



# CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

## CHOO CHIANG HOLDINGS LTD.

Incorporated in the Republic of Singapore  
Company Registration Number: 201426379D

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**Condensed Interim Consolidated Statement of Profit or Loss  
 for the Financial Period Ended 30 June 2022**

	Note	The Group		Increase (Decrease) %
		Six (6) months ended 30.06.22 \$'000	30.06.21 \$'000	
<b>Revenue</b>	4	<b>41,075</b>	<b>38,060</b>	<b>7.9</b>
Cost of sales		(29,921)	(26,721)	12.0
<b>Gross profit</b>		<b>11,154</b>	<b>11,339</b>	<b>(1.6)</b>
Other operating income		215	333	(35.4)
Administrative and selling expenses		(5,704)	(5,518)	3.4
Other operating expenses		(818)	(827)	(1.1)
Finance costs		(55)	(52)	5.8
<b>Profit before income tax</b>	5	<b>4,792</b>	<b>5,275</b>	<b>(9.2)</b>
Income tax expense	6	(792)	(869)	(8.9)
<b>Profit for the year, representing total comprehensive income for the period attributable to owners of the Company</b>		<b>4,000</b>	<b>4,406</b>	<b>(9.2)</b>
<b>Earnings per share attributable to shareholders of the Company:</b>	7			
- Basic (Singapore cents)		1.93	2.12	(9.2)
- Diluted (Singapore cents)		1.93	2.12	(9.2)

## **Condensed Interim Statement of Financial Position** **as at 30 June 2022**

	Note	Group As at		Company As at	
		30.06.22 \$'000	31.12.21 \$'000	30.06.22 \$'000	31.12.21 \$'000
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash and cash equivalents		20,873	20,394	415	769
Trade receivables		5,783	5,283	4,273	1,473
Other receivables and prepayments		366	795	16,538	16,512
Financial assets at fair value through profit or loss		1,358	1,303	-	-
Inventories	8	19,998	18,911	-	-
<b>Total current assets</b>		<b>48,378</b>	<b>46,686</b>	<b>21,226</b>	<b>18,754</b>
<b>Non-current assets</b>					
Property, plant and equipment	9	6,980	7,129	-	-
Investment properties		12,698	12,865	-	-
Club membership		159	167	-	-
Investments in subsidiaries		-	-	2,110	2,110
Right-of-use assets		2,734	2,789	-	-
<b>Total non-current assets</b>		<b>22,571</b>	<b>22,950</b>	<b>2,110</b>	<b>2,110</b>
<b>Total assets</b>		<b>70,949</b>	<b>69,636</b>	<b>23,336</b>	<b>20,864</b>
<b><u>LIABILITIES AND EQUITY</u></b>					
<b>Current liabilities</b>					
Trade payables		9,370	8,162	-	-
Other payables and accruals		1,656	2,613	54	74
Contract liabilities	10	126	160	-	-
Lease liabilities	11	520	476	-	-
Income tax payable		1,712	1,853	54	48
<b>Total current liabilities</b>		<b>13,384</b>	<b>13,264</b>	<b>108</b>	<b>122</b>
<b>Non-current liabilities</b>					
Lease liabilities	11	2,833	2,908	-	-
Deferred tax liabilities		130	131	-	-
<b>Total non-current liabilities</b>		<b>2,963</b>	<b>3,039</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>16,347</b>	<b>16,303</b>	<b>108</b>	<b>122</b>
<b>Capital and reserves</b>					
Share capital	12	8,020	8,020	8,020	8,020
Treasury shares	12	(89)	(59)	(89)	(59)
Retained earnings		46,671	45,372	15,297	12,781
<b>Total equity</b>		<b>54,602</b>	<b>53,333</b>	<b>23,228</b>	<b>20,742</b>
<b>Total liabilities and equity</b>		<b>70,949</b>	<b>69,636</b>	<b>23,336</b>	<b>20,864</b>

**Condensed Interim Statement of Changes in Equity  
 for the Financial Period Ended 30 June 2022**

The Group	Share capital	Treasury shares	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 January 2022</b>	8,020	(59)	45,372	53,333
Profit for the year, representing total comprehensive income for the period	-	-	4,000	4,000
<i>Transactions with owners, recognised directly in equity</i>				
Purchase of treasury shares	-	(30)	-	(30)
Dividends paid, representing transactions with owners, recognised directly in equity (Note 13)	-	-	(2,701)	(2,701)
<b>Balance as at 30 June 2022</b>	<b>8,020</b>	<b>(89)</b>	<b>46,671</b>	<b>54,602</b>
<b>Balance as at 1 January 2021</b>	8,020	(28)	39,714	47,706
Profit for the year, representing total comprehensive income for the period	-	-	4,406	4,406
<i>Transactions with owners, recognised directly in equity</i>				
Purchase of treasury shares	-	(26)	-	(26)
Dividends paid, representing transactions with owners, recognised directly in equity (Note 13)	-	-	(1,454)	(1,454)
<b>Balance as at 30 June 2021</b>	<b>8,020</b>	<b>(54)</b>	<b>42,666</b>	<b>50,632</b>

**Condensed Interim Statement of Changes in Equity  
 for the Financial Period Ended 30 June 2022 (cont'd)**

**The Company**

	<b>Share capital</b>	<b>Treasury shares</b>	<b>Accumulated profits</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance as at 1 January 2022</b>	8,020	(59)	12,781	20,742
Profit for the period, representing total comprehensive income for the period	-	-	5,217	5,217
<i>Transactions with owners, recognised directly in equity</i>				
Purchase of treasury shares	-	(30)	-	(30)
Dividends paid, representing transactions with owners, recognised directly in equity (Note 13)	-	-	(2,701)	(2,701)
<b>Balance as at 30 June 2022</b>	<b>8,020</b>	<b>(89)</b>	<b>15,297</b>	<b>23,228</b>
<b>Balance as at 1 January 2021</b>	8,020	(28)	15,333	23,325
Profit for the period, representing total comprehensive income for the period	-	-	242	242
<i>Transactions with owners, recognised directly in equity</i>				
Purchase of treasury shares	-	(26)	-	(26)
Dividends paid, representing transactions with owners, recognised directly in equity (Note 13)	-	-	(1,454)	(1,454)
<b>Balance as at 30 June 2021</b>	<b>8,020</b>	<b>(54)</b>	<b>14,121</b>	<b>22,087</b>

## **Condensed Interim Consolidated Statement of Cash Flows** **for the Financial Period Ended 30 June 2022**

	<b>The Group</b>	
	<b>Six (6) months ended</b>	
	<b>30.06.22</b>	<b>30.06.21</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities:</b>		
Profit before income tax	4,792	5,275
Adjustments for:		
Interest expenses of lease liabilities	55	52
Interest income	(19)	(10)
Depreciation of property, plant and equipment	250	292
Depreciation of investment properties	167	166
Depreciation of right-of-use assets	303	301
Amortisation of club membership	8	9
Loss allowance on trade receivables	-	23
Bad debts recovered	(5)	(3)
Dividend income from financial assets at fair value through profit or loss	(5)	(41)
Fair value (gain) loss on financial assets at fair value through profit or loss	(8)	5
Gain on disposal of financial assets at fair value through profit or loss	-	(1)
<b>Operating cash flows before changes in working capital</b>	<b>5,538</b>	<b>6,068</b>
Trade receivables	(495)	(651)
Other receivables and prepayments	429	(841)
Inventories	(1,087)	(1,876)
Trade payables	1,208	260
Other payables and accruals	(957)	344
Contract liabilities	(34)	326
<b>Cash flows generated from operations</b>	<b>4,602</b>	<b>3,630</b>
Income tax paid	(934)	(587)
Interest received	19	10
<b>Net cash generated from operating activities</b>	<b>3,687</b>	<b>3,053</b>
<b>Investing activities:</b>		
Purchase of property, plant and equipment	(101)	(21)
Dividend income from financial assets at fair value through profit or loss	5	41
Proceeds from disposal of financial assets at fair value through profit or loss	29	15
Purchase of financial assets at fair value through profit or loss	(76)	(140)
<b>Net cash flows used in investing activities</b>	<b>(143)</b>	<b>(105)</b>
<b>Financing activities:</b>		
Purchase of treasury shares	(30)	(26)
Repayment of lease liabilities	(279)	(290)
Dividends paid (Note 13)	(2,701)	(1,454)
Interest paid	(55)	(52)
<b>Net cash flows used in financing activities</b>	<b>(3,065)</b>	<b>(1,822)</b>
Net increase in cash and cash equivalents	479	1,126
Cash and cash equivalents at beginning of the period	20,394	13,526
<b>Cash and cash equivalents at end of the period</b>	<b>20,873</b>	<b>14,652</b>

## **Notes to the Condensed Interim Consolidated Financial Statements**

### **1. Corporation Information**

Choo Chiang Holdings Ltd. (the “**Company**”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist Board of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”). The Company is an investment holding company.

The primary activities of the Group and the Company are those relating to sales and retail of electrical products and accessories, as well as rental income derived from its property investment.

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

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, 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 2021.

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 which is the Company’s functional currency, and all values presented are rounded to the nearest thousand (“\$’000”), unless otherwise indicated.

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

During the current financial period, the Group and the Company have adopted the following amendments to SFRS(I)s which took effect from financial year beginning 1 January 2022:

- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*

The adoption of the above amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the year ending 31 December 2022. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

## **Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

### **2.2 Use of judgments 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 2021.

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.

### **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 derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8.

#### **4.1 Disaggregation of Revenue**

	<b>The Group</b>	
	<b>Six (6) months ended</b>	
	<b>30.06.22</b>	<b>30.06.21</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Segment revenue</u>		
Sales of goods	40,817	37,812
Rental income	258	248
	<u>41,075</u>	<u>38,060</u>
<u>Timing of revenue recognition</u>		
At a point in time:		
Sales of goods	40,817	37,812
Over time:		
Rental income	258	248
	<u>41,075</u>	<u>38,060</u>

## **Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

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

#### **4.2 Reportable segment**

The Group is currently organised into two main business activities. The two main business activities are Distribution Business and Property Investment Business.

The principal assets employed by the Group are located in Singapore. Accordingly, no other segmental information by geographical segment is presented.

#### **Business segment information**

	<b>Distribution business</b>	<b>Property investment business</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>Six (6) months ended 30 June 2022</u></b>			
<b>Revenue</b>			
External sales of goods	40,817	-	40,817
Rental income	-	258	258
Segment revenue	40,817	258	41,075
<b>Cost of sales</b>			
External purchases	(29,703)	-	(29,703)
Cost of property maintenance	-	(218)	(218)
Segment cost of sales	(29,703)	(218)	(29,921)
<b>Results</b>			
Segment result	11,114	40	11,154
Other operating income	215	-	215
Administrative and selling expenses	(5,683)	(21)	(5,704)
Other operating expenses	(818)	-	(818)
Finance costs	(55)	-	(55)
Profit before income tax	4,773	19	4,792
Income tax expense			(792)
Profit after income tax			4,000

## Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

### 4.2 Reportable segment (cont'd)

#### Business segment information

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
<b><u>Six (6) months ended 30 June 2022</u></b>			
<b>Assets</b>			
Segment assets	57,381	13,153	70,534
Unallocated assets			415
Combined total assets			<u>70,949</u>
<b>Liabilities</b>			
Segment liabilities	16,064	176	16,240
Unallocated liabilities			107
Combined total liabilities			<u>16,347</u>
<b>Other information</b>			
Purchase of property, plant and equipment	101	-	101
Addition of right-of-use assets	248	-	248
Depreciation of property, plant and equipment	250	-	250
Depreciation of right-of-use assets	303	-	303
Depreciation of investment properties	-	167	167
Amortisation of club membership	8	-	8

## Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

### 4.2 Reportable segment (cont'd)

#### Business segment information

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
<b>Six (6) months ended 30 June 2021</b>			
<b>Revenue</b>			
External sales of goods	37,812	-	37,812
Rental income	-	248	248
Segment revenue	37,812	248	38,060
<b>Cost of sales</b>			
External purchases	(26,509)	-	(26,509)
Cost of property maintenance	-	(212)	(212)
Segment cost of sales	(26,509)	(212)	(26,721)
<b>Results</b>			
Segment result	11,303	36	11,339
Other operating income	333	-	333
Administrative and selling expenses	(5,489)	(29)	(5,518)
Other operating expenses	(824)	(3)	(827)
Finance costs	(52)	-	(52)
Profit before income tax	5,271	4	5,275
Income tax expense			(869)
Profit after income tax			4,406
<b>Assets</b>			
Segment assets	52,001	13,312	65,313
Unallocated assets			491
Combined total assets			65,804
<b>Liabilities</b>			
Segment liabilities	14,838	150	14,988
Unallocated liabilities			184
Combined total liabilities			15,172
<b>Other information</b>			
Purchase of property, plant and equipment	21	-	21
Addition of right-of-use assets	138	-	138
Depreciation of property, plant and equipment	292	-	292
Depreciation of right-of-use assets	301	-	301
Depreciation of investment properties	-	166	166
Amortisation of club membership	9	-	9

## Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

### 5. Profit before income tax

#### 5.1 Significant items

	<b>The Group</b>	
	<b>Six (6) months ended</b>	
	<u>30.06.22</u>	<u>30.06.21</u>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit before income tax is arrived after charging/(crediting):</b>		
Government grant	(50)	(135)
Interest income	(19)	(10)
Bad debt recovered	(5)	(3)
Dividend income from financial assets at fair value through profit or loss ("FVTPL")	(5)	(41)
Cost of inventories included in expenses	29,703	26,509
Loss allowance on trade receivables	-	23
Depreciation of property, plant and equipment	250	292
Depreciation of investment properties	167	166
Depreciation of right-of-use assets	303	301
Amortisation of club membership	8	9
Net foreign exchange loss (gain)	17	(1)
Net fair value (gain) loss on financial assets at FVTPL	(8)	5
Interest expenses of lease liabilities	55	52

#### 5.2 Related party transactions

There are no material related party transactions apart those disclosed elsewhere in the condensed interim financial statements and other information required under listing manual.

## Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

### 6. Income tax expense

	<b>The Group</b>	
	<b>Six (6) months ended</b>	
	<b>30.06.22</b>	<b>30.06.21</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current tax expense</b>		
Current year	792	867
Under provision in prior year	-	2
	<u>792</u>	<u>869</u>

### 7. Earnings per share

	<b>The Group</b>	
	<b>Six (6) months ended</b>	
	<b>30.06.22</b>	<b>30.06.21</b>
<b>Earnings per ordinary share ("EPS")</b>		
Profit attributable to owners of the Company (\$'000)	4,000	4,406
Weighted average number of ordinary shares / Number of ordinary shares ('000)	207,734	207,820
Basic and diluted EPS (Singapore cents)	<u>1.93</u>	<u>2.12</u>

The weighted average number of shares takes into account the changes as a result from share buy-backs transacted during the respective financial period. Fully diluted EPS and the basic EPS for the financial periods presented in the table above are the same as the Company did not have any outstanding instruments convertible into rights to subscribe for, and options in respect of its shares during these financial periods.

## Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

### 8. Inventories

	<b>The Group</b>	
	<b>As at</b>	
	<u>30.06.22</u>	<u>31.12.21</u>
	<b>\$'000</b>	<b>\$'000</b>
At cost:		
- Finished goods	21,646	20,814
- Goods in transit	513	258
	<u>22,159</u>	<u>21,072</u>
Less: Allowance for stock obsolescence	(2,161)	(2,161)
	<u>19,998</u>	<u>18,911</u>
Movement in the allowance for stock obsolescence:		
Balance as at 1 January	2,161	2,259
Charged to profit or loss	-	(98)
Balance as at 30 June / 31 December	<u>2,161</u>	<u>2,161</u>

### 9. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to \$101,000 (31 December 2021: \$40,000).

### 10. Contract liabilities

Contract liabilities relate to advanced payment from a customer. Revenue relating to sale of goods is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer.

### 11. Lease liabilities

	<b>As at 30.06.22</b>		<b>As at 31.12.21</b>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>Amount repayable in one year or less, or on demand</u></b>				
Lease liabilities	<u>47</u>	<u>473</u>	<u>45</u>	<u>431</u>
<b><u>Amount repayable after one year</u></b>				
Lease liabilities	<u>203</u>	<u>2,630</u>	<u>227</u>	<u>2,681</u>

## **Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

### **11. Lease liabilities (cont'd)**

#### **Details of any collaterals**

***As at 30.06.22 and 31.12.21***

Lease liabilities are secured by the lessors' title to the leased assets and personal guarantee provided by a Company's director.

### **12. Share capital and treasury shares**

	<b>The Group and the Company</b>			
	<u>30.06.22</u>	<u>31.12.21</u>	<u>30.06.22</u>	<u>31.12.21</u>
	<b>Number of issued shares</b>		<b>\$'000</b>	<b>\$'000</b>
Balance as at 1 January	208,000,000	208,000,000	8,020	8,020
Less: Treasury shares	<u>(343,300)</u>	<u>(257,600)</u>	<u>(89)</u>	<u>(59)</u>
Balance as at 30 June / 31 December	<u>207,656,700</u>	<u>207,742,400</u>	<u>7,931</u>	<u>7,961</u>

#### **Treasury shares**

During the six months ended 30 June 2022, the Company has bought back 85,700 shares by way of market acquisition and all shares acquired are held as treasury shares. The latest share buyback for the current financial period was purchased and announced on 30 June 2022. Following the purchase, the Company has 343,300 treasury shares (31 December 2021: 257,600) and equivalent to 0.17% (31 December 2021: 0.12%) of the total number of outstanding issued shares as at 30 June 2022.

The Company had adopted the Choo Chiang Performance Share Plan prior to its listing on the Catalist in July 2015. As at 31 December 2021 and 30 June 2022, no share awards were granted under this performance share plan. As at 31 December 2021 and 30 June 2022, the Company did not have any outstanding options, warrants or other instrument convertible into securities of the Company.

The total number of issued shares excluding treasury shares as at 30 June 2022 and 31 December 2021 was 207,656,700 shares and 207,742,400 shares respectively.

There were no sales, transfers, disposals, cancellation and/or use of treasury shares as at 30 June 2022 and 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

## Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

### 13. Dividends

	<b>The Group</b>	
	<b>Six (6) months ended</b>	
	<u>30.06.22</u>	<u>30.06.21</u>
	<b>\$'000</b>	<b>\$'000</b>
Dividends paid on ordinary shares:		
<b>Final exempt</b> (one tier) dividend for 2021:		
1.3 (2020: 0.7) cents per share	<u>2,701</u>	<u>1,454</u>

### 14. Net Asset Value

	<b>The Group</b>		<b>The Company</b>	
	<b>As at</b>		<b>As at</b>	
	<u>30.06.22</u>	<u>31.12.21</u>	<u>30.06.22</u>	<u>31.12.21</u>
<b>Net Asset Value ("NAV")</b>				
Net assets (\$'000)	54,602	53,333	23,228	20,742
Number of issued shares excluding treasury shares ('000)	207,656	207,742	207,656	207,742
NAV per ordinary share (Singapore cents)	<u>26.29</u>	<u>25.67</u>	<u>11.19</u>	<u>9.98</u>

## Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

### 15. 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 2022 and 31 December 2021.

	Note	The Group		The Company	
		As at		As at	
		30.06.22	31.12.21	30.06.22	31.12.21
		\$'000	\$'000	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>					
Quoted equity instruments		312	287	-	-
Unquoted equity instruments		1,046	1,016	-	-
		<u>1,358</u>	<u>1,303</u>	<u>-</u>	<u>-</u>
<b>Financial assets at amortised cost</b>					
Cash and cash equivalents		20,873	20,394	415	769
Trade receivables		5,783	5,283	4,273	1,473
Other receivables		221	598	16,499	16,469
		<u>26,877</u>	<u>26,275</u>	<u>21,187</u>	<u>18,711</u>
<b>Financial liabilities at amortised cost</b>					
Trade payables		9,370	8,162	-	-
Other payables and accruals		1,656	2,613	54	74
Lease liabilities	11	3,353	3,384	-	-
		<u>14,379</u>	<u>14,159</u>	<u>54</u>	<u>74</u>

### Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (**Level 3**)

## Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

### 15. Financial assets and financial liabilities (cont'd)

The following table presented the assets measured at fair value:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group as at 31 June 2022</b>				
Financial assets at FVTPL				
- Quoted equity instruments <sup>(1)</sup>	312	-	-	312
- Unquoted equity instruments <sup>(2)</sup>	-	1,046	-	1,046
	312	1,046	-	1,358
<b>Group as at 31 December 2021</b>				
Financial assets at FVTPL				
- Quoted equity instruments <sup>(1)</sup>	287	-	-	287
- Unquoted equity instruments <sup>(2)</sup>	-	1,016	-	1,016
	287	1,016	-	1,303

(1) The quoted equity instruments classified at FVTPL have no fixed maturity date or coupon rate and are denominated in Singapore dollar. The fair values of these instruments are based on closing quoted market prices on the last market day of the financial year. These investments classified as Level 1 fair value hierarchy.

(2) The unquoted equity instruments are investments in unquoted equity instruments classified at FVTPL relates to investment in one private fund in Singapore and have no fixed maturity date or coupon rate and are denominated in Singapore dollars. The fair value of the unquoted equity shares was determined by reference to (i) the initial value thereof being the amount expended in the acquisition thereof; (ii) the price of the relevant investment as quoted by a person, firm or institution making a market in that investment; and the sale prices of recent transactions in the same or similar investments, valuations of comparable investments. These investments classified as Level 2 fair value hierarchy.

### 16. Subsequent events

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

## **Other Information Required by Appendix 7C of the Listing Rule**

### **1. Review**

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2022 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. There is no auditors' report issued (including any qualifications or emphasis of a matter).

The Company has an unqualified opinion for its most recently audited financial statements for the financial year ended 31 December 2021 ("**FY2021**").

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

#### **Review of financial performance**

##### ***Revenue***

The Group's revenue is derived from sales and retail of electrical products and accessories in Singapore ("**Distribution Business**") and rental income from its investment properties in Singapore ("**Property Investment**").

Total revenue increased by \$3,015,000 or 7.9%, from \$38,060,000 for the six months ended 30 June 2021 ("**HY2021**") to \$41,075,000 for the six months ended 30 June 2022 ("**HY2022**"), mainly due to an increase in the revenue from the Distribution Business segment.

- ***Distribution Business***  
Revenue from Distribution Business segment increased by \$3,005,000 or 7.9%, from \$37,812,000 in HY2021 to \$40,817,000 in HY2022. The increase was mainly due to the upward adjustment of selling prices for certain electrical products and accessories in HY2022.
- ***Property Investment***  
Rental income from the Property Investment segment increased marginally by \$10,000 or 4.0%, from \$248,000 in HY2021 to \$258,000 in HY2022. All properties were fully leased out in HY2022 and HY2021.

## **Review of financial performance (cont'd)**

### ***Cost of sales***

Cost of sales increased by \$3,200,000 or 12.0%, from \$26,721,000 in HY2021 to \$29,921,000 in HY2022, which is in line with the increase in revenue.

- ***Distribution Business***  
Cost of sales of the Distribution Business segment increased by \$3,194,000 or 12.0%, from \$26,509,000 in HY2021 to \$29,703,000 in HY2022, generally in line with the increase in revenue for this segment.
- ***Property Investment***  
Cost of sales of the Property Investment segment increased marginally by \$6,000 or 2.8%, from \$212,000 in HY2021 to \$218,000 in HY2022.

### ***Gross profit and gross profit margin***

Gross profit decreased by \$185,000 or 1.6% from \$11,339,000 in HY2021 to \$11,154,000 in HY2022. Gross profit margin also declined from 29.8% in HY2021 to 27.2% in HY2022.

The gross profit margin of the Distribution Business segment decreased by 2.7% from approximately 29.9% in HY2021 to 27.2% in HY2022. This was mainly due to the increase in cost of certain electrical products outweighed the upward adjustment of their selling prices.

The gross profit margin of the Property Investment segment increased marginally by 1.0% from 14.5% in HY2021 to 15.5% in HY2022.

### ***Other operating income***

Other operating income decreased by \$118,000 or 35.4%, from \$333,000 in HY2021 to \$215,000 in HY2022. The decrease in other operating income was mainly due to decrease in (i) government grant, such as Jobs Support Scheme (JSS) and Rental Support Scheme; and (ii) dividend income from financial assets through profit or loss.

### ***Administrative and selling expenses***

Administrative and selling expenses increased by \$186,000 or 3.4%, from \$5,518,000 in HY2021 to \$5,704,000 in HY2022. The increase in administrative and selling expenses was mainly due to an increase in (i) staff cost and staff welfare; (ii) products testing fee; and (iii) transportation expenses.

### ***Other operating expenses***

Other operating expenses decreased marginally by \$9,000 or 1.1%, from \$827,000 in HY2021 to \$818,000 in HY2022.

## **Review of financial performance (cont'd)**

### ***Finance costs***

Finance costs increased marginally from \$52,000 in HY2021 to \$55,000 in HY2022. The finance costs are related to interest expenses on lease liabilities.

### ***Profit before income tax***

As a result of the reasons mentioned above, the Group's profit before income tax decreased by \$483,000 or 9.2% from \$5,275,000 in HY2021 to \$4,792,000 in HY2022.

## **Review of financial position**

### ***Current assets***

Current assets increased by \$1,692,000 from \$46,686,000 as at 31 December 2021 to \$48,378,000 as at 30 June 2022. The increase in current assets were mainly due to an increase in inventories of \$1,087,000, cash and bank balances of \$479,000, trade receivables of \$500,000 and investment in financial assets at fair value through profit or loss of \$55,000. These were offset by decrease in other receivables and prepayments of \$429,000.

### ***Non-current assets***

Non-current assets decreased by \$379,000 from \$22,950,000 as at 31 December 2021 to \$22,571,000 as at 30 June 2022. The decrease in non-current assets were mainly due to the decrease of property, plant and equipment of \$149,000, investment properties of \$167,000, right-of-use assets of \$55,000 and club membership of \$8,000.

### ***Current liabilities***

Current liabilities increased by \$120,000 from \$13,264,000 as at 31 December 2021 to \$13,384,000 as at 30 June 2022. The increase in current liabilities were mainly due to an increase in trade payables of \$1,208,000 and current portion of lease liabilities of \$44,000. These were offset by decrease in other payables and accruals of \$957,000, contract liabilities of \$34,000 and provision for taxation of \$141,000.

### ***Non-current liabilities***

Non-current liabilities decreased by \$76,000 from \$3,039,000 as at 31 December 2021 to \$2,963,000 as at 30 June 2022. The decrease in non-current liabilities is mainly due to a decrease in the non-current portion of lease liabilities of \$75,000.

## **Review of cash flow management**

### ***Net cash generated from operating activities***

In HY2022, the Group generated net cash inflow from operating activities of approximately \$3,687,000, which was a result of operating cash flows before changes in working capital of approximately \$5,538,000, net working capital outflows of approximately \$936,000, income tax paid of approximately \$934,000 and interest received of approximately \$19,000.

### ***Net cash used in investing activities***

In HY2022, the Group's net cash outflow for investing activities amounted to approximately \$143,000, mainly due to (i) purchases of property, plant and equipment of \$101,000; and (ii) purchases of financial assets at fair value through profit or loss of \$76,000. These were offset by (i) dividend income from financial assets at fair value through profit or loss of \$5,000; and (ii) proceeds from disposal of financial assets at fair value through profit or loss of \$29,000.

### ***Net cash used in financing activities***

In HY2022, the Group's net cash outflow for financing activities amounted to approximately \$3,065,000, mainly due to (i) dividends payment of \$2,701,000; (ii) lease liabilities and interest payments of \$334,000; and (iii) purchase of treasury shares of \$30,000.

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

There has not been any forecast or prospect statement in relation to the Group's results for HY2022 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.**

Subject to, *inter alia*, market conditions, availability of good location and other relevant business considerations, it is the Group's current intention to continue to expand its retail network in Singapore and extend its services in providing direct electrical and lighting solutions for developments and projects within Singapore via the CCM brand. On the product level, the Group also intends to reinforce and strengthen its market position in Singapore by widening the range of products sold under its "CCM" and "CRM" brands.

Though Singapore moves towards endemic living with COVID-19, the virus remains a risk to local and the global economy as it is unclear if more dangerous mutations will emerge in the coming months. There is still a risk of supply chain disruptions arising from global inflationary pressures, any new COVID-19 variants, the growing climate and geo-political events.

We are closely monitoring the development and impact of the COVID-19 situation, and we remain committed to bring good value to our customers and explore business opportunities so as to increase our revenue and profit.

## 5. Dividend information

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

#### *Current financial period reported on*

The Directors are pleased to recommend an interim dividend of 1.0 Singapore cents per share for HY2022 (HY2021: 0.7 Singapore cents).

Name of dividend	Interim dividend
Dividend type	Cash
Dividend per ordinary share	1.0 Singapore cents
Total annual dividend	\$2,077,333
Tax rate	Tax exempt (one-tier)

#### *Previous corresponding period of the Immediately Preceding Financial Year*

Name of dividend	Interim dividend
Dividend type	Cash
Dividend per ordinary share	0.7 Singapore cents
Total annual dividend	\$1,454,337
Tax rate	Tax exempt (one-tier)

### (b) The date the dividend is payable

Interim dividend will be paid on 26 August 2022.

### (c) 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

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed at 5.00p.m. on 17 August 2022 (“**Record Date**”) for the purpose of determining members’ entitlement to the interim dividend.

Duly completed registrable transfers received by the Company’s Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on 17 August 2022 will be registered to determine shareholders’ entitlements to the Dividends.

**6. Interested person transactions**

The Group did not obtain any general mandate from the Company's shareholders in respect of interested person transactions.

The Company's Executive Chairman and CEO, Lim Teck Chuan, had provided personal guarantees to the Singapore Housing & Development Board in order that the Group may secure certain lease agreements. Lim Teck Chuan did not receive any benefit in kind, commission or interest from the Group for providing these personal guarantees.

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

The Company hereby confirms that it has already procured undertakings from all of its Directors and relevant executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

**8. Negative confirmation by the Board pursuant to Rule 705(5)**

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 2022 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Lim Teck Chuan  
Executive Chairman and Chief Executive Officer

Singapore

08 August 2022