted for forward looking factors, specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future.

**17. Other receivables**

	Group		Company	
	As at 30/9/2023	As at 31/3/2023	As at 30/9/2023	As at 31/3/2023
	S\$'000	S\$'000	S\$'000	S\$'000
Amount due from subsidiaries	–	–	13,697	15,727
Less: loss allowance	–	–	(10,520)	(10,787)
	–	–	3,177	4,940
Deposits	279	308	62	59
Advance payment to supplier in relation to the supplied goods	1,102	751	35	52
Prepayments	172	119	31	35
Others	41	22	100	–
	<u>1,594</u>	<u>1,200</u>	<u>3,405</u>	<u>5,086</u>

**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**18. Inventories**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30/9/2023</b>	<b>As at 31/3/2023</b>	<b>As at 30/9/2023</b>	<b>As at 31/3/2023</b>
	S\$'000	S\$'000	S\$'000	S\$'000
Raw materials	129	126	–	–
Goods in transit	–	–	–	–
Work in progress	2,011	957	4	13
Finished goods	2,622	3,103	137	123
	<u>4,762</u>	<u>4,186</u>	<u>141</u>	<u>136</u>

Inventories are stated at net realisable value after providing the allowance for inventories obsolescence as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1st Half Ended</b>		<b>1st Half Ended</b>	
	<b>30/9/2023</b>	<b>30/9/2022</b>	<b>30/9/2023</b>	<b>30/9/2022</b>
	S\$'000	S\$'000	S\$'000	S\$'000
At beginning of financial period	97	76	–	–
Reversal	(2)	–	–	–
At end of financial period	<u>95</u>	<u>76</u>	<u>–</u>	<u>–</u>

The Group reviews its inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory.

**19. Borrowings**

	<b>Group &amp; Company</b>	
	<b>As at 30/9/2023</b>	<b>As at 31/3/2023</b>
	S\$'000	S\$'000
Bank loans	<u>497</u>	<u>621</u>

Borrowings are repayable over a period of 1 month to 5 years as follows:

Within one year	255	251
After one year but within five years	242	370
	<u>497</u>	<u>621</u>

**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**19. Borrowings (Cont'd)**

The banking facilities are secured by the following:

- (a) All sums in the current account with DBS bank; and
- (b) Corporate guarantee by a subsidiary, iWOW Connections Pte. Ltd.

The bank loan will be fully repaid by July 2025.

**20. Share capital**

Issued and fully paid	Group & Company	
	No. of shares '000	Share capital S\$'000
<b><u>Ordinary Shares</u></b>		
At 1/4/2022	224,430	21,403
Issuance of ordinary shares pursuant to IPO	26,000	6,500
Share issue expenses	–	(124)
Issuance of ordinary shares pursuant to the acquisition of a subsidiary	12,960	3,240
At 31/3/2023, 1/4/2023 and 30/9/2023	<u>263,390</u>	<u>31,019</u>

***Issuance of Ordinary Shares***

During the prior financial year, the Company allotted and issued 38,960,000 ordinary shares as follows:

1. The Company received approval from SGX-ST and was listed on the Catalist Board of SGX-ST on 14 April 2022. Pursuant to the placement, 26,000,000 placement shares were issued at S\$0.25 each and gross proceeds amounted to S\$6.5 million.

The offsetting of listing expenses to share capital on IPO amounted to approximately S\$124,000.

2. The Company acquired Roots Singapore, as disclosed in Note 13. 12,960,000 new ordinary shares were allotted and issued to Funtec Resources Pte. Ltd. as part of settlement for the acquisition, amounting to S\$3,240,000.

***Treasury Shares, Subsidiary Holdings and Convertibles***

As at 30 September 2023 and 31 March 2023, there were no treasury shares held by the Company and there were no subsidiary holdings. There were also no outstanding convertibles.

**21. Subsequent events**

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

## **F. Other information**

### **1. Review**

The condensed statements of financial position of iWOW Technology Limited and its subsidiaries as at 30 September 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements 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.

### **2. Review of performance of the Group**

#### **INCOME STATEMENT**

**Revenue** increased marginally by 1% from approximately S\$17.1 million in 1H2023 to approximately S\$17.3 million in 1H2024, mainly due to contribution from the WES and DES (collectively “**Smart City Infrastructure**”) segments, which is partially offset by lower revenue from the SCS Segment with the completion of the Trace Tokens project.

- (a) revenue for IoT-as-a-service (“**laaS**”) segment declined marginally by 3% from approximately S\$3.0 million to approximately S\$2.9 million, due to lower sales for Electronic Monitoring Solutions (“**EMS**”);
- (b) revenue for Smart City Solutions (“**SCS**”) segment declined by 97% from approximately S\$12.9 million to approximately S\$0.4 million mainly due to the absence of Trace Tokens sales and installation works for Alert Alarm System (“**AAS**”) in 1H2024 due to project completion;
- (c) Wireless Engineering Solutions (“**WES**”) segment contributed approximately S\$8.9 million of revenue in 1H2024, which commenced from 2H2023.
- (d) Datacomm & Enterprise Solutions (“**DES**”) segment contributed approximately S\$3.3 million of revenue in 1H2024, which commenced from 2H2023.
- (e) revenue for Trading & Others segment grew by 45% from approximately S\$1.2 million to approximately S\$1.7 million, mainly due to regional sales attributed to Datacomm products.

**Other operating income** decreased by 40% from approximately S\$0.4 million in 1H2023 to approximately S\$0.2 million in 1H2024, mainly due to the one-off IPO related grant income and job growth incentives of approximately S\$0.3 million in prior period. The decrease is partially offset by higher interest income of S\$0.1 million in 1H2024.

**Changes in Inventory & raw materials used** decreased by 53% from approximately S\$11.0 million in 1H2023 to approximately S\$5.2 million in 1H2024, which is in line with the decreased SCS revenue due to the completion of the Trace Token project in 1H2023. The decrease is partially offset by the approximately S\$4.6 million contribution from the new Smart City Infrastructure segment in 1H2024.

**Employee benefits expense** increased by 200% from approximately S\$2.0 million in 1H2023 to approximately S\$5.9 million in 1H2024, mainly due to (a) an expansion of workforce to support the Group’s growth; and (b) contribution from the new Smart City Infrastructure segment in 1H2024. The number of full time employees increased from 51 as of the end of 1H2023, to 164 (65 excluding headcounts from Smart City Infrastructure segment) as of the end of 1H2024.

**F. Other information (Cont'd)**

**2. Review of performance of the Group (Cont'd)**

**INCOME STATEMENT (Cont'd)**

**Amortisation & depreciation expense** increased by 19% from approximately S\$0.7 million in 1H2023 to approximately S\$0.8 million in 1H2024, mainly due to approximately S\$0.2 million of depreciation contributed by the new Smart City Infrastructure segment, which is partially offset by lower depreciation from the remaining segments due to fully depreciated / amortized assets.

**Other operating expenses** increased from approximately S\$1.0 million in 1H2023 to approximately S\$5.2 million in 1H2024, mainly due to the approximately S\$4.2 million contribution by the new Smart City Infrastructure segment. Besides general and administrative expenses, the contribution includes approximately S\$3.9 million of sub-contracting expenses.

**Finance cost** decreased by 29% from approximately S\$38,000 in 1H2023 to approximately S\$27,000 in 1H2024, mainly due to lower financing charges and interest from banking facilities as a result of lower utilisation and reduced fees.

**Income tax expense** decreased by 87% from approximately S\$337,000 in 1H2023 to approximately S\$45,000 in 1H2024, which is in line with the lower profit before tax.

**Profit for the year** decreased by 88% from approximately S\$2.4 million in 1H2023 to approximately S\$0.3 million in 1H2024 as a result of the above. Notably, the Group's continual investment in growing its R&D and business development headcounts over the past year to build up its capabilities and pursue new opportunities has added short term pressure to the bottom line.

**Other comprehensive income** for 1H2024 consist currency translation differences attributed to the Group's Malaysian subsidiaries, which were acquired or incorporated subsequent to 1H2023.

**GROUP'S FINANCIAL POSITION**

**Net asset** decreased by S\$0.5 million from approximately S\$19.4 million as at 31 March 2023 to approximately S\$18.9 million as at 30 September 2023, mainly due to a final dividend of S\$0.7 million distributed to shareholders in 1H2024. The decrease was partially offset by profits of 1H2024.

**Property, plant and equipment** decreased by 22% from approximately S\$2.7 million as at 31 March 2023 to approximately S\$2.1 million as at 30 September 2023, mainly due to depreciation which approximate S\$0.7 million in 1H2024. The decrease was partially offset by the purchase of plant and equipment of approximately S\$0.1 million in 1H2024.

**Intangible assets** increased by 5% from approximately S\$3.9 million as at 31 March 2023 to S\$4.0 million as at 30 September 2023, mainly due the capitalisation of development costs for new products. The increase was partially offset by amortisation of approximately S\$0.1 million in 1H2024.

**Inventories** increased by 14% from approximately S\$4.2 million as at 31 March 2023 to approximately S\$4.8 million as at 30 September 2023, mainly due to higher work in progress inventory for on-going projects.

**Trade receivables** increased by 13% from approximately S\$12.8 million as at 31 March 2023 to approximately S\$14.4 million as at 30 September 2023, mainly due to increase in accrued revenue for Smart City Infrastructure projects pending its billing milestones.

**F. Other information (Cont'd)**

**2. Review of performance of the Group (Cont'd)**

**GROUP'S FINANCIAL POSITION (Cont'd)**

**Other receivables** increased by 33% from approximately S\$1.2 million as at 31 March 2023 to approximately S\$1.6 million as at 30 September 2023, mainly due to an increase of advance payments made to suppliers by approximately S\$0.4 million.

**Borrowings** decreased by 20% from approximately S\$0.6 million as at 31 March 2023 to approximately S\$0.5 million as at 30 September 2023, mainly due to the repayment of a bank loan of approximately S\$0.1 million in 1H2024.

**Lease liabilities** decreased by 30% from approximately S\$0.8 million as at 31 March 2023 to approximately S\$0.6 million as at 30 September 2023, due to repayment of lease liabilities of approximately S\$0.3 million in 1H2024, which was partially offset by the renewal of a lease amounting to S\$43,000.

**Trade payables** increased by 41% from approximately S\$2.9 million as at 31 March 2023 to approximately S\$4.0 million as at 30 September 2023, mainly due to billings by suppliers for in progress Smart City Infrastructure projects.

**Other payables** decreased by 16% from approximately S\$7.5 million as at 31 March 2023 to approximately S\$6.2 million as at 30 September 2023, mainly due to payments as well as lower accruals as a result of billings received for operational expenses in 1H2024.

**Contract liabilities** increased by 53% from approximately S\$1.0 million as at 31 March 2023 to approximately S\$1.6 million as at 30 September 2023, due to advance billings for Smart City Infrastructure projects in 1H2024.

**Provision for taxation** decreased by 65% from approximately S\$0.5 million as at 31 March 2023 to approximately S\$0.2 million as at 30 September 2023, mainly due to tax repayment during the period. The decrease was partially offset by tax provision made for 1H2024 of S\$45,000.

**CASHFLOW**

The Group's cash and cash equivalents decreased by approximately S\$2.9 million from FY2023 to 1H2024, mainly due to net cash used in operating activities and dividend payment.

Operating activities

The Group's net cash used in operating activities was a result of operating cash flow before movement in working capital of approximately S\$1.1 million, offset by net working capital outflows of approximately S\$2.1 million and tax paid of approximately S\$0.4 million.

The Group's net working capital outflow was mainly due to (a) a net increase in receivables of approximately S\$2.1 million mainly due to higher accrued revenue for projects which has yet to reached its billing milestones in 1H2024; (b) net increase in inventories of approximately S\$0.6 million mainly due to higher work in progress balances. The decrease was partially offset by a net increase in payables of approximately S\$0.5 million mainly due to increase of trade payables as a result of billings by suppliers for in progress Smart City Infrastructure projects.

**F. Other information (Cont'd)**

**2. Review of performance of the Group (Cont'd)**

**CASHFLOW (Cont'd)**

Investing activities

The Group used approximately S\$0.3 million in investing activities mainly for (a) the purchase of plant and equipment of approximately S\$0.1 million which comprise mainly the new generation Electronic Monitoring devices and other assets; and (b) the capitalisation of development costs for new products of approximately S\$0.3 million, which is partially offset by interest income of approximately S\$0.1 million.

Financing activities

The Group used approximately S\$1.2 million in financing activities mainly for (a) the distribution of dividends of approximately S\$0.7 million; (b) the repayment of obligations under leases of approximately S\$0.3 million; and (c) the partial repayment of a bank loan of approximately S\$0.1 million.

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

Not applicable. No forecast or prospect statement was previously disclosed to shareholders.

**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 12 months.**

Contributions from the Smart City Infrastructure segment has provided revenue stability for the Group, despite the completion of the Trace Token project in prior year and delays in tenders for expected projects.

The Group's order book almost doubled in just over a year from S\$54.4 million as of 30 September 2022 to S\$100.4 million as of 31 October 2023. However, certain projects are expected to contribute revenue across FY2025 due to project milestones, which may add short term pressure to the bottom line as we continue to invest in our R&D capabilities to capture near to mid-term electronic monitoring and aging population opportunities in the region.

Despite global financial and geopolitical uncertainties, we remain cautiously optimistic of iWOW's long term prospects, as we continue to build up our order book, on the backdrop of the aging population, urbanisation, sustainability and digitalisation megatrends.

**F. Other information (Cont'd)**

**5. Dividend information**

- i. Whether an interim / final ordinary dividend has been declared and/or recommended.**

No.

- ii. Current financial period reported on.**

Not applicable.

- iii. Corresponding period of the immediate preceding financial year.**

No dividend was declared in 1H2023.

- iv. The date the dividend is payable.**

Not applicable.

- v. The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been recommended for 1H2024. The Group will recommend a final dividend for FY2024 instead.

- 7. If the group has obtained a general mandate from shareholders for Interested Persons 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.**

The Group has not obtained a general mandate from shareholders of the Company for IPTs. There were no transactions entered into between our Group and interested persons of S\$100,000 or more for the current financial period under review.

- 8. Negative confirmation pursuant to Rule 705(5)**

The Board of Directors of the Company confirmed that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements for the six-months ended 30 September 2023 to be false or misleading in any material aspect.

The confirmation was signed by Soo Kee Wee, Chairman of the Board, and Bo Jiang Chek Raymond, Executive Director and CEO, on behalf of the board of directors of the Company.



**F. Other information (Cont'd)**

**9. 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).**

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

**10. Use of Initial Public Offering (“IPO”) proceeds as at date of this announcement.**

Pursuant to the IPO on 14 April 2022, the Company received gross proceeds of S\$6.5 million from the placement of new shares.

As at the date of this announcement, the status on the use of the proceeds is as follows:

	<b>Amount allocated</b> <small>(1)</small>	<b>Amount utilised</b>	<b>Balance</b>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Enlarging our customer base by engaging both existing B2B customers and expanding our offerings to the B2C segments	1,000	(504)	496
Expanding our market reach by offering out IoT solutions in overseas markets	500	(30)	470
Enhancing our research and solution development activities to bolster our IoT offerings	1,250	(417)	833
Expanding our business through, <i>inter alia</i> , investments, mergers and acquisitions, joint ventures and/or strategic collaborations	1,000	(1,000)	–
Working capital <sup>(2)</sup>	1,437	(1,437)	–
Listing expenses	1,313	(1,313)	–
	<u>6,500</u>	<u>(4,701)</u>	<u>1,799</u>

**Notes:**

<sup>(1)</sup> As disclosed in the Offer Document dated 6 April 2022.

<sup>(2)</sup> Subsequent to the acquisition of Roots Singapore, as disclosed in Note 13 of the Notes to the condensed interim consolidated financial statements, the Company extended a S\$3.0 million loan to Roots Singapore for its working capital requirements. The loan was funded by internal resources and the S\$1.4 million IPO proceed designated for working capital purposes.

**BY ORDER OF THE BOARD**

Raymond Bo  
 CEO and Executive Director

14 November 2023