



Company Registration Number: 200509967G

Announcement of Unaudited Condensed Interim Financial Statements for the Six Months Ended 30 June 2025

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR RESULT

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | Note | Group | | Variance | |
|---|------|----------------|----------------|----------|---------|
| | | 6 months ended | 6 months ended | | |
| | | 30 June 2025 | 30 June 2024 | \$'000 | % |
| | | \$'000 | \$'000 | | |
| Revenue | 5 | 67,248 | 67,833 | (585) | (0.9) |
| Cost of sales | | (53,081) | (53,928) | (847) | (1.6) |
| Gross profit | | 14,167 | 13,905 | 262 | 1.9 |
| Other income | 6 | 562 | 676 | (114) | (16.9) |
| Distribution expenses | | (1,282) | (1,363) | (81) | (5.9) |
| Administrative expenses | | (11,306) | (11,828) | (522) | (4.4) |
| Impairment loss on trade receivables and contract assets, including bad debts written-off | | (6) | (4) | 2 | 50.0 |
| Share of losses of joint venture, net of tax | | – | (4) | (4) | (100.0) |
| Other expenses | | (75) | (23) | NM | |
| Results from operating activities | | 2,060 | 1,359 | 701 | 51.6 |
| Finance costs | 7 | (759) | (873) | (114) | (13.1) |
| Profit before tax | | 1,301 | 486 | NM | |
| Tax expense | 8 | (332) | (350) | (18) | (5.1) |
| Profit for the period | 9 | 969 | 136 | NM | |
| Profit attributable to: | | | | | |
| Owners of the Company | | 952 | 501 | 451 | 90.0 |
| Non-controlling interests | | 17 | (365) | NM | |
| Profit for the period | | 969 | 136 | NM | |
| Other comprehensive income | | | | | |
| Items that are or may be reclassified subsequently to profit or loss: | | | | | |
| Foreign currency translation differences from translation of foreign operations | | 33 | (7) | NM | |
| Other comprehensive income/(loss) for the period | | 33 | (7) | NM | |
| Total comprehensive income for the period | | 1,002 | 129 | NM | |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 970 | 491 | 479 | 97.6 |
| Non-controlling interests | | 32 | (362) | NM | |
| Total comprehensive income for the period | | 1,002 | 129 | NM | |

NM: denotes not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Condensed Interim Consolidated Statement of Financial Position

| | | Group | | Company | |
|---|------|---------------|------------------|---------------|------------------|
| | | 30 June 2025 | 31 December 2024 | 30 June 2025 | 31 December 2024 |
| | Note | Unaudited | Audited | Unaudited | Audited |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | | |
| Property, plant and equipment | 10 | 33,198 | 34,684 | 13 | 14 |
| Intangible assets and goodwill | 11 | 4,250 | 4,346 | 21 | 53 |
| Subsidiaries | | — | — | 11,499 | 9,760 |
| Joint venture | | 6 | 6 | — | — |
| Trade and other receivables | 12 | 927 | 1,001 | 1,096 | 1,184 |
| Non-current assets | | 38,381 | 40,037 | 12,629 | 11,011 |
| | | | | | |
| Asset held for sale | | — | 867 | — | — |
| Inventories | 13 | 8,457 | 8,874 | — | — |
| Contract assets | | 5,602 | 6,015 | — | — |
| Trade and other receivables | 12 | 23,077 | 23,480 | 2,603 | 2,671 |
| Other investments | | 23 | 23 | 23 | 23 |
| Cash and cash equivalents | | 8,452 | 9,510 | 48 | 68 |
| Current assets | | 45,611 | 48,769 | 2,674 | 2,762 |
| Total assets | | 83,992 | 88,806 | 15,303 | 13,773 |
| | | | | | |
| Equity | | | | | |
| Share capital | 14 | 36,412 | 36,412 | 36,412 | 36,412 |
| Reserves | | (5,375) | (3,015) | 300 | 300 |
| Accumulated losses | | (15,050) | (16,002) | (33,880) | (33,430) |
| Equity attributable to owners of the Company | | 15,987 | 17,395 | 2,832 | 3,282 |
| Non-controlling interests | | (2,283) | (1,074) | — | — |
| Total equity | | 13,704 | 16,321 | 2,832 | 3,282 |
| | | | | | |
| Liabilities | | | | | |
| Loans and borrowings | 15 | 23,016 | 24,062 | 1,005 | — |
| Deferred tax liabilities | | 86 | 93 | — | — |
| Provisions | | 145 | 145 | — | — |
| Non-current liabilities | | 23,247 | 24,300 | 1,005 | — |
| | | | | | |
| Liabilities directly associated with the assets held for sale | | — | 749 | — | — |
| Loans and borrowings | 15 | 10,495 | 11,614 | 804 | 859 |
| Contract liabilities | | 8,662 | 9,270 | — | — |
| Dividend payable | | 679 | 305 | — | — |
| Trade and other payables | 16 | 26,517 | 25,689 | 10,662 | 9,632 |
| Provisions | | 21 | — | — | — |
| Current tax liabilities | | 667 | 558 | — | — |
| Current liabilities | | 47,041 | 48,185 | 11,466 | 10,491 |
| Total liabilities | | 70,288 | 72,485 | 12,471 | 10,491 |
| Total equity and liabilities | | 83,992 | 88,806 | 15,303 | 13,773 |

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed Interim Consolidated Statement of Cash Flows

| | Group | |
|---|--|--|
| | 6 months ended 30 June 2025 | 6 months ended 30 June 2024 |
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Profit for the period | 969 | 136 |
| Adjustments for: | | |
| Amortisation of intangible assets | 100 | 308 |
| Depreciation of property, plant and equipment | 1,721 | 2,000 |
| Depreciation of investment property | – | 14 |
| Gain on disposal of assets held for sale | (231) | – |
| Gain on disposal of property, plant and equipment | (2) | (19) |
| Interest expenses | 759 | 873 |
| Interest income | (13) | (1) |
| Impairment loss on trade receivables and contract assets, including bad debts written-off | 6 | 4 |
| Share of losses of joint venture, net of tax | – | 4 |
| Tax expense | 332 | 350 |
| | 3,641 | 3,669 |
| Changes in: | | |
| Inventories | 417 | (1,485) |
| Trade and other receivables | 471 | (587) |
| Contract assets | 413 | (160) |
| Trade and other payables | (372) | 753 |
| Contract liabilities | (608) | (648) |
| Provisions | 21 | – |
| Cash generated from operations | 3,983 | 1,542 |
| Tax paid | (230) | (269) |
| Net cash from operating activities | 3,753 | 1,273 |
| Cash flows from investing activities | | |
| Interest received | 13 | 1 |
| Investment in other investments | – | (700) |
| Proceeds from disposal of assets held for sale | 1,098 | – |
| Proceeds from disposal of property, plant and equipment | 7 | 60 |
| Purchase of intangible assets | (4) | (25) |
| Purchase of property, plant and equipment | (113) | (516) |
| Net cash generated from/(used in) investing activities | 1,001 | (1,180) |

Unaudited Condensed Interim Financial Statements for the 6 Months Financial Period Ended 30 June 2025

| | Group | |
|--|--|--|
| | 6 months ended 30 June 2025 | 6 months ended 30 June 2024 |
| | \$'000 | \$'000 |
| Cash flows from financing activities | | |
| Acquisition of non-controlling interests | (1,740) | – |
| Interest paid | (759) | (873) |
| Dividend paid | (305) | – |
| Proceeds from: | | |
| - bills payable | 11,414 | 9,333 |
| - borrowings | 1,740 | 200 |
| Repayment of: | | |
| - bills payable | (12,179) | (7,539) |
| - borrowings | (3,046) | (2,124) |
| - lease liabilities | (970) | (843) |
| Net cash used in financing activities | (5,845) | (1,846) |
| Net decrease in cash and cash equivalents | (1,091) | (1,753) |
| Cash and cash equivalents at beginning of period | 9,510 | 8,118 |
| Effect of foreign exchange fluctuations on cash held | 33 | (7) |
| Cash and cash equivalents at end of period | 8,452 | 6,358 |

Unaudited Condensed Interim Financial Statements for the 6 Months Financial Period Ended 30 June 2025

1(d)(i) A statement (for issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed Interim Consolidated Statement of Changes in Equity

| | Share capital | Capital reserve | Equity reserve | Translation reserve | Accumulated losses | Total attributable to owners of the Company | Non- controlling interests | Total equity |
|---|------------------|--------------------|-------------------|------------------------|-----------------------|--|----------------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Group | | | | | | | | |
| At 1 January 2025 | 36,412 | (3,078) | – | 63 | (16,002) | 17,395 | (1,074) | 16,321 |
| Total comprehensive income for the period | | | | | | | | |
| Profit for the period | – | – | – | – | 952 | 952 | 17 | 969 |
| Other comprehensive income | | | | | | | | |
| Foreign currency translation differences from translation of foreign operations | – | – | – | 18 | – | 18 | 15 | 33 |
| Total comprehensive income for the period | – | – | – | 18 | 952 | 970 | 32 | 1,002 |
| Transactions with non-controlling interests, recognised directly in equity | | | | | | | | |
| Acquisition of non-controlling interests without a change in control | – | – | (2,378) | – | – | (2,378) | (562) | (2,940) |
| Dividend declared | – | – | – | – | – | – | (679) | (679) |
| | – | – | (2,378) | – | – | (2,378) | (1,241) | (3,619) |
| At 30 June 2025 | 36,412 | (3,078) | (2,378) | 81 | (15,050) | 15,987 | (2,283) | 13,704 |
| At 1 January 2024 | 36,412 | (3,078) | – | 123 | (17,527) | 15,930 | 57 | 15,987 |
| Total comprehensive income for the period | | | | | | | | |
| Profit/(loss) for the period | – | – | – | – | 501 | 501 | (365) | 136 |
| Other comprehensive income | | | | | | | | |
| Foreign currency translation differences from translation of foreign operations | – | – | – | (10) | – | (10) | 3 | (7) |
| Total comprehensive (loss)/income for the period | – | – | – | (10) | 501 | 491 | (362) | 129 |
| At 30 June 2024 | 36,412 | (3,078) | – | 113 | (17,026) | 16,421 | (305) | 16,116 |

Condensed Interim Statement of Changes in Equity

| | Share capital | Capital reserve | Accumulated losses | Total equity |
|--|--------------------------|----------------------------|-------------------------------|-------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Company</u> | | | | |
| At 1 January 2025 | 36,412 | 300 | (33,430) | 3,282 |
| Total comprehensive loss for the period | | | | |
| Loss for the period | — | — | (450) | (450) |
| At 30 June 2025 | 36,412 | 300 | (33,880) | 2,832 |
| At 1 January 2024 | 36,412 | 300 | (33,660) | 3,052 |
| Total comprehensive loss for the period | | | | |
| Loss for the period | — | — | (389) | (389) |
| At 30 June 2024 | 36,412 | 300 | (34,049) | 2,663 |

Notes of the Condensed Interim Financial Statements

1. Corporate information

Natural Cool Holdings Limited (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 financial statements as at and for the six months ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are as follows:

- a. Aircon and Engineering: trading of air-conditioning units and spare parts, installation services for commercial air-conditioning systems and mechanical ventilation, plumbing and sanitary works and maintenance services;
- b. Paint and Coatings: manufacturing, and trading of paint and basic chemicals;
- c. Food and Beverages (“F&B”): operator of restaurants and stalls, manufacture and wholesale of F&B products; and
- d. Technology: installation of building automated systems for remote monitoring and maintenance services.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2025 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 performance of the Group since the last annual financial statements for the year ended 31 December 2024.

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.

As at 30 June 2025, the condensed interim financial statements of the Group have been prepared on a going concern basis, notwithstanding the Group’s net current liabilities position of \$1,430,000. The net current liabilities arose mainly from a deferred consideration of \$1,200,000 payable to the non-controlling interests of iFocus Pte Ltd for the acquisition of the remaining 20% equity interest. This payable will be funded by bank borrowings with repayment term over a period of 5 years. The Board confirms that the Group expects to continue generating positive operating cash flows and has access to sufficient unutilised banking facilities to meet its short-term working capital requirements.

2.1. New and amended standards adopted by the Group

On 1 January 2025, the Group adopted new and amended SFRS(I) and interpretations to SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial period. The adoption of these new or amended SFRS(I) and INT SFRS(I) did not have a material effect on the financial statements.

2.2. Use of estimates and judgements

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 2024.

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 interim period are included in the following notes:

- Note 5 – revenue recognition: estimate of total contract costs to complete and allocation of the contract value to the performance obligations; and
- Notes 10 and 11 – impairment assessment of property, plant and equipment, intangible assets and goodwill: key assumptions underlying the recoverable amounts.

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 has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Executive Chairman and Executive Director and Group Chief Executive Officer ("CEO") review internal management reports on at least a quarterly basis. The following summary describes the operations in each Group's reportable segments:

| | |
|-------------------------|--|
| Aircon and Engineering: | trading of air-conditioning units and spare parts, installation services for commercial air-conditioning systems and mechanical ventilation, plumbing and sanitary works and maintenance services. |
| Paint and Coatings: | manufacturing, and trading of paint and basic chemicals. |
| F&B: | operator of restaurants and stalls, manufacture and wholesale of F&B products. |
| Technology: | installation of building automated systems for remote monitoring and maintenance services. |

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports review by the Executive Chairman and Executive Director and Group CEO. Segment profit before income tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

| | Aircon and Engineering | Paint and Coatings | F&B | Technology | Total |
|--|-----------------------------------|-------------------------------|----------------|-------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 6 months ended 30 June 2025 | | | | | |
| External revenue | 59,385 | 2,606 | 2,939 | 2,318 | 67,248 |
| Inter-segment revenue | 121 | 15 | 49 | 12 | 197 |
| Total revenue of reportable segments | 59,506 | 2,621 | 2,988 | 2,330 | 67,445 |
| Interest income | 12 | – | 9 | – | 21 |
| Finance costs | (731) | (8) | (24) | (3) | (766) |
| Depreciation and amortisation | (1,328) | (130) | (242) | (84) | (1,784) |
| Reportable segment profit before tax | 968 | 198 | 367 | 218 | 1,751 |
| Other material non-cash items: | | | | | |
| Gain on disposal of assets held for sale | 231 | – | – | – | 231 |
| Reportable segment assets | 83,023 | 504 | 1,971 | 6,029 | 91,527 |
| Capital expenditure | 92 | 12 | 5 | 4 | 113 |
| Reportable segment liabilities | 62,763 | 3,793 | 7,131 | 7,696 | 81,383 |
| 6 months ended 30 June 2024 | | | | | |
| External revenue | 59,446 | 2,807 | 3,419 | 2,161 | 67,833 |
| Inter-segment revenue | 99 | 17 | 44 | – | 160 |
| Total revenue of reportable segments | 59,545 | 2,824 | 3,463 | 2,161 | 67,993 |
| Interest income | 9 | – | – | – | 9 |
| Finance costs | (830) | (2) | (51) | (2) | (885) |
| Depreciation and amortisation | (1,377) | (102) | (530) | (244) | (2,253) |
| Reportable segment profit before tax | 158 | 253 | 248 | 216 | 875 |
| Reportable segment assets | 84,755 | 2,630 | 4,266 | 6,005 | 97,656 |
| Capital expenditure | 1,441 | 7 | 4 | 1 | 1,453 |
| Reportable segment liabilities | 64,616 | 7,280 | 8,647 | 4,092 | 84,635 |

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

| | Group | |
|---|--|--|
| | 6 months ended 30 June 2025 | 6 months ended 30 June 2024 |
| | \$'000 | \$'000 |
| Revenue | | |
| Total revenue for reportable segments | 67,445 | 67,993 |
| Elimination of inter-segment revenue | (197) | (160) |
| Consolidated revenue | 67,248 | 67,833 |
| Profit before tax | | |
| Total profit before tax for reportable segments | 1,751 | 875 |
| Unallocated amounts | (450) | (389) |
| Consolidated profit before tax | 1,301 | 486 |
| Assets | | |
| Total assets for reportable segments | 91,527 | 97,656 |
| Unallocated amounts | 286 | 1,839 |
| Elimination of inter-segment assets | (7,821) | (9,931) |
| Consolidated total assets | 83,992 | 89,564 |
| Liabilities | | |
| Total liabilities for reportable segments | 81,383 | 84,635 |
| Unallocated amounts | 2,220 | 1,797 |
| Elimination of inter-segment liabilities | (13,315) | (12,984) |
| Consolidated total liabilities | 70,288 | 73,448 |

Reconciliations of reportable segment other material items

| | Reportable segment totals | Unallocated amounts | Consolidated totals |
|--|--------------------------------------|--------------------------------|--------------------------------|
| | \$'000 | \$'000 | \$'000 |
| 6 months ended 30 June 2025 | | | |
| Interest income | 21 | (8) | 13 |
| Finance costs | (766) | 7 | (759) |
| Depreciation and amortisation | (1,784) | (37) | (1,821) |
| Gain on disposal of assets held for sale | 231 | — | 231 |
| Capital expenditure | 113 | 4 | 117 [#] |
| 6 months ended 30 June 2024 | | | |
| Interest income | 9 | (8) | 1 |
| Finance costs | (885) | 12 | (873) |
| Depreciation and amortisation | (2,253) | (69) | (2,322) |
| Capital expenditure | 1,453 | 12 | 1,465 [#] |

[#] Exclude right-of-use properties

Geographical information

The Group operates primarily in Singapore. The reportable revenue and segment assets are primarily generated and based in Singapore.

5. Revenue

| | Group | |
|---------------------------------------|--|--|
| | 6 months ended 30 June 2025 | 6 months ended 30 June 2024 |
| | \$'000 | \$'000 |
| Revenue from contracts with customers | 66,673 | 67,402 |
| Rental income | 575 | 431 |
| | 67,248 | 67,833 |

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by revenue streams and timing of revenue recognition.

| | Paint and Coatings | | Aircon and Engineering | | F&B | | Technology | | Total | |
|--|-------------------------------|---------------|-----------------------------------|---------------|-------------------------------|---------------|-------------------|---------------|---------------|---------------|
| | | | | | 6 months ended 30 June | | | | | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Group Revenue streams | | | | | | | | | | |
| Trading | 2,606 | 2,807 | 39,452 | 40,196 | 2,939 | 3,419 | – | – | 44,997 | 46,422 |
| Installation | – | – | 12,061 | 10,038 | – | – | 953 | 766 | 13,014 | 10,804 |
| Servicing | – | – | 7,297 | 8,781 | – | – | 1,365 | 1,019 | 8,662 | 9,800 |
| System development | – | – | – | – | – | – | – | 376 | – | 376 |
| | 2,606 | 2,807 | 58,810 | 59,015 | 2,939 | 3,419 | 2,318 | 2,161 | 66,673 | 67,402 |
| Timing of revenue recognition | | | | | | | | | | |
| Products transferred at a point in time | 2,606 | 2,807 | 46,749 | 48,977 | 2,939 | 3,419 | 953 | 766 | 53,247 | 55,969 |
| Products and services transferred over time | – | – | 12,061 | 10,038 | – | – | 1,365 | 1,395 | 13,426 | 11,433 |
| | 2,606 | 2,807 | 58,810 | 59,015 | 2,939 | 3,419 | 2,318 | 2,161 | 66,673 | 67,402 |

Sources of estimation uncertainty

Revenue recognition on installation is dependent on estimating the total completion cost of the installation contract. Actual total costs may be higher or lower than estimated at the reporting date, which would affect the revenue recognised in future years. As at the reporting date, management considered that all costs to complete and revenue can be reliably estimated.

6. Other income

| | Group | |
|---|--|--|
| | 6 months ended 30 June 2025 | 6 months ended 30 June 2024 |
| | \$'000 | \$'000 |
| Interest income | 13 | 1 |
| Net gain on foreign exchange rates | – | 17 |
| Gain on disposal of assets held for sale | 231 | – |
| Gain on disposal of property, plant and equipment | 2 | 19 |
| Government grants: | | |
| - Development grants | – | 138 |
| - Other government grants | 91 | 139 |
| Others | 225 | 362 |
| | <u>562</u> | <u>676</u> |

7. Finance costs

| | Group | |
|--------------------------------|--|--|
| | 6 months ended 30 June 2025 | 6 months ended 30 June 2024 |
| | \$'000 | \$'000 |
| Interest expenses: | | |
| - Bank loans and bills payable | 505 | 617 |
| - Lease liability interests | 254 | 256 |
| | <u>759</u> | <u>873</u> |

8. Tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

| | Group | |
|---|--|--|
| | 6 months ended 30 June 2025 | 6 months ended 30 June 2024 |
| | \$'000 | \$'000 |
| Current tax expense | | |
| Current year | 338 | 384 |
| Deferred tax credit | | |
| Origination and reversal of temporary differences | (6) | (34) |
| Tax expense | 332 | 350 |

9. Profit for the period

The following items have been included in arriving at profit for the period:

| | | Group | |
|---|-------------|--|--|
| | Note | 6 months ended 30 June 2025 | 6 months ended 30 June 2024 |
| | | \$'000 | \$'000 |
| Amortisation of intangible assets | 11 | 100 | 308 |
| Audit fees paid/payable to: | | | |
| - Auditors of the Company and other firms affiliated with KPMG International Limited | | 164 | 154 |
| - Other auditors | | 33 | 23 |
| Non-audit fees paid/payable to auditors of the Company and other firms affiliated with KPMG International Limited | | 10 | 10 |
| Depreciation of property, plant and equipment | 10 | 1,721 | 2,000 |
| Depreciation of investment property | | – | 14 |
| Gain on disposal of assets held for sale | | 231 | – |
| Gain on disposal of property, plant and equipment | | 2 | 19 |
| Staff costs | | 12,370 | 12,958 |
| Contributions to defined contribution plans, included in staff costs | | 536 | 533 |

10. Property, plant and equipment

| | Leasehold properties | Computers | Furniture, fittings and office equipment | Motor vehicles | Tools and machineries | Renovation | Right-of-use – motor vehicles | Right-of-use – properties | Total |
|---|-------------------------|-----------|---|-------------------|--------------------------|------------|-------------------------------------|------------------------------|---------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Group | | | | | | | | | |
| Cost | | | | | | | | | |
| At 1 January 2024 | 26,210 | 973 | 1,130 | 2,811 | 3,548 | 6,557 | 3,736 | 11,809 | 56,774 |
| Additions | – | 33 | 104 | – | 76 | 280 | 1,622 | 225 | 2,340 |
| Disposals | – | – | – | (1,102) | – | – | (256) | (1,289) | (2,647) |
| Write-offs | (120) | (15) | (243) | – | (190) | (505) | – | – | (1,073) |
| Acquisition through business combination | – | – | 12 | – | 11 | 15 | – | 292 | 330 |
| Lease modification | – | – | – | – | – | – | – | 1,180 | 1,180 |
| Reclassification to other categories | – | – | – | 72 | – | – | (72) | – | – |
| Effect of movements in exchange rates | – | 1 | 1 | – | 1 | 2 | 2 | 14 | 21 |
| At 31 December 2024 | 26,090 | 992 | 1,004 | 1,781 | 3,446 | 6,349 | 5,032 | 12,231 | 56,925 |
| Additions | – | 77 | 15 | – | 19 | 2 | – | 127 | 240 |
| Disposals | – | – | – | – | (16) | – | – | – | (16) |
| Write-offs | – | (35) | – | (29) | – | (1,206) | – | – | (1,270) |
| Effect of movements in exchange rates | – | (1) | – | – | – | – | – | (1) | (2) |
| At 30 June 2025 | 26,090 | 1,033 | 1,019 | 1,752 | 3,449 | 5,145 | 5,032 | 12,357 | 55,877 |
| Accumulated depreciation and impairment losses | | | | | | | | | |
| At 1 January 2024 | 5,590 | 875 | 631 | 2,083 | 2,555 | 2,919 | 1,766 | 4,051 | 20,470 |
| Depreciation | 809 | 65 | 85 | 348 | 342 | 342 | 819 | 1,246 | 4,056 |
| Disposals | – | – | – | (973) | – | – | (150) | (856) | (1,979) |
| Write-offs | (120) | (15) | (219) | – | (174) | (414) | – | – | (942) |
| Impairment loss | – | 2 | 18 | 96 | 369 | 138 | – | – | 623 |
| Reclassification to other categories | – | – | – | 68 | – | – | (68) | – | – |
| Effect of movements in exchange rates | – | 1 | 1 | – | – | 1 | 1 | 9 | 13 |
| At 31 December 2024 | 6,279 | 928 | 516 | 1,622 | 3,092 | 2,986 | 2,368 | 4,450 | 22,241 |
| Depreciation | 383 | 30 | 27 | 60 | 70 | 112 | 389 | 650 | 1,721 |
| Disposals | – | – | – | – | (11) | – | – | – | (11) |
| Write-offs | – | (35) | – | (29) | – | (1,206) | – | – | (1,270) |
| Effect of movements in exchange rates | – | (1) | – | – | – | – | – | (1) | (2) |
| At 30 June 2025 | 6,662 | 922 | 543 | 1,653 | 3,151 | 1,892 | 2,757 | 5,099 | 22,679 |
| Carrying amounts | | | | | | | | | |
| At 1 January 2024 | 20,620 | 98 | 499 | 728 | 993 | 3,638 | 1,970 | 7,758 | 36,304 |
| At 31 December 2024 | 19,811 | 64 | 488 | 159 | 354 | 3,363 | 2,664 | 7,781 | 34,684 |
| At 30 June 2025 | 19,428 | 111 | 476 | 99 | 298 | 3,253 | 2,275 | 7,258 | 33,198 |

| | Computers | Office equipment | Furniture and fittings | Renovations | Total |
|--|------------------|-------------------------|-------------------------------|--------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Company</u> | | | | | |
| Cost | | | | | |
| At 1 January 2024 and 31 December 2024 | 40 | 8 | 16 | 16 | 80 |
| Additions | 4 | — | — | — | 4 |
| At 30 June 2025 | 44 | 8 | 16 | 16 | 84 |
| Accumulated depreciation | | | | | |
| At 1 January 2024 | 39 | 7 | 7 | 2 | 55 |
| Depreciation | 1 | 1 | 3 | 6 | 11 |
| At 31 December 2024 | 40 | 8 | 10 | 8 | 66 |
| Depreciation | 1 | — | 2 | 2 | 5 |
| At 30 June 2025 | 41 | 8 | 12 | 10 | 71 |
| Carrying amounts | | | | | |
| At 1 January 2024 | 1 | 1 | 9 | 14 | 25 |
| At 31 December 2024 | — | — | 6 | 8 | 14 |
| At 30 June 2025 | 3 | — | 4 | 6 | 13 |

Depreciation

The depreciation charge of the Group is recognised in the following line items of the statement of profit or loss:

| | Group | |
|-------------------------|------------------------------------|------------------------------------|
| | 6 months ended 30 June 2025 | 6 months ended 30 June 2024 |
| | \$'000 | \$'000 |
| Cost of sales | 437 | 406 |
| Administrative expenses | 1,284 | 1,594 |
| | 1,721 | 2,000 |

Securities

At 30 June 2025, several leasehold properties are pledged as security to secure bank loans (see Note 15).

Sources of estimation uncertainty

In estimating the recoverable amounts of the cash generating units (“CGUs”) using value in use from the respective cash flow forecasts or its fair value less costs to sell, the Group assumed revenue growth rates and gross profit margins throughout the cash flow forecast periods, and discount rate applied to the cash flow projections. The determination requires judgment. The Group evaluates, amongst other factors, the near-term business outlook, including factors such as industry and sector performance, and changes in competitive landscape.

11. Intangible assets and goodwill

| | Goodwill | Order backlogs | Customer relationships | Trademark | Computer software | Others | Total |
|---|-----------------|---------------------------|-----------------------------------|------------------|------------------------------|---------------|---|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Group | | | | | | | |
| Cost | | | | | | | |
| At 1 January 2024 | 5,452 | 1,189 | 668 | 383 | 1,059 | 100 | 8,851 |
| Additions | – | – | – | – | 27 | – | 27 |
| Write-offs | – | – | – | – | – | (100) | (100) |
| At 31 December 2024 | 5,452 | 1,189 | 668 | 383 | 1,086 | – | 8,778 |
| Additions | – | – | – | – | 4 | – | 4 |
| At 30 June 2025 | 5,452 | 1,189 | 668 | 383 | 1,090 | – | 8,782 |
| Accumulated amortisation and impairment losses | | | | | | | |
| At 1 January 2024 | 1,758 | 856 | 185 | 241 | 792 | 56 | 3,888 |
| Amortisation | – | 333 | 61 | 19 | 187 | 16 | 616 |
| Write-offs | – | – | – | – | – | (72) | (72) |
| At 31 December 2024 | 1,758 | 1,189 | 246 | 260 | 979 | – | 4,432 |
| Amortisation | – | – | 30 | 10 | 60 | – | 100 |
| At 30 June 2025 | 1,758 | 1,189 | 276 | 270 | 1,039 | – | 4,532 |
| Carrying amounts | | | | | | | |
| At 1 January 2024 | 3,694 | 333 | 483 | 142 | 267 | 44 | 4,963 |
| At 31 December 2024 | 3,694 | – | 422 | 123 | 107 | – | 4,346 |
| At 30 June 2025 | 3,694 | – | 392 | 113 | 51 | – | 4,250 |
| | | | | | | | Computer software \$'000 |
| Company | | | | | | | |
| Cost | | | | | | | |
| At 1 January 2024 | | | | | | | 501 |
| Additions | | | | | | | 15 |
| At 31 December 2024 and 30 June 2025 | | | | | | | 516 |
| Accumulated amortisation | | | | | | | |
| At 1 January 2024 | | | | | | | 330 |
| Amortisation | | | | | | | 133 |
| At 31 December 2024 | | | | | | | 463 |
| Amortisation | | | | | | | 32 |
| At 30 June 2025 | | | | | | | 495 |
| Carrying amounts | | | | | | | |
| At 1 January 2024 | | | | | | | 171 |
| At 31 December 2024 | | | | | | | 53 |
| At 30 June 2025 | | | | | | | 21 |

Amortisation

The amortisation of order backlogs, customer relationships, trademark and computer software are included in 'administrative expenses' in profit or loss.

Sources of estimation uncertainty

In estimating the recoverable amounts of the CGUs using value in use from the respective cash flow forecasts, the Group assumed revenue growth rates and gross profit margins throughout the cash flow forecast periods, terminal values at the end of the cash flow forecast period and discount rate applied to the cash flow projections. The determination requires judgment. The Group evaluates, amongst other factors, the near-term business outlook, including factors such as industry and sector performance, and changes in technology.

12. Trade and other receivables

| | Group | | Company | |
|---|--------------|------------------|--------------|------------------|
| | 30 June 2025 | 31 December 2024 | 30 June 2025 | 31 December 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade receivables: | | | | |
| - third parties | 16,073 | 16,817 | — | — |
| - subsidiaries | — | — | 1,687 | 1,577 |
| Impairment losses | (269) | (269) | (925) | (925) |
| Net trade receivables | 15,804 | 16,548 | 762 | 652 |
| Unbilled trade receivables | 3,140 | 3,091 | — | — |
| | 18,944 | 19,639 | 762 | 652 |
| Non-trade amounts due from subsidiaries | — | — | 8,242 | 8,546 |
| Impairment losses | — | — | (5,492) | (5,492) |
| | — | — | 2,750 | 3,054 |
| Accrued discount receivables | 746 | 912 | — | — |
| Deposits | 1,927 | 1,750 | 106 | 104 |
| Amount due from a joint venture | 7 | 7 | 7 | 7 |
| Other receivables | 1,007 | 975 | 11 | 11 |
| Financial assets at amortised costs | 22,631 | 23,283 | 3,636 | 3,828 |
| Prepayments | 1,373 | 1,198 | 63 | 27 |
| | 24,004 | 24,481 | 3,699 | 3,855 |
| Non-current | 927 | 1,001 | 1,096 | 1,184 |
| Current | 23,077 | 23,480 | 2,603 | 2,671 |
| | 24,004 | 24,481 | 3,699 | 3,855 |

The Group's non-current receivables consist mainly of an insurance payment of \$762,000 (31 December 2024: \$762,000) for its executive director.

Non-trade balances due from subsidiaries are unsecured, interest-free and repayable on demand. As \$1,096,000 (31 December 2024: \$1,184,000) of the non-trade amounts due from subsidiaries are not expected to be recalled within the next 12 months, the amounts have been classified as non-current.

Sources of estimation uncertainty

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates to be applied for the respective category of the financial assets and contract assets. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation including evaluation of the Group's historical loss rates, existing market conditions as well as forward looking estimates at the end of each reporting period.

13. Inventories

| | Group | |
|----------------|---------------------|-------------------------|
| | 30 June 2025 | 31 December 2024 |
| | \$'000 | \$'000 |
| Raw materials | 243 | 328 |
| Finished goods | 8,214 | 8,546 |
| | 8,457 | 8,874 |

As at 30 June 2025, inventories of \$40,378,000 (30 June 2024: \$42,441,000) were recognised as an expense during the financial period and included in 'cost of sales'.

As at 30 June 2025, the inventories are stated after allowance for inventory obsolescence of \$101,000 (31 December 2024: \$101,000).

14. Share capital

| | Group and Company | | | |
|--|--------------------------|---------------|-------------------------|---------------|
| | 30 June 2025 | | 31 December 2024 | |
| | Number of shares | Amount | Number of shares | Amount |
| | '000 | \$'000 | '000 | \$'000 |
| At beginning and end of interim period | 250,448 | 36,412 | 250,448 | 36,412 |

All issued shares are fully paid, with no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

15. Loans and borrowings

| | Group | | Company | |
|-----------------------------------|---------------------|-------------------------|---------------------|-------------------------|
| | 30 June 2025 | 31 December 2024 | 30 June 2025 | 31 December 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Non-current liabilities | | | | |
| Bank loans (Secured) | 14,540 | 14,828 | 1,005 | – |
| Lease liabilities (Secured) | 8,476 | 9,234 | – | – |
| | <u>23,016</u> | <u>24,062</u> | <u>1,005</u> | <u>–</u> |
| Current liabilities | | | | |
| Bank loans (Secured) | 4,067 | 4,336 | 804 | 859 |
| Lease liabilities (Secured) | 1,703 | 1,788 | – | – |
| Bills payable (Secured) | 4,725 | 5,490 | – | – |
| | <u>10,495</u> | <u>11,614</u> | <u>804</u> | <u>859</u> |
| Total loans and borrowings | <u>33,511</u> | <u>35,676</u> | <u>1,809</u> | <u>859</u> |

Details of collateral:

- (a) Bank loans and bills payable are secured by:
- Leasehold properties amounted to \$19,428,000 as at 30 June 2025 (31 December 2024: \$19,811,000); and
 - Corporate guarantees by Natural Cool Holdings Limited and Natural Cool Airconditioning & Engineering Pte Ltd.
- (b) Lease liabilities are secured by:
- Motor vehicles amounted to \$2,275,000 as at 30 June 2025 (31 December 2024: \$2,664,000);
 - Security deposits amounted to \$230,000 as at 30 June 2025 (31 December 2024: \$216,000); and
 - Corporate guarantees by Natural Cool Holdings Limited.

16. Trade and other payables

| | Group | | Company | |
|-----------------------------|---------------------|-------------------------|---------------------|-------------------------|
| | 30 June 2025 | 31 December 2024 | 30 June 2025 | 31 December 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade payables | 13,558 | 12,739 | 187 | 58 |
| Amount due to subsidiaries: | | | | |
| - trade | – | – | 2,261 | 1,975 |
| - non-trade | – | – | 7,983 | 7,205 |
| Deposits received | 663 | 635 | 1 | 1 |
| Accrued expenses | 9,311 | 10,559 | 202 | 365 |
| Other payables | 1,967 | 685 | 11 | 9 |
| Financial liabilities | <u>25,499</u> | <u>24,618</u> | <u>10,645</u> | <u>9,613</u> |
| GST payable | 1,018 | 1,071 | 17 | 19 |
| | <u>26,517</u> | <u>25,689</u> | <u>10,662</u> | <u>9,632</u> |

The Group's other payables primarily comprise a deferred consideration of \$1,200,000 payable to the non-controlling interests of iFocus Pte Ltd for the acquisition of the remaining 20% equity interest.

Non-trade balances due to subsidiaries are unsecured, interest-free and repayable on demand.

17. Related party transactions
Key management personnel compensation

Key management personnel of the Group and the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company. The Directors and senior management of the Group and the Company are considered as key management personnel.

Key management personnel compensation comprised:

| | Group | |
|--|--|--|
| | 6 months ended 30 June 2025 | 6 months ended 30 June 2024 |
| | \$'000 | \$'000 |
| Short-term employee benefits | 1,389 | 1,276 |
| Post-employment benefits (including CPF) | 64 | 58 |
| | 1,453 | 1,334 |

Included in the above is the total compensation to the Directors of the Company which amount to \$644,000 (30 June 2024: \$566,000).

18. Financial assets and financial liabilities

| Group | Note | Carrying amount | | | | Fair value | | | |
|---|------|---|---|-----------------------------------|--------|------------|---------|---------|--------|
| | | Mandatorily at fair value through profit or loss | Financial assets at amortised cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 30 June 2025 | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Other investments | | 23 | — | — | 23 | — | 23 | — | 23 |
| Financial assets not measured at fair value | | | | | | | | | |
| Trade and other receivables# | 12 | — | 22,631 | — | 22,631 | | | | |
| Cash and cash equivalents | | — | 8,452 | — | 8,452 | | | | |
| | | — | 31,083 | — | 31,083 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Variable interest rate loans | 15 | — | — | 15,676 | 15,676 | | | | |
| Fixed interest rate loans | 15 | — | — | 2,931 | 2,931 | — | 2,767 | — | 2,767 |
| Bills payable | 15 | — | — | 4,725 | 4,725 | | | | |
| Trade and other payables* | 16 | — | — | 25,499 | 25,499 | | | | |
| | | — | — | 48,831 | 48,831 | | | | |
| 31 December 2024 | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Other investments | | 23 | — | — | 23 | — | 23 | — | 23 |
| Financial assets not measured at fair value | | | | | | | | | |
| Trade and other receivables# | 12 | — | 23,283 | — | 23,283 | | | | |
| Cash and cash equivalents | | — | 9,510 | — | 9,510 | | | | |
| | | — | 32,793 | — | 32,793 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Variable interest rate loans | 15 | — | — | 14,624 | 14,624 | | | | |
| Fixed interest rate loans | 15 | — | — | 4,540 | 4,540 | — | 4,294 | — | 4,294 |
| Bills payable | 15 | — | — | 5,490 | 5,490 | | | | |
| Trade and other payables* | 16 | — | — | 24,618 | 24,618 | | | | |
| | | — | — | 49,272 | 49,272 | | | | |

Exclude prepayments

* Exclude GST payable

Unaudited Condensed Interim Financial Statements for the 6 Months Financial Period Ended 30 June 2025

| Company | Note | Carrying amount | | | | Fair value | | | |
|---|------|---|---|-----------------------------------|--------|------------|---------|---------|--------|
| | | Mandatorily at fair value through profit or loss | Financial assets at amortised cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 30 June 2025 | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Other investments | | 23 | — | — | 23 | — | 23 | — | 23 |
| Financial assets not measured at fair value | | | | | | | | | |
| Trade and other receivables# | 12 | — | 3,636 | — | 3,636 | | | | |
| Cash and cash equivalents | | — | 48 | — | 48 | | | | |
| | | — | 3,684 | — | 3,684 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Variable interest rate loans | 15 | — | — | 216 | 216 | — | 215 | — | 215 |
| Fixed interest rate loans | 15 | — | — | 1,593 | 1,593 | | | | |
| Trade and other payables^ | 16 | — | — | 10,645 | 10,645 | | | | |
| | | — | — | 12,454 | 12,454 | | | | |
| 31 December 2024 | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Other investments | | 23 | — | — | 23 | — | 23 | — | 23 |
| Financial assets not measured at fair value | | | | | | | | | |
| Trade and other receivables# | 12 | — | 3,828 | — | 3,828 | | | | |
| Cash and cash equivalents | | — | 68 | — | 68 | | | | |
| | | — | 3,896 | — | 3,896 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Fixed interest rate loans | 15 | — | — | 859 | 859 | — | 806 | — | 806 |
| Trade and other payables^ | 16 | — | — | 9,613 | 9,613 | | | | |
| | | — | — | 10,472 | 10,472 | | | | |

Exclude prepayments

^ Exclude GST payable

Other Information Required by Listing Rule Appendix 7C

- 1. 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's share capital from 31 December 2024 to 30 June 2025.

The Company did not have any outstanding options or convertibles as at 30 June 2025 and 30 June 2024.

There were also no treasury shares or subsidiary holdings as at 30 June 2025 and 30 June 2024.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at end of immediately preceding year.**

The total numbers of issued shares (excluding treasury shares) were 250,447,985 as at 30 June 2025 and 31 December 2024.

There were no treasury shares as at 30 June 2025 and 31 December 2024.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

- 2. 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 Natural Cool Holdings Limited and its subsidiaries as at 30 June 2025 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 months period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

3A. 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.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The latest financial statements as at 31 December 2024 have an unmodified opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation adopted in the financial statements for the current reporting period as those of the most recent audited financial statements for the financial year ended 31 December 2024.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are relevant to its operations and effective for annual periods beginning on 1 January 2025. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's accounting policies and has no material impact on the financial statements for the current financial reporting period.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

- (a) Based on the weighted average number of ordinary shares on issue; and
- (b) On a fully diluted basis (detailing any adjustments made to the earnings).

| | Group | |
|---|--|--|
| | 6 months ended 30 June 2025 | 6 months ended 30 June 2024 |
| Net profit attributable to shareholders (S\$'000) | 952 | 501 |
| Weighted average number of ordinary shares in issue (No. of shares) | 250,447,985 | 250,447,985 |
| Earnings per share (Singapore cents) – basic and diluted | 0.38 | 0.20 |

The Company does not have any potential dilutive ordinary shares in existence for HY2025 and HY2024.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

| | Group | | Company | |
|--|---------------------|-------------------------|---------------------|-------------------------|
| | 30 June 2025 | 31 December 2024 | 30 June 2025 | 31 December 2024 |
| Net assets attributable to shareholders (S\$'000) | 15,987 | 17,395 | 2,832 | 3,282 |
| Net asset value per share as at the end of the financial period/year (Singapore cents) | 6.38 | 6.95 | 1.13 | 1.31 |

The total numbers of issued shares (excluding treasury shares) were 250,447,985 as at 30 June 2025 and 31 December 2024.

8. 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, cost, and earnings of the group for the current financial period reported on including (where applicable) seasonal or cyclical factors; and
- (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Income Statement

The Group generated revenue of S\$67.2 million for the half year ended 30 June 2025 ("HY2025"), a decrease of S\$0.6 million, or 0.9% compared to S\$67.8 million in the half year ended 30 June 2024 ("HY2024") due to the following:

- Our Aircon and Engineering Division's revenue in HY2025 remained largely unchanged at S\$58.8 million (HY2024: S\$59.0 million).
- Our Paint and Coatings Division recorded a decrease in revenue of S\$0.2 million or 7.2% mainly due to lower sales to its retail store customers;
- Our Food and Beverages ("F&B") Division's revenue declined by S\$0.5 million or 14.0% compared to HY2024. This was mainly caused by the closure of non-performing food stalls in Q4 of financial year ended 31 December 2024 ("FY2024").
- Our Technology Division's revenue improved by S\$0.2 million or 7.3% compared to HY2024 mainly due to higher installation and maintenance works.

Gross profit margins improved slightly by 0.6 percentage point from 20.5% in HY2024 to 21.1% in HY2025, mainly attributable to an increase in higher margin project works within our Aircon and Engineering Division.

Administrative expenses decreased by S\$0.5 million or 4.4%, mainly because the order backlog intangible assets in our Technology Division were fully amortised in FY2024 (HY2024: S\$0.2 million). Additionally, the F&B Division recorded S\$0.3 million less depreciation expenses.

Resulting from the above, the Group reported a profit after tax of approximately S\$1.0 million in HY2025 as compared to S\$136,000 in HY2024.

Review of Statement of Financial Position

Property, plant and equipment decreased by S\$1.5 million in HY2025 mainly due to the depreciation expenses for the period amounting to S\$1.7 million. This was partially offset by the acquisition of new plant and equipment and the recognition of a new lease for workers' accommodation amounting to S\$0.2 million.

There was a decrease in assets and liabilities held for sale of S\$0.9 million and S\$0.8 million respectively, following the completion of the factory sale.

Inventories declined by S\$0.4 million as a result of ongoing efforts to reduce stock levels for improved cash flow management.

Trade and other receivables (current and non-current) decreased by S\$0.5 million mainly resulting from the lower sales during this period.

Loans and borrowings (current and non-current) decreased by S\$2.2 million, largely due to repayments of loans, lease liabilities, and invoice financing totaling S\$15.4 million. This was partially offset by the drawdown of a new loan of S\$1.7 million for the acquisition of additional equity interest in iFocus Pte Ltd and the utilisation of invoice financing facilities amounting to S\$11.4 million.

Dividend payable of S\$0.7 million relates to the dividend payable to the 20% non-controlling interests of iFocus Pte Ltd.

Trade and other payables increased by S\$0.8 million in HY2025 mainly attributable to the increase in other payables. This includes a deferred consideration of S\$1.2 million payable to the non-controlling interests of iFocus Pte Ltd for the acquisition of the remaining equity interest. Trade payables also increased mainly as a result from the lower utilisation of invoice financing facilities towards the end of HY2025. These increases were partially offset by the payments of bonuses.

Review of Statement of Cash Flows

In HY2025, we recorded a net operating cash inflow of approximately S\$3.8 million.

We recorded net cash generated from investing activities of S\$1.0 million in HY2025 primarily contributed by the proceeds from the disposal of assets held for sale of S\$1.1 million.

We also recorded net cash used in financing activities of S\$5.8 million in HY2025 mainly attributable to payments for bills payable, lease liabilities, interest expenses, and loan repayments totaling S\$16.9 million. In addition, we acquired an additional equity interest in iFocus Pte Ltd for S\$1.7 million. These outflows were partially offset by S\$11.4 million from invoice financing facilities and a new loan drawdown of S\$1.7 million.

As a result, our cash and cash equivalents declined by S\$1.1 million during HY2025.

9. 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 has been previously disclosed to shareholders.

10. 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.

Global trade tensions and tariff uncertainties will continue to weigh on the quality and sustainability of economic growth. As an open economy, we believe Singapore will also experience its fair share of economic uncertainty.

While the Aircon and Engineering Division reported better performance, we are still cautious given the weaker trend of new property completions. In addition, some project awards remain delayed and we expect this trend to continue for the rest of this year.

As for the Paint and Coatings Division, we expect the uncertain economic environment to create pricing pressures in a highly competitive market moving forward.

Our Food and Beverages Division recorded good festive sales performance in the first half, and the division will continue to work hard to expand its supermarket and wholesale sales channels.

Our Technology Division has made some inroads into new market verticals and continue to innovate its product offerings. It also continues to work with our other business units to capture new opportunities.

We expect the legal completion of the remaining 20% equity interest in iFocus Pte Ltd in the second half of this year. Meanwhile, the creditors' voluntary liquidation of Natural Cool Investments Pte Ltd remains ongoing.

11. Dividend information.

If a decision regarding dividend has been made:

- a. Whether an interim (final) dividend has been declared (recommended) for current financial period reported on;**

No.

- b. Amount per share;**

Not applicable.

- c. Previous corresponding period;**

Not applicable.

- d. Whether the dividend is before tax, net of tax or tax exempted. If before tax or net of tax, state the tax and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated);**

Not applicable.

If a decision regarding dividend has been made:

- e. Whether an interim (final) dividend has been declared (recommended) for current financial period reported on;**

No.

- f. Amount per share;**

Not applicable.

- g. Previous corresponding period;**

Not applicable.

- h. Whether the dividend is before tax, net of tax or tax exempted. If before tax or net of tax, state the tax and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated);**

Not applicable.

- i. The date the dividend is payable; and**

Not applicable.

- j. The date on which Registrable Transfers received by the Company (up to 5:00 PM) will be registered before entitlement to the dividend are determined.**

Not applicable.

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

No dividend has been declared for HY2025 as the profits were retained for business use.

13. If the Group has obtained a general mandate from shareholders for Interested Party Transactions (“IPT”), the aggregated value of such transactions as required under Rule 920(1)(a)(ii) of Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for IPTs. There were no IPTs of S\$100,000 and above being entered into by the Group during HY2025.

14. Confirmation that the Issuer has procured undertakings from all its Directors and executive officers under Rule 720(1) of the Catalist Rules.

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

15. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules.

On 11 January 2025, the Group entered into a sale and purchase agreement to acquire 136,639 ordinary shares, representing the remaining 49% equity interest in iFocus Pte Ltd, for a total cash consideration of S\$2,940,000. The first tranche to acquire a 29% equity interest, has been completed on 13 March 2025 with a cash consideration of S\$1,740,000. The second tranche to acquire the remaining 20% equity interest is scheduled to take place on or before 31 August 2025 with a cash consideration of S\$1,200,000.

Please refer to the Company’s announcements dated 11 January 2025 and 13 March 2025 for more information.

Confirmation by the Board pursuant to Catalist 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 Group’s unaudited condensed interim financial statements for the six-month period ended 30 June 2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

By Order of the Board

Choy Bing Choong
Executive Chairman

Tsng Joo Peng
Executive Director and Group CEO

Singapore
9 August 2025

This announcement has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “Exchange”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.
