

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

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SUNRIGHT LIMITED

Securities

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For Financial Period Ended

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SUNRIGHT LIMITED AND ITS SUBSIDIARIES

(Company Reg. No. 197800523M)

Condensed Interim Financial Statements

For the Second Half Year and Full Year ended 31 July 2024

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

| | | The Group | | | | | | |
|------|--|--|--|------------------------------|---------------------------------------|---------------------------------------|------------------------------|-------|
| | | 2nd Half Year ended 31 July 2024 | 2nd Half Year ended 31 July 2023 | Increase/ (decrease) % | Full Year ended 31 July 2024 | Full Year ended 31 July 2023 | Increase/ (decrease) % | |
| Note | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % | | |
| | Revenue | 4 | 39,527 | 44,513 | (11%) | 82,035 | 88,308 | (7%) |
| | Other items of income: | | | | | | | |
| | Interest income | | 1,310 | 962 | 36% | 2,641 | 1,782 | 48% |
| | Dividend income | | 88 | 63 | 40% | 128 | 128 | 0% |
| | Other income | | 9,800 | 800 | >100% | 10,772 | 2,774 | >100% |
| | Items of expenses: | | | | | | | |
| | Raw materials and consumables used | | (5,128) | (7,949) | (35%) | (12,541) | (17,180) | (27%) |
| | Changes in inventories of finished goods and work-in-progress | | (841) | 208 | NM | (805) | 301 | NM |
| | Employee benefits expense | | (18,303) | (18,991) | (4%) | (37,201) | (38,865) | (4%) |
| | Depreciation of property, plant and equipment | | (7,485) | (6,883) | 9% | (15,143) | (13,560) | 12% |
| | Finance costs | | (717) | (464) | 55% | (1,405) | (782) | 80% |
| | Other expenses | | (12,729) | (13,727) | (7%) | (25,145) | (26,097) | (4%) |
| | Profit/(loss) before tax | 6 | 5,522 | (1,468) | NM | 3,336 | (3,191) | NM |
| | Income tax expense | 8 | (650) | (422) | 54% | (1,076) | (405) | >100% |
| | Profit/(loss), net of tax | | 4,872 | (1,890) | NM | 2,260 | (3,596) | NM |
| | Other comprehensive income: | | | | | | | |
| | Item that will not be reclassified to profit or loss | | | | | | | |
| | Remeasurement loss arising from net defined benefit liabilities, net of tax | | (64) | (14) | >100% | (23) | (14) | 64% |
| | Item that may be reclassified subsequently to profit or loss | | | | | | | |
| | Foreign currency translation differences reclassified to profit or loss on voluntary liquidation of a subsidiary | | 169 | - | 100% | 169 | - | 100% |
| | Foreign currency translation gain/(loss) | | 2,451 | (4,343) | NM | (1,398) | (5,497) | (75%) |
| | Other comprehensive income/(loss) for the year, net of tax | | 2,556 | (4,357) | NM | (1,252) | (5,511) | (77%) |
| | Total comprehensive income/(loss) for the year | | 7,428 | (6,247) | NM | 1,008 | (9,107) | NM |
| | Profit/(loss) attributable to: | | | | | | | |
| | Owners of the Company | | 5,000 | (1,760) | NM | 2,232 | (3,108) | NM |
| | Non-controlling interests | | (128) | (130) | (2%) | 28 | (488) | NM |
| | | | 4,872 | (1,890) | NM | 2,260 | (3,596) | NM |
| | Total comprehensive income/(loss) attributable to: | | | | | | | |
| | Owners of the Company | | 6,232 | (3,833) | NM | 1,601 | (5,707) | NM |
| | Non-controlling interests | | 1,196 | (2,414) | NM | (593) | (3,400) | (83%) |
| | | | 7,428 | (6,247) | NM | 1,008 | (9,107) | NM |
| | Earnings/(loss) per share attributable to owners of the Company (cents) | | | | | | | |
| | - Basic | | 4.1 | (1.4) | NM | 1.8 | (2.5) | NM |

NM : Not meaningful

B. Condensed Interim Statements of Financial Position

| | Note | The Group | | The Company | |
|---|------|----------------|----------------|---------------|---------------|
| | | 31 July 2024 | 31 July 2023 | 31 July 2024 | 31 July 2023 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 11 | 51,345 | 56,562 | 107 | 185 |
| Investment in subsidiaries | | - | - | 7,549 | 12,112 |
| Deferred tax assets | | 1,785 | 1,624 | - | - |
| Other receivables | | 512 | 458 | - | - |
| Loans to a subsidiary | | - | - | 411 | - |
| Total non-current assets | | 53,642 | 58,644 | 8,067 | 12,297 |
| Current assets | | | | | |
| Investment securities | | 4,559 | 3,519 | 382 | 338 |
| Inventories | | 1,044 | 2,605 | - | - |
| Prepayments | | 641 | 1,685 | 118 | 146 |
| Tax recoverables | | 1,627 | 1,796 | - | - |
| Derivatives | | 30 | - | - | - |
| Trade and other receivables | | 15,535 | 19,209 | 3,285 | 1,636 |
| Loans to a subsidiary | | - | - | 233 | - |
| Cash and short-term deposits | | 95,081 | 88,674 | 19,775 | 20,047 |
| Total current assets | | 118,517 | 117,488 | 23,793 | 22,167 |
| Total assets | | 172,159 | 176,132 | 31,860 | 34,464 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | 13 | 35,727 | 35,727 | 35,727 | 35,727 |
| Retained earnings/(accumulated losses) | | 31,279 | 29,062 | (7,411) | (3,260) |
| Other reserves | | 6,869 | 7,485 | 155 | 155 |
| Total equity attributable to owners of the Company | | 73,875 | 72,274 | 28,471 | 32,622 |
| Non-controlling interests | | 53,334 | 54,309 | - | - |
| Total equity | | 127,209 | 126,583 | 28,471 | 32,622 |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Loans and borrowings | 12 | 11,502 | 19,043 | 130 | 401 |
| Defined benefit liabilities ¹ | | 1,675 | 781 | - | - |
| Deferred tax liabilities | | 2,028 | 1,848 | - | - |
| Total non-current liabilities | | 15,205 | 21,672 | 130 | 401 |
| Current liabilities | | | | | |
| Trade and other payables | | 14,980 | 14,283 | 1,108 | 1,033 |
| Contract liabilities | | - | 7 | - | - |
| Loans and borrowings | 12 | 14,493 | 12,648 | 1,940 | 258 |
| Defined benefit liabilities ¹ | | - | 753 | - | - |
| Provisions | | 6 | 22 | - | - |
| Income tax payable | | 266 | 164 | 211 | 150 |
| Total current liabilities | | 29,745 | 27,877 | 3,259 | 1,441 |
| Total liabilities | | 44,950 | 49,549 | 3,389 | 1,842 |
| Total equity and liabilities | | 172,159 | 176,132 | 31,860 | 34,464 |

¹ Represent the defined benefit obligations for eligible employee retirement.

C. Condensed Interim Statements of Changes in Equity

| Group | Total equity | Total equity attributable to owners of the Company | Share capital | Retained earnings | Foreign currency translation reserve | Capital reserve | Statutory reserve fund | Non-controlling interests |
|---|--------------|--|---------------|-------------------|--------------------------------------|-----------------|------------------------|---------------------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>FY2024</u> | | | | | | | | |
| As at 1 August 2023 | 126,583 | 72,274 | 35,727 | 29,062 | (3,872) | 10,497 | 860 | 54,309 |
| Profit for the year | 2,260 | 2,232 | - | 2,232 | - | - | - | 28 |
| Liquidation of a subsidiary | - | - | - | 8 | - | (8) | - | - |
| Other comprehensive loss for the year, net of tax | (1,252) | (631) | - | (23) | (608) | - | - | (621) |
| Total comprehensive income for the year | 1,008 | 1,601 | - | 2,217 | (608) | (8) | - | (593) |
| Dividends paid to non-controlling interests | (382) | - | - | - | - | - | - | (382) |
| As at 31 July 2024 | 127,209 | 73,875 | 35,727 | 31,279 | (4,480) | 10,489 | 860 | 53,334 |
| <u>FY2023</u> | | | | | | | | |
| As at 1 August 2022 | 136,092 | 77,981 | 35,727 | 32,184 | (1,287) | 10,497 | 860 | 58,111 |
| Loss for the year | (3,596) | (3,108) | - | (3,108) | - | - | - | (488) |
| Other comprehensive loss for the year, net of tax | (5,511) | (2,599) | - | (14) | (2,585) | - | - | (2,912) |
| Total comprehensive loss for the year | (9,107) | (5,707) | - | (3,122) | (2,585) | - | - | (3,400) |
| Dividends paid to non-controlling interests | (402) | - | - | - | - | - | - | (402) |
| As at 31 July 2023 | 126,583 | 72,274 | 35,727 | 29,062 | (3,872) | 10,497 | 860 | 54,309 |

| Company | Total equity | Share capital | Accumulated losses | Capital reserve |
|---|--------------|---------------|--------------------|-----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>FY2024</u> | | | | |
| As at 1 August 2023 | 32,622 | 35,727 | (3,260) | 155 |
| Loss for the year | (4,151) | - | (4,151) | - |
| Total comprehensive loss for the year | (4,151) | - | (4,151) | - |
| As at 31 July 2024 | 28,471 | 35,727 | (7,411) | 155 |
| <u>FY2023</u> | | | | |
| As at 1 August 2022 | 32,384 | 35,727 | (3,498) | 155 |
| Loss for the year | 238 | - | 238 | - |
| Total comprehensive income for the year | 238 | - | 238 | - |
| As at 31 July 2023 | 32,622 | 35,727 | (3,260) | 155 |

D. Condensed Interim Consolidated Cash Flow Statement**The Group**

| | Note | The Group | |
|--|------|---------------------------------|---------------------------------|
| | | Full Year ended 31 July 2024 | Full Year ended 31 July 2023 |
| | | S\$'000 | S\$'000 |
| Cash flows from operating activities: | | | |
| Profit/(loss) before tax | | 3,336 | (3,191) |
| Adjustments for: | | | |
| Net gain on disposal of property, plant and equipment | 6 | (8,862) | (489) |
| Depreciation of property, plant and equipment | | 15,143 | 13,560 |
| Net (write-back)/write-down of inventories | 6 | (6) | 540 |
| Net (reversal of impairment)/impairment loss on trade receivables | 6 | (1) | 11 |
| Dividend income | | (128) | (128) |
| Net fair value gain on investment securities | 6 | (532) | (528) |
| Finance costs | | 1,405 | 782 |
| Interest income | | (2,641) | (1,782) |
| Net unrealised exchange loss | | 65 | 145 |
| Net unrealised gain on derivatives | | (30) | - |
| Operating cash flows before changes in working capital | | 7,749 | 8,920 |
| Decrease in inventories | | 1,567 | 748 |
| Decrease in prepayments and receivables | | 4,816 | 3,695 |
| Decrease in payables and contract liabilities | | (1,861) | (6,112) |
| Cash flows from operations | | 12,271 | 7,251 |
| Net income taxes paid | | (813) | (260) |
| Interest paid | | (1,366) | (698) |
| Interest received | | 2,437 | 1,623 |
| Net cash flows from operating activities | | 12,529 | 7,916 |
| Cash flows from investing activities: | | | |
| Increase in short-term deposits with maturity more than three months | | (17,193) | (7,755) |
| Dividend income | | 128 | 128 |
| Purchase of property, plant and equipment | | (5,013) | (14,082) |
| Proceeds from disposal of property, plant and equipment | | 8,797 | 763 |
| Purchase of investment securities | | (1,681) | (1,219) |
| Proceeds from disposal of investment securities | | 1,140 | 2,241 |
| Net cash flows used in investing activities | | (13,822) | (19,924) |
| Cash flows from financing activities: | | | |
| Proceeds from bank loans | | 6,660 | 25,857 |
| Repayment of bank loans | | (12,783) | (6,148) |
| Repayment of principle portion of lease liabilities | | (2,102) | (2,041) |
| Dividends paid to non-controlling interests | | (382) | (402) |
| Net cash flows (used in)/from financing activities | | (8,607) | 17,266 |
| Net (decrease)/increase in cash and cash equivalents | | (9,900) | 5,258 |
| Effect of exchange rate changes on cash and cash equivalents | | (886) | (2,643) |
| Cash and cash equivalents at beginning of the year | | 44,597 | 41,982 |
| Cash and cash equivalents at end of the year | | 33,811 | 44,597 |

D. Condensed Interim Consolidated Cash Flow Statement

Cash and cash equivalents comprised the following:

| | The Group | |
|--|------------------|----------------|
| | 31 July | 31 July |
| | 2024 | 2023 |
| | S\$'000 | S\$'000 |
| Cash at banks and on hand | 10,840 | 11,138 |
| Bank deposits | 84,241 | 77,536 |
| Cash and short-term deposits | 95,081 | 88,674 |
| Less: Bank deposits with maturity more than three months | (61,270) | (44,077) |
| Cash and cash equivalents | <u>33,811</u> | <u>44,597</u> |

E. Notes to the Condensed Interim Financial Statements

1. Corporate information

Sunright Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the second half year ended 31 July 2024 comprise the Company and its subsidiaries (collectively, the "Group"). The principal activities of the Company are that of investment holding and provision of management services.

The principal activities of the Group are in the business of manufacturing burn-in/test equipment, provision of semiconductor burn-in and testing services, and research and development of burn-in and test related activities.

2. Basis of Preparation

The condensed interim financial statements for the second half year ended 31 July 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, 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 period ended 31 January 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 Dollars which is the Company's functional currency and all values are rounded to the nearest thousand (\$'000) unless otherwise stated.

2.1. New and amended standards adopted by the Group

The accounting policies adopted are consistent with those previous financial year except in the current year, the Group adopted all amendments to standards which are effective for annual financial periods beginning on or after 1 January 2023². The adoption of these amendments to standards did not have any material effect on the financial performance or position of the Group.

The following amendment has had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Disclosure of Accounting Policies - Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2

The amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

² Refer to Annual Report FY2023, Notes to the Financial Statements (Note 2.3).

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 reported amounts of assets and liabilities, revenues 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 July 2023.

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

3. Seasonal operations

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

4. Segment and revenue information

The Group is organised into the following main business segments:

- a) Burn-in and testing segment is in the business of burn-in and test related activities.
- b) "Others" segment involves Group-level corporate services, treasury and investments functions, business of trading in and distribution of high-technology electronic products (which does not meet any of the quantitative thresholds for disclosure under SFRS(I) 8 Operating Segments), and consolidation adjustments which are not directly attributable to particular business segment above.

Key management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

4. Segment and revenue information (cont'd)

4.1 Business segment

| | Burn-in, testing and electronic manufacturing services | | Others | | Consolidated | |
|---|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2024 S\$'000 | 2023 S\$'000 | 2024 S\$'000 | 2023 S\$'000 | 2024 S\$'000 | 2023 S\$'000 |
| <u>2nd Half Year ended 31 July</u> | | | | | | |
| Revenue: | | | | | | |
| External customers | 39,527 | 44,513 | - | - | 39,527 | 44,513 |
| Results: | | | | | | |
| Segment profit/(loss) | 5,092 | (2,026) | (163) | 60 | 4,929 | (1,966) |
| Interest income | | | | | 1,310 | 962 |
| Finance costs | | | | | (717) | (464) |
| Profit/(loss) before tax | | | | | 5,522 | (1,468) |
| Income tax expense | | | | | (650) | (422) |
| Profit/(loss) for the period | | | | | 4,872 | (1,890) |
| Other information: | | | | | | |
| Depreciation of property, plant and equipment | 7,447 | 6,793 | 38 | 90 | 7,485 | 6,883 |
| Additions to property, plant and equipment | 5,273 | 1,279 | 6 | 141 | 5,279 | 1,420 |

| | Burn-in and testing | | Others | | Consolidated | |
|---|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2024 S\$'000 | 2023 S\$'000 | 2024 S\$'000 | 2023 S\$'000 | 2024 S\$'000 | 2023 S\$'000 |
| <u>Full Year ended 31 July</u> | | | | | | |
| Revenue: | | | | | | |
| External customers | 82,035 | 88,308 | - | - | 82,035 | 88,308 |
| Results: | | | | | | |
| Segment profit/(loss) | 2,184 | (4,252) | (84) | 61 | 2,100 | (4,191) |
| Interest income | | | | | 2,641 | 1,782 |
| Finance costs | | | | | (1,405) | (782) |
| Profit/(loss) before tax | | | | | 3,336 | (3,191) |
| Income tax expense | | | | | (1,076) | (405) |
| Profit/(loss) for the year | | | | | 2,260 | (3,596) |
| Other information: | | | | | | |
| Depreciation of property, plant and equipment | 15,049 | 13,392 | 94 | 168 | 15,143 | 13,560 |
| Additions to property, plant and equipment | 11,565 | 16,038 | 16 | 159 | 11,581 | 16,197 |

4. Segment and revenue information (cont'd)

4.2 Disaggregation of Revenue

| Burn-in, testing and electronic manufacturing services | The Group | | | |
|--|---------------|---------------|---------------|---------------|
| | 2nd Half | 2nd Half | Full Year | Full Year |
| | Year ended | Year ended | ended | ended |
| | 31 July | 31 July | 31 July | 31 July |
| | 2024 | 2023 | 2024 | 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Major type of goods and services | | | | |
| Sale of goods | 5,866 | 8,937 | 12,340 | 19,332 |
| Rendering of services | 33,661 | 35,576 | 69,695 | 68,976 |
| Total Revenue | 39,527 | 44,513 | 82,035 | 88,308 |
| Primary geographical markets | | | | |
| Singapore | 7,511 | 3,573 | 13,316 | 4,757 |
| Malaysia | 20,547 | 27,389 | 45,221 | 56,604 |
| Mainland China | 6,368 | 8,633 | 13,883 | 17,810 |
| Other Asian markets* | 691 | 803 | 1,145 | 1,832 |
| United States | 1,929 | 2,881 | 3,725 | 5,136 |
| Others | 2,481 | 1,234 | 4,745 | 2,169 |
| Total Revenue | 39,527 | 44,513 | 82,035 | 88,308 |

* Classified under "Other Asian markets" are Taiwan, Thailand, Vietnam, Philippines, India and South Korea.

The goods and services are transferred to the customers at a point in time.

4.3 A breakdown of sales

| | The Group | | |
|--|--------------|--------------|-------------------------|
| | Financial | Financial | Increase/ (decrease) |
| | Year ended | Year ended | |
| | 31 July 2024 | 31 July 2023 | % |
| | S\$'000 | S\$'000 | |
| (a) Revenue reported for first half year | 42,508 | 43,795 | (3%) |
| (b) Loss for the year reported for first half year | (2,612) | (1,706) | 53% |
| (c) Revenue reported for second half year | 39,527 | 44,513 | (11%) |
| (d) Profit/(loss) for the year reported for second half year | 4,872 | (1,890) | NM |

5. Financial assets and liabilities

Set out below is an overview of the financial assets and liabilities of the Group and the Company as at 31 July 2024 and 31 July 2023.

| | The Group | | The Company | |
|---|--------------|--------------|--------------|--------------|
| | 31 July 2024 | 31 July 2023 | 31 July 2024 | 31 July 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Financial Assets | | | | |
| Trade and other receivables: | | | | |
| - Trade receivables, net | 13,779 | 18,003 | 2,154 | 1,452 |
| - Sundry deposits | 796 | 684 | 1 | 1 |
| - Sundry receivables | 1,472 | 974 | 206 | 135 |
| - Derivatives | - | 6 | - | - |
| - Amounts due from subsidiaries (non-trade) | - | - | 924 | 48 |
| Total trade and other receivables | 16,047 | 19,667 | 3,285 | 1,636 |
| Less: Derivatives | - | (6) | - | - |
| Loans to a subsidiary | - | - | 644 | - |
| Cash and short-term deposits | 95,081 | 88,674 | 19,775 | 20,047 |
| Financial assets, at amortised costs | 111,128 | 108,335 | 23,704 | 21,683 |
| Derivatives, at fair value through profit or loss | 30 | 6 | - | - |
| Investment securities, at fair value through profit or loss | 4,559 | 3,519 | 382 | 338 |
| Total financial assets | 115,717 | 111,860 | 24,086 | 22,021 |
| Financial Liabilities | | | | |
| Trade and other payables: | | | | |
| - Trade payables | (3,323) | (4,793) | - | - |
| - Accrued operating expenses | (5,162) | (5,290) | (1,086) | (1,014) |
| - Sundry payables | (6,495) | (4,200) | (22) | (9) |
| - Amounts due to subsidiaries (non-trade) | - | - | - | (10) |
| Total trade and other payables | (14,980) | (14,283) | (1,108) | (1,033) |
| Loans and borrowings | (25,995) | (31,691) | (2,070) | (659) |
| Financial liabilities, at amortised costs, representing total financial liabilities | (40,975) | (45,974) | (3,178) | (1,692) |

6. Profit/(loss) before taxation

6.1 Significant items

| | The Group | | | |
|---|----------------------------------|----------------------------------|------------------------------|------------------------------|
| | 2nd Half Year ended 31 July 2024 | 2nd Half Year ended 31 July 2023 | Full Year ended 31 July 2024 | Full Year ended 31 July 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Net write-back/(write-down) of inventories | 139 | (560) | 6 | (540) |
| Net reversal of impairment/(impairment loss) on trade receivables | 1 | 6 | 1 | (11) |
| Net exchange (loss)/gain | (159) | (30) | 94 | (305) |
| Net loss on derivatives | (34) | - | (60) | - |
| Net fair value gain on investment securities | 426 | 77 | 532 | 528 |
| Net gain/(loss) on disposal of property, plant and equipment | 8,622 | (4) | 8,862 | 489 |
| COVID-19 related government reliefs | 269 | 98 | 269 | 98 |

6. Profit/(loss) before taxation (cont'd)**6.2 Related party transactions**

There are no related party transactions during the current financial year.

7. Significant commitments for purchases of property, plant and equipment

Commitments for purchases of property, plant and equipment amounted to \$1,247,000 as at 31 July 2024.

8. Income tax

The Group calculates the 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:

| | The Group | | | |
|---|---|---|---|---|
| | 2nd Half Year ended 31 July 2024 | 2nd Half Year ended 31 July 2023 | Full Year ended 31 July 2024 | Full Year ended 31 July 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <i>Current income tax:</i> | | | | |
| Current income tax expense | 748 | 609 | 1,036 | 474 |
| Under/(over) provision in respect of previous years | 13 | 1 | 13 | (9) |
| | <u>761</u> | <u>610</u> | <u>1,049</u> | <u>465</u> |
| <i>Deferred tax:</i> | | | | |
| Origination and reversal of temporary differences | (113) | (177) | 25 | (49) |
| Under/(over) provision in respect of previous years | 2 | (11) | 2 | (11) |
| | <u>(111)</u> | <u>(188)</u> | <u>27</u> | <u>(60)</u> |
| Income tax expense | <u>650</u> | <u>422</u> | <u>1,076</u> | <u>405</u> |

9. Dividends

No dividend was declared during the current financial year or preceding financial year.

10. Net asset value

| | The Group | | The Company | |
|--|--------------|--------------|--------------|--------------|
| | 31 July 2024 | 31 July 2023 | 31 July 2024 | 31 July 2023 |
| Net asset value per ordinary share attributable to the owners of the Company (cents) | 60.2 | 58.9 | 23.2 | 26.6 |

11. Property, plant and equipment

For the second half year ended 31 July 2024, the Group acquired property, plant and equipment amounting to \$5,279,000 (2023: \$1,420,000) and disposed off assets amounting to \$824,000 (2023: \$4,000).

12. Loans and borrowings

| | The Group | | The Company | |
|---|--------------|--------------|--------------|--------------|
| | 31 July 2024 | 31 July 2023 | 31 July 2024 | 31 July 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Amount repayable within one year or less or on demand | | | | |
| Secured | 1,635 | 1,994 | 52 | 45 |
| Unsecured | 12,858 | 10,654 | 1,888 | 213 |
| | 14,493 | 12,648 | 1,940 | 258 |
| Amount repayable after one year | | | | |
| Secured | 2,677 | 2,075 | 35 | 86 |
| Unsecured | 8,825 | 16,968 | 95 | 315 |
| | 11,502 | 19,043 | 130 | 401 |
| Total loans and borrowings | 25,995 | 31,691 | 2,070 | 659 |

Obligations under leases are secured on certain assets of the companies within the Group.

In preceding financial year, the bank loans of \$532,000 were secured by a charge on a building which had been fully depreciated. These bank loans were fully repaid during current financial year.

13. Share capital

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 share capital during the current financial year.

The Company did not have any outstanding convertibles as at 31 July 2024 and 31 July 2023.

There were neither treasury shares nor subsidiary holdings as at 31 July 2024 and 31 July 2023.

To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year

| | The Group and the Company | | | |
|---|----------------------------------|-------------------|-----------------------------|-------------------|
| | 31 July 2024 | | 31 July 2023 | |
| | Number of shares '000 | Amount S\$'000 | Number of shares '000 | Amount S\$'000 |
| <i>Issued and fully paid ordinary shares:</i> | | | | |
| Balance at beginning and end of the year | 122,806 | 35,727 | 122,806 | 35,727 |

A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial year reported on

Not applicable. The Company did not hold any treasury shares as at 31 July 2024 and 31 July 2023.

A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial year reported on

Not applicable. The Company did not have any subsidiary holdings as at 31 July 2024 and 31 July 2023.

14. Earnings/(loss) per share

Earnings/(loss) per ordinary share of the group for the current financial year reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Basic earnings/(loss) per ordinary share are calculated by dividing profit/(loss) net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the current financial year.

| | The Group | |
|--|-------------------------|-------------------------|
| | 31 July 2024 | 31 July 2023 |
| Profit/(loss) attributable to owners of the Company (\$'000) | 2,232 | (3,108) |
| Weighted average number of ordinary shares ('000) | 122,806 | 122,806 |
| Earnings/(loss) per ordinary share (cents) | 1.8 | (2.5) |

The Group has no potential ordinary shares in issue at the end of the reporting date and therefore diluted earnings/(loss) per share has not been presented.

15. Subsequent events

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

F. Other Information required by Listing Rule Appendix 7.2

1. Review

The condensed interim statements of financial position of the Group and the Company as at 31 July 2024 and the related condensed interim statements of changes in equity of the Group and the Company, the condensed interim consolidated statement of profit or loss and other comprehensive income, and condensed interim consolidated cash flow statement of the Group for the second half year and/or full year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

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:-

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

(ii) 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 performance

Second half year ended 31 July 2024 (2HFY2024) vs second half year ended 31 July 2023 (2HFY2023)

The Group recorded revenue of \$39.5 million in 2HFY2024, a decrease of \$5.0 million or 11% as compared to \$44.5 million in 2HFY2023. This was mainly caused by lower demand for equipment and services.

Interest income increased by \$0.3 million or 36%, to \$1.3 million, following higher placement of fixed deposits at higher interest rates.

Other income increased by \$9.0 million to \$9.8 million, largely attributable to higher gain on disposal of property, plant and equipment ("PPE") of \$8.6 million and higher fair value gain on investment securities of \$0.3 million.

Raw materials and consumables used, as well as changes in inventories of finished goods and work-in-progress, of \$6.0 million, were lower by \$1.8 million or 23%, in line with reduced equipment sales.

Employee benefits expense decreased by \$0.7 million or 4%, to \$18.3 million. This reflected lower operational requirements and the translation effects of a weaker Ringgit Malaysia against Singapore Dollars.

Depreciation increased by \$0.6 million or 9%, to \$7.5 million, as additional machinery and test equipment were commissioned for used in the production.

Finance costs increased by \$0.3 million or 55%, to \$0.7 million, largely due to higher borrowings as compared to that of the preceding year's corresponding period.

Other expenses were lower by \$1.0 million or 7%, to \$12.7 million, mainly attributable to a write-back of inventories of \$0.1 million from write-down of inventories of \$0.6 million, and lower utilities costs by \$0.6 million. These decreases were partially offset by a higher net exchange loss³ by \$0.2 million.

Consequently, the Group reported a profit before tax of \$5.5 million in 2HFY2024, from the loss of \$1.5 million reported in 2HFY2023.

³ Net of loss on derivatives.

2. Review of performance of the Group (cont'd)

Review of performance (cont'd)

Financial year ended 31 July 2024 (FY2024) vs 31 July 2023 (FY2023)

The Group recorded revenue of \$82.0 million in FY2024, reflecting a decrease of \$6.3 million or 7% as compared to \$88.3 million in FY2023. This decline was mainly caused by lower equipment sales following lower demand in the computer and smartphone markets.

Interest income increased by \$0.9 million or 48%, to \$2.6 million, following higher placement of fixed deposits at higher interest rates.

Other income increased by \$8.0 million, to \$10.8 million, largely attributable to higher gain on disposal of PPE by \$8.4 million.

Raw materials and consumables used, as well as changes in inventories of finished goods and work-in-progress, were lower by \$3.5 million or 21%, from \$16.9 million to \$13.3 million, in line with reduced equipment sales.

Employee benefits expense decreased by \$1.7 million or 4%, to \$37.2 million, due to the translation effects of a weaker Ringgit Malaysia against Singapore Dollars and lower variable compensation.

Depreciation increased by \$1.6 million or 12%, to \$15.1 million, as additional machinery and test equipment were commissioned for used in the production.

Finance costs increased by \$0.6 million or 80%, to \$1.4 million, largely due to higher borrowings as compared to that of the preceding year.

Other expenses were lower by \$1.0 million or 4%, to \$25.1 million, mainly attributable to lower repair and maintenance costs by \$0.5 million and absence of inventories write-down of \$0.5 million.

Consequently, the Group reported a profit before tax of \$3.3 million in FY2024, from a loss of \$3.2 million reported in FY2023.

Review of financial position

PPE was lowered by \$5.2 million or 9%, from \$56.6 million as at 31 July 2024, to \$51.3 million as at 31 July 2023. The decrease was primarily due to depreciation charge of \$15.1 million, partially offset by net additions of \$10.8 million.

Deferred tax assets increased by \$0.2 million or 10%, from \$1.6 million to \$1.8 million, as a result of higher deductible temporary differences arising from unutilised tax benefits.

Investment securities reduced by \$1.0 million or 30%, from \$3.5 million to \$4.6 million, as a result of net additions of \$0.5 million and fair value gain of \$0.5 million.

Inventories decreased by \$1.6 million or 60%, from \$2.6 million to \$1.0 million, following a decrease in raw materials and work-in-progress by \$0.8 million and \$0.7 million respectively.

Prepayments decreased by \$1.0 million or 62%, from \$1.7 million to \$0.6 million, upon subsequent deliveries of newly purchased machinery and test equipment, and lower prepaid system maintenance services.

Total trade and other receivables decreased by \$3.6 million or 18%, from \$19.7 million to \$16.0 million, due to lower sales in 2HFY2024 as compared to 2HFY2023.

2. Review of performance of the Group (cont'd)

Review of performance (cont'd)

Cash and short-term deposits increased by \$6.4 million or 7%, from \$88.7 million to \$95.1 million, which represented the net cash generated from operating activities and net proceeds from disposal of PPE, which were partly used to repay loans and borrowings.

Total loans and borrowings decreased by \$5.7 million or 18%, from \$31.7 million to \$26.0 million, primarily due to net repayments of bank loans of \$6.1 million; partially offset by net increase in lease liabilities of \$0.8 million.

Deferred tax liabilities increased by \$0.2 million or 10%, from \$1.8 million to \$2.0 million, as a result of higher taxable temporary differences arising from the utilisation of capital allowances.

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

There is no material variance from our half year financial statement announcement for the period ended 31 January 2024 commentary under Section F, paragraph 4.

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

International Monetary Fund has maintained its 2024 global economic outlook growth rate at 3.2%, in its July 2024 report, indicating a slower growth from 2023 of 3.3% amidst challenges, in the context of an escalating trade tensions between USA and China, leading to increased policy uncertainty.

Worldwide semiconductor revenue in 2024 is estimated at USD632 billion, representing growth of 19.2% from 2023, largely driven by memory devices. This growth momentum is expected to continue into 2025, crossing USD700 billion. However, the ongoing trade tensions and semiconductor sanctions between the USA and China are driving significant shifts in our customers' geographic production strategies. At the same time, China's push for semiconductors self-sufficiency is set to disrupt supply chains. These events may have a dampening effect on the markets and segments which the Group operates in, including the automotive market.

Demand for chips for data centres and artificial intelligence applications are projected to grow significantly. However, the rapid evolution and adoption of new technology as well as applications, also means a need for more product re-designs and certifications by our customers. This may present challenges for our customers (and accordingly our Group) in respect of monetisation from the expected growth.

We remain agile in adjusting our production plans in support of the challenges and opportunities. Additionally, we are accelerating efforts to market our product solutions for a broad range of applications.

5. Dividend Information

(a) Current Financial Period Reported On

Any dividend declared (recommended) for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

The directors do not recommend a final dividend for FY2024 as no profit was available out of the Company's current or retained earnings.

6. Interested person transactions

If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

No IPT mandate had been obtained.

7. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

8. Review of performance of the Group – turnover and earnings

Please refer to paragraph 2 within Section F.

9. Confirmation pursuant to Rule 704(13) of the Listing Manual

The Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a Director or Chief Executive Officer or substantial shareholder of the Company.

10. Confirmation by Board pursuant to Rule 705(5) of the Listing Manual

Not applicable for announcement of full year financial statements.

BY ORDER OF THE BOARD

Adeline Lim Kim Swan
Company Secretary
Date: 27 September 2024