



ACESIAN PARTNERS LIMITED
(Registration No: 199505699D)

**Condensed interim financial statements
For the six months ended 30 June 2024**

Table of Contents

A.	Condensed interim consolidated statement of comprehensive income	1
B.	Condensed interim statements of financial position	2
C.	Condensed interim statements of changes in equity	3
D.	Condensed interim consolidated statement of cash flows	4
E.	Notes to the condensed interim consolidated financial statements	5
F.	Other information required by Appendix 7C of the Catalist Rules	11



ACESIAN PARTNERS LIMITED

(Registration No: 199505699D)

(the “Company”, and together with its subsidiaries, the “Group”)

**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2024 (“1H2024”)**

		The Group	
	Note	1H2024 \$'000	1H2023 \$'000
Revenue	4	5,005	8,140
Cost of sales		<u>(2,576)</u>	<u>(3,826)</u>
Gross profit		2,429	4,314
Other operating income	5.1	384	412
Administrative expenses		<u>(1,348)</u>	<u>(1,582)</u>
Other operating expenses		(151)	(598)
Finance costs	5.1	<u>(25)</u>	<u>(5)</u>
Profit before tax	5.1	1,289	2,541
Income tax expense	8	<u>(156)</u>	<u>(387)</u>
Profit for the period		<u><u>1,133</u></u>	<u><u>2,154</u></u>
Other comprehensive income:			
Item that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations, net of tax		<u>(9)</u>	<u>33</u>
Total comprehensive income for the period, net of tax		<u><u>1,124</u></u>	<u><u>2,187</u></u>
Profit attributable to:			
Owners of the Company		1,130	2,171
Non-controlling interests		<u>3</u>	<u>(17)</u>
		<u><u>1,133</u></u>	<u><u>2,154</u></u>
Total comprehensive income attributable to:			
Owners of the Company		1,126	2,174
Non-controlling interests		<u>(2)</u>	<u>13</u>
		<u><u>1,124</u></u>	<u><u>2,187</u></u>
Earnings per share attributable to owners of the Company (cents per share):			
Based on weighted average number of shares in issue (excluding treasury shares):			
- Basic		0.24	0.45
- Diluted		0.24	0.45
Weighted average number of shares in issue (excluding treasury shares)	16,17	475,237,600	482,485,580

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		30-Jun-24 \$'000	31-Dec-23 \$'000	30-Jun-24 \$'000	31-Dec-23 \$'000
Assets					
Non-current assets					
Property, plant and equipment	6	1,879	2,067	48	100
Investment in subsidiaries	15	-	-	1,269	1,269
		1,879	2,067	1,317	1,369
Current assets					
Inventories	7	3,341	3,754	-	-
Trade and other receivables		2,718	3,230	1,995	1,820
Contract assets		76	1,067	-	-
Prepaid operating expenses		147	72	29	14
Fixed deposits pledged		58	88	-	30
Cash and cash equivalents	12	18,966	19,238	15,476	13,877
		25,306	27,449	17,500	15,741
Total assets		27,185	29,516	18,817	17,110
Equity and liabilities					
Current liabilities					
Trade and other payables		955	3,103	284	1,513
Contract liabilities		1,315	2,071	-	-
Income tax payable		512	705	22	27
Lease liabilities	13	204	219	46	101
		2,986	6,098	352	1,641
Non-current liability					
Lease liabilities	13	697	811	-	-
		697	811	-	-
Total liabilities		3,683	6,909	352	1,641
Equity					
Share capital	16	20,322	20,322	20,322	20,322
Treasury shares	17	(1,177)	(999)	(1,177)	(999)
Share-based payment reserve		-	50	-	50
Retained earnings/(Accumulated losses)		5,573	4,443	(680)	(3,904)
Foreign currency translation reserve		(1,456)	(1,451)	-	-
Attributable to owners of the Company		23,262	22,365	18,465	15,469
Non-controlling interests		240	242	-	-
Total equity		23,502	22,607	18,465	15,469
Total equity and liabilities		27,185	29,516	18,817	17,110

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company							
	Share capital \$'000	Treasury shares \$'000	Share-based payment reserve \$'000	(Accumulated losses)/ Retained earnings \$'000	Foreign currency translation reserve \$'000	Total \$'000	Non-controlling interests \$'000	Total \$'000
The Group								
Balance at 1 January 2023	20,322	(196)	-	(3,014)	(1,489)	15,623	106	15,729
Profit/(loss) for the period	-	-	-	2,171	-	2,171	(17)	2,154
<u>Other comprehensive income</u>								
Exchange difference on translation of foreign operations, net of tax	-	-	-	-	3	3	30	33
Total comprehensive income for the period	-	-	-	2,171	3	2,174	13	2,187
<u>Transactions with owners recognised directly in equity</u>								
Purchase of treasury shares	-	(576)	-	-	-	(576)	-	(576)
Balance at 30 June 2023	20,322	(772)	-	(843)	(1,486)	17,221	119	17,340
Balance at 1 January 2024	20,322	(999)	50	4,443	(1,452)	22,364	242	22,606
Profit for the period	-	-	-	1,130	-	1,130	3	1,133
<u>Other comprehensive income</u>								
Exchange difference on translation of foreign operations, net of tax	-	-	-	-	(4)	(4)	(5)	(9)
Total comprehensive income for the period	-	-	-	1,130	(4)	1,126	(2)	1,124
<u>Transactions with owners recognised directly in equity</u>								
Purchase of treasury shares	-	(258)	-	-	-	(258)	-	(258)
Equity-settled share based payment	-	-	30	-	-	30	-	30
Performance shares vested	-	80	(80)	-	-	-	-	-
Balance at 30 June 2024	20,322	(1,177)	-	5,573	(1,456)	23,262	240	23,502
The Company								
Balance at 1 January 2023	20,322	(196)	-	(9,069)	-	11,057	-	11,057
Profit for the period representing total comprehensive income for the period	-	-	-	5,056	-	5,056	-	5,056
<u>Transaction with owners recognised directly in equity</u>								
Purchase of treasury shares	-	(576)	-	-	-	(576)	-	(576)
Balance at 30 June 2023	20,322	(772)	-	(4,013)	-	15,537	-	15,537
Balance at 1 January 2024	20,322	(999)	50	(3,904)	-	15,469	-	15,469
Profit for the period representing total comprehensive income for the period	-	-	-	3,224	-	3,224	-	3,224
<u>Transaction with owners recognised directly in equity</u>								
Purchase of treasury shares	-	(258)	-	-	-	(258)	-	(258)
Equity-settled share based payment	-	-	30	-	-	30	-	30
Performance shares vested	-	80	(80)	-	-	-	-	-
Balance at 30 June 2024	20,322	(1,177)	-	(680)	-	18,465	-	18,465

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	The Group	
		1H2024 \$'000	1H2023 \$'000
Operating activities			
Profit before tax		1,289	2,541
Adjustments for:			
Depreciation of property, plant and equipment		267	382
Allowance for impairment loss on trade and other receivables	5.1	-	63
Interest expense	5.1	25	5
Interest income		(332)	(268)
Investment income	11	-	(2)
Gain on disposal and written off of property, plant and equipment	6	-	(3)
Inventories written back	7	(14)	-
Share-based payment		(50)	-
Exchange differences		33	167
Operating cash flows before changes in working capital		1,218	2,885
(Decrease)/Increase in inventories		427	(436)
Increase in trade and other receivables, contract assets and prepaid operating expenses		1,428	825
(Decrease)/increase in trade and other payables and contract liabilities		(2,904)	(2,024)
Cash flows generated from operations		169	1,250
Interest received		332	270
Income taxes paid		(349)	(530)
Net cash flows generated from operating activities		152	990
Investing activities			
Purchase of investment securities	11	-	(981)
Purchase of property, plant and equipment	6	(77)	(43)
Proceeds from disposal of property, plant and equipment	6	-	1
Net cash flows used in investing activities		(77)	(1,023)
Financing activities			
Decrease in fixed deposits pledged		30	3
Repayment of lease liabilities		(177)	(281)
Purchase of treasury shares	17	(178)	(576)
Interest paid		(25)	(5)
Net cash flows used in financing activities		(350)	(859)
Net increase in cash and cash equivalents		(275)	(892)
Effects of currency translation on cash and cash equivalents		3	(21)
Cash and cash equivalents at the beginning of the period		19,238	18,493
Cash and cash equivalents at the end of the period		18,966	17,580

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Acesian Partners Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Group consist of design, manufacture and supply of critical airflow and related products and investment holding.

2 Summary of material accounting policy information

2.1 Basis of preparation

The condensed interim consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the six months ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. 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 2023.

The condensed interim financial statements are presented in Singapore Dollars ("SGD" or "\$") rounded to the nearest thousand, unless otherwise indicated.

2.2 Adoption of new and amended SFRS(I) and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the Group's condensed interim financial statements.

3 Significant accounting judgements and estimates

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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 2023.

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

- Note 5 - provision for ECLs of trade receivables and contract assets
- Note 7 - write down for slow-moving and obsolete inventories

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Statement of operations by segments

For management purposes, the Group is organised into business units based on their activities and services, and has three reportable operating segments as follows:

- 1) Critical airflow design and supply
- 2) Engineering services
- 3) Corporate

4.1 Disaggregation of revenue

	The Group	
	1H2024	1H2023
	\$'000	\$'000
<hr/>		
Main revenue streams:		
Engineering services	68	87
Critical airflow design and supply	4,937	8,053
	5,005	8,140
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Timing of transfer of goods or services		
At a point in time	4,986	8,102
Over time	19	38
	5,005	8,140
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4.2 Geographical segments

	The Group	
	1H2024	1H2023
	\$'000	\$'000
<hr/>		
Revenue:		
Asia	4,207	7,439
Others	798	701
	5,005	8,140
<hr/>		

D. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4.3 Business segments

1 January to 30 June	Critical airflow design and supply		Engineering services		Corporate		Total	
			1 January to 30 June					
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE								
Total Segment	7,343	11,494	68	87	3,795	5,967	11,206	17,548
Less: Inter-segment	(2,406)	(3,441)	-	-	(3,795)	(5,967)	(6,201)	(9,408)
External sales	4,937	8,053	68	87	-	-	5,005	8,140
RESULTS								
Segment results	1,025	2,513	32	(28)	232	56	1,289	2,541
Income tax expense							(156)	(387)
Non-controlling interest							(3)	17
Net profit attributable to owners of the Company							1,130	2,171
ASSETS								
Segment assets	10,891	14,738	689	697	15,605	14,081	27,185	29,516
LIABILITIES								
Segment liabilities	3,786	5,060	191	209	(294)	1,640	3,683	6,909
OTHER INFORMATION								
Capital expenditure	75	43	-	-	2	-	77	43
Depreciation	212	325	-	-	55	57	267	382
Allowance for impairment loss on trade and other receivables	-	63	-	-	-	-	-	63
Inventories written back	(14)	-	-	-	-	-	(14)	-

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 Profit before tax

5.1 The following significant items have been charged/(credited) to arrive at profit before tax:

	The Group	
	1H2024	1H2023
	\$'000	\$'000
Depreciation of property, plant and equipment	267	382
Allowance for impairment loss on trade and other receivables	-	63
Inventories written back	(14)	-
Gain on disposal and written off of property, plant and equipment	-	(3)
Exchange losses	(241)	151
Finance costs in relation to interest expense on lease liabilities	25	5
<u>Other operating income</u>		
Grant received from government	(5)	(41)
Interest income from fixed deposits	(332)	(269)
Investment income	-	(2)
Other income	(47)	(100)

5.2 Related party transactions

There are no material related party transactions apart from those disclosed in other information required by listing rule section in the financial statements.

6 Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired property, plant and equipment, excluding right-of-use assets, amounting to approximately \$77,000 (30 June 2023: \$43,000). Additionally, there were no disposals of right-of-use asset (30 June 2023: \$58,000).

7 Inventories

	The Group	
	1H2024	1H2023
	\$'000	\$'000
Inventories recognised as an expense in profit or loss inclusive of the following charge:		
- Reversal of inventories written-down	14	-

8 Income tax expense

The Group calculates the period's income tax expense using the tax rate applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are as follows:

	The Group	
	1H2024	1H2023
	\$'000	\$'000
Current income tax		
- current year	156	386
- under provision in respect of prior years	-	1
	<u>156</u>	<u>387</u>

9 Dividends

No dividend has been declared or recommended for the financial period ended 30 June 2024.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10 Net asset value

	The Group		The Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital (excluding treasury shares)	4.92	4.69	3.91	3.24

11 Investment securities

The investment securities acquired during 1H2023 pertain to 6-month Treasury Bills issued by the Singapore Government, with a face value of \$1,000,000, measured at fair value through other comprehensive income. The investment securities were acquired for a cash consideration of approximately \$981,000 and redeemed at their face value of \$1,000,000 upon maturity on 12 December 2023.

12 Cash and cash equivalents

	The Group		The Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	\$'000	\$'000	\$'000	\$'000
Bank balances	2,386	2,835	584	1,131
Fixed deposits	16,580	16,403	14,892	12,746
	18,966	19,238	15,476	13,877

13 Lease liabilities

	The Group		The Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	\$'000	\$'000	\$'000	\$'000
<u>Current:</u>				
Secured	204	219	46	101
<u>Non-current:</u>				
Secured	697	811	-	-
	901	1,030	46	101

The Group has lease contracts for office, factory premises, and staff dormitory. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning or subleasing the leased assets.

14 Categories of financial instruments

The categories of financial instruments as at the reporting date are as follows:

	The Group		The Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	\$'000	\$'000	\$'000	\$'000
Financial assets				
<u>At amortised cost</u>				
Trade and other receivables *	2,718	2,953	1,995	1,820
Fixed assets pledged	58	88	-	30
Cash and cash equivalents	18,966	19,238	15,476	13,877
	21,742	22,279	17,471	15,727
Financial liabilities				
<u>At amortised cost</u>				
Trade and other payables **	772	2,829	284	1,391
Lease liabilities	901	1,179	46	104
	1,673	4,008	330	1,495

* Exclude non-financial assets of the Group amounting to \$Nil (31 December 2023: \$277,000)

** Exclude non-financial liabilities of the Group and the Company amounting to \$183,000 (31 December 2023: \$274,000) and \$Nil (31 December 2023: \$121,000) respectively.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15 Investment in subsidiaries

Acesian Star (S) Pte Ltd ("ASPL"), a wholly-owned subsidiary of the Group, is under liquidation. The Group faced significant restrictions on its ability to access or use ASPL's assets. The carrying amounts of ASPL's assets and liabilities as at 30 June 2024 after eliminations of intercompany balances are as follows:

	Amount
	\$'000
Total assets	1
Total liabilities	<u>(152)</u>
Carrying amount of net liabilities	<u>(151)</u>

Active Building Technologies Pte Ltd ("ABT"), which was placed in creditors' voluntary liquidation on 7 April 2022, had been dissolved on the expiration of 3 months after the lodging of the return with the Registrar of Companies and Official Receiver on 4 July 2023. As at 31 December 2023, ABT was deconsolidated from the Group's financial statements in accordance with SFRS(I) on the date when ABT is dissolved, which resulted in a gain of approximately \$2,781,000 from the deconsolidation and the gain was recognised in second half of FY2023. The carrying amounts of ABT's assets and liabilities prior to the deconsolidation as at 31 December 2023 are as follows:

	Amount
	\$'000
Total assets	47
Total liabilities	<u>(2,828)</u>
Carrying amount of net liabilities	<u>(2,781)</u>

16 Share capital

	The Group and the Company			
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	Number of shares		\$'000	\$'000
Ordinary shares issued and fully paid				
At beginning and end of the year	<u>498,498,498</u>	498,498,498	<u>20,322</u>	20,322

The Company did not have any convertible instruments as at 30 June 2024 and 31 December 2023. The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 31 December 2023.

As at 30 June 2024, the total number of issued shares was 498,498,498 (31 December 2023: 498,498,498). Excluding treasury shares, the total number of issued shares was 472,651,776 (31 December 2023: 476,845,598).

17 Treasury shares

	The Group and the Company			
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	Number of shares		\$'000	\$'000
At beginning of the year	21,652,900	5,127,700	999	196
Repurchased during the period/year	5,625,200	16,525,200	258	803
Shares transferred to employees under the Acesian Performance Bonus Share Plan 2022	(1,431,378)	-	(80)	-
At end of the period/year	<u>25,846,722</u>	21,652,900	<u>1,177</u>	999

During the period ended 30 June 2024, the Company acquired 5,625,200 (31 December 2023: 16,525,200) of its own shares through purchases on the Singapore Stock Exchange.

As at 30 June 2024, the total number of treasury shares was 25,846,722 (31 December 2023: 21,652,900) or representing 5.47% (31 December 2023: 4.54%) of the issued share capital excluding treasury shares.

18 Subsequent events

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

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

1 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed consolidated statement of financial position of Acesian Partners Limited and its subsidiaries as at 30 June 2024 and the related condensed consolidated statement of 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.

2 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable

3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable

4 Dividend information

4a Current Financial Period Report on

Any dividend declared for the current financial period reported on?

None.

4b Corresponding Period of the immediately Preceding Financial Year

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

None.

4c Date payable

Not applicable.

4d Books closure date

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 30 June 2024, and dividends will be reviewed after the company finalises its full-year results for the current year 2024.

6 If the Group has obtained a general mandate from shareholders for interested person transactions (the "IPs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of SGX-ST. If no IPT mandate has been obtained, a statement to that effect.

There were no significant interested person transactions conducted under the general mandate of or over \$100,000 in value during the period ended 30 June 2024.

The Company wishes to advise that a general mandate for interested person transactions was obtained from shareholders and approved on 25 April 2024.

7. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of Comprehensive Income (1H2024 vs. 1H2023)

Revenue

The business activities of semiconductor industry improved from its sluggishness last year, but the recovery has been gradual in the first half of 2024. Project delays and slower decision-making have slowed down the progress of some construction projects. The business in the first half of the year contracted significantly, with the overall revenue of the Group in the first half of 2024 totalling \$5.01 million, approximately \$3.14 million or 38.5% lower than the corresponding period in 2023. The troubled geopolitical landscape remains a concern, leading to changes in construction timelines by some semiconductor players last year. They continued to take a cautious approach in evaluating ongoing construction projects and capital expenditure spending. The revenue from the critical airflow design and supply segment, which accounted for 98.6% of the Group's total revenue, decreased by 38.7% from \$8.05 million in 1H2023 to \$4.94 million in 1H2024 due to lackluster order intake. Additionally, the revenue from the engineering segment dropped from \$0.09 million in 1H2023 to \$0.07 million in 1H2024.

Gross profit

The Group's gross profit decreased by \$1.89 million, or 43.7%, from \$4.31 million in 1H2023 to \$2.43 million in 1H2024. This decrease in gross profit was primarily attributable to under-utilization of capacity resulting from lower sales volumes.

Other operating income

Other operating income decreased by \$0.03 million, from \$0.41 million in 1H2023 to \$0.38 million in 1H2024. This decrease was primarily due to lower government grants and other income, which decreased by \$0.09 million, partially offset by higher interest earned from fixed deposits, which increased by \$0.06 million.

Administrative expenses and other operating expenses

Administrative expenses decreased by 14.8% or \$0.23 million from \$1.58 million in 1H2023 to \$1.35 million in 1H2024 mainly due to lower employees' performance bonus expenses.

Other operating expenses decreased by \$0.45 million, or 74.7%, from \$0.60 million in 1H2023 to \$0.15 million in 1H2024. This decrease was largely attributable to several factors: foreign currency exchange gains instead of losses from the prior period (\$0.39 million), lower depreciation expense (\$0.08 million), and a decrease in bad debts provision from the prior period (\$0.06 million). However, this was partially offset by higher rental expenses (\$0.06 million).

Income tax expense

This expense is mainly attributed to the provision for income taxes that are applicable to the current reporting period (1H2024).

Profit, net of tax

In summary, the decrease in profit after tax in 1H2024 compared to 1H2023 was primarily driven by lower revenue and correspondingly lower gross profit. However, this was partially offset by reductions in administrative and other operating expenses, which helped cushion the overall impact on profitability.

Statement of Financial Position (1H2024 vs. FY2023)

Property, plant and equipment of \$1.88 million as at 30 June 2024, which decreased by \$0.19 million, was primarily resulted from depreciation charges of \$0.27 million, partially offset by new equipment purchases totaling \$0.08 million. The PPE also included right-of-use assets with a net book value of \$0.89 million as of the same date.

The decrease in inventories from \$3.75 million to \$3.34 million as of 30 June 2024 was primarily due to reductions in both finished goods (\$0.29 million) and raw materials/work-in-progress inventories (\$0.12 million).

The decrease in trade and other receivables by \$0.51 million is mainly due to a net trade receivables collection of \$0.40 million (where trade debt collection outpaced sales invoicing) and a decrease in other receivables by \$0.11 million.

Contract assets which related to unbilled receivables decreased by \$0.99 million to \$0.08 million as at 30 June 2024.

Trade and other payables decreased by \$2.15 million in 1H2024, mainly due to a net payment for trade payables of \$0.57 million and other payables of \$1.58 million.

The obligation under lease liabilities was \$0.90 million as at 30 June 2024, which decreased by \$0.13 million. This decrease was primarily due to lease payments of \$0.18 million and translation differences of \$0.05 million during FY2023.

Statement of Cash Flows

During the year, the Group incurred overall net cash outflows amounting to \$0.28 million resulting in the decrease in cash and cash equivalents from \$19.24 million as at 31 December 2023 to \$18.97 million as at 30 June 2024. The significant cash movements during 1H2024 were as follows:

In 1H2024, net cash flows of \$0.17 million were generated from operations, taking into account the working capital changes.

In 1H2024, income taxes paid amounted to \$0.35 million, and net cash of \$0.08 million was used in investing activities, primarily for purchases of equipment.

In 1H2024, net cash of \$0.35 million was used in financing activities, primarily for buybacks of the company's shares amounting to \$0.18 million and payment of obligations under lease liabilities totaling \$0.18 million.

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

The results for 1H2024 is consistent with the profit guidance announcement released on 30 July 2024

9. 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.

The recovery of construction activities in the semiconductor sector is expected to be sustained, although it could be constrained by the unpredictable nature of geopolitical conflicts. Analysts predict an upturn in business sentiments and gradual recovery by the end of 2024, with a more sustained rebound expected in 2025, but challenges lie ahead. The global market for AI-related products is on the rise and widely expected to boom over the next few years. Chipmakers in Singapore and elsewhere are looking to increase their production capacity. Singapore is aiming to expand in a bid to attract more major chipmakers and ride the AI wave.

Global port congestion, surging shipping rates, and shortages of containers pose significant risks to businesses and may derail construction activities. The ripple impact of global port congestion, which have disrupted global ocean shipping and lengthened shipping journeys with bottlenecks affecting Singapore port and many other countries, may upend local and global supply chains. This situation may have a domino effect down the supply chain and inflate raw material prices, thereby eroding the gross margin of our core business segment.

The Group has participated in several construction projects for semiconductor plants by supplying ducts-related products, but it has encountered slower tender award decisions and project delays. This is due, among other reasons, to the adoption of a wait-and-see attitude amidst uncertainty surrounding geopolitical tensions and rising costs. Further delays in construction timelines will significantly impact our business. Given the lingering concerns and uncertainties, the Group has taken necessary mitigating measures to address these challenges, such as preserving our resources and continuing a disciplined approach to cost management.

10. Negative confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules of SGX-ST.

On behalf of the Board of Directors of the Company, we, confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the half-year ended 30 June 2024 to be false or misleading in any material aspect.

11. Confirmation by the Board pursuant to Rule 720(1) of the Catalist Rules of SGX-ST.

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company, in the format set out in Appendix 7(H) under Rule 720(1) of the Catalist Rules.

By Order of the Board

Neo Gim Kiong
Non-Executive Chairman and Lead Independent Non-Executive Director

Loh Yih
Executive Director and Managing Director

12 August 2024

This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Liao H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271