

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

SUNRIGHT LIMITED

Securities

SUNRIGHT LTD - SG1B17008288 - S71

Stapled Security

No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date & Time of Broadcast

12-Mar-2024 17:30:53

Status

New

Announcement Sub Title

Half Yearly Results

Announcement Reference

SG240312OTHRNLOQ

Submitted By (Co./ Ind. Name)

Christina Foong

Designation

Company Secretarial Executive

Effective Date and Time of the event

12/03/2024 17:30:00

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the attached files for the above announcement.

Additional Details

For Financial Period Ended

31/01/2024

Attachments

[SR_1HFY2024 ResultsAnnt.pdf](#)[SR_1HFY2024 PressRelease.pdf](#)

SUNRIGHT LIMITED AND ITS SUBSIDIARIES

(Company Reg. No. 197800523M)

Condensed Interim Financial Statements
For the First Half Year ended 31 January 2024

Table of Contents

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income.....	3
B. Condensed Interim Statements of Financial Position	4
C. Condensed Interim Statements of Changes in Equity	5
D. Condensed Interim Consolidated Cash Flow Statement	6
E. Notes to the Condensed Interim Financial Statements	8
F. Other information required by Listing Rule Appendix 7.2	16

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

		The Group		
		1st Half Year ended 31 January 2024	1st Half Year ended 31 January 2023	Increase/ (decrease)
Note		S\$'000	S\$'000	%
	Revenue	42,508	43,795	(3%)
	Other items of income:			
	Interest income	1,331	820	62%
	Dividend income	40	65	(38%)
	Other income	1,165	1,978	(41%)
	Items of expenses:			
	Raw materials and consumables used	(7,413)	(9,231)	(20%)
	Changes in inventories of finished goods and work-in-progress	36	93	(61%)
	Employee benefits expense	(18,898)	(19,874)	(5%)
	Depreciation of property, plant and equipment	(7,658)	(6,677)	15%
	Finance costs	(688)	(318)	>100%
	Other expenses	(12,609)	(12,374)	2%
	Loss before tax	(2,186)	(1,723)	27%
	Income tax (expense)/credit	(426)	17	NM
	Loss, net of tax	(2,612)	(1,706)	53%
	Other comprehensive income:			
	Item that will not be reclassified to profit or loss			
	Remeasurement gain arising from net defined benefit liabilities, net of tax	41	-	NM
	Item that may be reclassified subsequently to profit or loss			
	Foreign currency translation loss	(3,849)	(1,154)	>100%
	Other comprehensive loss for the period, net of tax	(3,808)	(1,154)	>100%
	Total comprehensive loss for the period	(6,420)	(2,860)	>100%
	(Loss)/profit attributable to:			
	Owners of the Company	(2,768)	(1,348)	>100%
	Non-controlling interests	156	(358)	NM
		(2,612)	(1,706)	53%
	Total comprehensive loss attributable to:			
	Owners of the Company	(4,631)	(1,874)	>100%
	Non-controlling interests	(1,789)	(986)	81%
		(6,420)	(2,860)	NM
	Loss per share attributable to owners of the Company (cents)			
	- Basic	(2.3)	(1.1)	>100%

B. Condensed Interim Statements of Financial Position

	Note	The Group		The Company	
		31 January	31 July	31 January	31 July
		2024	2023	2024	2023
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	53,333	56,562	139	185
Investment in subsidiaries		-	-	12,112	12,112
Deferred tax assets		1,754	1,624	-	-
Other receivables		555	458	-	-
Total non-current assets		55,642	58,644	12,251	12,297
Current assets					
Investment securities		4,705	3,519	357	338
Inventories		2,494	2,605	-	-
Prepayments		1,390	1,685	188	146
Tax recoverables		1,637	1,796	-	-
Trade and other receivables		14,638	19,209	2,608	1,636
Cash and short-term deposits		81,895	88,674	19,038	20,047
Total current assets		106,759	117,488	22,191	22,167
Total assets		162,401	176,132	34,442	34,464
EQUITY AND LIABILITIES					
Equity					
Share capital	13	35,727	35,727	35,727	35,727
Retained earnings/(accumulated losses)		26,335	29,062	(2,947)	(3,260)
Other reserves		5,581	7,485	155	155
Total equity attributable to owners of the Company		67,643	72,274	32,935	32,622
Non-controlling interests		52,137	54,309	-	-
Total equity		119,780	126,583	32,935	32,622
Liabilities					
Non-current liabilities					
Loans and borrowings	12	15,375	19,043	267	401
Defined benefit liabilities ¹		1,480	781	-	-
Deferred tax liabilities		2,079	1,848	-	-
Total non-current liabilities		18,934	21,672	267	401
Current liabilities					
Trade and other payables		11,455	14,283	807	1,033
Contract liabilities		7	7	-	-
Derivatives		64	-	-	-
Loans and borrowings	12	11,984	12,648	267	258
Defined benefit liabilities ¹		-	753	-	-
Provisions		9	22	-	-
Income tax payable		168	164	166	150
Total current liabilities		23,687	27,877	1,240	1,441
Total liabilities		42,621	49,549	1,507	1,842
Total equity and liabilities		162,401	176,132	34,442	34,464

¹ Represent the defined benefit obligations for eligible employees' retirement.

C. Condensed Interim Statements of Changes in Equity

The Group	Total equity	Total equity attributable to owners of the Company	Share capital	Retained earnings/ (accumulated losses)	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
FY2024								
As at 1 August 2023	126,583	72,274	35,727	29,062	(3,872)	10,497	860	54,309
(Loss)/profit for the period	(2,612)	(2,768)	-	(2,768)	-	-	-	156
Other comprehensive loss for the period, net of tax	(3,808)	(1,863)	-	41	(1,904)	-	-	(1,945)
Total comprehensive loss for the period	(6,420)	(4,631)	-	(2,727)	(1,904)	-	-	(1,789)
Dividends payable to non-controlling interests	(383)	-	-	-	-	-	-	(383)
As at 31 January 2024	119,780	67,643	35,727	26,335	(5,776)	10,497	860	52,137
FY2023								
As at 1 August 2022	136,092	77,981	35,727	32,184	(1,287)	10,497	860	58,111
Loss for the period	(1,706)	(1,348)	-	(1,348)	-	-	-	(358)
Other comprehensive loss for the period, net of tax	(1,154)	(526)	-	-	(526)	-	-	(628)
Total comprehensive loss for the period	(2,860)	(1,874)	-	(1,348)	(526)	-	-	(986)
Dividends paid to non-controlling interests	(409)	-	-	-	-	-	-	(409)
As at 31 January 2023	132,823	76,107	35,727	30,836	(1,813)	10,497	860	56,716

The Company	Total equity	Share capital	Accumulated loss	Capital reserve
	S\$'000	S\$'000	S\$'000	S\$'000
FY2024				
As at 1 August 2023	32,622	35,727	(3,260)	155
Profit for the period	313	-	313	-
Total comprehensive income for the period	313	-	313	-
As at 31 January 2024	32,935	35,727	(2,947)	155
FY2023				
As at 1 August 2022	32,384	35,727	(3,498)	155
Profit for the period	(26)	-	(26)	-
Total comprehensive income for the period	(26)	-	(26)	-
As at 31 January 2023	32,358	35,727	(3,524)	155

D. Condensed Interim Consolidated Cash Flow Statement

		The Group	
		First Half Year ended 31 January 2024	First Half Year ended 31 January 2023
Note		S\$'000	S\$'000
	Cash flows from operating activities:		
	Loss before tax	(2,186)	(1,723)
	Adjustments for:		
	Net gain on disposal of property, plant and equipment	(240)	(493)
	Depreciation of property, plant and equipment	7,658	6,677
	Plant and equipment written off	4	-
	Net write-down/(reversal of write-down) of inventories	133	(20)
	Net impairment loss on trade receivables	-	17
	Dividend income	(40)	(65)
	Net fair value gain on investment securities	(106)	(451)
	Finance costs	688	318
	Interest income	(1,331)	(820)
	Net unrealised loss on derivatives	64	-
	Net unrealised exchange (gain)/loss	(141)	48
	Operating cash flows before changes in working capital	4,503	3,488
	(Increase)/decrease in inventories	(22)	756
	Decrease in prepayments and receivables	5,098	1,357
	Decrease in payables and contract liabilities	(3,931)	(2,974)
	Cash flows from operations	5,648	2,627
	Net income taxes paid	(196)	(376)
	Interest paid	(699)	(319)
	Interest received	1,210	648
	Net cash flows from operating activities	5,963	2,580
	Cash flows from investing activities:		
	Increase in short-term deposits with maturity more than three months	(2,948)	(2,780)
	Dividend income	40	65
	Purchase of property, plant and equipment	(3,216)	(8,129)
	Proceeds from disposal of property, plant and equipment	236	795
	Purchase of investment securities	(1,212)	(666)
	Net cash flows used in investing activities	(7,100)	(10,715)
	Cash flows from financing activities:		
	Proceeds from bank loans	53	6,931
	Repayment of bank loans	(5,037)	(2,479)
	Repayment of principle portion of lease liabilities	(1,053)	(1,028)
	Dividends paid to non-controlling interests	-	(409)
	Net cash flows (used in)/from in financing activities	(6,037)	3,015
	Net decrease in cash and cash equivalents	(7,174)	(5,120)
	Effect of exchange rate changes on cash and cash equivalents	(2,553)	(479)
	Cash and cash equivalents at beginning of period	44,597	41,982
	Cash and cash equivalents at end of period	34,870	36,383

D. Condensed Interim Consolidated Cash Flow Statement

Cash and cash equivalents comprised the following:

	The Group	
	31 January 2024	31 January 2023
	S\$'000	S\$'000
Cash at banks and on hand	9,798	11,201
Bank deposits	72,097	64,284
Cash and short-term deposits	81,895	75,485
Less: Bank deposits with maturity more than three months	(47,025)	(39,102)
Cash and cash equivalents	<u>34,870</u>	<u>36,383</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 first half year ended 31 January 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 first half year ended 31 January 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 annual financial statements for the year ended 31 July 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 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

A number of amendments to standards have become applicable for the current reporting period². The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

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.

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

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 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.

4.1 Business segment

	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>1st Half Year ended 31 January</u>						
Revenue:						
External customers	42,508	43,795	-	-	42,508	43,795
Results:						
Segment (loss)/profit	(2,908)	(2,226)	79	1	(2,829)	(2,225)
Interest income					1,331	820
Finance costs					(688)	(318)
Loss before tax					(2,186)	(1,723)
Income tax (credit)/expense					(426)	17
Loss for the period					(2,612)	(1,706)
Other information:						
Depreciation of property, plant and equipment	7,602	6,599	56	78	7,658	6,677
Additions to property, plant and equipment	6,292	14,759	10	18	6,302	14,777

4. Segment and revenue information (cont'd)

4.2 Disaggregation of Revenue

	The Group	
	1st Half Year ended 31 January 2024	1st Half Year ended 31 January 2023
	S\$'000	S\$'000
Burn-in, testing and electronic manufacturing services		
 <i>Major type of goods and services</i>		
Sale of goods	6,474	10,395
Rendering of services	36,034	33,400
Total Revenue	42,508	43,795
 <i>Primary geographical markets</i>		
Singapore	5,805	1,184
Malaysia	24,674	29,215
China	7,515	9,177
United States	1,796	2,255
Others	2,718	1,964
Total Revenue	42,508	43,795

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

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 January 2024 and 31 July 2023.

	The Group		The Company	
	31 January 2024	31 July 2023	31 January 2024	31 July 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Trade and other receivables:				
- Trade receivables, net	13,635	18,003	1,838	1,452
- Sundry deposits	704	684	1	1
- Sundry receivables	854	974	183	135
- Derivatives	-	6	-	-
- Dividend receivables	-	-	354	-
- Amounts due from subsidiaries (non-trade)	-	-	232	48
Total trade and other receivables	15,193	19,667	2,608	1,636
Less: Derivatives	-	(6)	-	-
Cash and short-term deposits	81,895	88,674	19,038	20,047
Financial assets, at amortised costs	97,088	108,335	21,646	21,683
Derivatives, at fair value through profit or loss	-	6	-	-
Investment securities, at fair value through profit or loss	4,705	3,519	357	338
Total financial assets	101,793	111,860	22,003	22,021
Financial Liabilities				
Trade and other payables:				
- Trade payables	(3,574)	(4,793)	-	-
- Accrued operating expenses	(4,231)	(5,290)	(793)	(1,014)
- Sundry payables	(3,273)	(4,200)	(14)	(9)
- Dividend payables	(377)	-	-	-
- Amounts due to subsidiaries (non-trade)	-	-	-	(10)
Total trade and other payables	(11,455)	(14,283)	(807)	(1,033)
Loans and borrowings	(27,359)	(31,691)	(534)	(659)
Financial liabilities, at amortised costs	(38,814)	(45,974)	(1,341)	(1,692)
Derivatives, at fair value through profit or loss	(64)	-	-	-
Total financial liabilities	(38,878)	(45,974)	(1,341)	(1,692)

6. Profit before taxation

6.1 Significant items

	The Group	
	1st Half Year ended 31 January 2024	1st Half Year ended 31 January 2023
	S\$'000	S\$'000
Net (write-down)/reversal of write-down of inventories	(133)	20
Net impairment loss on trade receivables	-	(17)
Net exchange gain/(loss)	253	(275)
Net loss on derivatives	(26)	-
Net fair value gain on investment securities	106	451
Net gain on disposal of property, plant and equipment	240	493

6. Profit before taxation (cont'd)

6.2 Related party transactions

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

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

Commitments for purchases of property, plant and equipment amounted to \$2,452,000 as at 31 January 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	
	1st Half Year ended 31 January 2024	1st Half Year ended 31 January 2023
	S\$'000	S\$'000
<i>Current income tax:</i>		
Current income tax expense/(credit)	288	(135)
Over provision in respect of previous year	-	(10)
	<u>288</u>	<u>(145)</u>
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	138	128
	<u>138</u>	<u>128</u>
Income tax expense/(credit)	<u>426</u>	<u>(17)</u>

9. Dividends

No dividend was recognised or declared during the current financial period or corresponding period of the immediately preceding financial year.

10. Net asset value

	The Group		The Company	
	31 January 2024	31 July 2023	31 January 2024	31 July 2023
Net asset value per ordinary share attributable to the owners of the Company (cents)	55.1	58.9	26.8	26.6

11. Property, plant and equipment

For the first half year ended 31 January 2024, the Group acquired property, plant and equipment amounting to \$6,302,000 (2023: \$14,777,000) and disposed off assets amounting to \$4,000 (2023: \$300,000).

12. Loans and borrowings

	The Group		The Company	
	31 January 2024	31 July 2023	31 January 2024	31 July 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable within one year or on demand				
Secured	2,107	1,994	50	45
Unsecured	9,877	10,654	217	213
	<u>11,984</u>	<u>12,648</u>	<u>267</u>	<u>258</u>
Amount repayable after one year				
Secured	3,731	2,075	61	86
Unsecured	11,644	16,968	206	315
	<u>15,375</u>	<u>19,043</u>	<u>267</u>	<u>401</u>
Total loans and borrowings	<u>27,359</u>	<u>31,691</u>	<u>534</u>	<u>659</u>

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

Bank loans of \$561,000 (2023: \$532,000) are secured by a charge on a building which has been fully depreciated.

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 period.

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

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

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

	The Group and the Company			
	31 January 2024		31 July 2023	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
<i>Issued and fully paid ordinary shares:</i>				
Balance at beginning and end of the period	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 period reported on

Not applicable. The Company did not hold any treasury shares as at 31 January 2024.

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. The Company's subsidiaries do not hold any shares in the Company as at 31 January 2024 and 31 July 2023.

14. Earnings per share

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

Basic loss per ordinary share amounts are calculated by dividing loss net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the current financial period.

	The Group	
	31 January 2024	31 January 2023
Loss attributable to owners of the Company (\$'000)	(2,768)	(1,348)
Weighted average number of ordinary shares ('000)	122,806	122,806
Loss per ordinary share (cents)	(2.3)	(1.1)

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 January 2024 and the related condensed interim statements of changes in equity of the Group and the Company, condensed interim consolidated statement of profit or loss and other comprehensive income and condensed interim consolidated cash flow statement for the six-month period 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

6 Months ended 31 January 2024 (1HFY2024) vs 6 Months ended 31 January 2023 (1HFY2023)

The Group recorded revenue of \$42.5 million in 1HFY2024, a decrease of \$1.3 million or 3% as compared to \$43.8 million in 1HFY2023. The decline was attributable to lower equipment deliveries following lower demand in the computer and smartphones markets.

Interest income increased by \$0.5 million or 62% to \$1.3 million, following higher placement for fixed deposits at higher interest rates.

Other income decreased by \$0.8 million or 41% to \$1.2 million, mainly attributable to lower gain on disposal of property, plant and equipment of \$0.3 million, lower fair value gain on investment securities of \$0.3 million and absence of the \$0.4 million compensation received for an order cancellation. These decreases were partially offset by a net exchange gain of \$0.3 million.

Raw materials and consumables used, as well as changes in inventories of finished goods and work-in-progress, totalling \$7.4 million, were lower by \$1.8 million or 19%, in line with reduced equipment deliveries.

Employee benefits expense decreased by \$1.0 million or 5% to \$18.9 million, primarily due to the translation effects arising from a weakened Ringgit Malaysia against Singapore Dollar.

Depreciation increased by \$1.0 million or 15% to \$7.7 million, as additional machinery and test equipment were commissioned for use in the production.

Finance costs increased by \$0.4 million to \$0.7 million, largely due to higher borrowings to fund capital expenditure as compared to 1HFY2023.

Other expenses increased by \$0.2 million or 2% to \$12.6 million, mainly attributable to higher utility costs of \$0.5 million due to increase in electricity tariff rates; partially offset by lower repair and maintenance costs by \$0.3 million.

Consequently, the Group recorded a higher loss before tax of \$2.2 million in 1HFY2024, as compared with loss of \$1.7 million in 1HFY2023.

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

Review of financial position

Property, plant and equipment was lower by \$3.2 million or 6%, from \$56.6 million as at 31 July 2023, to \$53.3 million as at 31 January 2024. The decrease was primarily due to depreciation charge of \$7.7 million and the translation effect of a weakened Ringgit Malaysia of \$1.9 million, partially offset by additions of \$6.3 million.

Investment securities increased by \$1.2 million or 34%, from \$3.5 million to \$4.7 million, as a result of additional investments of \$1.2 million.

Prepayments decreased by \$0.3 million or 18%, from \$1.7 million to \$1.4 million, upon subsequent deliveries of newly purchased machinery and test equipment.

Total trade and other receivables decreased by \$4.5 million or 23%, from \$19.7 million to \$15.2 million, mainly due to improved trade collections.

Cash and short-term deposits were lower by \$6.8 million or 8%, from \$88.7 million to \$81.9 million, representing net cash outflows to fund the capital expenditure and the purchase of investment securities, and translation effect arising from a weakened Ringgit Malaysia.

Trade and other payables decreased by \$2.8 million or 20%, from \$14.3 million to \$11.5 million, mainly due to the lower trade purchases, settlement of purchases of machinery and test equipment and reduction in other sundry payables and accrued operating expenses.

Total loans and borrowings decreased by \$4.3 million or 14%, from \$31.7 million to \$27.4 million, primarily due to net repayments of bank loans of \$5.0 million and translation effect of \$1.1 million; partially offset by net increase in lease liabilities of \$1.8 million.

Deferred tax liabilities increased by \$0.2 million or 13%, from \$1.8 million to \$2.1 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 full year financial statement announcement for the year ended 31 July 2023 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

According to International Monetary Fund's January 2024 outlook report, global economic growth in 2024 is expected to remain at 3.1%, same growth as 2023. This report further commented that this reflected the underlying economic resilience on the back of restrictive monetary policies, withdrawal of fiscal support and low underlying productivity growth.

The worldwide semiconductor revenue in 2023, estimated at USD533 billion was a decrease of 11.1% from 2022. This was primarily caused by reduced demand in smartphones, computers and servers markets, and oversupply inventory levels; despite strong growth notably in the automotive market segment and artificial intelligence applications. The industry outlook is expected to rebound, with a revised estimated growth of 17% to USD624 billion in 2024.

The global macro-economic environment remains uncertain with the ongoing wars, geopolitical tensions, inflationary pressures and semiconductor supply chain alignments. However, we remain steadfast in our dedication to innovation and the advancement of our equipment. We are starting to see some early results from our investment in core test and burn-in of automotive chips. We are also hopeful of further improvements in our non-automotive business for data centers and artificial intelligence applications. Taking into account near-term weakness in our equipment business and the dynamics of the industry and market generally, we expect improvements (if any) in the Group's financials to be modest in the near future.

5. Dividend Information

(a) Current Financial Period Reported On

Any dividend declared 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 any interim dividend to be declared in view of the losses.

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)

The Company confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

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

The Board confirmed to the best of its knowledge that nothing has come to its attention which may render the unaudited interim financial results for the half year ended 31 January 2024 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Adeline Lim Kim Swan
Company Secretary
Date: 12 March 2024