OTS Holdings Limited

Condensed Interim Financial Statements
For the Second Half Year ("2H2024") and Full Year ("FY2024") Ended 30 June 2024

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited ("**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**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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Condensed Interim Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the Second Half Year ("2H2024") and Full Year ("FY2024") Ended 30 June 2024

		Group					
	Notes	2H2024	2H2023	Changes	FY2024	FY2023	Changes
		$'000	$'000	(%)	$'000	$'000	(%)
Revenue	3	14,017	13,306	5.3	29,753	30,664	(3.0)
Cost of sales		(10,889)	(10,146)	7.3	(22,498)	(22,922)	(1.8)
Gross profit		3,128	3,160	(1.0)	7,255	7,742	(6.3)
Other income and gains	4	882	301	193.0	1,116	520	114.6
Marketing and distribution costs		(1,014)	(1,115)	(9.1)	(2,274)	(2,509)	(9.4)
Administrative expenses		(3,053)	(2,933)	4.1	(5,856)	(5,872)	(0.3)
Finance costs		(104)	(117)	(11.1)	(194)	(211)	(8.1)
Other losses	4	(4)	(793)	(99.5)	(75)	(990)	(92.4)
Share of loss from joint venture		-	(406)	(100.0)	-	(524)	(100.0)
Loss before income tax		(165)	(1,903)	(91.3)	(28)	(1,844)	(98.5)
Income tax expense	6	(68)	(7)	871.4	(199)	(58)	243.1
Loss for the period		(233)	(1,910)	(87.8)	(227)	(1,902)	(88.1)
Other comprehensive income / (loss):							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations, net of income tax		5	(60)	N.M.	(6)	(130)	(95.4)
Other comprehensive income / (loss) for the period / year, net of income tax		5	(60)	N.M.	(6)	(130)	(95.4)
Total comprehensive loss		(228)	(1,970)	(88.4)	(233)	(2,032)	(88.5)
Losses per share for profit for the period / year attributable to the owners of the Company during the period / year:							
Basic and diluted ($ in cents)	5	(0.11)	(0.89)	87.8	(0.11)	(0.89)	88.1

N.M.: Not meaningful

Condensed Interim Statements of Financial Position as at 30 June 2024

	Notes	Group		Company	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
		$'000	$'000	$'000	$'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	14,633	11,138	-	-
Right-of-use assets		2,374	2,779	-	-
Intangible assets		-*	-*	-	-
Investment in subsidiaries		-	-	14,971	14,971
Investment in joint venture		-	-	-	-
Other receivables		-	-	2,000	-
Other non-financial assets		1,602	-	-	-
Total non-current assets		18,609	13,917	16,971	14,971
Current assets					
Inventories		6,343	7,940	-	-
Trade and other receivables		4,137	4,595	3,610	3,846
Other non-financial assets		1,002	446	26	51
Cash and cash equivalents		5,610	8,949	157	2,314
Total current assets		17,092	21,930	3,793	6,211
Total assets		35,701	35,847	20,764	21,182
EQUITY AND LIABILITIES					
Equity					
Share capital	9	22,469	22,469	22,469	22,469
Retained earnings / (accumulated losses)		4,403	4,630	(1,886)	(1,459)
Foreign currency reserve		(207)	(201)	-	-
Total equity		26,665	26,898	20,583	21,010
Non-current liabilities					
Deferred tax liabilities		399	387	-	-
Provision		650	650	-	-
Loans and borrowings	12	446	590	-	-
Lease liabilities		2,489	2,678	-	-
Other non-financial liabilities		757	841	-	-
Total non-current liabilities		4,741	5,146	-	-
Current liabilities					
Income tax payable		214	112	-	-
Trade and other payables		3,491	3,060	181	172
Loans and borrowings	12	146	218	-	-
Lease liabilities		129	328	-	-
Other non-financial liabilities		315	85	-	-
Total current liabilities		4,295	3,803	181	172
Total liabilities		9,036	8,949	181	172
Total equity and liabilities		35,701	35,847	20,764	21,182

**Below $1,000*

Condensed Interim Statements of Changes in Equity
For the Second Half Year ("2H2024") and Full Year ("FY2024") Ended 30 June 2024

	Total equity	Share capital	Retained earnings / (accumulated losses)	Foreign currency reserve
Group	**$'000**	**$'000**	**$'000**	**$'000**
Current period				
Opening balance at 1 July 2023	26,898	22,469	4,630	(201)
Changes in equity				
Total comprehensive (loss) / income for the period	(5)	-	6	(11)
Closing balance at 31 December 2023	26,893	22,469	4,636	(212)
Total comprehensive (loss) / income for the period	(228)	-	(233)	5
Closing balance at 30 June 2024	26,665	22,469	4,403	(207)
Previous period				
Opening balance at 1 July 2022	29,326	22,469	6,928	(71)
Changes in equity				
Total comprehensive (loss) / income for the period	(62)	-	8	(70)
Share-based payment expense (Note 11)	40	-	40	-
Dividend paid	(471)	-	(471)	-
Closing balance at 31 December 2022	28,833	22,469	6,505	(141)
Total comprehensive loss for the period	(1,970)	-	(1,910)	(60)
Share-based payment expense (Note 11)	35	-	35	-
Closing balance at 30 June 2023	26,898	22,469	4,630	(201)
Company				
Current period				
Opening balance at 1 July 2023	21,010	22,469	(1,459)	-
Changes in equity				
Total comprehensive loss for the period	(192)	-	(192)	-
Closing balance at 31 December 2023	20,818	22,469	(1,651)	-
Total comprehensive loss for the period	(235)	-	(235)	-
Closing balance at 30 June 2024	20,583	22,469	(1,886)	-
Previous period				
Opening balance at 1 July 2022	23,110	22,469	641	-
Changes in equity				
Total comprehensive loss for the period	(124)	-	(124)	-
Dividend paid	(471)	-	(471)	-
Closing balance at 31 December 2022	22,515	22,469	46	-
Total comprehensive loss for the period	(1,505)	-	(1,505)	-
Closing balance at 30 June 2023	21,010	22,469	(1,459)	-

Condensed Interim Consolidated Statement of Cash Flows
For the Full Year ("FY2024") Ended 30 June 2024

	Group	
	FY2024	FY2023
	$'000	$'000
Operating activities		
Loss before income tax	(28)	(1,844)
Adjustments for:		
Amortisation of deferred capital grants	(84)	(151)
Depreciation of property, plant and equipment	1,250	1,287
Depreciation of right-of-use assets	336	360
Plant and equipment written-off	6	3
Share of loss from equity-accounted joint venture	-	524
Interest income	(125)	(73)
Interest expense	194	211
Share-based payment expense	-	75
Gain on disposal of plant and equipment	-	(8)
Gain on early termination of right-of-use assets	(6)	(5)
Net effect of exchange rate changes in consolidating subsidiaries	3	(95)
Operating cash flows before changes in working capital	1,546	284
Inventories	1,597	138
Trade and other receivables	458	838
Other non-financial assets	(556)	489
Trade and other payables	431	(564)
Other non-financial liabilities	230	972
Net cash flows from operations before tax	3,706	2,157
Income tax paid	(91)	(228)
Net cash flows from operating activities	3,615	1,929
Investing activities		
Disposal of plant and equipment	2	8
Purchase of property, plant and equipment	(4,755)	(1,023)
Deposit (paid) / utilised for acquisition of plant and equipment	(1,602)	205
Interest received	125	73
Net cash flows used in investing activities	(6,230)	(737)
Financing activities		
Dividends paid to equity shareholders	-	(471)
Repayment on loan and borrowings	(216)	(458)
Lease payments - principal and interest portion paid	(470)	(504)
Net movements in amount due to related parties	-	(300)
Interest paid	(38)	(28)
Net cash flows used in financing activities	(724)	(1,761)
Net decrease in cash and cash equivalents	(3,339)	(569)
Cash and cash equivalents, beginning balance	8,949	9,518
Cash and cash equivalents, ending balance	5,610	8,949

Notes to the Condensed Interim Consolidated Financial Statements
For the Second Half Year ("2H2024") and Full Year ("FY2024") ended 30 June 2024

1. General Information

OTS Holdings Limited (the "Company") is a Singapore-incorporated entity with limited liability and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The financial statements are presented in Singapore dollars ("$") and cover the Company and its subsidiaries (collectively, the "Group"). All balances are rounded to the nearest thousand unless otherwise specified.

The Company's principal activity is investment holding. The subsidiaries are primarily engaged in the manufacturing and/or trading of halal and non-halal meat products.

The condensed statements of financial position of the Company and the Group as at 30 June 2024, together with the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity, and condensed interim consolidated statement of cash flows for the six-month financial period and full year then ended, including certain explanatory notes that have not been audited or reviewed by the auditors.

The latest audited financial statements for the year ended 30 June 2023 were issued without an adverse opinion, qualified opinion, or disclaimer of opinion.

Basis of preparation

These condensed interim financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting, issued by the Accounting Standards Committee Singapore. They are also in compliance with the International Financial Reporting Standards issued by the International Accounting Standards Board and the provisions of the SGX-ST Listing Manual Section B: Rules of Catalist ("Catalist Rules"). The Company's separate financial statements have been prepared on the same basis, and as permitted by the Catalist Rules, the Company's separate statement of profit or loss and other comprehensive income, and statement of cash flows are not presented.

The accounting policies and methods of computation applied in these condensed interim financial statements are consistent with those of the latest audited financial statements for the year ended 30 June 2023. However, these condensed interim financial statements do not include all the disclosures required for a complete set of financial statements. Selected explanatory notes have been provided to explain events and transactions that are significant to an understanding of the changes in the Group's performance and financial position since the latest audited financial statements. The condensed interim financial statements are presented in Singapore dollars, unless otherwise stated.

New and amended standards adopted by the Group

Several amendments to SFRS(I)s became applicable during the current reporting period. The Group did not need to change its accounting policies or make retrospective adjustments as a result of adopting these amendments.

Critical judgements, assumptions and estimation uncertainties

Estimates and assumptions are regularly reviewed on an ongoing basis to ensure they incorporate all relevant information available at the time the financial statements are prepared. However, actual results may differ from these estimates. The nature and carrying amounts of significant assets and liabilities are disclosed in the relevant notes to these condensed interim financial statements.

1. General (cont'd)

Critical judgements, assumptions and estimation uncertainties (cont'd)

The critical judgements made by management in applying the Group's accounting policies, and the key sources of estimation uncertainty, remain consistent with those described in the latest audited financial statements for the year ended 30 June 2023. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key areas where assumptions and estimation uncertainties have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next interim period include:

- Assessment of expected credit loss allowance of trade receivables
- Assessment of net realisable value of inventories
- Assessment of impairment of right-of-use assets
- Assessment of useful lives of property, plant and equipment

2. Financial information by operating segments

2A. Information about reportable segment profit or loss, assets and liabilities

The segments and the types of products and services are as follows:

	2H2024	2H2023	FY2024	FY2023
Revenue by segment	**$'000**	**$'000**	**$'000**	**$'000**
Modern Trade ("MT")	3,351	3,604	7,334	8,108
General Trade ("GT")	4,574	4,770	9,678	11,683
Food Services ("FS")	3,753	3,376	7,772	7,422
Others ("OT")	2,339	1,556	4,969	3,451
	14,017	13,306	29,753	30,664

1. Modern Trade ("MT") refers to sales generated from major supermarkets.
2. General Trade ("GT") refers to sales generated from convenience stores, provision shops and wholesalers.
3. Food Services ("FS") refers to sales generated from hotels, restaurants, hawker centres, food courts, food and beverages stores, and caterers.
4. Others ("OT") refers to sales that are mainly generated from e-commerce platforms and the export markets. The OT segment also includes other income such as vehicle rental income and miscellaneous income.

2. Financial information by operating segments (cont'd)

2B. Profit or loss from continuing operations and reconciliations

Revenue by segment

	MT	GT	FS	OT	Total
	$'000	$'000	$'000	$'000	$'000
FY2024					
Total revenue by segment	7,334	9,678	7,772	31,631	56,415
Inter-segment sales	-	-	-	(26,662)	(26,662)
Total revenue	7,334	9,678	7,772	4,969	29,753
Recurring EBITDA	(278)	570	585	791	1,668
Depreciation expenses	(326)	(431)	(346)	(483)	(1,586)
Amortisation of deferred capital grant	21	27	22	14	84
Finance costs	(48)	(63)	(51)	(32)	(194)
(Loss) / profit before income tax	(631)	103	210	290	(28)
Income tax expense					(199)
Loss for the year					(227)
FY2023					
Total revenue by segment	8,108	11,683	7,422	27,992	55,205
Inter-segment sales	-	-	-	(24,541)	(24,541)
Total revenue	8,108	11,683	7,422	3,451	30,664
Recurring EBITDA	(435)	178	(21)	665	387
Depreciation expenses	(360)	(519)	(329)	(439)	(1,647)
Amortisation of deferred capital grant	40	57	37	17	151
Finance costs	(56)	(80)	(51)	(24)	(211)
Share of loss from joint venture	-	-	-	(524)	(524)
Loss before income tax	(811)	(364)	(364)	(305)	(1,844)
Income tax expense					(58)
Loss for the year					(1,902)

2. Financial information by operating segments (cont'd)

2B. Profit or loss from continuing operations and reconciliations (cont'd)

Revenue by segment (cont'd)

	MT	GT	FS	OT	Total
	$'000	$'000	$'000	$'000	$'000
2H2024					
Total revenue by segment	3,351	4,574	3,753	15,337	27,015
Inter-segment sales	-	-	-	(12,998)	(12,998)
Total revenue	3,351	4,574	3,753	2,339	14,017
Recurring EBITDA	(105)	264	230	297	686
Depreciation expenses	(158)	(216)	(177)	(238)	(789)
Amortisation of deferred capital grant	11	13	11	7	42
Finance costs	(25)	(34)	(28)	(17)	(104)
(Loss) / profit before income tax	(277)	27	36	49	(165)
Income tax expense					(68)
Loss for the period					(233)
2H2023					
Total revenue by segment	3,604	4,770	3,376	13,839	25,589
Inter-segment sales	-	-	-	(12,283)	(12,283)
Total revenue	3,604	4,770	3,376	1,556	13,306
Recurring EBITDA	(306)	(432)	(185)	253	(670)
Depreciation expenses	(182)	(245)	(169)	(221)	(817)
Amortisation of deferred capital grant	29	39	27	12	107
Finance costs	(31)	(43)	(29)	(14)	(117)
Share of loss from joint venture	-	-	-	(406)	(406)
Losst before income tax	(490)	(681)	(356)	(376)	(1,903)
Income tax expense					(7)
Loss for the period					(1,910)

2. Financial information by operating segments (cont'd)

2C. Assets, liabilities and reconciliations

	MT	GT	FS	OT	Total
	$'000	$'000	$'000	$'000	$'000
30 June 2024					
Segment assets	8,794	11,604	9,318	5,985	35,701
Investment in joint venture	-	-	-	-	-
Total assets	8,794	11,604	9,318	5,985	35,701
Segment liabilities	2,042	2,694	2,164	1,523	8,423
Deferred tax liabilities					399
Income tax payables					214
Total liabilities					9,036
30 June 2023					
Segment assets	9,420	13,573	8,623	4,231	35,847
Investment in joint venture	-	-	-	-	-
Total assets	9,420	13,573	8,623	4,231	35,847
Segment liabilities	2,169	3,126	1,986	1,169	8,450
Deferred tax liabilities					387
Income tax payables					112
Total liabilities					8,949

2D. Other material items and reconciliations

Expenditure for non-current assets

	MT	GT	FS	OT	Total
	$'000	$'000	$'000	$'000	$'000
As at 30 June 2024	1,172	1,547	1,242	794	4,755
As at 30 June 2023	287	413	263	122	1,085

2. Financial information by operating segments (cont'd)

2E. Geographical information

	2H2024	2H2023	FY2024	FY2023
Revenue	**$'000**	**$'000**	**$'000**	**$'000**
Singapore	10,731	10,658	22,395	22,996
Malaysia	1,712	1,831	3,750	5,519
Others	1,574	817	3,608	2,149
	14,017	13,306	29,753	30,664

	30 June 2024	30 June 2023
Non-current assets	**$'000**	**$'000**
Singapore	12,793	13,438
Malaysia	5,816	479
	18,609	13,917

3. Disaggregation of revenue

	2H2024	2H2023	FY2024	FY2023
	$'000	**$'000**	**$'000**	**$'000**
Sales of goods	13,903	13,144	29,525	30,388
Rental of vehicles	111	111	222	222
Miscellaneous income	3	51	6	54
	14,017	13,306	29,753	30,664

4. Profit, net of tax and total comprehensive income is arrived after crediting/(charging) the following:

	2H2024	2H2023	FY2024	FY2023
	$'000	$'000	$'000	$'000
Other income and gains / (losses)				
- amortisation of deferred capital grants	42	107	84	151
- other government grants and rebates	54	111	136	191
- freight income	3	3	3	11
- miscellaneous income	656	22	676	81
- interest income	61	45	125	73
- gain on disposal of plant and equipment	-	8	-	8
- gain on early termination of right-of-use assets	-	5	6	5
- reversal of / (allowance for) inventory obsolescence	31	(76)	48	(48)
- reversal of / (allowance for) impairment of trade receivables	31	(487)	38	(487)
- plant and equipment written-off	(4)	(3)	(6)	(3)
- foreign exchange adjustment	4	(206)	(67)	(431)
- bad debt written-off of trade receivables	-	(21)	(2)	(21)
Depreciation expense				
- property, plant and equipment	(625)	(637)	(1,250)	(1,287)
- right-of-use assets	(164)	(180)	(336)	(360)
Finance costs				
- loan and borrowings	(19)	(12)	(38)	(28)
- lease liabilities	(85)	(105)	(156)	(183)

5. Losses per share

	2H2024	2H2023	FY2024	FY2023
Basic / diluted losses per share ($ in cents)	(0.11)	(0.89)	(0.11)	(0.89)
Weighted average number of shares ('000)	214,000	214,000	214,000	214,000

The losses per share is computed by dividing the profit after tax attributable to owners of the Company against the weighted average number of shares.

The basic and diluted losses per share for all respective financial periods are the same as there were no other outstanding convertibles or other dilutive equity instruments.

6. Income tax

	2H2024	2H2023	FY2024	FY2023
	$'000	$'000	$'000	$'000
Income tax expense				
Current year tax expense	28	147	163	233
Under provision to tax in respect of prior years	33	34	29	34
Subtotal	**61**	**181**	**192**	**267**
Deferred tax expense / (income)				
Deferred tax income	(106)	(251)	(106)	(286)
Under provision to tax in respect of prior years	113	77	113	77
Subtotal	**7**	**(174)**	**7**	**(209)**
Total income tax expense	**68**	**7**	**199**	**58**

7. Dividends on equity shares

	2H2024	2H2023	FY2024	FY2023
	$'000	$'000	$'000	$'000
Declared and paid during the financial period:				
Dividends on ordinary shares:				
Final tax exempt (1-tier) dividend				
- FY2022: 0.22 Singapore cent per ordinary share	-	-	-	471
	-	-	-	471

8. Acquisition of subsidiary / sale of joint venture / associate

On 23 August 2023, the Group's wholly-owned subsidiary Ellaziq Private Limited ("**Ellaziq**") invested an additional sum of RM1,500,000 (approximately $439,000[1]) in the share capital of its direct wholly-owned subsidiary, Ellaziq (Malaysia) Sdn. Bhd. ("**Ellaziq Malaysia"**) by way of a subscription for 1,500,000 ordinary shares in cash. Upon allotment of the shares, the Company holds a total of 2,500,000 ordinary shares in Ellaziq Malaysia.

Save for the above, there is no acquisition or sale of shares pursuant to Rule 706A of the Catalist Rules in FY2024.

9. Share capital

	Number of shares	Share capital
	'000	$'000
Balance as at 1 July 2023 and 30 June 2024	214,000	22,469

There were no changes to the share capital of the Company since 30 June 2023. The Group has no treasury shares or subsidiary holdings or convertible instruments as at 30 June 2023 and 30 June 2024.

10. Property, plant and equipment

During the financial year ended 30 June 2024, the Group acquired assets amounting to $4,755,000 (30 June 2023: $1,085,000) and disposed / written-off assets with net book value amounting to $6,000 (30 June 2023: $3,000).

11. Share-based payment reserve

A non-cash expense was incurred in FY2023 in accordance with SFRS(I) 2 relating to the transfer of shares by the ultimate parent company (BCS Development Pte. Ltd.) to 35 of the Group's employees to recognise and reward them for their past contributions and services, and to align their interests with the Group to encourage greater dedication and loyalty to the Group.

These shares have a vesting period of 2 years from 17 July 2021 (date of listing).

The resulting value of these shares were fully expensed as at 30 June 2023 as share-based payments expense with a corresponding increase in retained earnings for the reporting year ended 30 June 2023.

[1] Based on the exchange rate of SGD1 : RM3.42 as at 23 August 2023

12. Loans and borrowings

	Secured		Unsecured	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	$'000	$'000	$'000	$'000
Group				
Repayable in one year or less, or on demand:				
Bank loan 1 (secured) (Note 12A)	-	79	-	-
Bank loan 2 (secured) (Note 12A)	146	139	-	-
Subtotal	146	218	-	-
Repayable after one year:				
Bank loan 2 (secured) (Note 12A)	446	590	-	-
Subtotal	446	590	-	-
Total	592	808	-	-

12A. Bank loan 1 and 2 (secured)

The loans are secured by legal mortgage over the property at 30 Senoko South Road, Singapore 758088 and the corporate guarantee from the Company.

13. Net asset value

	Group		Company	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Net asset value per ordinary share ($ cent)	12.46	12.57	9.62	9.82

The net asset value per ordinary share of the Group and the Company have been calculated based on the total issued number of ordinary shares of 214,000,000 as at 30 June 2024 and 30 June 2023.

14. Related party transactions

There are transactions and arrangements between the Group and related parties and the effects of these on the basis determined between the parties are reflected in these consolidated financial statements. The related party balances and any financial guarantees are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

	2H2024	2H2023	FY2024	FY2023
	$'000	$'000	$'000	$'000
Related party				
PT Delta Bridge Food				
- sales of goods	-	13	-	13
- miscellaneous income	-	45	-	54
Other related parties				
Entity with no significant influence over the Group:				
Swee Heng Bakery Pte Ltd				
- sales of goods	805	774	1,609	1,521
Hock Eek Seng Machinery Pte Ltd				
- purchase of forklifts and maintenance and repair services	4	1	11	8

15. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	$'000	$'000	$'000	$'000
Financial assets:				
Financial assets at amortised cost	9,747	13,544	5,767	6,160
Financial liabilities:				
Financial liabilities at amortised cost	6,682	6,855	181	172

16. Contingent liabilities and contingent assets

There are no contingent liabilities and contingent assets as at the date of this set of condensed interim financial statements.

17. Capital commitments

Estimated amounts committed at the end of the financial period for future capital expenditure but not recognised in the condensed interim financial statements are as follows:

	30 June 2024	30 June 2023
	$'000	$'000
Commitments to purchase plant and equipment	3,655	16

18. Events after the end of the reporting period

On 23 August 2024, Ellaziq Malaysia received a bank loan of RM10 million (approximately $2.9 million) out of RM13.1 million (approximately $3.8 million) as per the banking facilities. The banking facilities are secured by a corporate guarantee by the Company and a fixed deposit by Ellaziq Malaysia.

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

FY2024 vs FY2023

Statement of Comprehensive Income

Revenue

Business Segments:

Revenue decreased by approximately $0.9 million, or 3.0%, from $30.7 million in FY2023 to $29.8 million in FY2024. This decline was primarily due to lower sales in the Modern Trade and General Trade segments, partially offset by an increase in revenue in the Food Services and Others segments.

- **Modern Trade Segment:** Revenue decreased by approximately $0.8 million, or 9.5%, from $8.1 million in FY2023 to $7.3 million in FY2024, largely due to subdued consumer demand and increased product variety in the market.
- **General Trade Segment:** Revenue decreased by approximately $2.0 million, or 17.2%, from $11.7 million in FY2023 to $9.7 million in FY2024, mainly due to sluggish product offtake amid intense competition and weakened consumer spending power in Malaysia.
- **Food Services Segment:** Revenue increased by approximately $0.4 million, or 4.7%, from $7.4 million in FY2023 to $7.8 million in FY2024, primarily due to higher product sales volume in 2H2024.
- **Others Segment:** Revenue increased by approximately $1.5 million, or 44.0%, from $3.5 million in FY2023 to $5.0 million in FY2024, driven by higher demand for the Group's products for export.

Geographical Information:

- **Singapore Market:** Revenue decreased by approximately $0.6 million, or 2.6%, from $23.0 million in FY2023 to $22.4 million in FY2024, primarily due to lower sales to Modern Trade and General Trade customers, partially offset by increased sales to customers in the Food Service segment.
- **Malaysia Market:** Revenue decreased by approximately $1.8 million, or 32.1%, from $5.5 million in FY2023 to $3.8 million in FY2024, mainly due to slow product offtake and weaker consumers' spending power in Malaysia.
- **Other Markets:** Revenue increased by approximately $1.5 million, or 67.9%, from $2.1 million in FY2023 to $3.6 million in FY2024, primarily driven by increased export sales.

Cost of Sales

Cost of sales decreased by approximately $0.4 million, or 1.8%, from $22.9 million in FY2023 to $22.5 million in FY2024, largely in line with the decrease in revenue.

Gross Profit and Gross Profit Margin

Gross profit decreased by approximately $0.5 million, or 6.3%, from $7.7 million in FY2023 to $7.3 million in FY2024. The gross profit margin slightly declined by 0.8 percentage points, from 25.2% in FY2023 to 24.4% in FY2024, due to the factors mentioned above.

Other Income and Gains

Other income and gains increased by $0.6 million, or 114.6%, from $0.5 million in FY2023 to $1.1 million in FY2024, primarily due to a one-off $0.6 million concession from a vendor for the supply of materials.

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

Expenses

- **Marketing and Distribution Costs:** Decreased by approximately $0.2 million, or 9.4%, from $2.5 million in FY2023 to $2.3 million in FY2024, mainly due to reduced sales and promotion expenses and lower sales delivery expenses, aligning with the decrease in revenue.
- **Administrative Expenses:** Remained relatively unchanged at approximately $5.9 million for both FY2023 and FY2024.
- **Finance Costs:** Remained relatively unchanged at approximately $0.2 million for both FY2023 and FY2024.
- **Other Losses:** Other losses decreased by approximately $0.9 million, or 92.4%, from $1.0 million in FY2023 to $75,000 in FY2024, primarily due to a decrease in the allowance for impairment of trade and other receivables by $0.5 million, a decrease in the allowance for impairment of inventory obsolescence by $0.1 million, and a lower foreign exchange translation loss of $0.4 million due to smaller fluctuations in the Malaysian Ringgit against the Singapore Dollar.
- **Share of Loss from Joint Venture:**
  There was no share of loss from the joint venture in FY2024 due to the fully written-down value of the investment in Delta Bridge Pte. Ltd. ("Delta Bridge") as of 30 June 2023. In the previous financial year, Delta Bridge's manufacturing site on Bulan Island was temporarily shut down due to a raw material shortage caused by the African Swine Fever detected in pigs on Bulan Island. As a result, certain impairment charges were recognised, and the investment in the joint venture was written down to $Nil as of 30 June 2023.

Income Tax Expense:

Income tax expenses increased by approximately $0.1 million, or 243.1%, from $58,000 in FY2023 to $199,000 in FY2024, mainly due to an increase in profit before income tax from the Group's subsidiaries in Singapore.

Loss for the Financial Year:

As a result of the above, the Group incurred a loss after tax of approximately $0.2 million for FY2024, compared to a loss after tax of $1.9 million for FY2023.

2H2024 vs 2H2023

Statement of Comprehensive Income

Revenue

Business Segments:

Revenue increased by approximately $0.7 million, or 5.3%, from $13.3 million in 2H2023 to $14.0 million in 2H2024, driven by higher sales in the Food Services and Others segments, partially offset by decreased sales in the Modern Trade and General Trade segments.

- **Food Services Segment:** Revenue increased by approximately $0.4 million, or 11.2%, from $3.4 million in 2H2023 to $3.8 million in 2H2024, mainly due to higher product sales in 2H2024.
- **Others Segment:** Revenue increased by approximately $0.8 million, or 50.3%, from $1.6 million in 2H2023 to $2.3 million in 2H2024, driven by higher demand for the Group's products for export.
- **Modern Trade Segment:** Revenue decreased by approximately $0.2 million, or 7.0%, from $3.6 million in 2H2023 to $3.4 million in 2H2024, largely due to subdued consumer demand amid increased product variety in the market.
- **General Trade Segment:** Revenue decreased by approximately $0.2 million, or 4.1%, from $4.8 million in 2H2023 to $4.6 million in 2H2024, primarily due to sluggish product offtake amid intense competition and weakened consumer spending power in Malaysia.

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

2H2024 vs 2H2023 (cont'd)

Statement of Comprehensive Income (cont'd)

Revenue (cont'd)

Geographical Information:

- **Singapore Market:** Revenue remained relatively unchanged at approximately $10.7 million for both 2H2023 and 2H2024.
- **Malaysia Market:** Revenue decreased by approximately $0.1 million, or 6.5%, from $1.8 million in 2H2023 to $1.7 million in 2H2024, primarily due to slow product offtake from customers in the General Trade segment.
- **Other Markets:** Revenue increased by approximately $0.8 million, or 92.7%, from $0.8 million in 2H2023 to $1.6 million in 2H2024, primarily driven by increased export sales.

Cost of Sales
Cost of sales increased by approximately $0.8 million, or 7.3%, from $10.1 million in 2H2023 to $10.9 million in 2H2024, aligning with the increase in revenue.

Gross Profit and Gross Profit Margin
Gross profit slightly decreased by $0.03 million, or 1.0%, from $3.2 million in 2H2023 to $3.1 million in 2H2024. The gross profit margin decreased by 1.4 percentage points, from 23.7% in 2H2023 to 22.3% in 2H2024, primarily due to rising material costs and freight costs.

Other Income and Gains
Other income and gains increased by $0.6 million, or 191.7%, from $0.3 million in 2H2023 to $0.9 million in 2H2024, mainly due to a $0.6 million one-off concession from a vendor.

Expenses

- **Marketing and Distribution Costs:** Decreased by approximately $0.1 million, or 9.1%, from $1.1 million in 2H2023 to $1.0 million in 2H2024, primarily due to lower sales and promotion expenses incurred in 2H2024.
- **Administrative Expenses:** Increased by approximately $0.1 million, or 4.1%, from $2.9 million in 2H2023 to $3.1 million in 2H2024, mainly due to payroll-related costs.
- **Finance Costs:** Decreased slightly by $13,000, or 11.1%, from $117,000 in 2H2023 to $104,000 in 2H2024. This reduction was primarily due to the termination of a lease contract.
- **Other Losses:** Other losses decreased by approximately $0.8 million, effectively reducing $4,000 in 2H2024. This improvement was mainly due to the absence of the following expenses recorded in 2H2023: a $0.5 million allowance for impairment of trade and other receivables, a $0.1 million allowance for impairment of inventory obsolescence, and a $0.2 million foreign exchange translation loss, which was less severe due to smaller fluctuations in the Malaysian Ringgit against the Singapore Dollar during the financial period.
- **Share of Loss from Joint Venture:**
  There was no share of loss from the joint venture in 2H2024 due to the fully written-down value of the investment in Delta Bridge as of 30 June 2023.

Income Tax Expense:
Income tax expenses increased by approximately $61,000, or 871.4%, from $7,000 in 2H2023 to $68,000 in 2H2024, mainly due to an increase in profit before income tax from the Group's subsidiaries in Singapore.

Profit for the Financial Period:
As a result of the above, the Group recorded a loss after tax of approximately $0.2 million in 2H2024, compared to a loss after tax of $1.9 million in 2H2023.

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 Financial Position

The comparative commentary for both the assets and liabilities are based on the Group's financial statements as at 30 June 2024 and 30 June 2023.

Non-current Assets

Non-current assets increased by approximately $4.7 million, from $13.9 million as at 30 June 2023 to $18.6 million as at 30 June 2024.

Property, plant and equipment ("PPE") increased by approximately $3.5 million, from $11.1 million as at 30 June 2023 to $14.6 million as at 30 June 2024. This was primarily due to additions of PPE amounting to approximately $4.8 million in relation to the machinery and equipment acquired for the newly set up factory in Malaysia, partially offset by depreciation charges of approximately $1.3 million. Right-of-use assets decreased by approximately $0.4 million, from $2.8 million as at 30 June 2023 to $2.4 million as at 30 June 2024, mainly due to the termination of a lease contract amounting to approximately $0.1 million and depreciation charges of approximately $0.3 million. Other non-financial assets increased by $1.6 million from nil as at 30 June 2023, mainly due to a deposit paid for the fixed assets and renovation work for the newly set up factory in Malaysia.

Current Assets

Current assets decreased by approximately $4.8 million, from $21.9 million as at 30 June 2023 to $17.1 million as at 30 June 2024. This was primarily due to a decrease in cash and cash equivalents of approximately $3.3 million, decrease in inventories of approximately $1.6 million, and decrease in trade and other receivables of approximately $0.5 million in line with the decrease in revenue in 2H2024, partially offset by an increase in other non-financial assets of $0.6 million.

The decrease in cash and cash equivalents is further explained in the Cash Flows Statement section. The decrease in inventories reflects a combination of our efforts to maintain minimal stock levels and the timing of our order shipments.

Non-current Liabilities

Non-current liabilities decreased by approximately $0.4 million, from $5.1 million as at 30 June 2023 to $4.7 million as at 30 June 2024. This was primarily due to a decrease in lease liabilities of approximately $0.2 million, decrease in loans and borrowings of approximately $0.1 million, and decrease in other non-financial liabilities of approximately $0.1 million.

The reduction in loans, borrowings, and lease liabilities was due to repayments amounting to approximately $0.3 million during the financial period and the termination of a lease contract amounting to approximately $0.1 million.

Current Liabilities

Current liabilities increased by approximately $0.5 million, from $3.8 million as at 30 June 2023 to $4.3 million as at 30 June 2024. This increase was mainly attributable to an increase in trade and other payables of approximately $0.4 million from the increase in advances from customers, other non-financial liabilities of approximately $0.2 million, and income tax payable of approximately $0.1 million. This was partially offset by a decrease in loans, borrowings, and lease liabilities of approximately $0.3 million resulting from repayments during the year.

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 Cash Flows

The Group generated approximately $3.6 million in cash from operating activities. This was due to an operating cash inflow before working capital changes of approximately $1.5 million, net working capital inflows of approximately $2.2 million, reduced by tax payments of approximately $91,000.

The net working capital inflows were primarily due to a decrease in inventories of approximately $1.6 million, reduction in trade and other receivables of approximately $0.5 million, increase in trade and other payables of approximately $0.4 million, and increase in other non-financial liabilities of approximately $0.2 million, offset by an increase in other non-financial assets of approximately $0.6 million.

Net cash used in investing activities amounted to approximately $6.2 million, mainly due to the purchase of property, plant, and equipment amounting to approximately $4.8 million and deposit paid for the acquisition of plant and equipment of approximately $1.6 million, offset by interest income of approximately $0.1 million.

Net cash used in financing activities amounted to approximately $0.7 million, mainly due to the payment of lease liabilities of approximately $0.5 million and the repayment of loans and borrowings amounting to approximately $0.2 million.

As a result of the above, there was a decrease in cash and cash equivalents of approximately $3.3 million, bringing the balance to $5.6 million as at 30 June 2024, compared with $8.9 million as at 30 June 2023.

2. **Seasonal operations**

The Group's businesses activities are generally subject to seasonal fluctuations in the demand for our products, which increases during festive periods.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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**

Ongoing inflationary pressures and a high-interest-rate environment continue to influence consumer spending patterns. The Group also faces intense market competition across its operational markets. In response to these challenges, the Group remains focused on rigorous cost management, enhancing production and distribution efficiency, and intensifying marketing efforts to strengthen product awareness and drive sales.

5. Use of proceeds

The Company has, on 26 December 2023, announced the re-allocation of the use of proceeds from the Company's initial public offering ("IPO") on 17 June 2021. Please refer to the following for the balance of proceeds as at the date of this announcement:

	Amount allocated as disclosed in Offer Document	Amount utilised prior to re-allocation	Balance prior to re-allocation	Amount re-allocated	Amount utilised as of date of this announcement	Balance
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Improvement and/or expansion of production efficiency and capacities, including the acquisition of new machineries and equipment	2,000	(2,000)	-	1,867	(1,867)	-
Expansion of our overseas operations, including the initial investment and set up costs in Philippines	2,500	(568)	1,932	(1,632)	-	300
Developing new products and engaging in research and development	500	(165)	335	(235)	-	100
General working capital purposes	1,562	(1,562)[(a)]	-	-	-	-
	6,562	(4,295)	2,267	-	(1,867)	400

[(a)] Net proceeds used for general working capital purposes are in relation to payments to trade suppliers of approximately $990,000 and staff salaries of approximately $572,000.

6. Dividend

(a) Any interim (final) ordinary dividend declared has been declared (recommended)?

No dividend was declared.

(b) (i) Amount per share (cents)

Not applicable

(ii) Previous corresponding period (cents)

Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable

Not applicable

(e) Record date

Not applicable

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

No dividend has been declared or recommended for FY2024 as the Group seeks to conserve its cash balances and ensure that the Group has adequate working capital and resources to sustain and grow.

8. Breakdown of sales

	FY2024	FY2023	Changes
	$'000	$'000	(%)
Group			
Sales reported for first half year	15,736	17,358	(9.3)
Operating profit after tax before deducting non-controlling interests reported for first half year	6	8	(25.0)
Sales reported for second half year	14,017	13,306	5.3
Operating profit after tax before deducting non-controlling interests reported for second half year	(233)	(1,910)	(87.8)

9. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to page 15 of this announcement for the review of the performance of the Group.

10. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Not applicable.

11. Interested person transactions

The Group has adopted a general mandate from shareholders of the Company for the selling of food products to Swee Heng Bakery Pte Ltd ("**Swee Heng**").

Swee Heng is an associate of the Company's Directors, Ong Bee Chip and Ong Chew Yong, and the Group's Controlling Shareholder, Ong Bee Song, being a company in which Ong Chu Eng (the sister of Ong Bee Chip, Ong Bee Song and Ong Chew Yong) holds a 50.0% shareholding interest and Ng Chai Huat (the brother-in-law of Ong Bee Chip, Ong Bee Song and Ong Chew Yong) holds a 30.0% shareholding interest. Accordingly, Swee Heng is deemed as an Interested Person.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Swee Heng	Refer to above description	Nil	$1,609,450

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

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Catalist Rules.

13. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ong Yekai	33	Son of Mr Ong Bee Chip	Business development manager with effect from 1 September 2021	No change in duties and position
Ong Shiya	38	Daughter of Mr Ong Bee Chip	Brand marketing manager with effect from 1 July 2022	No change in duties and position
Li Huanmin	32	Daughter of Madam Ong Chew Yong	Operations manager with effect from 1 September 2021	No change in duties and position
Khor Zheng Hou	32	Son-in-law of Madam Ong Chew Yong	Facility & OHSS manager with effect from 1 July 2022	Additional duties effective from January 2024 for the new factory set-up in Simpang Renggam Johor Malaysia No change in position
Ong Bee Song	70	Brother of Mr Ong Bee Chip and Madam Ong Chew Yong	Sales director	No change in duties and position

On behalf of the directors of the Company, we, the undersigned directors, do hereby confirm that, to the best of the knowledge of the directors of the Company, nothing has come to the attention of the board of directors that may render the condensed unaudited financial statements to be false or misleading in any material aspects.

By order of the board

Dr. Yu Lai Boon
Non-Executive Chairman and Independent Director

Mr. Ong Bee Chip
Managing Director

26 August 2024