
**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER
2023**

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

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

	Note	<u>Group</u>			
		6 months ended 31 December 2023 (“2HFY2023”) S\$'000	6 months ended 31 December 2022 (“2HFY2022”) S\$'000	12 months ended 31 December 2023 (“FY2023”) S\$'000	12 months ended 31 December 2022 (“FY2022”) S\$'000
Revenue	4	28,883	33,252	58,132	71,467
Cost of sales		(26,450)	(26,862)	(54,408)	(52,693)
Gross profit		2,433	6,390	3,724	18,774
Other income and gains		52	52	91	106
Distribution costs		(451)	(385)	(781)	(815)
Administrative expenses		(3,081)	(3,482)	(5,646)	(6,426)
Finance costs		(487)	(483)	(1,159)	(667)
Allowance of impairment loss on trade receivables, net		(7)	(820)	–	(1,216)
Other losses		(481)	(62)	(878)	(646)
(Loss)/Profit before tax	6	(2,022)	1,210	(4,649)	9,110
Income tax benefits/(expenses)	7	128	(165)	116	(1,550)
(Loss)/Profit for the period/year		(1,894)	1,045	(4,533)	7,560
<u>Other comprehensive income</u>					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations, net of tax		223	(711)	(61)	(1,027)
Other comprehensive income/(loss) for the period/year, net of tax		223	(711)	(61)	(1,027)
Total comprehensive (loss)/income for the period/year		(1,671)	334	(4,594)	6,533
(Loss)/Profit attributable to owners of the Company, net of tax		(1,894)	1,045	(4,533)	7,560
(Loss)/Profit, net of tax		(1,894)	1,045	(4,533)	7,560
Total comprehensive (loss)/ income attributable to owners of the Company		(1,671)	334	(4,594)	6,533
Total comprehensive (loss)/income		(1,671)	334	(4,594)	6,533
(Loss)/Earnings per share		Cents	Cents	Cents	Cents
Basic		(1.75)	0.97	(4.20)	7.00
Diluted		(1.75)	0.97	(4.20)	7.00

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

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	9	6,644	6,418	–	–
Right-of-use assets		1,691	2,455	–	–
Land use right		2,032	2,168	–	–
Investments in subsidiaries		–	–	11,434	11,283
Deferred tax assets		1,411	708	–	–
Total non-current assets		11,778	11,749	11,434	11,283
<u>Current assets</u>					
Inventories		28,224	54,809	–	–
Trade and other receivables		16,596	16,129	1,979	1,861
Other non-financial assets		627	612	19	13
Income tax receivable		274	–	–	–
Restricted cash		100	100	–	–
Cash and cash equivalents		7,687	5,148	319	265
Total current assets		53,508	76,798	2,317	2,139
Total assets		65,286	88,547	13,751	13,422
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	11	10,579	10,579	10,579	10,579
Retained earnings		27,373	32,319	1,603	1,844
Other reserves		(47)	(75)	–	–
Total equity		37,905	42,823	12,182	12,423
<u>Non-current liabilities</u>					
Financial liabilities - Lease liability	10	1,481	1,806	–	–
Other financial liabilities	10	4,804	5,675	–	–
Total non-current liabilities		6,285	7,481	–	–
<u>Current liabilities</u>					
Income tax payable		597	1,473	–	–
Financial liabilities - Lease liability	10	865	783	–	–
Other financial liabilities	10	3,446	1,629	–	–
Trade and other payables		16,188	34,358	1,569	999
Total current liabilities		21,096	38,243	1,569	999
Total liabilities		27,381	45,724	1,569	999
Total equity and liabilities		65,286	88,547	13,751	13,422

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

GROUP

	<u>Total equity</u> S\$'000	<u>Attributable to parent sub-total</u> S\$'000	<u>Share capital</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Foreign currency translation reserve</u> S\$'000	<u>Statutory reserve</u> S\$'000
Current year:						
Opening balance at 1 January 2023	42,823	42,823	10,579	32,319	(760)	685
Changes in equity:						
Total comprehensive loss for the year	(4,594)	(4,594)	–	(4,533)	(61)	–
Dividend paid	(324)	(324)	–	(324)	–	–
Transferred (from) to retained earnings	–	–	–	(89)	–	89
Closing balance at 31 December 2023	<u>37,905</u>	<u>37,905</u>	<u>10,579</u>	<u>27,373</u>	<u>(821)</u>	<u>774</u>
Previous year:						
Opening balance at 1 January 2022	36,614	36,614	10,579	25,321	267	447
Changes in equity:						
Total comprehensive income/(loss) for the year	6,533	6,533	–	7,560	(1,027)	–
Dividend paid	(324)	(324)	–	(324)	–	–
Transferred (from) to retained earnings	–	–	–	(238)	–	238
Closing balance at 31 December 2022	<u>42,823</u>	<u>42,823</u>	<u>10,579</u>	<u>32,319</u>	<u>(760)</u>	<u>685</u>

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

COMPANY

	<u>Total equity</u> S\$'000	<u>Share capital</u> S\$'000	<u>Retained earnings</u> S\$'000
Current year:			
Opening balance at 1 January 2023	12,423	10,579	1,844
Changes in equity:			
Total comprehensive income for the year	83	–	83
Dividend paid	(324)	–	(324)
Closing balance at 31 December 2023	<u>12,182</u>	<u>10,579</u>	<u>1,603</u>
Previous year:			
Opening balance at 1 January 2022	13,301	10,579	2,722
Changes in equity:			
Total comprehensive loss for the year	(554)	–	(554)
Dividend paid	(324)	–	(324)
Closing balance at 31 December 2022	<u>12,423</u>	<u>10,579</u>	<u>1,844</u>

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	<u>Group</u>	
	<u>FY2023</u>	<u>FY2022</u>
	S\$'000	S\$'000
<u>Cash flows from operating activities</u>		
(Loss)/Profit before tax	(4,649)	9,110
Adjustments for:		
Interest income	(13)	(6)
Interest expense	1,159	667
Depreciation of property, plant and equipment	878	789
Depreciation of right-of-use assets	793	573
Amortisation of land use right	136	135
Impairment of property, plant and equipment	–	243
Allowance for impairment on trade receivables	–	1,216
Allowance for impairment on inventories	6,100	403
Bad debts recovered	–	(1)
Inventories written-off	–	1
Loss/(Gains) on disposal of property, plant and equipment	5	(15)
Plant and equipment written-off	3	4
Net effect of exchange rate changes in consolidating foreign operations	(118)	(1,222)
Operating cash flows before changes in working capital	4,294	11,897
Cash restricted in use	–	(88)
Inventories	20,485	(27,772)
Trade and other receivables	(467)	(2,490)
Other non-financial assets	(15)	714
Trade and other payables	(6,410)	9,017
Net cash flows from/(used in) operations	17,887	(8,722)
Income taxes paid	(1,808)	(1,000)
Net cash flows from/(used in) operating activities	16,079	(9,722)
<u>Cash flows from investing activities</u>		
Disposal of property, plant and equipment	80	22
Purchase of property, plant and equipment	(630)	(674)
Interest received	13	6
Net cash flows used in investing activities	(537)	(646)
<u>Cash flows from financing activities</u>		
Repayment of borrowings	(18,352)	(4,184)
Proceeds from borrowings	7,632	13,992
Lease liabilities	(899)	(638)
Interest paid	(1,060)	(624)
Dividend paid	(324)	(324)
Net cash flows (used in)/from financing activities	(13,003)	8,222
Net increase/(decrease) in cash and cash equivalents	2,539	(2,146)
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	5,148	7,294
Cash and cash equivalents, consolidated statement of cash flows, ending balance	7,687	5,148

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General

Soon Lian Holdings Limited (the “Company”) is incorporated in Singapore with limited liability. The Company is an investment holding company. It is listed on the Catalist, which is a shares market on Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

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

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

2. Basis of preparation

The condensed interim financial statements for the six months and financial year ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the six months ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

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

2.1 New and amended standards adopted by the Group

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

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates

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

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

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

There were no material changes in estimates of amounts reported in the prior financial year that had a material effect in the full year ended 31 December 2023.

3. Seasonal operations

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

4. Segment and revenue information

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

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

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

4. Segment and revenue information (cont'd)

4.1 Profit or loss from operations and reconciliations

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
1 July 2023 to 31 December 2023						
Revenue by segment						
Total revenue by segment	17,732	7,469	3,390	292	–	28,883
Recurring earnings before interest, taxes, depreciation, and amortisation (“EBITDA”)						
	2,635	1,483	583	232	(2,115)	2,818
Finance costs	–	–	–	–	(487)	(487)
Depreciation and amortisation	–	–	–	–	(888)	(888)
Operating result before income taxes and other unallocated items	2,635	1,483	583	232	(3,490)	1,443
Other unallocated items					(3,465)	(3,465)
Loss before tax from continuing operations						(2,022)
Income tax benefit						128
Loss from operations						(1,894)
1 July 2022 to 31 December 2022						
Revenue by segment						
Total revenue by segment	19,845	9,312	3,113	982	–	33,252
Recurring EBITDA						
	6,021	931	275	369	(582)	7,014
Finance costs	–	–	–	–	(483)	(483)
Depreciation and amortisation	–	–	–	–	(825)	(825)
Operating result before income taxes and other unallocated items	6,021	931	275	369	(1,890)	5,706
Other unallocated items					(4,496)	(4,496)
Profit before tax from continuing operations						1,210
Income tax expense						(165)
Profit from operations						1,045

4. Segment and revenue information (cont'd)

4.1 Profit or loss from operations and reconciliations (cont'd)

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
1 January 2023 to 31 December 2023						
Revenue by segment						
Total revenue by segment	33,685	15,331	8,214	902	–	58,132
Recurring EBITDA	5,683	3,676	1,062	475	(6,100)	4,796
Finance costs	–	–	–	–	(1,159)	(1,159)
Depreciation and amortisation	–	–	–	–	(1,807)	(1,807)
Operating result before income taxes and other unallocated items	5,683	3,676	1,062	475	(9,066)	1,830
Other unallocated items					(6,479)	(6,479)
Loss before tax from continuing operations						(4,649)
Income tax benefit						116
Loss from operations						(4,533)
1 January 2022 to 31 December 2022						
Revenue by segment						
Total revenue by segment	44,622	17,730	7,258	1,857	–	71,467
Recurring EBITDA	15,261	2,866	1,289	867	(403)	19,880
Finance costs	–	–	–	–	(667)	(667)
Impairment loss on plant and equipment	–	–	–	–	(243)	(243)
Depreciation and amortisation	–	–	–	–	(1,497)	(1,497)
Operating result before income taxes and other unallocated items	15,261	2,866	1,289	867	(2,810)	17,473
Other unallocated items					(8,363)	(8,363)
Profit before tax from continuing operations						9,110
Income tax expense						(1,550)
Profit from operations						7,560

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

4. Segment and revenue information (cont'd)

4.2 Assets and reconciliations

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
<u>As at 31 December 2023:</u>						
Total assets for reportable segments	9,031	2,936	3,589	38	–	15,594
Unallocated:						
Property, plant and equipment	–	–	–	–	6,644	6,644
Right-of-use assets	–	–	–	–	1,691	1,691
Land use right	–	–	–	–	2,032	2,032
Deferred tax assets	–	–	–	–	1,411	1,411
Inventories	–	–	–	–	28,224	28,224
Restricted cash	–	–	–	–	100	100
Cash and cash equivalents	–	–	–	–	7,687	7,687
Other unallocated amounts	–	–	–	–	1,903	1,903
Total group assets	9,031	2,936	3,589	38	49,692	65,286
<u>As at 31 December 2022:</u>						
Total assets for reportable segments	7,596	4,171	2,818	192	–	14,777
Unallocated:						
Property, plant and equipment	–	–	–	–	6,418	6,418
Right-of-use assets	–	–	–	–	2,455	2,455
Land use right	–	–	–	–	2,168	2,168
Deferred tax assets	–	–	–	–	708	708
Inventories	–	–	–	–	54,809	54,809
Restricted cash	–	–	–	–	100	100
Cash and cash equivalents	–	–	–	–	5,148	5,148
Other unallocated amounts	–	–	–	–	1,964	1,964
Total group assets	7,596	4,171	2,818	192	73,770	88,547

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

4. Segment and revenue information (cont'd)

4.3 Liabilities and reconciliations

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
As at 31 December 2023:						
Unallocated:						
Income tax payable	–	–	–	–	597	597
Borrowings	–	–	–	–	8,250	8,250
Lease liabilities	–	–	–	–	2,346	2,346
Trade and other payables	–	–	–	–	16,188	16,188
Total group liabilities	–	–	–	–	27,381	27,381
As at 31 December 2022:						
Unallocated:						
Income tax payable	–	–	–	–	1,473	1,473
Borrowings	–	–	–	–	7,304	7,304
Lease liabilities	–	–	–	–	2,589	2,589
Trade and other payables	–	–	–	–	34,358	34,358
Total group liabilities	–	–	–	–	45,724	45,724

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

4.4 Other material items and reconciliations

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
Impairment (reversal) of receivables and inventories and bad debts recovered (net)						
12 months ended 31 December 2023	–	–	–	–	6,100	6,100
12 months ended 31 December 2022	597	(208)	840	(14)	404	1,619
Expenditure for non-current assets						
12 months ended 31 December 2023	–	–	–	–	630	630
12 months ended 31 December 2022	–	–	–	–	674	674

4. Segment and revenue information (cont'd)

4.5 Geographical information

	<u>Revenue</u>		<u>Non-current assets</u>	
	<u>FY2023</u> S\$'000	<u>FY2022</u> S\$'000	As at 31 December <u>2023</u> S\$'000	As at 31 December <u>2022</u> S\$'000
Singapore	14,018	21,944	8,858	9,279
Malaysia	21,611	25,504	337	316
China	9,555	6,579	1,095	1,303
Taiwan	4,310	8,368	77	143
Indonesia	2,558	2,093	–	–
Other countries	6,080	6,979	–	–
Total operations	<u>58,132</u>	<u>71,467</u>	<u>10,367</u>	<u>11,041</u>

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

5. Financial assets and financial liabilities

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

	<u>Group</u>		<u>Company</u>	
	31 December <u>2023</u> S\$'000	31 December <u>2022</u> S\$'000	31 December <u>2023</u> S\$'000	31 December <u>2022</u> S\$'000
<u>Financial assets at amortised cost:</u>				
Trade and other receivables (excluding GST receivables)	16,389	15,284	1,979	1,861
Restricted cash	100	100	–	–
Cash and cash equivalents	7,687	5,148	319	265
Financial assets at amortised cost	<u>24,176</u>	<u>20,532</u>	<u>2,298</u>	<u>2,126</u>
<u>Financial liabilities at amortised cost:</u>				
Trade and other payables (excluding GST payables)	15,936	34,296	1,547	980
Lease liabilities	2,346	2,589	–	–
Borrowings	8,250	7,304	–	–
Financial liabilities at amortised cost	<u>26,532</u>	<u>44,189</u>	<u>1,547</u>	<u>980</u>

6. (Loss)/Profit before tax

6.1 Significant items

	<u>2HFY2023</u>	<u>Group</u>		<u>FY2022</u>
	S\$'000	<u>2HFY2022</u>	<u>FY2023</u>	S\$'000
		S\$'000	S\$'000	S\$'000
Foreign exchange loss, net	(459)	(32)	(849)	(398)
Depreciation of property, plant and equipment	(421)	(394)	(878)	(789)
Amortisation of land use right	(68)	(68)	(136)	(135)
Depreciation of right-of-use assets	(399)	(363)	(793)	(573)
(Loss)/Gains on disposal of property, plant and equipment	–	21	(5)	15
Allowance for impairment on trade receivables	(7)	(820)	–	(1,216)
Allowance for impairment on inventories	(2,115)	(582)	(6,100)	(403)
Interest expense	(448)	(483)	(1,120)	(667)
Impairment on plant and equipment	–	(31)	–	(243)
Interest income	9	4	13	6
Government grant income	29	27	49	73

6.2 Related party transactions

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

7. Taxation

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

	<u>Group</u>			
	<u>2HFY2023</u>	<u>2HFY2022</u>	<u>FY2023</u>	<u>FY2022</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax expense	(242)	(538)	(610)	(1,920)
Deferred tax movement	370	373	726	370
Income tax benefit/(expense)	<u>128</u>	<u>(165)</u>	<u>116</u>	<u>(1,550)</u>

8. Net asset value

	<u>Group</u>		<u>Company</u>	
	31 December <u>2023</u>	31 December <u>2022</u>	31 December <u>2023</u>	31 December <u>2022</u>
	(S\$ cents)			
Net asset value per ordinary share	35.1	39.7	11.3	11.5

9. Property, plant and equipment

During the six months ended 31 December 2023, the Group acquired assets amounting to S\$262,000 (31 December 2022: S\$381,000) and disposed of assets amounting to S\$85,000 (31 December 2022: S\$0).

10. Borrowings and debt securities

	<u>Group</u>		<u>Company</u>	
	31 December <u>2023</u>	31 December <u>2022</u>	31 December <u>2023</u>	31 December <u>2022</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	2,199	13,835	–	–
Unsecured	3,126	1,322	–	–
	<u>5,325</u>	<u>15,157</u>	<u>–</u>	<u>–</u>
<u>Amount repayable after one year</u>				
Secured	3,887	3,810	–	–
Unsecured	1,384	1,949	–	–
	<u>5,271</u>	<u>5,759</u>	<u>–</u>	<u>–</u>

Details of any collaterals

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

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

11. Share Capital

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

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

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

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

12. Subsequent events

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

13. Changes in contingent liabilities or contingent assets

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

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

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

The condensed consolidated statement of financial position of Soon Lian Holdings Limited and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period and full year then ended and certain explanatory notes have not been audited or reviewed.

Statement of Profit and Loss and Other Comprehensive Income

The Group has registered a net loss of S\$4.5 million in FY2023 as compared to a net profit of S\$7.6 million in FY2022. For 2HFY2023 period, the Group made a net loss of S\$1.9 million as compared to a net profit of S\$1.0 million in 2HFY2022.

The Group's revenue decreased by S\$13.4 million or 18.7%, from S\$71.5 million in FY2022 to S\$58.1 million in FY2023. For 2HFY2023 period, the Group's revenue also decreased by S\$4.4 million or 13.2%, from S\$33.3 million in 2HFY2022 to S\$28.9 million in 2HFY2023. This was mainly due to a decrease in sales volume and selling price to our customers in the precision engineering, marine and other customers segments.

Gross profit decreased by S\$15.1 million or 80.3%, from S\$18.8 million in FY2022 to S\$3.7 million in FY2023. Gross profit margin decreased by 19.9 percentage points, from 26.3% in FY2022 to 6.4% in FY2023. The decrease in both gross profit and gross profit margin is mainly due to a higher allowance of impairment on inventories of S\$6.1 million recognised in FY2023.

For 2HFY2023 period, gross profit decreased by S\$4.0 million or 62.5%, from S\$6.4 million in 2HFY2022 to S\$2.4 million in 2HFY2023. Gross profit margin decreased by 10.8 percentage points, from 19.2% in 2HFY2022 to 8.4% in 2HFY2023. The decrease in both gross profit and gross profit margin is mainly due to a higher allowance of impairment on inventories of S\$2.1 million recognised in 2HFY2023. The Group has adopted a more conservative inventory allowance policy to better align inventory valuations to current market prices. The Group remains confident in selling its existing inventories. In addition, the average selling price for aluminium products in FY2023 is also lower as compared to FY2022.

Other income and gains remained fairly constant in FY2022 and FY2023 and 2HFY2022 and 2HFY2023.

Distribution costs remained fairly consistent in FY2022 and FY2023 and 2HFY2022 and 2HFY2023.

Administrative expenses decreased by S\$0.8 million or 12.5%, from S\$6.4 million in FY2022 to S\$5.6 million in FY2023. For 2HFY2023 period, administrative expenses decreased by S\$0.4 million or 11.4%, from S\$3.5 million in 2HFY2022 to S\$3.1 million in 2HFY2023. The lower administrative expenses in FY2023 and 2HFY2023 are mainly due to lower staff costs.

Finance costs increased by S\$0.5 million or 71.4%, from S\$0.7 million in FY2022 to S\$1.2 million in FY2023, due to the higher borrowing costs and higher usage of trade finance facilities in FY2023. The finance costs remained fairly constant in 2HFY2022 and 2HFY2023.

The Group reported S\$Nil net allowance of impairment loss on trade receivables in FY2023 as compared to S\$1.2 million net allowance in FY2022. Net allowance of impairment loss on trade receivables decreased by S\$0.8 million, from S\$0.8 million in 2HFY2022 to S\$7,000 in 2HFY2023.

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

Statement of Comprehensive Income (cont'd)

Other losses increased by S\$0.3 million, or 50.0% from S\$0.6 million in FY2022 to S\$0.9 million in FY2023. For 2HFY2023 period, other losses increased by S\$0.4 million, from S\$0.1 million in 2HFY2022 to S\$0.5 million in 2HFY2023. The higher other losses is mainly due to the foreign exchange loss.

As a result of the above, the Group recorded a loss before tax of S\$4.6 million in FY2023, as compared to a profit before tax of S\$9.1 million in FY2022.

Statement of Financial Position

Non-current assets increased by S\$0.1 million, from S\$11.7 million as at 31 December 2022 to S\$11.8 million as at 31 December 2023, mainly due to an increase in property, plant and equipment of S\$0.2 million, deferred tax assets of S\$0.7 million and decrease in right-of-use assets of S\$0.8 million and land use right of S\$0.2 million as a result of depreciation and amortisation charges.

Current assets decreased by S\$23.3 million, from S\$76.8 million as at 31 December 2022 to S\$53.5 million as at 31 December 2023. This was mainly due to a decrease in inventories of S\$26.6 million, an increase in trade and other receivables of S\$0.5 million and increase in cash and cash equivalents of S\$2.6 million. Please refer to the section on "Statement of Cash Flows" below for the reasons for the increase in cash and cash equivalents.

Non-current liabilities decreased by S\$1.2 million, from S\$7.5 million as at 31 December 2022 to S\$6.3 million as at 31 December 2023, mainly due to net decrease in long-term bank loans of S\$0.9 million and decrease in lease liability (non-current portion) of S\$0.3 million after repayment.

Current liabilities decreased by S\$17.1 million, from S\$38.2 million as at 31 December 2022 to S\$21.1 million as at 31 December 2023, mainly due to a decrease in trade and other payables of S\$18.2 million, a decrease in income tax payable of S\$0.9 million, an increase in other financial liabilities of S\$1.8 million and an increase in financial liabilities – lease liability of S\$0.1 million.

The Group reported a positive working capital position of S\$32.4 million as at 31 December 2023, as compared to S\$38.6 million as at 31 December 2022.

Total equity decreased by S\$4.9 million, from S\$42.8 million as at 31 December 2022 to S\$37.9 million as at 31 December 2023, mainly as a result of the net loss for the year and dividend payment.

Statement of Cash Flows

Net cash flows from operating activities amounted to S\$16.1 million, mainly due to the net cash flows from operations.

Net cash flows used in investing activities amounted to S\$0.5 million in FY2023, mainly due to the purchase of property, plant and equipment.

Net cash flows used in financing activities amounted to S\$13.0 million in FY2023, mainly due to a net repayment of borrowings of S\$10.8 million, interest payment of S\$1.0 million, repayment of lease liabilities of S\$0.9 million and dividend payment of S\$0.3 million.

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

No forecast or prospect statement was previously disclosed.

3. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months.

The Group faced strong headwinds in FY2023 due to a downturn in the semiconductor industry, resulting in oversupply of aluminium alloys and pricing competition of our products. This situation has been ongoing since the second half of 2022, with falling average selling prices exacerbating the issue.

Looking ahead to the next operating period and the coming 12 months, the Group anticipates these challenges to persist. Although there are signs that the global semiconductor industry downturn is stabilizing, it is expected to continue for a few more months before gradually improving.

According to the World Semiconductor Trade Statistics' prediction, the world's semiconductor market is expected to rebound by 13.1% in 2024. The Group is cautiously optimistic about a gradual improvement in operating conditions starting from 2024, with a more pronounced uptick in the second half of the year. This improvement is expected to be driven by global semiconductor demand for innovations in artificial intelligence and high-performance computing, as well as the need for inventory replenishment.

Despite the current headwinds, the Group remains confident in its ability to weather the storm due to the strength of its balance sheet and diverse exposure to multiple market segments.

4. Dividend information

a. Current Financial Period Reported On

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

Yes.

The directors are pleased to propose the payment of a final dividend of 0.2 Singapore cent per ordinary share, in respect of the financial year ended 31 December 2023, subject to the approval of shareholders at the next Annual General Meeting of the Company.

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (in S\$ cents)	0.2
Tax rate	Tax-exempt (one tier)

b. Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (in S\$ cents)	0.3
Tax rate	Tax-exempt (one tier)

4. Dividend information (cont'd)

c. Date payable

Subject to approval by the shareholders at the next Annual General Meeting, the payment date of the proposed dividend will be announced at a later date.

d. Record date

Subject to approval by the shareholders at the next Annual General Meeting, the record date will be announced at a later date.

5. Interested person transactions

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

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

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

7. Disclosure of persons occupying managerial positions in the issuer or any of its principal subsidiaries who are relatives to a director, CEO or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalyst Rules

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Ee Hoon	63	Sister of Mr Tan Yee Ho (Executive Chairman and controlling shareholder of the Company) and Mr Tan Yee Leong (Executive Director, Chief Executive Officer and controlling shareholder of the Company)	Position: General Administrative Manager of SL Metals Pte. Ltd., a wholly-owned subsidiary of the Company. <u>Year the position was first held:</u> 2021	Not applicable
Tan Li Shuan	28	Daughter of Mr Tan Yee Leong (Executive Director, Chief Executive Officer and controlling shareholder of the Company) and niece of Mr Tan Yee Ho (Executive Chairman and controlling shareholder of the Company).	Position: Business Development Manager of SL Metals Pte. Ltd., a wholly-owned subsidiary of the Company. <u>Year the position was first held:</u> 2023	Not applicable

8. Breakdown of sales

Group	FY2023	FY2022	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue for first half year	29,249	38,215	(23)
(Loss) / Profit after tax for first half year	(2,639)	6,515	NM
Revenue for second half year	28,883	33,252	(13)
(Loss) / Profit after tax for second half year	(1,894)	1,045	NM

NM – Not meaningful

9. Breakdown of dividend

	FY2023	FY2022
	S\$'000	S\$'000
Ordinary	216 *	324
Preference	–	–
Total	216	324

* Proposed final dividend, subject to the approval of shareholders at the upcoming Annual General Meeting of the Company.

10. Disclosures on acquisition and realisation of shares pursuant to Rule 706A of the Catalist Rules

There were no acquisition or sale of shares in any of the Group's subsidiary or associated company nor incorporation or winding up or striking off of any subsidiary or associated company by the Company or any of the Group's entities during 2HFY2023.

On behalf of the Board of Directors

TAN YEE HO
Executive Chairman

TAN YEE LEONG
Chief Executive Officer and
Executive Director

Singapore
27 February 2024